

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

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Pauma Valley, CA 92061
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**REGULAR MEETING
SUPPLEMENTAL MATERIALS PACKET**

DATE: Monday, September 23rd, 2024
TIME: 10:00 AM – **Open Session**
VENUE: North Coast Church, Pauma Valley
32077 Community Church Drive, Pauma Valley, CA 92061

Pauma Valley Community Services District Mission

“The mission of the Pauma Valley Community Services District is to protect the public health and environment of its community by providing effective wastewater management and stormwater drainage control, life safety assistance, security services, and exceptional customer care.”

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Minutes of a Regular Meeting of the Board of Directors

Held on July 22nd, 2024

Directors Present: Roland Skumawitz, Michael Esparza, Larry Curtis & Richard Collins
Also Present: Resident Fred Nelson, Jo Mackenzie of CSDA, Catherine Hansford of Hansford Economic Consulting LLC, General Manager Eric Steinlicht, and Office Manager Marissa Fehling

1. Call to Order: Regular Meeting was called to order at 10:01 a.m. by President Skumawitz.
2. Pledge of Allegiance: The Pledge of Allegiance was led by Fehling.
3. Roll Call: Fehling verified that a quorum was present.
4. Public Comment Period:
Skumawitz introduced Jo Mackenzie, who was present to campaign for her candidacy for a seat on the California Special Districts Association (CSDA) Board. Ms. Mackenzie provided an overview of her qualifications and expressed her desire to continue serving on the CSDA Board. She highlighted her experience and contributions to the organization. Mackenzie also recognized Steinlicht for successfully completing recent CSDA courses and commended Fehling for signing up for the upcoming Board Clerk conference, noting its value. Esparza mentioned his positive experience with CSDA online webinars and expressed appreciation to Mackenzie for her ongoing advocacy of these resources.

--CLOSED SESSION--

5. The Board of Directors Will Meet in a Closed Session to Discuss
 - A. **CONFERENCE WITH LEGAL COUNSEL**
Existing Litigation
Pursuant to Government Code Section 54956.9(d)(1)
Rancho Pauma Mutual Water Company vs Pauma Valley Community Services District
(San Diego Superior Court Case No. 37-2023-00038164-CU-BC-NC)

The Board proceeded into closed session at 10:10 a.m.

6. Open Session
 - A. Reportable Actions

The meeting was resumed in open session at 10:24 a.m. with no reportable actions:

--CONSENT ITEMS--

Items 7-10 appearing on the Consent Calendar may be voted on by single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors, or the public, requests removal prior to a vote on a motion to approve the items. Such items removed will be considered separately for action by the Board.

7. Minutes of the Special Board Meeting June 20th, 2024
8. Review of Balance Sheet, Revenue and Expense Report
9. Accounts Receivable Report
10. PVCSD Security Report

Upon a motion by Curtis, seconded by Esparza, and a unanimous vote, consent items 7-10 were approved as presented.

--DISCUSSION ITEM--

11. Storm Drainage Systems Updates – General Manager Steinlicht
Steinlicht provided an update on ongoing storm drainage matters. Collins reported on a recent meeting with Scott Shinner and subsequently made a motion to waive finance charges for Pauma Valley Country Club. Skumawitz expressed support for a one-time courtesy waiver of the finance charges and recommended that these decisions on such matters be at the discretion of the General Manager.
12. District Banking Relationship Discussions – General Manager Steinlicht
Steinlicht reported that he recently attended the GM Summit, where he met representatives from Five Star Bank, noting that the bank specializes in services for Special Districts. Cindy from Eide Bailly joined the meeting via Teams and provided a strong recommendation for the District to transition to Five Star Bank. Curtis inquired about the volume of cash transactions at the District office. Fehling explained that cash is primarily received from customers purchasing RFID transponders, with occasional cash payments for monthly dues.
13. Tax Roll Dues Collection via Neste, Brudin and Stone (NBS) Status Update
Steinlicht provided a brief update.
14. Rancho Pauma Mutual Water Company Outstanding Dues
Steinlicht provided an update on the outstanding dues from Rancho Pauma Mutual Water Company (RPMWC). Esparza recommended having legal send RPMWC a letter informing them of the outstanding dues.
15. CalPERS Unfunded Liability Amount and Financial Status of the District
Steinlicht informed the Board that Cindy from Eide Bailly joined the meeting via Teams to provide insight on the District's financial position. Cindy reviewed the District's current standing after paying off the CalPERS Unfunded Liability a few years ago and recommended that the District continue to make minimum payments at this time. Esparza noted that these considerations could be factored into the upcoming Cost-of-Service Analysis. Skumawitz inquired about Five Star Bank, questioning if it is more commercially focused. Cindy clarified that the bank is specifically designed to serve Special Districts and highlighted their superior software and competitive rates.

--ACTION ITEMS--

16. Cost of Service Analysis
The Board of Directors will consider authorizing the General Manager to approve a Cost-of-Service Analysis to reformulate rates based on an extensive analysis of the District's actual costs as it relates to service sustainability and asset rehabilitation or replacement.

Staff Recommendation:

1. Authorize the General Manager to approve Hansford Economic Consulting LLC.
2. Discuss and take other action as appropriate.

Steinlicht discussed several critical projects facing the District, noting their significant cost and expressing concern that the current rates may make it difficult to address these needs. He reported that NBS showed

little interest in submitting a proposal for a Cost-of-Service Analysis. However, Hansford Economic Consulting LLC provided a proposal for \$38,000, and Steinlicht explained the financial impact this project would have on the District's budget. He also noted that other General Managers from districts gave positive reviews of Hansford Economic Consulting LLC. Steinlicht then introduced Ms. Hansford from Hansford Economic Consulting LLC, who provided an overview of her background and the company's services. Ms. Hansford proceeded to explain the proposal in detail, outlining the necessary steps for the analysis. Esparza moved to authorize the General Manager to approve the proposal from Hansford Economic Consulting LLC, which was seconded by Curtis and unanimously approved.

17. Placement of Delinquent Accounts onto the County Tax Roll for Collections

The Board of Directors schedules a Public Hearing prior to authorizing staff to place delinquent accounts onto the county tax roll for collections.

Staff Recommendation:

1. Conduct a Public Hearing.
2. Authorize staff to place delinquent accounts onto the tax roll via Resolution 123.
3. Discuss and take other action as appropriate.

Curtis moved to authorize staff to place delinquent accounts onto the tax roll via Resolution 123.

18. Radio Frequency Identification (RFID) Transponder Issuance and Replacement Policy

District has identified the need for a policy governing the issuance and replacement of RFID stickers for residents. This new policy will eliminate any confusion regarding the issuance and replacement of RFID stickers.

Staff Recommendation:

1. Approve the new RFID administrative policy.
2. Discuss and take other action as appropriate.

Collins raised the idea of revoking Pauma Valley Country Club's administration of RFID issuance due to concerns over the management of the process. Esparza recommended a renewal period of every two years, noting that other communities renew RFID transponders annually. Skumawitz requested that staff gather data on RFID administration practices from other gated communities. Esparza moved to adopt the presented RFID Policy, with the understanding that the General Manager would present the gathered data at a future meeting. The motion was seconded by Collins and unanimously approved.

19. District Surveillance Initiative

The Board of Directors will consider authorizing the General Manager to execute a District Surveillance Initiative that will consist of remote camera installation at the Wastewater Treatment Plant, Oak Tree Lift Station and District Administrative offices to monitor and protect public assets.

Staff Recommendation:

1. Authorize the General Manager to approve the surveillance proposal.
2. Discuss and take other action as appropriate.

Steinlicht presented the surveillance proposal to the Board, explaining the recommendation in light of recent incidents. Skumawitz suggested continuing to seek better pricing options. Esparza inquired about exploring internet options through cellular providers. The item was tabled for further discussion.

--INFORMATIONAL ITEMS--

20. General Manager's Report
Steinlicht provided the General Manager's Report.
21. Upcoming Election Report
Steinlicht provided information regarding the upcoming General Elections.
22. Miscellaneous Items
 - A. Requested items for future agendas (**Directors and Staff Only**)
 - a) Cost of Service Analysis
 - b) Salary and Total Compensation Study
 - c) Updates on the District Policy Handbook (ongoing)
 - d) Critical Spare Part Inventory Replacement Program (CMMS)
 - B. Board Comments- None
 - C. Announcements
 - a) New Website and Service Request System now Live
 - D. **Next Regular Meeting of the Board:**
 - a) Monday, September 23rd, 2024, at 10 AM
23. Adjournment
With nothing further to discuss, a motion was made by Curtis to adjourn at 12:00 pm, seconded by Esparza, and unanimously approved.

Marissa Fehling

Marissa Fehling, Recording Secretary

PAUMA VALLEY COMMUNITY SERVICES DISTRICT
Minutes of a Special Meeting of the Board of Directors

Held on August 19th, 2024

Directors Present: Roland Skumawitz, Michael Esparza, Larry Curtis & Richard Collins
Also Present: Resident Fred Nelson, Janet Scott, Jeff Morris of DPMC, Jeff and Jesus with Triune, General Manager Eric Steinlicht, and Office Manager Marissa Fehling

1. Call to Order: Special Meeting was called to order at 10:00 a.m. by President Skumawitz.
2. Pledge of Allegiance: The Pledge of Allegiance was led by Curtis.
3. Roll Call: Fehling verified that a quorum was present.
4. Public Comment Period:
None.

--CLOSED SESSION--

5. The Board of Directors Will Meet in a Closed Session to Discuss
 - A. **CONFERENCE WITH LEGAL COUNSEL**
Potential/Threatened/Anticipated Litigation
Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(b) (One (1) Matter)
 - B. **CONFERENCE WITH LEGAL COUNSEL**
Existing Litigation
Pursuant to Government Code Section 54956.9(d)(1)
Rancho Pauma Mutual Water Company vs Pauma Valley Community Services District
(San Diego Superior Court Case No. 37-2023-00038164-CU-BC-NC)
 - C. **PUBLIC EMPLOYMENT PERFORMANCE EVALUATION**
Title: General Manager
Authority: Government Code Section 54957
 - D. **PUBLIC EMPLOYEE APPOINTMENT**
Title: General Manager
Authority: Government Code Section 54957
Conference with Labor Negotiator
District Representative: President Roland Skumawitz
Employee: General Manager
Authority: Government Code Section 54957.6
 - E. **PUBLIC EMPLOYMENT PERFORMANCE EVALUATION**
Title: General Counsel
Authority: Government Code Section 54957

The Board proceeded into closed session at 10:01 am.

6. Open Session
 - A. Reportable Actions

The meeting was resumed in open session at 10:56 am with no reportable actions.

--DISCUSSION ITEM--

7. **Storm Drain Analysis and Overview Presentation**
Ralph Hick of DPMC joined the meeting via Zoom at 11:00 a.m. and provided a brief overview of the historical findings related to the 1978 Hillside Agreement, which was reviewed to determine responsibility for the cost of cleaning out PVCSD storm drains. He explained the agreements in place between Pauma Valley Country Club and the property owners and suggested steps for PVCSD to address this matter.
8. **Rancho Pauma Mutual Water Company Tenant Improvement Plans**
Steinlicht gave an update on the tenant improvements that he received through a walkthrough with Watkins and Director of RPMWC, Bruce Knox. Skumawitz requested that Steinlicht verify that all necessary permits are in place.
9. **Solar Project Update**
Steinlicht provided an update on the Solar Project. Collins informed that he would follow up with Sattler Solar.
10. **District Surveillance Initiative**
Steinlicht presented the proposals he gathered for the District's surveillance system. Collins inquired about his preferred option, to which Steinlicht responded that while the in-house option would work well in the short term, the best long-term solution would be through Triune. Skumawitz requested that Steinlicht engage with Triune to explore a combined proposal for both IT and surveillance services.

--ACTION ITEMS--

11. **Cloud Computing, Data Protection and Cybers Security Information Technology Solution**
The Board of Directors will consider approving the 3-year term proposal presented by Triune Information Technology Services to incorporate cloud computing, data protection, and cyber security enhancements for the continuity of District services.

Staff Recommendation:

1. Authorize the General Manager to execute Triune's Cloud Computing three-year contract.
2. Discuss and take other action as appropriate.

Steinlicht introduced Jesus and Jeff from Triune, providing background on the company's history and experience. He also highlighted the security threats the District faces in today's world. Collins inquired about the District's current backup solution, to which Steinlicht responded that Google One Storage is being used for backing up the District's digital files. Jesus from Triune presented the company's proposals, offering a detailed explanation of their services and how they could address major security gaps. He also described the staff training and data management services that would be provided, along with the pricing structure. Esparza requested that staff explore grant options to support the project. Curtis asked if the cost was within the budget, and Steinlicht confirmed that it was. Curtis moved to authorize the General Manager to execute Triune's three-year Cloud Computing contract, while also researching potential grants to fund the project. The motion was seconded by Director Esparza, opposed by Director Collins, and carried by a majority vote.

12. **Banking Relationship Transition**
The Board of Directors will consider approving a new banking relationship with Five-Star Bank.

Staff Recommendation:

1. Authorize the General Manager to establish a primary banking relationship with Five-Star Bank.
2. Discuss and take other action as appropriate.

Steinlicht explained his reasoning for wanting to transition the District's primary banking to Five-Star Bank, emphasizing the exceptional customer service they have provided. Collins requested that Steinlicht inquire with them about the possibility of obtaining a line of credit. Esparza motioned to authorize the General Manager to establish a primary banking relationship with Five-Star Bank, seconded by Curtis and unanimously approved.

13. Establish New District Notary Service

The Board of Directors will consider the authorization of a notary service for District constituents.

Staff Recommendation:

1. Authorize the General Manager to implement new notary services.
2. Discuss and take other action as appropriate.

Esparza motioned to authorize the General Manager to implement new notary services, seconded by Curtis and unanimously approved.

14. Adjournment

With nothing further to discuss, a motion was made by Esparza to adjourn at 12:15 pm, seconded by Curtis, and unanimously approved.

Marissa Fehling

Marissa Fehling, Recording Secretary

Pauma Valley Community Services District
Balance Sheet (Unaudited)
As of July 31, 2024

1	ASSETS		
2	Cash/Investment		
3	Checking	\$	308,478
4	LAIF		647
5	Petty Cash		368
6	LAIF Fair Market Value		(8)
7	Total Cash/Investments		<u>309,485</u>
8	Accounts Receivable		
9	Dues Receivable		28,754
10	Accounts Receivable Other		10,045
11	Accounts Receivable		-
12	Total Accounts Receivable		<u>38,799</u>
13	Other Current Assets		
14	Due from RPMWC		34,438
15	Prepaid Insurance		20,692
16	Prepaid Solar Rooftop Lease		22,250
17	Total Other Current Assets		<u>87,425</u>
18	Fixed Assets, Net		2,635,439
19	Other Assets		
20	Investment in USLRGMA		(6,446)
21	Deferred Outflows - Pension		1,224,393
22	Total Other Assets		<u>1,217,947</u>
23	TOTAL ASSETS	\$	<u><u>4,279,050</u></u>
24			
25	LIABILITIES		
26	Current Liabilities		
27	Accounts Payable	\$	38,645
28	457 Payable		50
29	PERS Vacation Liability		32,129
30	Accrued Federal Payroll Taxes		7,288
31	Accrued State Payroll Taxes		1,239
32	Accrued Retirement		5,531
33	Payroll Liabilities		319
34	Direct Deposit Liabilities		(80)
35	Compensated Absences		18,638
36	Total Current Liabilities		<u>103,759</u>
37	Long Term Liabilities		
38	Net Pension		317,882
39	Deferred Inflows - Pensions		1,576,071
40	Total Long Term Liabilities		<u>1,893,953</u>
41	TOTAL LIABILITIES		<u>1,997,712</u>
42	Fund Balance		
43	Retained Earnings		2,315,079
44	Net Income		(33,741)
45	Total Fund Balance		<u>2,281,338</u>
46	TOTAL LIABILITIES & FUND BALANCE	\$	<u><u>4,279,049</u></u>

Pauma Valley Community Services District
Statement of Revenues and Expenses (Unaudited)
For Period Ending July 31, 2024

	A	B	C	D	E
	July 2024 Month to Date Actuals	FY 25 YTD Actuals	FY 25 Adopted Budget	\$ Budget Variance	% Budget Variance
1 REVENUE					
2 Sewer Charges	\$ 47,484	\$ 47,484	\$ 565,198	\$ 517,714	8%
3 Security Patrol Charges	54,114	54,114	636,053	581,939	9%
4 Property Tax	125	125	136,774	136,650	0%
5 Interest	10	10	-	(10)	0%
6 RPMWC Lease	2,500	2,500	30,000	27,500	100%
7 Admin Services	(878)	(878)	-	878	0%
8 Other Revenue	1,199	1,199	8,520	7,321	14%
9 Security Gate Charge	42,983	42,983	515,790	472,808	8%
10 TOTAL REVENUE	147,536	147,536	1,892,335	1,744,799	1183%
11 EXPENSE					
12 Salaries and Benefits					
13 Salaries	92,394	92,394	787,000	694,606	12%
14 Health Insurance	8,819	8,819	108,600	99,781	8%
15 Payroll Taxes	7,284	7,284	63,168	55,884	12%
16 PERS	7,362	7,362	69,200	61,838	11%
17 Uniforms	166	166	2,650	2,484	6%
18 Workers' Comp. Ins	-	-	23,220	23,220	0%
19 Total Salaries & Benefits	116,026	116,026	1,053,838	937,812	808%
20 Operations & Administrative Expenses					
21 Dwelling Live	744	744	8,900	8,156	8%
22 Electricity	6,047	6,047	59,570	53,523	10%
23 Liability Insurance	7,385	7,385	58,200	50,815	13%
24 Miscellaneous	68	68	3,500	3,432	2%
25 Telephones	489	489	15,200	14,711	3%
26 Postage	586	586	4,900	4,314	12%
27 Operator Contract Services	11,900	11,900	92,400	80,500	13%
28 Oak Tree Repair & Maint.	-	-	5,000	5,000	0%
29 Sewer line maintenance	212	212	35,000	34,788	1%
30 Sludge Removal	-	-	54,600	54,600	0%
31 SCADA Maintenance	-	-	-	-	0%
32 Plant Repairs & Maintenance - Other	9,661	9,661	20,000	10,339	48%
33 Building Repairs & Maintenance	667	667	20,000	19,333	3%
34 Airpark maintenance	-	-	1,000	1,000	0%
35 Gate Repairs & Maintenance	258	258	37,600	37,343	1%
36 Repairs & Maintenance - Other	-	-	-	-	0%
37 Office Supplies	2,873	2,873	27,100	24,227	11%
38 Utility Shop Supplies	302	302	1,000	698	0%
39 Security Supplies	323	323	1,280	957	25%
40 Gate Supplies	716	716	2,300	1,584	31%
41 Vehicles	2,519	2,519	16,400	13,881	15%
42 Drainage	-	-	12,000	12,000	0%
43 State Maint. Fee	-	-	31,000	31,000	0%
44 Water Tests & Analysis	310	310	12,400	12,090	3%
45 Fees	2,562	2,562	9,500	6,939	27%
46 Engineering	3,419	3,419	30,000	26,581	11%
47 Professional Services	590	590	44,500	43,910	0%
48 Pre-employment Gates	-	-	300	300	0%
49 Schools & Meetings	2,018	2,018	13,000	10,982	16%
50 Long Term Financial Plan	-	-	-	-	0%
51 Audit	5,000	5,000	10,500	5,500	0%
52 Accounting	1,866	1,866	54,000	52,134	3%
53 Legal	4,350	4,350	57,000	52,650	8%
54 SGMA Technical Study	387	387	-	(387)	0%
55 Guard Houses /Roadway Lease	2	2	2	-	100%
56 Contingency	-	-	25,000	25,000	0%
57 Total Operations & Admin Expenses	65,252	65,252	763,152	697,900	9%
58 TOTAL EXPENSE	181,277	181,277	1,816,990	1,635,713	10%
59 NET REVENUE / (EXPENSE) BEFORE CAPITAL	\$ (33,741)	\$ (33,741)	\$ 75,344	\$ 109,085	-45%

**Pauma Valley Community Services Department
Vendor Check Payments over 5k
July-2024**

	Type	Date	Memo	Account	Amount
California Choice	Bill Pmt -Check	07/05/2024	Health Ins Group #51394-JULY	102 · Checking	-8,342.83
CRWRMA	Bill Pmt -Check	07/01/2024	Liability Ins 24-25	102 · Checking	-7,480.75
DPMC	Bill Pmt -Check	07/10/2024		102 · Checking	-14,315.39
Eide Bailly, LLP	Bill Pmt -Check	07/18/2024	May Consulting	102 · Checking	-8,496.02
	Bill Pmt -Check	07/31/2024	June Consulting	102 · Checking	-5,501.92
Nigro & Nigro	Bill Pmt -Check	07/25/2024	Interim Field Work June 30, 2024	102 · Checking	-5,000.00
Visa Bankcard	Bill Pmt -Check	07/19/2024		102 · Checking	-6,072.36
Water Quality Specialists	Bill Pmt -Check	07/05/2024		102 · Checking	-7,700.00

Pauma Valley Community Services District
Balance Sheet (Unaudited)
As of August 31, 2024

1	ASSETS		
2	Cash/Investment		
3	Checking	\$	297,559
4	LAIF		647
5	Petty Cash		368
6	LAIF Fair Market Value		(8)
7	Total Cash/Investments		298,566
8	Accounts Receivable		
9	Dues Receivable		57,212
10	Accounts Receivable Other		10,045
11	Accounts Receivable		-
12	Total Accounts Receivable		67,257
13	Other Current Assets		
14	Due from RPMWC		19,610
15	Prepaid Insurance		17,994
16	Prepaid Solar Rooftop Lease		22,250
17	Total Other Current Assets		69,899
18	Fixed Assets, Net		2,635,439
19	Other Assets		
20	Investment in USLRGMA		(6,446)
21	Deferred Outflows - Pension		1,224,393
22	Total Other Assets		1,217,947
23	TOTAL ASSETS	\$	4,279,063
24			
25	LIABILITIES		
26	Current Liabilities		
27	Accounts Payable	\$	16,568
28	PERS Vacation Liability		32,129
29	Accrued State Payroll Taxes		46
30	Accrued Retirement		830
31	Payroll Liabilities		(63)
32	Direct Deposit Liabilities		(80)
33	Compensated Absences		18,638
34	Total Current Liabilities		68,068
35	Long Term Liabilities		
36	Net Pension		317,882
37	Deferred Inflows - Pensions		1,576,071
38	Total Long Term Liabilities		1,893,953
39	TOTAL LIABILITIES		1,962,021
40	Fund Balance		
41	Retained Earnings		2,315,079
42	Net Income		1,965
43	Total Fund Balance		2,317,044
44	TOTAL LIABILITIES & FUND BALANCE	\$	4,279,064

Pauma Valley Community Services District
Statement of Revenues and Expenses (Unaudited)
For Period Ending August 31, 2024

	A	B	C	D	E
	August 2024 Month to Date Actuals	FY 25 YTD Actuals	FY 25 Adopted Budget	\$ Budget Variance	% Budget Variance
1 REVENUE					
2 Sewer Charges	\$ 47,484	\$ 94,968	\$ 565,198	\$ 470,230	17%
3 Security Patrol Charges	53,004	107,118	636,053	528,935	17%
4 Property Tax	3,652	3,776	136,774	132,998	3%
5 Interest	-	10	-	(10)	0%
6 RPMWC Lease	2,500	5,000	30,000	25,000	100%
7 Admin Services	(1,105)	(1,983)	-	1,983	0%
8 Other Revenue	6,013	7,212	8,520	1,308	85%
9 Security Gate Charge	42,983	85,965	515,790	429,825	17%
10 TOTAL REVENUE	154,530	302,066	1,892,335	1,590,269	526%
11 EXPENSE					
12 Salaries and Benefits					
13 Salaries	59,585	151,979	787,000	635,021	19%
14 Health Insurance	6,544	15,363	108,600	93,237	14%
15 Payroll Taxes	4,612	11,896	63,168	51,272	19%
16 PERS	4,879	12,242	69,200	56,958	18%
17 Uniforms	85	251	2,650	2,399	9%
18 Workers' Comp. Ins	-	-	23,220	23,220	0%
19 Total Salaries & Benefits	75,705	191,730	1,053,838	862,108	450%
20 Operations & Administrative Expenses					
21 Dwelling Live	744	1,489	8,900	7,411	17%
22 Electricity	6,396	12,443	59,570	47,127	21%
23 Liability Insurance	3,768	11,153	58,200	47,047	19%
24 Miscellaneous	39	107	3,500	3,393	3%
25 Telephones	658	1,147	15,200	14,053	8%
26 Postage	-	586	4,900	4,314	12%
27 Operator Contract Services	7,700	19,600	92,400	72,800	21%
28 Oak Tree Repair & Maint.	-	-	5,000	5,000	0%
29 Sewer line maintenance	4,682	4,894	35,000	30,106	14%
30 Sludge Removal	-	-	54,600	54,600	0%
31 SCADA Maintenance	-	-	-	-	0%
32 Plant Repairs & Maintenance - Other	1,599	11,260	20,000	8,740	56%
33 Building Repairs & Maintenance	966	1,632	20,000	18,368	8%
34 Airpark maintenance	-	-	1,000	1,000	0%
35 Gate Repairs & Maintenance	270	528	37,600	37,073	1%
36 Repairs & Maintenance - Other	-	-	-	-	0%
37 Office Supplies	2,559	5,432	27,100	21,668	20%
38 Utility Shop Supplies	257	558	1,000	442	0%
39 Security Supplies	81	404	1,280	876	32%
40 Gate Supplies	264	979	2,300	1,321	43%
41 Vehicles	1,083	3,602	16,400	12,798	22%
42 Drainage	5,044	5,044	12,000	6,956	42%
43 State Maint. Fee	-	-	31,000	31,000	0%
44 Water Tests & Analysis	-	310	12,400	12,090	3%
45 Fees	-	2,562	9,500	6,939	27%
46 Engineering	-	3,419	30,000	26,581	11%
47 Professional Services	590	1,180	44,500	43,320	0%
48 Pre-employment Gates	-	-	300	300	0%
49 Schools & Meetings	116	2,134	13,000	10,866	16%
50 Long Term Financial Plan	-	-	-	-	0%
51 Audit	700	5,700	10,500	4,800	0%
52 Accounting	-	1,866	54,000	52,134	3%
53 Legal	5,602	9,952	57,000	47,048	17%
54 SGMA Technical Study	-	387	-	(387)	0%
55 Guard Houses /Roadway Lease	-	2	2	-	100%
56 Contingency	-	-	25,000	25,000	0%
57 Total Operations & Admin Expenses	43,119	108,371	763,152	654,781	14%
58 TOTAL EXPENSE	118,824	300,101	1,816,990	1,516,889	17%
59 NET REVENUE / (EXPENSE) BEFORE CAPITAL	\$ 35,706	\$ 1,965	\$ 75,344	\$ 73,379	3%

Pauma Valley Community Services District
Vendor Check Payments over 5k
August -2024

Vendor	Type	Date	Memo	Account	Amount
California Choice	Bill Pmt -Check	08/02/2024	Health Ins Group #51394-	102 · Checking	-7,388.25
SDG&E	Bill Pmt -Check	08/21/2024	JuLY-2024	102 · Checking	-7,169.28
	Bill Pmt -Check	08/28/2024	July 20- August 20	102 · Checking	-7,590.80
Water Quality Specialists	Bill Pmt -Check	08/01/2024		102 · Checking	-15,930.00

PV COMMUNITY SERVICES DISTRICT

A/R Aging Summary

As of September 13, 2024

	Current	1 - 60	61 - 120	121 - 180	> 180	TOTAL
CSD-001	0.00	-661.74	-661.74	-330.87	-1,270.07	-2,924.42
CSD-002	0.00	-702.41	-1,847.39	0.00	0.00	-2,549.80
CSD-003	0.00	-1,359.29	0.00	0.00	0.00	-1,359.29
CSD-004	-330.87	-636.74	0.00	0.00	0.00	-967.61
CSD-005	0.00	0.00	0.00	0.00	-905.99	-905.99
CSD-006	0.00	-606.00	-194.20	0.00	0.00	-800.20
CSD-007	-330.87	-285.33	0.00	0.00	0.00	-616.20
CSD-008	0.00	-563.22	0.00	0.00	0.00	-563.22
CSD-009	0.00	-538.56	0.00	0.00	0.00	-538.56
CSD-010	0.00	0.00	0.00	-514.74	0.00	-514.74
CSD-011	0.00	0.00	-435.12	0.00	0.00	-435.12
CSD-012	0.00	-330.87	-92.42	0.00	0.00	-423.29
CSD-013	0.00	-402.95	0.00	0.00	0.00	-402.95
CSD-014	0.00	-388.65	0.00	0.00	0.00	-388.65
CSD-015	0.00	-351.78	0.00	0.00	0.00	-351.78
CSD-016	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-017	-20.54	-330.87	0.00	0.00	0.00	-351.41
CSD-018	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-019	0.00	-351.41	0.00	0.00	0.00	-351.41
CSD-020	-351.41	0.00	0.00	0.00	0.00	-351.41
CSD-021	-351.41	0.00	0.00	0.00	0.00	-351.41
CSD-022	0.00	0.00	0.00	-350.00	0.00	-350.00
CSD-023	0.00	0.00	-331.64	0.00	0.00	-331.64
CSD-024	0.00	-330.87	0.00	0.00	0.00	-330.87
CSD-025	0.00	-320.51	0.00	0.00	0.00	-320.51
CSD-026	0.00	-315.87	0.00	0.00	0.00	-315.87
CSD-027	0.00	-310.33	0.00	0.00	0.00	-310.33
CSD-028	0.00	-300.42	0.00	0.00	0.00	-300.42
CSD-029	0.00	0.00	-300.27	0.00	0.00	-300.27
CSD-030	0.00	-287.07	0.00	0.00	0.00	-287.07
CSD-031	0.00	-276.60	0.00	0.00	0.00	-276.60
CSD-032	0.00	-203.16	0.00	0.00	0.00	-203.16
CSD-033	-172.33	0.00	0.00	0.00	0.00	-172.33
CSD-034	0.00	-85.96	0.00	0.00	0.00	-85.96
CSD-035	0.00	0.00	0.00	-48.00	0.00	-48.00
CSD-036	0.00	0.00	-12.28	0.00	0.00	-12.28
CSD-037	0.00	-9.46	0.00	0.00	0.00	-9.46
CSD-038	0.00	-2.78	0.00	0.00	0.00	-2.78
CSD-039	0.00	-1.37	0.00	0.00	0.00	-1.37
CSD-040	0.00	-0.98	0.00	0.00	0.00	-0.98
CSD-041	-0.59	0.00	0.00	0.00	0.00	-0.59
CSD-042	0.00	-0.02	0.00	0.00	0.00	-0.02
CSD-043	0.00	0.00	0.00	0.00	0.00	0.00
CSD-044	0.00	0.00	0.00	0.00	0.00	0.00
CSD-045	0.00	0.00	0.00	0.00	0.00	0.00
CSD-046	0.20	0.00	0.00	0.00	0.00	0.20
CSD-047	0.41	0.00	0.00	0.00	0.00	0.41
CSD-048	5.84	0.00	0.00	0.00	0.00	5.84
CSD-049	6.62	0.00	0.00	0.00	0.00	6.62
CSD-050	0.00	0.00	0.00	0.00	11.87	11.87

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-051	12.00	0.00	0.00	0.00	0.00	12.00
CSD-052	12.00	0.00	0.00	0.00	0.00	12.00
CSD-053	12.00	0.00	0.00	0.00	0.00	12.00
CSD-054	15.00	0.00	0.00	0.00	0.00	15.00
CSD-055	15.00	0.00	0.00	0.00	0.00	15.00
CSD-056	15.45	0.00	0.00	0.00	0.00	15.45
CSD-057	20.48	0.00	0.00	0.00	0.00	20.48
CSD-058	20.54	0.00	0.00	0.00	0.00	20.54
CSD-059	20.54	0.00	0.00	0.00	0.00	20.54
CSD-060	20.92	0.00	0.00	0.00	0.00	20.92
CSD-061	25.00	0.00	0.00	0.00	0.00	25.00
CSD-062	30.46	0.00	0.00	0.00	0.00	30.46
CSD-063	34.75	0.00	0.00	0.00	0.00	34.75
CSD-064	12.00	25.32	0.00	0.00	0.00	37.32
CSD-065	0.00	50.00	0.00	0.00	0.00	50.00
CSD-066	50.81	0.00	0.00	0.00	0.00	50.81
CSD-067	61.62	0.00	0.00	0.00	0.00	61.62
CSD-068	65.54	0.00	0.00	0.00	0.00	65.54
CSD-069	74.67	0.00	0.00	0.00	0.00	74.67
CSD-070	80.42	0.00	0.00	0.00	0.00	80.42
CSD-071	84.13	0.00	0.00	0.00	0.00	84.13
CSD-072	106.62	0.00	0.00	0.00	0.00	106.62
CSD-073	106.96	0.00	0.00	0.00	0.00	106.96
CSD-074	106.96	0.00	0.00	0.00	0.00	106.96
CSD-075	106.96	0.00	0.00	0.00	0.00	106.96
CSD-076	118.96	0.00	0.00	0.00	0.00	118.96
CSD-077	129.83	0.00	0.00	0.00	0.00	129.83
CSD-078	12.00	27.53	27.39	27.11	52.54	146.57
CSD-079	12.00	27.55	27.41	27.13	54.49	148.58
CSD-080	166.62	0.00	0.00	0.00	0.00	166.62
CSD-081	166.62	0.00	0.00	0.00	0.00	166.62
CSD-082	174.94	0.00	0.00	0.00	0.00	174.94
CSD-083	216.00	0.00	0.00	0.00	0.00	216.00
CSD-084	216.79	0.00	0.00	0.00	0.00	216.79
CSD-085	222.11	0.00	0.00	0.00	0.00	222.11
CSD-086	234.24	0.00	0.00	0.00	0.00	234.24
CSD-087	236.79	0.00	0.00	0.00	0.00	236.79
CSD-088	236.79	0.00	0.00	0.00	0.00	236.79
CSD-089	236.79	0.00	0.00	0.00	0.00	236.79
CSD-090	236.79	0.00	0.00	0.00	0.00	236.79
CSD-091	236.79	0.00	0.00	0.00	0.00	236.79
CSD-092	236.79	0.00	0.00	0.00	0.00	236.79
CSD-093	236.79	0.00	0.00	0.00	0.00	236.79
CSD-094	236.79	0.00	0.00	0.00	0.00	236.79
CSD-095	236.79	0.00	0.00	0.00	0.00	236.79
CSD-096	236.79	0.00	0.00	0.00	0.00	236.79
CSD-097	236.79	0.00	0.00	0.00	0.00	236.79
CSD-098	236.79	0.00	0.00	0.00	0.00	236.79
CSD-099	236.79	0.00	0.00	0.00	0.00	236.79
CSD-100	244.45	0.00	0.00	0.00	0.00	244.45
CSD-101	244.45	0.00	0.00	0.00	0.00	244.45
CSD-102	244.45	0.00	0.00	0.00	0.00	244.45
CSD-103	236.79	12.92	0.00	0.00	0.00	249.71

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-104	259.66	0.00	0.00	0.00	0.00	259.66
CSD-105	236.79	46.02	0.00	0.00	0.00	282.81
CSD-106	294.22	0.00	0.00	0.00	0.00	294.22
CSD-107	330.87	0.00	0.00	0.00	0.00	330.87
CSD-108	330.87	0.00	0.00	0.00	0.00	330.87
CSD-109	350.41	0.00	0.00	0.00	0.00	350.41
CSD-110	350.50	0.00	0.00	0.00	0.00	350.50
CSD-111	351.16	0.00	0.00	0.00	0.00	351.16
CSD-112	351.39	0.00	0.00	0.00	0.00	351.39
CSD-113	351.41	0.00	0.00	0.00	0.00	351.41
CSD-114	351.41	0.00	0.00	0.00	0.00	351.41
CSD-115	351.41	0.00	0.00	0.00	0.00	351.41
CSD-116	351.41	0.00	0.00	0.00	0.00	351.41
CSD-117	351.41	0.00	0.00	0.00	0.00	351.41
CSD-118	351.41	0.00	0.00	0.00	0.00	351.41
CSD-119	351.41	0.00	0.00	0.00	0.00	351.41
CSD-120	351.41	0.00	0.00	0.00	0.00	351.41
CSD-121	351.41	0.00	0.00	0.00	0.00	351.41
CSD-122	351.41	0.00	0.00	0.00	0.00	351.41
CSD-123	351.41	0.00	0.00	0.00	0.00	351.41
CSD-124	351.41	0.00	0.00	0.00	0.00	351.41
CSD-125	351.41	0.00	0.00	0.00	0.00	351.41
CSD-126	351.41	0.00	0.00	0.00	0.00	351.41
CSD-127	351.41	0.00	0.00	0.00	0.00	351.41
CSD-128	351.41	0.00	0.00	0.00	0.00	351.41
CSD-129	351.41	0.00	0.00	0.00	0.00	351.41
CSD-130	351.41	0.00	0.00	0.00	0.00	351.41
CSD-131	351.41	0.00	0.00	0.00	0.00	351.41
CSD-132	351.41	0.00	0.00	0.00	0.00	351.41
CSD-133	351.41	0.00	0.00	0.00	0.00	351.41
CSD-134	351.41	0.00	0.00	0.00	0.00	351.41
CSD-135	351.41	0.00	0.00	0.00	0.00	351.41
CSD-136	351.41	0.00	0.00	0.00	0.00	351.41
CSD-137	351.41	0.00	0.00	0.00	0.00	351.41
CSD-138	351.41	0.00	0.00	0.00	0.00	351.41
CSD-139	351.41	0.00	0.00	0.00	0.00	351.41
CSD-140	351.41	0.00	0.00	0.00	0.00	351.41
CSD-141	351.41	0.00	0.00	0.00	0.00	351.41
CSD-142	351.41	0.00	0.00	0.00	0.00	351.41
CSD-143	351.41	0.00	0.00	0.00	0.00	351.41
CSD-144	351.41	0.00	0.00	0.00	0.00	351.41
CSD-145	351.41	0.00	0.00	0.00	0.00	351.41
CSD-146	351.41	0.00	0.00	0.00	0.00	351.41
CSD-147	351.41	0.00	0.00	0.00	0.00	351.41
CSD-148	351.41	0.00	0.00	0.00	0.00	351.41
CSD-149	351.41	0.00	0.00	0.00	0.00	351.41
CSD-150	351.41	0.00	0.00	0.00	0.00	351.41
CSD-151	351.41	0.00	0.00	0.00	0.00	351.41
CSD-152	351.41	0.00	0.00	0.00	0.00	351.41
CSD-153	351.41	0.00	0.00	0.00	0.00	351.41
CSD-154	351.41	0.00	0.00	0.00	0.00	351.41
CSD-155	351.41	0.00	0.00	0.00	0.00	351.41
CSD-156	351.41	0.00	0.00	0.00	0.00	351.41

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-157	351.41	0.00	0.00	0.00	0.00	351.41
CSD-158	351.41	0.00	0.00	0.00	0.00	351.41
CSD-159	351.41	0.00	0.00	0.00	0.00	351.41
CSD-160	351.41	0.00	0.00	0.00	0.00	351.41
CSD-161	351.41	0.00	0.00	0.00	0.00	351.41
CSD-162	351.41	0.00	0.00	0.00	0.00	351.41
CSD-163	351.41	0.00	0.00	0.00	0.00	351.41
CSD-164	351.41	0.00	0.00	0.00	0.00	351.41
CSD-165	351.41	0.00	0.00	0.00	0.00	351.41
CSD-166	351.41	0.00	0.00	0.00	0.00	351.41
CSD-167	351.41	0.00	0.00	0.00	0.00	351.41
CSD-168	351.41	0.00	0.00	0.00	0.00	351.41
CSD-169	351.41	0.00	0.00	0.00	0.00	351.41
CSD-170	351.41	0.00	0.00	0.00	0.00	351.41
CSD-171	351.41	0.00	0.00	0.00	0.00	351.41
CSD-172	351.41	0.00	0.00	0.00	0.00	351.41
CSD-173	351.41	0.00	0.00	0.00	0.00	351.41
CSD-174	351.41	0.00	0.00	0.00	0.00	351.41
CSD-175	351.41	0.00	0.00	0.00	0.00	351.41
CSD-176	351.41	0.00	0.00	0.00	0.00	351.41
CSD-177	351.41	0.00	0.00	0.00	0.00	351.41
CSD-178	351.41	0.00	0.00	0.00	0.00	351.41
CSD-179	351.41	0.00	0.00	0.00	0.00	351.41
CSD-180	351.41	0.00	0.00	0.00	0.00	351.41
CSD-181	351.41	0.00	0.00	0.00	0.00	351.41
CSD-182	351.41	0.00	0.00	0.00	0.00	351.41
CSD-183	351.41	0.00	0.00	0.00	0.00	351.41
CSD-184	351.41	0.00	0.00	0.00	0.00	351.41
CSD-185	351.41	0.00	0.00	0.00	0.00	351.41
CSD-186	351.41	0.00	0.00	0.00	0.00	351.41
CSD-187	351.41	0.00	0.00	0.00	0.00	351.41
CSD-188	351.41	0.00	0.00	0.00	0.00	351.41
CSD-189	351.41	0.00	0.00	0.00	0.00	351.41
CSD-190	351.41	0.00	0.00	0.00	0.00	351.41
CSD-191	351.41	0.00	0.00	0.00	0.00	351.41
CSD-192	351.41	0.00	0.00	0.00	0.00	351.41
CSD-193	351.41	0.00	0.00	0.00	0.00	351.41
CSD-194	351.41	0.00	0.00	0.00	0.00	351.41
CSD-195	351.41	0.00	0.00	0.00	0.00	351.41
CSD-196	351.41	0.00	0.00	0.00	0.00	351.41
CSD-197	351.41	0.00	0.00	0.00	0.00	351.41
CSD-198	351.41	0.00	0.00	0.00	0.00	351.41
CSD-199	351.41	0.00	0.00	0.00	0.00	351.41
CSD-200	351.41	0.00	0.00	0.00	0.00	351.41
CSD-201	351.41	0.00	0.00	0.00	0.00	351.41
CSD-202	351.41	0.00	0.00	0.00	0.00	351.41
CSD-203	351.41	0.00	0.00	0.00	0.00	351.41
CSD-204	351.41	0.00	0.00	0.00	0.00	351.41
CSD-205	351.41	0.00	0.00	0.00	0.00	351.41
CSD-206	351.41	0.00	0.00	0.00	0.00	351.41
CSD-207	351.41	0.00	0.00	0.00	0.00	351.41
CSD-208	351.41	0.00	0.00	0.00	0.00	351.41
CSD-209	351.41	0.00	0.00	0.00	0.00	351.41

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-210	351.41	0.00	0.00	0.00	0.00	351.41
CSD-211	351.41	0.00	0.00	0.00	0.00	351.41
CSD-212	351.41	10.76	0.00	0.00	0.00	362.17
CSD-213	351.41	11.87	0.00	0.00	0.00	363.28
CSD-214	363.41	0.00	0.00	0.00	0.00	363.41
CSD-215	363.41	0.00	0.00	0.00	0.00	363.41
CSD-216	351.41	14.13	0.00	0.00	0.00	365.54
CSD-217	351.41	20.54	0.00	0.00	0.00	371.95
CSD-218	351.41	20.54	0.00	0.00	0.00	371.95
CSD-219	351.41	20.74	0.00	0.00	0.00	372.15
CSD-220	375.41	0.00	0.00	0.00	0.00	375.41
CSD-221	351.41	24.61	0.00	0.00	0.00	376.02
CSD-222	351.41	25.00	0.00	0.00	0.00	376.41
CSD-223	376.41	0.00	0.00	0.00	0.00	376.41
CSD-224	351.41	25.00	0.00	0.00	0.00	376.41
CSD-225	351.41	25.00	0.00	0.00	0.00	376.41
CSD-226	351.41	26.63	0.00	0.00	0.00	378.04
CSD-227	351.41	34.75	0.00	0.00	0.00	386.16
CSD-228	351.41	35.99	0.00	0.00	0.00	387.40
CSD-229	387.41	0.00	0.00	0.00	0.00	387.41
CSD-230	351.41	41.08	0.00	0.00	0.00	392.49
CSD-231	351.41	41.08	0.00	0.00	0.00	392.49
CSD-232	351.41	41.08	0.00	0.00	0.00	392.49
CSD-233	351.41	45.00	0.00	0.00	0.00	396.41
CSD-234	351.41	67.95	0.00	0.00	0.00	419.36
CSD-235	351.41	101.08	0.00	0.00	0.00	452.49
CSD-236	236.79	236.79	0.00	0.00	0.00	473.58
CSD-237	236.79	236.79	0.00	0.00	0.00	473.58
CSD-238	595.86	0.00	0.00	0.00	0.00	595.86
CSD-239	236.79	376.02	0.00	0.00	0.00	612.81
CSD-240	351.41	330.87	0.00	0.00	0.00	682.28
CSD-241	351.41	330.87	0.00	0.00	0.00	682.28
CSD-242	351.41	330.87	0.00	0.00	0.00	682.28
CSD-243	351.41	330.87	0.00	0.00	0.00	682.28
CSD-244	351.41	330.87	0.00	0.00	0.00	682.28
CSD-245	236.79	448.54	0.00	0.00	0.00	685.33
CSD-246	351.41	351.41	0.00	0.00	0.00	702.82
CSD-247	702.82	0.00	0.00	0.00	0.00	702.82
CSD-248	351.41	351.41	0.00	0.00	0.00	702.82
CSD-249	351.41	351.41	0.00	0.00	0.00	702.82
CSD-250	702.82	0.00	0.00	0.00	0.00	702.82
CSD-251	351.41	351.41	0.00	0.00	0.00	702.82
CSD-252	351.41	351.41	0.00	0.00	0.00	702.82
CSD-253	351.41	352.19	0.00	0.00	0.00	703.60
CSD-254	351.41	355.87	0.00	0.00	0.00	707.28
CSD-255	351.41	376.41	0.00	0.00	0.00	727.82
CSD-256	728.77	0.00	0.00	0.00	0.00	728.77
CSD-257	351.41	379.95	0.00	0.00	0.00	731.36
CSD-258	351.41	390.07	0.00	0.00	0.00	741.48
CSD-259	351.41	412.94	0.00	0.00	0.00	764.35
CSD-260	351.41	696.23	0.00	0.00	0.00	1,047.64
CSD-261	351.41	721.01	36.40	0.00	0.00	1,108.82
CSD-262	363.41	766.80	0.00	0.00	0.00	1,130.21

	<u>Current</u>	<u>1 - 60</u>	<u>61 - 120</u>	<u>121 - 180</u>	<u>> 180</u>	<u>TOTAL</u>
CSD-263	351.41	835.67	34.06	0.00	0.00	1,221.14
CSD-264	236.79	584.40	473.70	7.70	0.00	1,302.59
CSD-265	351.41	983.36	0.00	0.00	0.00	1,334.77
CSD-266	0.00	0.00	0.00	0.00	1,364.32	1,364.32
CSD-267	351.41	781.87	330.87	0.00	0.00	1,464.15
CSD-268	0.00	1,476.97	0.00	0.00	0.00	1,476.97
CSD-269	236.79	587.81	506.24	517.74	52.04	1,900.62
CSD-270	129.83	355.62	288.78	291.21	860.27	1,925.71
CSD-271	236.79	603.11	518.21	525.37	1,562.29	3,445.77
CSD-272	2,159.57	2,159.58	0.00	-0.01	0.00	4,319.14
CSD-273	0.00	863.69	777.24	800.26	2,301.72	4,742.91
CSD-274	351.41	866.54	764.20	754.58	2,147.54	4,884.27
CSD-275	351.41	869.01	771.39	761.70	2,857.68	5,611.19
CSD-276	0.00	0.00	9,705.10	0.00	0.00	9,705.10
CSD-277	13,605.69	0.00	0.00	0.00	0.00	13,605.69
TOTAL	<u>80,201.43</u>	<u>10,292.77</u>	<u>10,385.93</u>	<u>2,469.18</u>	<u>9,088.70</u>	<u>112,438.01</u>

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

SECURITY REPORT

July 11 2024 – August 10 2024

Pauma Valley CSD Security Department Personnel		
Name	Call Sign	Billet
Officer Todd Albert	1L2	Patrolman / Security Supervisor
Officer German Colin	1L5	Patrolman
Officer Dale Easter	1L6	Patrolman
Officer Luis Orozco	1L4	Patrolman
Eduardo Aguilar	1L7	Patrolman
Matthew Carson	C1	Gate Attendant Supervisor
Zachary Meyer	C1	Gate Attendant
Brandon Wilson	C1	Gate Attendant
Lucas McElvain	C1	Gate Attendant
Bradley Megginson	C1	Gate Attendant

Vehicle Maintenance Report

- Tesla 01 (70,260) - Did not pass visual inspection.
- Tesla 02 (76,350) - Did not pass visual inspection.

Tesla 01 has the driver seat trim broken. There are scuffs on the bottom right corner of the front bumper. The driver seat cover is ripped, wrap has sun damage. The tire pressure monitoring system fault light is on. The driver window switch is broken.

Tesla 02 has the driver seat cover ripped; the seat trim is broken. There is sun damage on the wrap. There is a dent on the front passenger side skirt. The rear tires might need replacing soon.

German Colin, Vehicle Maintenance Officer

Gate Security Report

Cleaning and sanitary supplies are being managed by the CSD office, with masks and gloves stocked at the guardhouse due to frequent visitor interaction. A new cleaning schedule has been set up for the guardhouse, sharing duties among gate guards. Several issues are being addressed: the switch panel control for the rear and center gates at the front guardhouse needs additional electrical work; the front gate's License Plate Reader is out of focus; the back gate pass scanner remains offline despite recent technician efforts; and the Dwelling Live program is facing performance issues, with tech support contacted. Gate guard Zachary Meyer is undergoing weekly patrol training. During snake season, calls for snake removal are being directed to Cal Fire via 911. Patrol officers are monitoring and documenting noise violations related to service or gardening on weekends, with potential violators being warned.

Matthew Carson, Gate Supervisor

ACTIVITY LOG

July 11th, 2024 at 2018 – North Coast Church 11.53. Officer Easter and Officer Meyer found the double doors unsecured. Both Officers cleared and secured the building. Contact to be notified.

July 12th, 2024 at 0412 – Resident Concern. Officer Colin was dispatched to Luiseno Circle Dr after a resident reported a strong smell of cigarettes in the area. The resident requested a patrol to investigate the source of the smell. Officer Colin searched the area but found no signs of cigarette odor.

July 12th, 2024 at 0554 – Other. A woman residing on HW76 contacted Patrol to report that her 19-year-old son left the house in the middle of the night. He expressed concerns because her son has a mental health condition, and she is worried about his well-being. Officer Colin will contact the woman if he finds him in the area.

July 12th, 2024 at 0812 – Suspicious Activity. Officer Easter was dispatched to North Coast Church for a suspicious male trespassing on the property. Officer Easter was unable to locate the individual.

July 12th, 2024 at 1720 – Resident Concern. A resident reported young teens smoking and yelling in the pool on Luiseno Circle Dr. Officer Easter made contact with the two individuals. Two older adults male and female were playing in the pool. A resident who lives on Luiseno Circle Dr had a guest over to swim. A pack of cigarettes was found on the table. Nothing else to report.

July 13th, 2024 at 0213 – Pauma Village 11.53. Officer Colin found the Boot Barn gate unlocked. The Officer was unable to secure the gate. Contact to be notified.

July 13th, 2024 at 1224 – Resident Concern. A resident reported his neighbor on Luiseno Circle Dr was using his electricity inside his storage. An extension cord was found plugged into his wall outlet. He spoke with his neighbor already and did not request for patrol.

July 13th, 2024 at 1705 – PVCSD 459A. Motion sensor 4 was alerted. Officer Easter found no signs of forced entry; the alarm was accidental.

July 13th, 2024 at 1832 – Resident concern. Officer Aguilar was dispatched to Luiseno Circle Dr in response to a resident's report. The resident discovered a charger and a coffee machine at the community pool. She expressed concerns that another resident might be using the pool's electricity. The resident wanted to document the incident and mentioned that she planned to report it to the police in the morning.

July 15th, 2024 at 0430 – Pauma Building 11.53. Officer Colin found building 200 unsecured. The officer cleared and secured the building. Contact to be notified.

July 16th, 2024 at 1137 – Gate Crasher. Officer Orozco was to PVD for a gate crasher. The rear entrance arm barrier came in contact with a white truck. The vehicle belongs to a resident. The arm was put back into working position. Video footage was documented and saved.

July 18th, 2024 at 0550 – Resident Concern. A resident reported his neighbor on Luiseno Circle Dr was using his electricity inside his storage for the second time. An extension cord was found plugged into his wall outlet. He spoke with his neighbor already and did not request for patrol.

July 18th, 2024 at 0858 – Welfare Check. Officer Easter responded to a welfare check regarding an issue from the previous day. Upon arrival, the officer observed that the resident had a black eye. Officer Easter inquired if the resident was in any danger or needed assistance. The resident denied needing help and stated that she had fallen in the dark due to not having electricity at the moment. The Officer advised her to call if she needed any assistance.

July 18th, 2024 at 1552 – Resident Concern. A resident reported someone leaving their belonging at the community pool to wash clothes and cook their food on an electric stove. Requested for a patrol to make contact with the owner. Officer Easter made contact with the owner of the electric stove. She said would be at the pool shortly to remove the stove, however, the laundry does not belong to her.

July 18th, 2024 at 1800 – Water leak. A water leak was reported on PVD. Control 1 contacted the resident to report the leak to Rancho Pauma Mutual.

July 19th, 2024 at 0930 – Welfare Check. Officer Easter was dispatched for a welfare check on Atosona. A resident reported she was supposed to have lunch with her friend but he never showed up. Officer Easter was unable to make contact with the resident. The Officer conducted a thorough search around the house and found nothing out of the ordinary. Control 1 was contacted.

July 22nd, 2024 at 1347 – Process Server. Officer Orozco escorted a server to Wiskon Way West. The agent made contact with the resident. The Officer successfully escorted the agent out of the community.

July 23rd, 2024 at 0953 – Residential 459A. Officer Orozco was dispatched to a house on PVD in response to an alarm activation. Upon arrival, Officer Orozco and the on-site contractor conducted a walk-around inspection of the property. They discovered a loose window, which may have triggered the alarm. No other signs of forced entry were observed.

July 23rd, 2024 at 1050 – Mail Key. Officer Orozco found a mail key left in the mailbox. The resident was contacted, and Officer Orozco waited on-site until the resident arrived to return the keys.

July 23rd, 2024 at 1158 – Process Server. Officer Orozco escorted a server to PVD. The agent was unable to make contact with the resident. The Officer successfully escorted the agent out of the community.

July 23rd, 2024 at 1245 – Resident Concern. A resident reported a strong manure smell coming from the nearby farm and requested a patrol officer. Officer Albert made contact with the farm worker regarding the odor affecting the community. The worker agreed to inform his supervisor upon returning to discuss possible solutions to the issue.

July 24th, 2024 at 0913 – Adult Protective Service. Officer Easter was dispatched to Luiseno Circle Dr in response to a visit by Adult Protective Services. The APS agent arrived to assess the living conditions of a resident. The agent conducted a thorough report on the resident and indicated that she would return in a few days.

July 24th, 2024 at 1130 – Resident Concern. A resident contacted Patrol to request assistance in asking a few contractors who were blocking his driveway to move their vehicle so he could leave his property. Patrol responded, and the contractors complied with the request, allowing the resident to exit his driveway without further issues.

July 24th, 2024 at 1640 – Trespassing. A resident reported that her neighbor’s animals were not getting enough water due to the hot weather. Concerned about their welfare, she went across the field and provided water to the animals. The neighbor was contacted and expressed anger over the situation, requesting to report the incident as trespassing and stating that the resident should never enter his property again.

July 24th, 2024 at 1710 – Animal Control. Animal Control was called to Luiseno Circle Dr to observe a dog that was reported to be mistreated. Animal Control found no signs of abuse towards the animal. No further action was required.

July 25th, 2024 at 1731 – PVCSD 459A. Motion sensor 4 was alerted. Officer Easter found no signs of forced entry, the alarm was accidental.

July 25th, 2024 at 2107 – Welfare Check. A welfare check was conducted on El Tae Rd. Officer Easter and the Sheriff’s deputies arrived after the daughter called 911, expressing concerns for her mother, who is 91 and home alone. Sheriffs made contact with the elderly woman during the welfare check. She was found to be fine, and a family member will follow up to check on her. Nothing else to report.

July 26th, 2024 at 0342 – North Coast Church 11.53. Officer Colin found door K-2nd unsecured. The officer cleared and secured the building. Contact to be notified in the morning.

July 26th, 2024 at 1544 – Animal Control. Animal Control was called to Luiseno Circle Dr to observe a goat that was reported to be mistreated. Animal Control was unable to make contact with the homeowner. Nothing else to report.

July 26th, 2024 at 1806 – PVCSD 459A. Motion sensor 4 was alerted. Officer Easter found no signs of forced entry, the alarm was accidental.

July 26th, 2024 at 2040 – Resident Concern. A resident reported seeing someone walking on her property and requested Patrol to investigate. The officer searched the area and found no signs of trespassing. The officer informed the resident that it might have been a delivery driver who was last seen in the area.

July 27th, 2024 at 1508 – Trespassing. Three dirt bikers, aged 13-15- years old, were found trespassing at the center gate, The three juveniles were observed on camera entering the community with their dirt bikes. Officer Easter approached them, and due to the steep hill, the kids were unable to ride their bikes back up. The officer permitted them to walk their dirt bikes out of the community through the back gate with the motors off. The Officer informed them the Sheriffs would be notified the next time trespassing.

July 28th, 2024 at 0712 – PVCC. Officer Aguilar was dispatched to Temet Rd after reports from the C.C. saw a black Lexus sedan driving on the golf course. Upon arrival, Officer Aguilar conducted a thorough search of the area but was unable to locate the vehicle.

July 29th, 2024 at 2030 – Power Outage. Power outage on PVD. SDGE was contacted.

August 1s 2024 at 0617 – Pauma Village 11.53. Officer Albert found a grey Toyota Prius double parked in a parking spot unoccupied. The vehicle information was documented.

August 1st, 2024 at 1425 – Welfare Check. A welfare check was conducted on Luiseno Circle Dr. Officer Easter and the Sheriff's deputies arrived at a resident's home. The Sheriff was unable to make contact with the owner. The call was anonymous.

August 1st, 2024 at 1625 – Medical. Officer Easter was dispatched to PVD for a medical. The residence's mother was experiencing symptoms of a stroke and subsequently began having a seizure. San Diego Medical and Cal Fire arrived on the scene. One was transported to Palomar Hospital.

August 1st, 2024 at 2112 – Vandalism. A report was made at the front gate regarding vandalism at the post office, where some PO boxes were broken the previous night. Officer Easter and Officer Meyer patrolled the post office building. They discovered notices inside the PO boxes informing customers that their mailboxes had been vandalized. Officer Easter will follow up with the post office for more information.

August 1st, 2024 at 2258 – HW 76. Both Officer Colin and Officer Meyer removed Debris from HW 76 WB which was blocking the road.

August 2nd, 2024 at 0106 – Public Assist. A country club member requested assistance in locating his room late at night. Both Officers on duty assisted the member in finding his room.

August 2nd, 2024 at 0833 – Post Office. Officer Easter followed up with the post office regarding the vandalism. The post office reported that the vandalism occurred sometime between Tuesday night and Wednesday early morning. Video footage of the incident was sent to corporate due to its classification as a federal crime. No further information to report.

August 3rd, 2024 at 0141 – Pauma Village 11.53. Officer Colin found the Boot Barn gate unlocked. The Officer was unable to secure the gate. Contact to be notified.

August 3rd, 2024 at 0653 – Process Server. Officer Colin escorted a server to Pauma Heights Rd. The agent made contact with the resident. The Officer successfully escorted the agent out of the community.

August 4th, 2024 at 1445 – Member Complaint. Officer Orozco was approached by a country club member who requested to charge his Tesla at the security office. The member claimed that the country club had authorized this. Officer Orozco explained that the charging stations at the security office are reserved for

security vehicles only and that other charging stations are not yet operational. Despite the member's frustration, Officer Orozco allowed him to use the charging station but informed him that it was not a supercharger. The member requested a ride back to the country club. Officer Orozco denied the request, explaining that the policy prohibits giving rides to individuals in security vehicles and that will be to wait in his vehicle while charging.

August 4th, 2024 at 2034 – North Coast Church 11.53. Officer Aguilar found the main double doors unsecured. The officer cleared the building but was unable to secure the door. Contact to be notified.

August 5th, 2024 at 2054 – Pauma Building 11.53. Officer Aguilar found an unattended package in front of building 401. The officer took photographs of the package and reported the finding to Control 1.

August 6th, 2024 at 2059 – Suspicious Activity. Officer Aguilar responded to a call on Luiseno Circle Dr. A resident was concerned about another resident using the public bathroom on PVD. The resident requested a patrol check for any signs of vandalism or stolen toilet paper. Officer Aguilar inspected the bathroom and found no signs of vandalism or missing toilet paper.

August 7th, 2024 at 2036 – Pauma School 11.53. Officer Orozco found both the cafeteria and storage room unsecured. The Officer cleared and secured both buildings. Contact to be notified.

August 8th, 2024 at 0952 – Medical. Officer Easter and Officer Albert were dispatched for a medical on PVD/Temet. Both Officers escorted San Diego Medical and Cal Fire to the correct location Pauma Farm. An individual was feeling dizzy. No one was transported.

August 8th, 2024 at 1210 – Water Leak. A water main break was reported on PVD near Pauma View. As a result, multiple houses in the area lost water service for a few hours. The road affected by the break will be closed until further notice.

August 8th, 2024 at 1550 – Welfare Check. Officer Easter responded to a welfare check on Luiseno Circle Dr after the daughter was unable to make contact with her mother. The daughter was able to make contact with her mother before the officer's arrival. Officer Easter made contact with the resident, she was experiencing technical difficulties with her phone. The Officer lent his phone for the resident to call her daughter.

August 8th, 2024 at 2222 – Pauma School 11.53. Officer Colin and Officer Meyer found the cafeteria door unsecured. The officers cleared the building but were unable to secure the door. The officer also found the admin building locked but not latched. Both officers cleared and secured the door. Contact to be notified in the morning.

PVCSD SECURITY REPORT July 11, 2024 – August 10, 2024

RFID Entries						
Front Gate		Center Gate			Back Gate	
9,911		995			10,087	
Dispatch By Location						
Inside PVCCE	Oak Tree	School	Business Dist.	St. Francis	PVCC	Hwy 76
25	0	1	5	0	2	3
Highlights by Shift Periods						
A: 2200-0600		B: 0600-1400			C: 1400-2200	
13		17			28	

PVCSD Patrol – Building Checks				
Location	Unsecured Door	Fire Alarm	Burglary Alarm	Officer Check
			459A	1153
Country Club(CC)				
Greens Maintenance(GM)				
Community Church(CO)	2			49
Gravel Yard(GY)				66
Saint Francis(SF)	1			71
Pauma School(PS)	4			32
Pauma Building(PB)	2			34
Airport Hangars(AH)				74
Treatment Plant(TP)				60
Pauma Village(PV)	4			
Residential Houses/Other			4	

Patrol Activity				Gate Activity	
Medicals	3	Resident Concern	12	Activity/Malfunctions	Totals
Welfare Checks	5	Suspicious Activity	3	Unresponsive	0
Lift Assist		Noise Complaint		Will Not Close	2
Domestic Dispute		Process Server	3	False Read	1
Traffic Collisions		911 Hang-up Call		Loss of Controls	Continuous
Gate Runner/ Gate Crashers	1	Loose Pets	1	Video Loss	1 Continuous
Public Assists	2	Snake Call		Device Entries	20,993
Jump Start		Trespassing	1	Passes Issued	2,562
Notice of Violation		Other	12	Pass Entries	4,729

Acronym Legend			
Acronym	Definition	Acronym	Description
459	Burglary penal code	AFA	Asian Female Adult
AMA	Against Medical Advise	AMA	Asian Male Adult
BOLO	Be on the Lookout	AFJ	Asian Female Juvenile
CHP	California Highway Patrol	AMJ	Asian Male Juvenile
DOB	Date of Birth	BFA	Black Female Adult
DL	Driver License	BMA	Black Male Adult
DV	Domestic Violence	BFJ	Black Female Juvenile
EB	East Bound	BMJ	Black Male Juvenile
FU	Follow Up	HFA	Hispanic Female Adult
IVO	In Vicinity Of	HMA	Hispanic Male Adult
LP	License Plate	HFJ	Hispanic Female Juvenile
LCD	Luiseno Circle Drive	HMJ	Hispanic Male Juvenile
NB	North Bound	MFA	Mexican Female Adult
NLT	No Later Than	MMA	Mexican Male Adult
PERT	Psychiatric Emergency Response Team	MFJ	Mexican Female Juvenile
PT	Patient	MMJ	Mexican Male Juvenile
PVD	Pauma Valley Drive	NAFA	Native American Female Adult
PVRA	Pauma Valley Roadway Association	NAMA	Native American Male Adult
ROTR	Rules of the Road	NAFJ	Native American Female Juvenile
RP	Reporting Party	NAMJ	Native American Male Juvenile
SB	South Bound	WFA	White Female Adult
S/O	Sheriff's Office	WMA	White Male Adult

SR 76	State Route 76/ Highway 76	WFJ	White Female Juvenile
TC	Traffic Collision	WMJ	White Male Juvenile
UTL	Unable to Locate		
WB	West Bound		
WWE	Wiskon Way East		
WWW	Wiskon Way West		
YOA	Years of Age		
Unresponsive	the gate does not open for an RFID		
Will Not Close	the gate does not close when it is supposed to		
False Signal	the alarm goes off in the Front Gate for no discernable reason		
Loss of Controls	gate attendant cannot open the gates remotely		
Video Loss	occurs when the gate attendant cannot see the feeds from the Center or Back Gates		

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

SECURITY REPORT

August 11 2024 – September 10 2024

Pauma Valley CSD Security Department Personnel		
Name	Call Sign	Billet
Officer Todd Albert	1L2	Patrolman / Security Supervisor
Officer German Colin	1L5	Patrolman
Officer Dale Easter	1L6	Patrolman
Officer Luis Orozco	1L4	Patrolman
Eduardo Aguilar	1L7	Patrolman
Matthew Carson	C1	Gate Attendant Supervisor
Zachary Meyer	C1	Gate Attendant
Brandon Wilson	C1	Gate Attendant
Lucas McElvain	C1	Gate Attendant
Bradley Megginson	C1	Gate Attendant

Vehicle Maintenance Report

- Tesla 01 (72,677) - Did not pass visual inspection.
- Tesla 02 (78,321) - Did not pass visual inspection.

Tesla 01. There are scuffs on the bottom right corner of the front bumper. The driver seat cover is ripped and the wrap has sun damage. The tire pressure monitoring system fault light is on. The driver window switch is broken. The USB-C charging ports have a low-voltage battery, which needs to be replaced.

Tesla 02 has the driver seat cover ripped; the seat trim is broken. There is sun damage on the wrap. There is a dent on the front passenger side skirt. The rear tires were replaced at Serratos Tire Shop.

German Colin, Vehicle Maintenance Officer

Gate Security Report

A new cleaning schedule has been implemented, dividing duties equally among the gate guards. The back entry gate had been stuck open for several weeks but has been fixed by Core Security. However, the switch panel control for the rear and center gates at the front guardhouse still requires additional electrical work. The front gate's License Plate Reader is currently out of focus, and the back gate pass scanner remains offline. Additionally, the DwellingLIVE program has been experiencing slowdowns and intermittent errors, prompting us to seek tech support from the company. Although there have been no issues with regulating service workers' hours and days as per Ordinance 55, this may become a concern during the upcoming holiday season. One of our gate guards is undergoing weekly training with patrol, and additional training is planned at Nanpor Security. For snake removal, 1L2 is on duty, and 911 can be called for fire services if needed. Patrol officers continue to monitor for noise violations during restricted hours on weekends, recording all observed activity in the D.A.R., and gate guards will keep advising potential violators of these rules.

Matthew Carson, Gate Supervisor

ACTIVITY LOG

August 10th, 2024 at 0825 – Saint Francis 459A. Officer Easter was dispatched to Saint Francis for an alarm. The alarm was accidental, a church member set off the alarm.

August 10th, 2024 at 1735 – Other. Officer Aguilar was dispatched to PVD for a speeding vehicle. A grey Honda Civic was reported. Officer Aguilar was unable to locate the vehicle. The vehicle was documented and recorded on security cameras.

August 11th, 2024 at 1617 – Other. Officer Orozco received a report regarding a reckless driver. The gate attendant observed a vehicle registered to a resident within the community driving erratically. The driver struck a road sign pole entering the front gate. The resident will be notified warning, video footage, and vehicle information was documented to the PVCSD.

August 12th, 2024 at 1955 – Medical. Officer Aguilar was dispatched to Wiskon Way West for a medical. A resident was feeling ill with a high fever. Cal Fire and Mercy Medics arrived on the scene. One was transported.

August 13th, 2024 at 0312 – Medical. Officer Albert was dispatched to Temet for a medical. The resident did not request or patrol. Officer Albert arrived at Temet Dr to assist with Cal Fire with direction.

August 13th, 2024 at 0927 – Gate Crasher. Officer Orozco was dispatched to the back gate for a gate crasher. A black Toyota Tundra solar company came in contact with the barrier arm. The arm was put back into the working position. The Officer found the vehicle on Temet and issued a NOV.

August 13th, 2024 at 1122 – Gate Crasher. Officer Orozco was dispatched to the back gate for a gate crasher. A white Toyota Tundra came in contact with the barrier arm. The arm was put back into the working position. The vehicle belongs to a service working for McMillan Farm. The Officer issued a NOV.

August 14th, 2024 at 1200 – PVCSD Meeting. Officer Albert had a meeting with the HOA, Sheriff, and CHP at the PVCSD office.

August 15th, 2024 at 1121 – Gate Runner. Officer Albert made contact with the owner of a burgundy Chevy Trailblazer for a verbal warning. The vehicle did not stop at the front gate. The Officer informed the owner to go back to the front gate and get a pass.

August 16th, 2024 at 0955 – Loose Dog. A loose dog was found on Luiseno Circle Dr. The resident was contacted to retrieve the dog.

August 16th, 2024 at 1735 – Stolen Golf Cart. The PVCC reported a stolen golf cart was found on Luiseno Circle Dr the next day. The golf cart was found on a resident's lawn on Luiseno Circle Dr. The cart was returned in its previous condition.

August 16th, 2024 at 2055 – Resident Concern. Officer Colin responded to a resident's concern about a possible trespass in her garage. The resident reported leaving the garage door open and suspected someone might have entered, as there was knocking on her door. Officer Colin checked the perimeter and found no signs of forced entry.

August 16th, 2024 at 2245 – Pauma School 11.53. Officer Colin found the women's restroom locked but not latched. The officer secured the door. The Officer found the cafeteria door unsecured. The Officer cleared the room but was unable to secure the building. Contact to be notified.

August 17th, 2024 at 0101 – North Coast Church 11.53. Officer Colin found the women's restroom unsecured. The Officer cleared and secured the building. Contact to be notified in the morning.

August 17th, 2024 at 0145 – Pauma Village 11.53. Officer Colin found the Boot Barn gate unsecured. The Officer was unable to secure that gate. Contact to be notified.

August 17th, 2024 at 0418 – Oak Tree. Officer Colin found an individual sleeping in his car outside Oak Tree Ranch. The Officer made contact with the man and informed him to leave the property.

August 17th, 2024 at 2326 – Residential 459A. Officer Aguilar notified Control 1 that the Pauma Farm property alarm was alerted. Pauma Police were notified.

August 18th, 2024 at 1743 – Suspicious Activity. Control 1 was dispatched to report a resident performing burnouts near the back gate before entering the community. Shortly after, another report was received of the same resident doing burnouts in front of his house. The resident lost control and drove his vehicle into his garage. Officer Orozco made contact with the resident’s wife regarding the situation. The Sheriff was notified to report the incident involving the resident. Later, another call was received reporting a man running through the field on Temet. Wearing a long-sleeved shirt and black pants and hopping over resident’s backyards. The wife confirmed that the man was her husband. CHP and Sheriff deputies arrived on the scene. However, they were unable to take action as the husband had left the area and the damage was to his property. No further action was taken.

August 18th, 2024 at 2115 – Pauma School 11.53. Officer Aguilar found the cafeteria door unsecured. The Officer cleared the building but was unable to secure the door. Contact to be notified in the morning.

August 19th, 2024 at 0804 – Medical. Officer Orozco was dispatched to PVD for a medical. The Officer made contact with the resident. She was feeling ill. The medics arrived, and one was transported.

August 20th, 2024 at 1330 – Public Assist. Officer Orozco assisted a vehicle that ran out of gas on Highway 76.

August 20th 2024 at 2104 – North Coast Church 11.53. Officer Aguilar found the back-office door unsecured. The Officer cleared the building but was unable to secure the door. Contact to be notified.

August 21st, 2024 at 0801 – Resident Concern. A resident reported smelling smoke on Luiseno Circle Dr. Both Officer Easter and Officer Albert patrolled the area. Officer Easter found no signs of smoke on Wasa Ct. Officer Albert found smoke coming from a resident's chimney. Nothing else to report.

August 21st, 2024 at 1121 – Security Cameras. The Security cameras at the front gate went offline temporarily. The cameras went back online later in the day.

August 21st, 2024 at 1827 – Saint Francis 11.53. Officer Orozco found the siding door unsecured. The Officer cleared and secured the building. Contact to be notified.

August 23rd, 2024 at 1009 – Loose Dog. A loose dog was found on Luiseno Circle Dr. The resident was contacted to retrieve the dog.

August 23rd, 2024 at 1245 – Resident Concern. A resident contacted the front gate to report a dead coyote on the side of Highway 76. Cal Trans was contacted to remove the dead animal.

August 23rd, 2024 at 1755 – PVCC Guest. A PVCC member was upset that no keys were left for them during their stay at the PVCC. Officer Easter made contact with the PVCC restaurant manager and retrieved the keys for the guest.

August 24th, 2024 at 1252 – Pauma Building 11.53. Officer Colin found room 401 unsecured. The Officer set off the alarm by accident and cleared the room but was unable to secure the door. Contact to be notified.

August 24th, 2024 at 0852 – Resident Concern. A resident was upset that someone driving a golf cart with a trailer was dumping mulch on the side of his property on Temet Dr. The resident took some pictures of the man, but the pictures were not very clear and far away. Officer Easter patrolled the area but was unable to locate the individual.

August 24th, 2024 at 1530 – Broke down Vehicle. Officer Easter made contact with two individuals near Serratos Tire Shop. A male and female said their Ford F-150 broke down on the side of the Highway and

had towed their truck to Serratos. Officer Easter informed them that the shop was closed and will be back open on Monday at 8 am. The two individuals said they would be back on Monday to speak with the Shop.

August 27th, 2024 at 1215 – Treatment Plant 11.53. Officer Albert found the gate open. The Officer cleared and secured the area. Control 1 was notified.

August 28th, 2024 at 1515 – A resident reported seeing a man going door to door selling something on Temet. Officer Easter made contact with the individual on Cakuha Ct. The young man was riding an electric scooter for transportation. He is a resident and a member, he works for a solar company and is checking on his current customers to inform them of the updates in the company. Officer Easter informed him to stick to his current customer list and not go to future customers.

August 28th, 2024 at 1550 – Airport. A Sheriff Helicopter landed on the airstrip. A gas Tanker arrived to fill up the helicopter. Nothing else to report.

August 29th, 2024 at 0630 – Loose Dog. A resident reported seeing a dog on PVD. Officer Albert was UTL the dog.

August 29th, 2024 at 0945 – Snake Call. A resident reported seeing a snake on his property on Wiskon Way West. UTL the snake.

August 29th, 2024 at 1104 – Gate Malfunction. The entrance gate to PVD malfunctioned. The gate needed to be closed down manually.

August 29th, 2024 at 1220 – Gate Malfunction. The entrance gate to PVD malfunctioned. The gate needed to be closed down manually.

August 29th, 2024 at 1755 – Resident Report. A resident on Luiseno Circle Dr reported hearing gunshots coming from her neighbor's house 2 houses away. She suspects her neighbor is shooting their goats. Requested for a patrol to make contact with the neighbors on Luiseno Circle Dr. Both Officer Easter and Officer Meyer made contact with the neighbor who was accused of shooting and killing their goats. The owner's son around 17 years of age said his parents are currently not home and there are no firearms on the property. Nothing else to report.

August 29th, 2024 at 1812 – Resident Report Part 2. Officer Easter and Officer Meyer made contact with the resident who reported hearing gunshots. Both officers informed the resident that they had checked the area, no gunshots were heard, and no animals were harmed.

August 29th, 2024 at 2049 – Medical. Officer Easter and Officer Meyer were dispatched to a medical call at the PVCC, Both officers arrived first on the scene and found an older man with lacerations on his head from a fall. Medics arrived shortly after, treated the man's wounds, and transported him for further care to Palomar Hospital.

August 30th, 2024 at 1105 – Medical. Officer Easter was dispatched to a medical call on Highway 76. The location did not match the Pulse Point app, the officer was unable to locate the call.

August 31st, 2024 at 0115 – Pauma Building 11.53. Officer Colin found room 100 unsecured. The Officer cleared and secured the building. Contact to be notified in the morning.

August 31st, 2024 at 0824 – Process Server. Officer Easter escorted a process server to Indian Bend Rd. The server was unable to make contact with the resident. The Officer escorted the server out the back gate to PVD.

August 31st, 2024 at 1150 – Resident Concern. A concerned resident contacted Patrol with concerns about a neighbor's vehicle that is always parked in an emergency pathway. She requested that Patrol make contact with the neighbors to have the vehicle removed, as the area is designed for emergency vehicles only. The Officer made contact with the owner. The vehicle was moved.

August 31st, 2024 at 1900 – Process Server. Officer Easter escorted a process server to Indian Bend Rd. The server was unable to make contact with the resident. The Officer escorted the server out the back gate to PVD.

September 2nd, 2024 at 0100 – North Coast Church 11.53. Officer Colin found the double doors unsecured. The Officer cleared and secured the building. Contact to be notified in the morning.

September 3rd, 2024 at 0647 – Pauma Village 11.53. Officer Ablert found a red Mercedes CLK parked in the lot unoccupied. The vehicle information was documented.

September 3rd, 2024 at 0723 – Loose Dog. A resident reported seeing a dog on PVD. Officer Albert was UTL the dog.

September 3rd, 2024 at 0735 – Loose Dog. Officer Albert found the owner of the loose dog. Informed the owner to keep the dog on a leash.

September 3rd, 2024 at 0835 – GM Meeting. Officer Albert had a meeting with the GM regarding a resident using racial slurs while a patrol man was on a call to the resident's home. The GM and Supervisor informed the patrolman that this type of behavior would not be tolerated and that you to leave the house and report the issue for future incidents.

September 3rd, 2024 at 0932 – Trespassing. Officer Easter was dispatched to Luiseno Circle Dr. The front gate reported seeing a Hispanic male around 5'8 crossing the field near Highway 76 to Luiseno Circle Dr. heading towards a residence home. The Officer found the trespasser inside a garage at the residence. The resident stated that the individual was not welcome and that the Sheriffs had been called for trespassing. The individual then left the community on foot, heading down Highway 76. The sheriffs did not arrive on the scene.

September 3rd, 2024 at 0853 – Trespassing. Officer Albert was dispatched following a report of a trespasser entering the community and heading towards Luiesno Circle Dr. Officer Easter made contact with the trespasser and instructed the individual to leave immediately. Shortly after, Officer Albert observed the trespasser running across Highway 76 into the grove area. Despite being called, the Sheriff's Deputies did not arrive on the scene.

September 3rd, 2024 at 1403 – Mail Box. A resident found some mail on the ground near Luiseno Circle Dr. Requested for Patrol to return the mail to the correct house.

September 3rd, 2024 at 2321 – Noise Complaint. Officer Aguilar was dispatched to the PVCC pool for a noise complaint. The Officer found three individuals hanging around the pool. No music was playing. The Officer told the guest to leave the area.

September 4th, 2024 at 0850 - Resident Concern. A concerned resident contacted Patrol with concerns about a neighbor's vehicle that is always parked in an emergency pathway. She requested that Patrol make contact with the neighbors to have the vehicle removed, as the area is designed for emergency vehicles only. The Officer made contact with the owner. The vehicle was moved for the second time.

September 4th, 2024 at 1045 – Social Worker. Officer Easter escorted a Social Worker to El Tae.

September 4th, 2024 at 1459 – Process Server. Officer Easter escorted a process server to Indian Bend Rd. The server was unable to make contact with the resident. The Officer escorted the server out the back gate to PVD.

September 9th, 2024 at 0935 – Process Server. Officer Albert escorted a process server to Indian Bend Rd. The server was unable to make contact with the resident. The Officer escorted the server out the back gate to PVD.

September 5th, 2024 at 1420 – Tail Gate. A Tenet on Wiskon Way West was impatiently waiting in the guest line honking his horn and following a vehicle closely in the member's line. A warning was issued by a patrolman. Video footage was saved and documented for future issues.

September 5th, 2024 at 2103 – Pauma School 11.53. Officer Easter found the multi-purpose room unsecured. The Officer cleared and secured the building. Contact to be notified.

September 6th, 2024 at 0140 – Pauma Building 11.53. Officer Colin and Officer Meyer found the women's restroom unsecured. Both Officers cleared the building but were unable to secure the door. The back post office door was unsecured. The alarm was set accidentally. The Officers cleared the building but were unable to secure the door. Contact to be notified.

August 6th, 2024 at 0723 – Process Server. Officer Colin escorted a process server to Indian Bend Rd. The server made contact with the homeowner. The owner requested to have a picture taken for evidence. The Officer escorted the server out of the community.

September 7th, 2024 at 1549 – Medical. Officer Aguilar was dispatched to Wiskon Way West for a medical. Officer Aguilar made contact with the owner. The wife fell and needed help getting back up. She requested medics to check her out. One transported.

September 7th, 2024 at 1024 – Medical. Officer Colin was dispatched to Wiskon Way East for a medical. A resident cut his arm on a screen door and was unable to stop the bleeding. Cal Fire and Medics arrived on the scene. The medics bandaged the arm. No one was transported.

September 7th, 2024 at 1124 – Medical. Officer Colin was dispatched to Wiskon Way East for a medical. A resident requested to be transported to a hospital for a laceration to his arm.

September 8th, 2024 at 1432 – Other. Officer Orozco noticed a resident speeding inside the community. The Officer made contact with the resident and informed him about the speed limit inside the community.

September 9th, 2024 at 1709 – Snake Call. Officer Aguilar was dispatched for a snake call on Wiskon Way East. The Officer was UTL the snake.

September 10th, 2024 at 0445 – Public Assist. Officer Albert assisted a silver van with a tank of gas on Highway 76.

September 10th, 2024 at 1411 – Welfare Check. Officer Orozco was dispatched to El Tae for a welfare check. The Officer made contact with the resident.

September 11th, 2024 at 0909 – Welfare Check. Officer Easter was dispatched to El Tae for a welfare check. The Officer made contact with the resident.

September 11th, 2024 at 1402 – Public Assist. Officer Easter was flagged down on Luiseno Circle Dr by a resident. The resident requested help to move his vehicle's top cover onto his trailer. The Officer successfully moved the top cover onto the trailer.

September 11th, 2024 at 1601 – Residential 11.53. Officer Easter found the back sliding door locked but not latched, the officer secured the door. Also found the garage side door unsecured. The Officer was unable to secure the door. Contact to be notified.

PVCSD SECURITY REPORT August 11, 2024 – September 10, 2024

RFID Entries						
Front Gate		Center Gate			Back Gate	
12,980		2,662			5,797	
Dispatch By Location						
Inside PVCCE	Oak Tree	School	Business Dist.	St. Francis	PVCC	Hwy 76
39	1	1	3	1	3	4
Highlights by Shift Periods						
A: 2200-0600		B: 0600-1400			C: 1400-2200	
16		30			26	

PVCSD Patrol – Building Checks				
Location	Unsecured Door	Fire Alarm	Burglary Alarm	Officer Check
			459A	1153
Country Club(CC)				
Greens Maintenance(GM)				
Community Church(CO)	3			50
Gravel Yard(GY)				74
Saint Francis(SF)	1		1	81
Pauma School(PS)	3			30
Pauma Building(PB)	3			40
Airport Hangars(AH)				65
Treatment Plant(TP)				70
Pauma Village(PV)	1			35
Residential Houses/Other			1	1

Patrol Activity				Gate Activity	
Medicals	8	Resident Concern	10	Activity/Malfunctions	Totals
Welfare Checks	2	Suspicious Activity	1	Unresponsive	0
Lift Assist		Noise Complaint	1	Will Not Close	3
Domestic Dispute		Process Server	6	False Read	0
Traffic Collisions		911 Hang-up Call		Loss of Controls	Continuous
Gate Runner/ Gate Crashers	4	Loose Pets	4	Video Loss	1 Continuous
Public Assists	3	Snake Call	2	Device Entries	21,439
Jump Start		Trespassing	2	Passes Issued	2,614
Notice of Violation	2	Other	16	Pass Entries	4,816

Acronym Legend			
Acronym	Definition	Acronym	Description
459	Burglary penal code	AFA	Asian Female Adult
AMA	Against Medical Advise	AMA	Asian Male Adult
BOLO	Be on the Lookout	AFJ	Asian Female Juvenile
CHP	California Highway Patrol	AMJ	Asian Male Juvenile
DOB	Date of Birth	BFA	Black Female Adult
DL	Driver License	BMA	Black Male Adult
DV	Domestic Violence	BFJ	Black Female Juvenile
EB	East Bound	BMJ	Black Male Juvenile
FU	Follow Up	HFA	Hispanic Female Adult
IVO	In Vicinity Of	HMA	Hispanic Male Adult
LP	License Plate	HFJ	Hispanic Female Juvenile
LCD	Luiseno Circle Drive	HMJ	Hispanic Male Juvenile
NB	North Bound	MFA	Mexican Female Adult
NLT	No Later Than	MMA	Mexican Male Adult
PERT	Psychiatric Emergency Response Team	MFJ	Mexican Female Juvenile
PT	Patient	MMJ	Mexican Male Juvenile
PVD	Pauma Valley Drive	NAFA	Native American Female Adult
PVRA	Pauma Valley Roadway Association	NAMA	Native American Male Adult
ROTR	Rules of the Road	NAFJ	Native American Female Juvenile
RP	Reporting Party	NAMJ	Native American Male Juvenile
SB	South Bound	WFA	White Female Adult

S/O	Sheriff's Office	WMA	White Male Adult
SR 76	State Route 76/ Highway 76	WFJ	White Female Juvenile
TC	Traffic Collision	WMJ	White Male Juvenile
UTL	Unable to Locate		
WB	West Bound		
WWE	Wiskon Way East		
WWW	Wiskon Way West		
YOA	Years of Age		
Unresponsive	the gate does not open for an RFID		
Will Not Close	the gate does not close when it is supposed to		
False Signal	the alarm goes off in the Front Gate for no discernable reason		
Loss of Controls	gate attendant cannot open the gates remotely		
Video Loss	occurs when the gate attendant cannot see the feeds from the Center or Back Gates		

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
PAUMA VALLEY COMMUNITY SERVICES DISTRICT AND
CAROLLO ENGINEERS FCR
UNDEFINED AS NEEDED ENGINEERING SUPPORT AND
MISCELLANEOUS SERVICES AS REQUESTED BY THE GENERAL MANAGER FOR
FISCAL YEAR JUNE 2024 THROUGH JULY 2025**

This Professional Services Agreement (“Agreement”) is made on this 24th day of July, 2024, between the PAUMA VALLEY COMMUNITY SERVICES DISTRICT (“PVCSD”), and CAROLLO ENGINEERS, (“CONTRACTOR”), an independent engineering firm, with a principal place of business in Walnut Creek, California.

**ARTICLE 1
TERM OF CONTRACT**

1.01 This Agreement will become effective on the date stated above, and will continue in effect until the earlier of the completion of services provided for in this Agreement or until terminated as provided under Article 7.

**ARTICLE 2
SERVICES TO BE PERFORMED BY CONTRACTOR**

Specific Services

2.01 CONTRACTOR will perform the deliverables within the scope described in Attachment A. CONTRACTOR will provide PVCSD with periodic reports regarding the progress of services performed, at request of PVCSD. Any changes to the scope of services or timeframes identified in Attachment A must be authorized by PVCSD in writing and shall be set forth as an amendment to this Agreement.

2.02 CONTRACTOR will determine the method, details, and means of performing the above-described services.

Estimates and Projections

2.03 In providing opinions of cost, financial analyses, economic feasibility projections, schedules, and quantity and/or quality estimates for potential projects, CONTRACTOR has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; the incoming water quality and/or quantity; the way PVCSD’s plant(s) and/or associated processes are operated and/or maintained; and other economic and operational factors that may materially affect the ultimate project elements, including, but not limited to, cost or schedule. Therefore, CONTRACTOR makes no warranty that PVCSD’s actual project costs, financial aspects, economic feasibility, schedules, and/or quantities or quality realized will not vary from CONTRACTOR’s opinions, analyses, projections,

or estimates.

Status of CONTRACTOR

2.04 CONTRACTOR and its employee(s) are engaged in an independent contractor relationship with PVCSD in performing all work, duties and obligations hereunder. PVCSD shall not exercise any control or direction over the methods by which CONTRACTOR shall perform its work and functions. PVCSD's sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. The parties agree that no work, act, commission or omission of CONTRACTOR or its employee(s) pursuant to this Agreement shall be construed to make CONTRACTOR or its employee(s) the agent, employee or servant of PVCSD. CONTRACTOR and its employee(s) are not entitled to receive from PVCSD vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.

Payment of Income Taxes

2.05 CONTRACTOR shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers' compensation insurance and for otherwise complying with all other employment law requirements with respect to CONTRACTOR or its employee(s).

2.06 To the maximum extent allowable by law, CONTRACTOR agrees to indemnify, defend and hold PVCSD harmless from any and all liability, damages or losses (including attorneys' fees, costs, penalties and fines) PVCSD suffers as a result of (a) CONTRACTOR's failure to meet its obligations under paragraph 2.04, or (b) a third party's designation of CONTRACTOR or its employee as an employee of PVCSD, regardless of any actual or alleged negligence by PVCSD.

Compliance with Laws/Rules

2.07 CONTRACTOR will perform all services under this Agreement in good faith and in the best interests of PVCSD. In performing the services specified in this Agreement, CONTRACTOR agrees to comply with all laws, rules, regulations and ordinances, whether federal, state or local, and any and all PVCSD policies, procedures, departmental rules and other directives applicable to the services to be performed and provided by PVCSD's Project Manager to the CONTRACTOR, including, but not limited to, PVCSD's Contractor Safety Policies and Procedures. Any changes to PVCSD policies and procedures that relate to CONTRACTOR will be provided to CONTRACTOR in writing. CONTRACTOR agrees to review such policies, procedures, rules and directives the contents of which CONTRACTOR will be deemed to have knowledge.

2.08 CONTRACTOR shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

2.09 CONTRACTOR shall comply with all of the following requirements with respect to any services as a Building/Construction Inspector, Field Soils and Material Tester, or Land Surveyor, as those trades are defined by the California Department of Industrial Relations ("DIR").

2.09.1 CONTRACTOR agrees to comply with and require its subcontractors to comply with the requirements of California Labor Code sections 1720 et seq. and 1770 et seq., and California Code of Regulations, title 8, section 16000 et seq. (collectively, "Prevailing Wage Laws") and any additional applicable California Labor Code provisions related to such work including without limitation payroll

recordkeeping requirements. CONTRACTOR and its subcontractors shall pay not less than the prevailing rate of per diem wages as determined by the Director of the DIR for all services described in Section 2.08 of this Agreement and as required by law. The general prevailing wage determinations can be found on the DIR website at: <http://www.dir.ca.gov/dslr>. Copies of the prevailing rate of per diem wages may be accessed at PVCSD's administrative office, and shall be made available upon request. CONTRACTOR shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services described in Section 2.08 of this Agreement available to interested parties upon request, and shall post and maintain copies at CONTRACTOR'S principal place of business and at all site(s) where services are performed. Penalties for violation of Prevailing Wage Laws may be assessed in accordance with such laws. For example, CONTRACTOR shall forfeit, as a penalty to PVCSD, Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than stipulated prevailing rates for services performed under this Agreement by him, or any subcontractor under him, in violation of Prevailing Wage Laws. CONTRACTOR shall defend, indemnify and hold PVCSD and each of their respective officials, officers, directors, employees, agents and volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged failure of CONTRACTOR or its subcontractors to comply with Prevailing Wage Laws.

2.09.2 CONTRACTOR and each of its subcontractors shall keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by CONTRACTOR or subcontractor in connection with the services performed pursuant to this Agreement. Each payroll shall be certified, available for inspection, and copies thereof furnished as prescribed in California Labor Code section 1776, including any required redactions. CONTRACTOR shall keep PVCSD informed as to the location of the records and shall be responsible for the compliance with these requirements by all subcontractors. CONTRACTOR shall inform PVCSD of the location of the payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of any change of location and address. Penalties for noncompliance include a forfeiture of One Hundred Dollars (\$100) per calendar day, or portion thereof, for each worker until strict compliance is effectuated, which may be deducted from any moneys due CONTRACTOR.

2.09.3 Eight (8) hours of work shall constitute a legal day's work. CONTRACTOR and any subcontractors shall forfeit, as a penalty to PVCSD, Twenty-Five Dollars (\$25) for each worker employed in the execution of services pursuant to this Agreement by CONTRACTOR or any of its subcontractors for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any calendar week in violation of the provisions of the California Labor Code, in particular, sections 1810 to 1815, thereof, inclusive, except services performed by employees of CONTRACTOR and its subcontractors in excess of eight (8) hours per day at not less than one and one-half (1 ½) times the basic rate of pay, as provided in California Labor Code section 1815.

2.09.4 CONTRACTOR'S attention is directed to the provisions of California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning employment of apprentices by CONTRACTOR or any of its subcontractors. If applicable to the services to be performed under this Agreement, CONTRACTOR shall comply with such apprenticeship requirements and submit apprentice information to PVCSD. Information relative to apprenticeship standards, wage schedules and other requirements may be obtained from the DIR or from the Division of Apprenticeship Standards. Knowing violations of section 1777.5 will result in forfeiture not to exceed One Hundred Dollars (\$100) for each calendar day of non-

compliance pursuant to section 1777.7.

2.09.5 CONTRACTOR shall require any subcontractors performing services under this Agreement to comply with all of the above.

ARTICLE 3 PROJECT TEAM

3.01 PVCSD has a primary interest in maintaining the individual services of the following key project team members:

1. Mr. Justin O'Brien, CONTRACTOR
2. Mr. Jeff Weishaar, CONTRACTOR

No member of the project team shall be removed from the project team or reassigned by CONTRACTOR without prior approval of PVCSD. Such approval shall not be unreasonably withheld or delayed. CONTRACTOR shall be required to immediately inform PVCSD should any of the key members become unavailable. The credentials for substitutes for key project members must be submitted to PVCSD for review and approval. An interview may also be required if so desired by PVCSD.

ARTICLE 4 COMPENSATION

4.01 Compensation for all work performed under this Agreement shall be calculated on a time and materials basis. Compensation for the services described in Attachment A shall not exceed Thirty Thousand Dollars (\$30,000). This amount shall not be exceeded unless there is a change in scope of work, in writing and agreed to by both parties and set forth in an amendment to this Agreement. Such amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. CONTRACTOR and PVCSD agree that this fee was arrived at through arms length negotiations between the parties.

Payment of Expenses and Monthly Invoices

4.02 PVCSD will reimburse CONTRACTOR for all reasonable expenses incurred in performing services under this Agreement as the work progresses, provided that such reasonable expenses shall be included in and subject to the maximum compensation amount stated above in Section 4.01. CONTRACTOR shall submit invoices to PVCSD'S Project Manager once per month. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-by-task basis pursuant to Attachment A. The term "expenses" means telephone bills, and federal express charges, mailing charges and any other pre-approved expenses by PVCSD. CONTRACTOR will provide PVCSD with receipts for all expenses. PVCSD shall make payment to CONTRACTOR within forty- five (45) days of receipt of an approved invoice.

ARTICLE 5 OBLIGATIONS OF CONTRACTOR

Non Exclusive Relationship

5.01 CONTRACTOR may represent, perform services for, and contract with as many additional clients, persons, or companies as CONTRACTOR, in its sole discretion, sees fit.

Tools, Materials, and Equipment

5.02 CONTRACTOR will supply all tools materials, and equipment required to perform the services under this Agreement.

CONTRACTOR's Qualifications

5.03 CONTRACTOR represents that its employee(s) has the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of PVCSD, and in accordance with the prevailing standard of care by exercising the skill and ability ordinarily required of consultants performing the same or similar services, under the same or similar circumstances, in the State of California. This means CONTRACTOR is able to fulfill the requirements of this Agreement. Failure to perform all the services required under this Agreement constitutes a material breach of the Agreement. CONTRACTOR has complete and sole discretion for the manner in which the work under this Agreement will be performed. Acceptance by PVCSD of reports, and incidental professional work or materials furnished hereunder, shall not in any way relieve CONTRACTOR of responsibility for the technical adequacy of its work. Neither PVCSD's acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

Indemnity, Hold Harmless and Defense

5.04 To the maximum extent allowable by law, CONTRACTOR agrees to indemnify, defend, and hold PVCSD and each of their respective officials, officers, directors, employees, agents and volunteers (collectively referred to as the "Indemnified Parties") free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "Liabilities") that such entities or persons may incur that pertain to, arise out of or relate to the negligence, recklessness or willful misconduct of CONTRACTOR in performing the services pursuant to this Agreement, to the extent caused by any negligent errors, acts or omissions of CONTRACTOR, including CONTRACTOR's officers, officials, directors, employees, subcontractors, agents, representatives, volunteers, successors, assigns or anyone for whom CONTRACTOR is legally responsible, or a breach by CONTRACTOR of any representation or agreement contained in this Agreement. In no event shall the cost to defend charged to CONTRACTOR exceed CONTRACTOR's proportionate percentage of fault.

5.04.1 CONTRACTOR shall cooperate with and do whatever is necessary to protect Indemnified Parties from any such Liabilities.

5.04.2 CONTRACTOR shall defend Indemnified Parties, at CONTRACTOR's own cost, expense and risk, from any and all such aforesaid Liabilities asserted in claims, demands, actions, causes of action, arbitration, mediations or other proceedings of any kind that may be brought or instituted against Indemnified Parties. CONTRACTOR and Indemnified Parties shall be jointly represented by legal counsel, unless there is a conflict of interest, and CONTRACTOR shall pay Indemnified Parties' reasonable attorneys' fees and costs as they are incurred. Indemnified Parties shall be consulted regarding and approve the selection of legal counsel. Should separate legal counsel be necessary for Indemnified Parties, as determined by PVCSD, CONTRACTOR shall pay for the reasonable attorneys' fees and costs including expert witness fees, as such fees and costs are incurred and within thirty (30) days of receipt of an invoice, for Indemnified Parties' legal counsel in addition to CONTRACTOR's own legal

fees and costs. In all circumstances, Indemnified Parties reserve the right to retain their own attorneys. CONTRACTOR shall not agree without Indemnified Parties' prior written consent to any settlement on Indemnified Parties' behalf.

5.04.3 If CONTRACTOR is obligated to defend Indemnified Parties pursuant to this Article 5, Section 5.04, and fails to do so after reasonable notice from PVCSD, Indemnified Parties may defend themselves and/or settle such claims, suit or assertion, and CONTRACTOR shall pay to Indemnified Parties any and all Liabilities incurred in relationship with Indemnified Parties' defense and/or settlement of such proceeding.

5.04.4 CONTRACTOR shall pay and satisfy any judgment, award, liability or decree that may be awarded, imposed or rendered against Indemnified Parties as a result of any claims, demands, suits, actions, causes of action, arbitrations, mediations or other proceedings whether legal, administrative or otherwise, including any settlement as delineated in Section 5.04 hereunder.

5.04.5 CONTRACTOR's indemnification, hold harmless and defense obligation shall not be limited in any way by any limitation on the amount of damages, compensation or benefits payable by or for CONTRACTOR, subcontractor, supplier or other person under workers' compensation acts, disability acts or other employee acts or the insurance required by this Agreement. CONTRACTOR's indemnification, hold harmless and defense obligation shall not be restricted to insurance proceeds, if any, received by CONTRACTOR or Indemnified Parties. Provision of insurance coverage as required by this Agreement shall not affect CONTRACTOR's indemnity obligations.

5.04.6 CONTRACTOR's indemnification, hold harmless and defense obligation shall survive the termination or expiration of this Agreement.

5.04.7 CONTRACTOR shall not be responsible for warranties, guarantees, fitness for a particular purpose, breach of fiduciary duty, loss of anticipated profits or for economic, incidental, liquidated, or consequential damages to PVCSD or any third party arising out of breach of contract, delay, termination, or for any other reason whatsoever. Additionally, CONTRACTOR shall not be responsible for acts and decisions of third parties, including governmental agencies, other than CONTRACTOR's subconsultants, that impact project completion and/or success.

Insurance

5.05 CONTRACTOR shall procure and maintain in full force and effect for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONTRACTOR, its agents, representatives, employees or subcontractors. Insurance policies shall be on an occurrence basis, and coverage shall be at least as broad and in the minimum amounts as follows

5.05.1 California Workers' Compensation Insurance, as required by the State of California, with statutory limits.

5.05.2 General Liability Insurance [occurrence form CG 0001], covering bodily injury, personal injury and property damage with a combined single limit of no less than One Million Dollars (\$1,000,000) per occurrence, and a minimum annual aggregate of Two Million Dollars (\$2,000,000). If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be three times the required occurrence limit.

5.05.3 Automobile Liability Insurance [form number CA 0001, covering code 1 (any auto)] covering bodily injury and property damage, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim for bodily injury and property damage.

5.05.4 Employer's Liability Insurance with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim for bodily injury or disease.

5.05.5 Error and Omissions Insurance appropriate to CONTRACTOR's services, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim, and Two Million Dollars (\$2,000,000) policy aggregate.

5.06 The following are required provisions:

5.06.1 CONTRACTOR will provide additional insured insurance coverage and policy endorsements for PVCSD and each of their respective officers, officials, directors, employees, volunteers or agents (collectively referred to as the "Insured Parties") under the general liability and automobile liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties. General liability coverage can be provided in the form of an endorsement to CONTRACTOR's insurance (at least as broad as ISO Form CG 20 10, 11 85, or both CG 20 10 and CG 20 37 forms if later revisions to CG 20 10 are used).

5.06.2 CONTRACTOR's general liability and automobile liability insurance shall be primary insurance as respects Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of CONTRACTOR's insurance and shall not contribute to it.

5.06.3 Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

5.06.4 CONTRACTOR'S general liability and automobile liability insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of insurer's liability.

5.06.5 General and automobile liability insurance shall include indemnification against loss from liability imposed by law upon, or assumed under contract by, CONTRACTOR or its subcontractors for damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting from the performance or execution of this Agreement by CONTRACTOR or its subcontractors.

5.06.6 General and automobile liability insurance shall cover accidents arising out of the use and operation of owned, non-owned and hired automobiles, trucks and/or other mobile equipment.

5.06.7 Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be cancelled or reduced in coverage by the insured or insurer without thirty (30) days prior written notice by mail to PVCSD.

5.06.8 General and automobile liability policies shall specifically cover any contractual liability incurred hereunder.

5.07 CONTRACTOR hereby agrees to waive rights of subrogation which any insurer of CONTRACTOR may acquire from CONTRACTOR by virtue of the payment of any loss. CONTRACTOR agrees to obtain

any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Insured Parties for all work performed by CONTRACTOR, its employees, agents and subcontractors.

5.08 Insurance will be purchased from insurance companies with a current A.M. Best's rating of no less than A:VII, unless otherwise agreed to in writing by PVCSD.

5.09 Any deductibles or self-insured retention limits must be disclosed to and approved by PVCSD prior to the execution of this Agreement. At the option of PVCSD, either: the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or CONTRACTOR shall provide a financial guarantee satisfactory to PVCSD guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

5.10 CONTRACTOR will furnish PVCSD with certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by PVCSD. CONTRACTOR shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. CONTRACTOR shall, upon request of PVCSD at any time, deliver to PVCSD complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive CONTRACTOR's obligation to provide them.

5.11 If any of the required coverages expire during the term of this Agreement, CONTRACTOR shall deliver the renewed certificate(s) including the general liability and auto liability additional insured endorsements to PVCSD at least ten (10) days prior to the expiration date.

5.12 In the event that CONTRACTOR employs subcontractors to perform any portion of the services to be performed pursuant to this Agreement, it shall be CONTRACTOR's responsibility to require and confirm that each subcontractor meets the minimum insurance requirements specified in this Agreement.

Conflict of Interest

5.13 Upon the award of this Agreement and periodically thereafter, CONTRACTOR may be required to complete and file with PVCSD a Conflict-of-Interest form, to be provided to CONTRACTOR by PVCSD.

Assignment

5.14 Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of PVCSD. PVCSD has entered into this Agreement in order to receive the professional services of CONTRACTOR. The provisions of this Agreement shall apply to any subcontractor to CONTRACTOR. PVCSD shall have the right to approve any subcontractor agreements, in addition to the written consent required by this Section 5.14.

Safety

5.15 CONTRACTOR shall be solely and completely responsible for the safety of all CONTRACTOR personnel, including personnel of any subcontractors, during performance of the services. CONTRACTOR shall fully comply with all laws, rules, regulations and ordinances relating to safety of the

public and workers, whether federal, state or local. CONTRACTOR shall also comply with all contract provisions and PVCSD's policies, procedures, departmental rules and other directives, as provided by PVCSD's Project Manager to CONTRACTOR, relating to the safety of the public and workers, including, but not limited to, PVCSD's Contractor Safety Policies and Procedures and any project specific requirements.

**ARTICLE 6
OBLIGATIONS OF
PVCSD**

6.01 PVCSD agrees to comply with all reasonable requests of CONTRACTOR and provide access to all documents reasonably necessary to the performance of CONTRACTOR's duties under this Agreement.

Place of Work

6.02 PVCSD agrees to furnish space on PVCSD premises for use by CONTRACTOR while performing the above-described services.

Indemnity

6.03 PVCSD agrees to indemnify, defend, and hold CONTRACTOR free and harmless from all claims, demand, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs, that CONTRACTOR may incur as a result of a breach by PVCSD of any representation or agreement contained in this Agreement.

PVCSD-Provided Information

6.04 PVCSD shall furnish CONTRACTOR available studies, reports and other data pertinent to CONTRACTOR's services; obtain or authorize CONTRACTOR to obtain or provide additional reports and data as required; furnish to CONTRACTOR services of others required for the performance of CONTRACTOR's services hereunder, and CONTRACTOR shall be entitled to use and reasonably rely upon all such information and services provided by PVCSD or others in performing CONTRACTOR's services under this Agreement.

Access

6.05 PVCSD shall arrange for access to and make all provisions for CONTRACTOR to enter upon public and private property as required for CONTRACTOR to perform services hereunder.

**ARTICLE 7
TERMINATION OF AGREEMENT**

Termination for Default

7.01 If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may immediately terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five (5) days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- 7.01.1 CONTRACTOR's failure to complete the services specified in Article 2 of this Agreement.
- 7.01.2 CONTRACTOR's material breach of any representation or term contained in this Agreement.
- 7.01.3 PVCSD's material breach of any representation or agreement contained in this Agreement.

Termination Without Cause

- 7.02 Either party may terminate this Agreement without cause upon thirty (30) days written notice.

Compensation Upon Termination

- 7.03 Upon termination by either party under Sections 7.01 or 7.02 above, PVCSD will pay to CONTRACTOR any outstanding service fees minus any costs reasonably incurred by PVCSD related to CONTRACTOR's services under this Agreement prior to the notice of termination.

**ARTICLE 8
PROPRIETARY RIGHTS**

Confidential Information

- 8.01 Any written, printed, graphic, or electronically or magnetically recorded information furnished by PVCSD for CONTRACTOR's use are the sole property of PVCSD. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning PVCSD employees, products, services, prices, operations, and subsidiaries.
- 8.02 CONTRACTOR and its employee(s) will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with PVCSD approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to CONTRACTOR's employees, agents, and subcontractors. On termination of this Agreement, CONTRACTOR will promptly return any confidential information in its possession to PVCSD.

**ARTICLE 9
GENERAL PROVISIONS**

Notices

- 9.01 Any notices required to be given under this Agreement by either party to the other may be effected by personal delivery in writing or by mail, first class, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the day of receipt or the fifth (5th) day after mailing, whichever occurs first.

To PVCSD:	Pauma Valley CSD 33129 Cole Grade Road Pauma Valley, California 92061 Attention: Eric Steinlicht Project Manager
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To CONTRACTOR: Mr. Jeff Weishaar
5355 Mira Sorrento Place
San Diego, California 92121
Attention: Jeff Weishaar, Project Manager

Entire Agreement of the Parties

9.02 This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by the parties.

Partial Invalidity

9.03 If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

Attorneys' Fees

9.04 If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

Document and Materials Ownership

9.05 All original drawings, diskettes, and other copies of documents and materials developed for the project, including detailed calculations, shall be furnished to and become the property of PVCSD. PVCSD agrees to indemnify CONTRACTOR for claims, damages, or liabilities caused by any use by PVCSD of the plans, drawings, specifications, and all information gathered by CONTRACTOR on any project other than the one for which such plans, drawings, and specifications were prepared and information gathered by CONTRACTOR.

Patent and Copyright Indemnity

9.06 CONTRACTOR represents that it knows of no allegations, claims, or threatened claims that the materials, services, hardware or software ("Contractor Products") provided to PVCSD under this Agreement infringe any patent, copyright or other proprietary right. CONTRACTOR shall defend, indemnify and hold harmless PVCSD from and against all losses, claims, damages, liabilities, costs expenses and amounts (collectively, "Losses") arising out of or in connection with an assertion that any Contractor Products or the use thereof, infringe any patent, copyright or other proprietary right of any third party. PVCSD will: (1) notify CONTRACTOR promptly of such claim, suit or assertion; (2) permit CONTRACTOR to defend, compromise, or settle the claim; and, (3) provide, on a reasonable basis, information to enable CONTRACTOR to do so. CONTRACTOR shall not agree without PVCSD's prior written consent to any settlement which would require PVCSD to pay money or perform some affirmative act in order to continue using Contractor Products.

9.06.1 If CONTRACTOR is obligated to defend PVCSD pursuant to this section 9.06 and fails to do so after reasonable notice from PVCSD, PVCSD may defend itself and/or settle such proceeding, and CONTRACTOR shall pay to PVCSD any and all losses, damages and expenses (including attorney's fees and costs) incurred in relationship with PVCSD's defense and/or settlement of such proceeding.

9.06.2 In the case of any such claim of infringement, CONTRACTOR shall either, at its option, (1) procure for PVCSD the right to continue using Contractor Products; or (2) replace or modify Contractor Products so that that they become non-infringing, but equivalent in functionality and performance.

9.06.3 Notwithstanding this section 9.06, PVCSD retains the right and ability to defend itself, at its own expense, against any claims that Contractor Products infringe any patent, copyright, or other intellectual property right.

9.06.4 All provisions of Section 5.04, including the subsections thereunder, shall apply to CONTRACTOR's obligation pursuant to this Section 9.06.

Audits

9.07 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of PVCSD or as part of any audit of PVCSD, for a period of three (3) years after final payment under the Agreement. CONTRACTOR shall cooperate with PVCSD, including any authorized representative of PVCSD, regarding such audit at no charge to PVCSD.

Counterparts

9.08 This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Provisions Required By Law

9.09 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.

Governing Law

9.10 This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

Jurisdiction, Forum and Venue

9.11 The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California,

County of San Diego. PVCSD and CONTRACTOR agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. PVCSD and CONTRACTOR hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.

Signature Authority

9.12 PVCSD and CONTRACTOR do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

Third Parties

9.13 The services to be performed by CONTRACTOR are intended solely for the benefit of PVCSD. No person or entity not a signatory to this agreement shall be entitled to rely on CONTRACTOR's performance of its services hereunder, and no right to assert a claim against CONTRACTOR by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Agreement or the performance of CONTRACTOR's services hereunder.

EXECUTED IN SAN DIEGO COUNTY, CALIFORNIA, ON JULY 24TH, 2024.

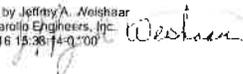
PAUMA VALLEY COMMUNITY SERVICES DISTRICT



Eric Steinlicht, General Manager

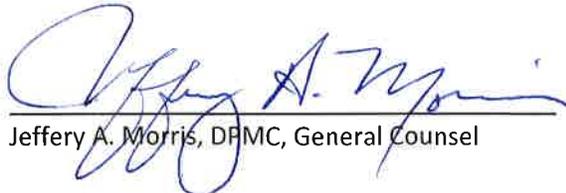
CONTRACTOR

Digitally signed by Jeffrey A. Weishaar
Contact Info: Carollo Engineers, Inc.
Date: 2024.08.16 15:38:14 -0700



Jeff Weishaar, Contractor

APPROVED AS TO FORM:



Jeffery A. Morris, DFMC, General Counsel

Attachment A – Scope of Work

**ADDENDUM "A" TO THE
"PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE PAUMA VALLEY COMMUNITY SERVICES DISTRICT AND
CAROLLO ENGINEERS FOR UNDEFINED AS NEEDED ENGINEERING SUPPORT AND
MISCELLANEOUS SERVICES AS REQUESTED BY THE GENERAL MANAGER FOR
FISCAL YEAR JUNE 2024 THROUGH JULY 2025"**

ARTICLE I. SCOPE

An additional proposal is hereby requested and approved by the District Board of Directors and General Manager for an "Engineering Assessment of the Two District Owned Lift stations: the "Wastewater Treatment Plant Lift Station", and the "Oak Tree Lift Station"". The primary purpose of this assessment would be to evaluate the capacity and ability of these two lift stations to perform during future wet weather events. During the last wet weather events in late 2023 and early 2024, the Wastewater Treatment Plant Lift Station (WWTP) failed to keep up with the excess influent as a result of Inflow and Infiltration (I&I). The volumetric level of sewage at the WWTP Lift Station continued to steadily rise with both pumps or at maximum capacity. Additionally, the Oak Tree Lift Station was able to keep up with the I&I, however, with both pumps active at full capacity the volumetric level of wastewater was not being reduced over time, rather stayed at a stagnant level. Therefore, the purpose and requested byproduct of this "Engineering Assessment" would be to deliver to the District an actionable plan to combat the overall deficiencies of these two lift stations.

ARTICLE II. COMPENSATION

Compensation for the services described above shall not exceed **Ten-Thousand Dollars (\$10,000)**. This amount shall not be exceeded unless there is a change in scope of work, in writing, agreed to by both parties in advance and ratified only via an additional amendment to the "Professional Services Agreement Between The Pauma Valley Community Services District and Carollo Engineers for Undefined As Needed Engineering Support and Miscellaneous Services As Requested by The General Manager for Fiscal Year June 2024 Through July 2025".

EXECUTED IN SAN DIEGO COUNTY, CALIFORNIA, ON JULY 24TH, 2024.

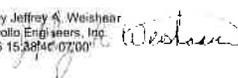
PAUMA VALLEY COMMUNITY SERVICES DISTRICT



Eric Steinlicht, General Manager

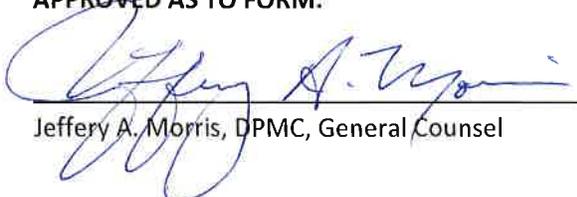
CONTRACTOR

Digitally signed by Jeffrey A. Weishaar
Contact Info: Carollo Engineers, Inc.
Date: 2024.08.16 15:38:46 -0700



Jeff Weishaar, Contractor

APPROVED AS TO FORM:



Jeffery A. Morris, DPMC, General Counsel

**PROFESSIONAL SERVICES AGREEMENT BETWEEN THE
PAUMA VALLEY COMMUNITY SERVICES DISTRICT AND
“HANSFORD ECONOMIC CONSULTING LLC” FOR THE
“WASTEWATER, SECURITY PATROL, AND SECURITY GATES RATE STUDY”**

This Professional Services Agreement (“Agreement”) is made on this 12th day of September, 2024, between the PAUMA VALLEY COMMUNITY SERVICES DISTRICT (“PVCSD”), and HANSFORD ECONOMIC CONSULTING LLC (“CONSULTANT”), an independent consultant, with a principal place of business in Truckee, California.

**ARTICLE 1
TERM OF CONTRACT**

1.01 This Agreement will become effective on the date stated above, and will continue in effect until the earlier of the completion of services provided for in this Agreement or until terminated as provided under Article 7.

**ARTICLE 2
SERVICES TO BE PERFORMED BY CONSULTANT**

Specific Services

2.01 CONSULTANT will perform the deliverables within the scope described in Attachment A. CONSULTANT will provide PVCSD with periodic reports regarding the progress of services performed, at request of PVCSD. Any changes to the scope of services or timeframes identified in Attachment A must be authorized by PVCSD in writing and shall be set forth as an amendment to this Agreement.

2.02 CONSULTANT will determine the method, details, and means of performing the above-described services.

Status of CONSULTANT

2.03 CONSULTANT and its employee(s) are engaged in an independent consultant relationship with PVCSD in performing all work, duties and obligations hereunder. PVCSD shall not exercise any control or direction over the methods by which CONSULTANT shall perform its work and functions. PVCSD’s sole interest and responsibility is to ensure that the services covered by this Agreement are performed and rendered in a competent, satisfactory and legal manner. The parties agree that no work, act, commission or omission of CONSULTANT or its employee(s) pursuant to this Agreement shall be construed to make CONSULTANT or its employee(s) the agent, employee or servant of PVCSD. CONSULTANT and its employee(s) are not entitled to receive from PVCSD vacation pay, sick leave, retirement benefits, Social Security, workers’ compensation, disability benefits, unemployment benefits or any other employee benefit of any kind.

Payment of Income Taxes

2.04 CONSULTANT shall be solely responsible for paying all federal and state employment and income taxes, for carrying workers’ compensation insurance and for otherwise complying with all other employment law requirements with respect to CONSULTANT or its employee(s).

Compliance with Laws/Rules

2.05 CONSULTANT will perform all services under this Agreement in good faith and in the best interests of PVCSD. In performing the services specified in this Agreement, CONSULTANT agrees to comply with all laws, rules, regulations and ordinances, whether federal, state or local, and any and all PVCSD policies, procedures, departmental rules and other directives applicable to the services to be performed and provided by PVCSD's Project Manager to the CONSULTANT, including, but not limited to, PVCSD's Consultant Safety Policies and Procedures. Any changes to PVCSD policies and procedures that relate to CONSULTANT will be provided to CONSULTANT in writing. CONSULTANT agrees to review such policies, procedures, rules and directives the contents of which CONSULTANT will be deemed to have knowledge.

2.06 CONSULTANT shall ensure that any report generated under this Agreement complies with California Government Code section 7550.

2.07 CONSULTANT shall comply with all of the following requirements with respect to any services as a Building/Construction Inspector, Field Soils and Material Tester, or Land Surveyor, as those trades are defined by the California Department of Industrial Relations ("DIR").

2.07.1 CONSULTANT agrees to comply with and require its subconsultants to comply with the requirements of California Labor Code sections 1720 et seq. and 1770 et seq., and California Code of Regulations, title 8, section 16000 et seq. (collectively, "Prevailing Wage Laws") and any additional applicable California Labor Code provisions related to such work including without limitation payroll recordkeeping requirements. CONSULTANT and its subconsultants shall pay not less than the prevailing rate of per diem wages as determined by the Director of the DIR for all services described in Section 2.08 of this Agreement and as required by law. The general prevailing wage determinations can be found on the DIR website at: <http://www.dir.ca.gov/dslr>. Copies of the prevailing rate of per diem wages may be accessed at PVCSD's administrative office, and shall be made available upon request. CONSULTANT shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the services described in Section 2.08 of this Agreement available to interested parties upon request, and shall post and maintain copies at CONSULTANT'S principal place of business and at all site(s) where services are performed. Penalties for violation of Prevailing Wage Laws may be assessed in accordance with such laws. For example, CONSULTANT shall forfeit, as a penalty to PVCSD, Two Hundred Dollars (\$200) for each calendar day, or portion thereof, for each workman paid less than stipulated prevailing rates for services performed under this Agreement by him, or any subconsultant under him, in violation of Prevailing Wage Laws. CONSULTANT shall defend, indemnify and hold PVCSD and each of their respective officials, officers, directors, employees, agents and volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of the failure or alleged failure of CONSULTANT or its subconsultants to comply with Prevailing Wage Laws.

2.07.2 CONSULTANT and each of its subconsultants shall keep accurate payroll records showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by CONSULTANT or subconsultant in connection with the services performed pursuant to this Agreement. Each payroll shall be certified, available for inspection, and copies thereof furnished as prescribed in California Labor Code section 1776, including any required redactions. CONSULTANT shall keep PVCSD informed as to the location of the records and shall be responsible for the compliance with these requirements by all subconsultants. CONSULTANT shall inform PVCSD of the location of the payroll records, including the street address, city and county and shall, within five (5)

working days, provide a notice of any change of location and address. Penalties for noncompliance include a forfeiture of One Hundred Dollars (\$100) per calendar day, or portion thereof, for each worker until strict compliance is effectuated, which may be deducted from any moneys due CONSULTANT.

2.07.3 Eight (8) hours of work shall constitute a legal day's work. CONSULTANT and any subconsultants shall forfeit, as a penalty to PVCSD, Twenty-Five Dollars (\$25) for each worker employed in the execution of services pursuant to this Agreement by CONSULTANT or any of its subconsultants for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any calendar week in violation of the provisions of the California Labor Code, in particular, sections 1810 to 1815, thereof, inclusive, except services performed by employees of CONSULTANT and its subconsultants in excess of eight (8) hours per day at not less than one and one-half (1 ½) times the basic rate of pay, as provided in California Labor Code section 1815.

2.07.4 CONSULTANT'S attention is directed to the provisions of California Labor Code sections 1777.5, 1777.6 and 1777.7 concerning employment of apprentices by CONSULTANT or any of its subconsultants. If applicable to the services to be performed under this Agreement, CONSULTANT shall comply with such apprenticeship requirements and submit apprentice information to PVCSD. Information relative to apprenticeship standards, wage schedules and other requirements may be obtained from the DIR or from the Division of Apprenticeship Standards. Knowing violations of section 1777.5 will result in forfeiture not to exceed One Hundred Dollars (\$100) for each calendar day of non-compliance pursuant to section 1777.7.

2.07.5 CONSULTANT shall require any subconsultants performing services under this Agreement to comply with all of the above.

ARTICLE 3 PROJECT TEAM

3.01 PVCSD has a primary interest in maintaining the individual services of the following key project team members:

1. Ms. Catherine R. Hansford, CONSULTANT

No member of the project team shall be removed from the project team or reassigned by CONSULTANT without prior approval of PVCSD. Such approval shall not be unreasonably withheld or delayed. CONSULTANT shall be required to immediately inform PVCSD should any of the key members become unavailable. The credentials for substitutes for key project members must be submitted to PVCSD for review and approval. An interview may also be required if so desired by PVCSD.

ARTICLE 4 COMPENSATION

4.01 Compensation for all work performed under this Agreement shall be calculated on a time and materials basis. Compensation for the services described in Attachment A shall not exceed Thirty-Eight Thousand and Eight Hundred and Sixty Dollars (\$38,860.00). This amount shall not be exceeded unless there is a change in scope of work, in writing and agreed to by both parties and set forth in an amendment to this Agreement. Such an amendment shall identify any change in compensation as a result of the change in scope of work. The parties agree that this compensation was developed in accordance with the customary and prevailing compensation level in the community and surrounding area for comparable services. CONSULTANT and PVCSD agree that this fee was arrived at through arms length negotiations between the parties.

Payment of Expenses and Monthly Invoices

4.02 PVCSD will reimburse CONSULTANT for all reasonable expenses incurred in performing services under this Agreement as the work progresses, provided that such reasonable expenses shall be included in and subject to the maximum compensation amount stated above in Section 4.01. CONSULTANT shall submit invoices to PVCSD'S Project Manager once per month. Such invoices shall include a brief narrative description of the work performed, as well as detailed time expenditures on a task-by-task basis pursuant to Attachment A. The term "expenses" means telephone bills, and federal express charges, mailing charges and any other pre-approved expenses by PVCSD. CONSULTANT will provide PVCSD with receipts for all expenses. PVCSD shall make payment to CONSULTANT within forty- five (45) days of receipt of an approved invoice.

ARTICLE 5 OBLIGATIONS OF CONSULTANT

Non Exclusive Relationship

5.01 CONSULTANT may represent, perform services for, and contract with as many additional clients, persons, or companies as CONSULTANT, in its sole discretion, sees fit.

Tools, Materials, and Equipment

5.02 CONSULTANT will supply all tools materials, and equipment required to perform the services under this Agreement.

CONSULTANT'S Qualifications

5.03 CONSULTANT represents that its employee(s) has the qualifications and skills necessary to perform the services under this Agreement in a competent, professional manner, without the advice or direction of PVCSD. This means CONSULTANT is able to fulfill the requirements of this Agreement. Failure to perform all the services required under this Agreement constitutes a material breach of the Agreement. CONSULTANT has complete and sole discretion for the manner in which the work under this Agreement will be performed. Acceptance by PVCSD of reports, and incidental professional work or materials furnished hereunder, shall not in any way relieve CONSULTANT of responsibility for the technical adequacy of its work. Neither PVCSD's acceptance of, nor payment for any of the services, shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

Indemnity, Hold Harmless and Defense

5.04 To the maximum extent allowable by law, CONSULTANT agrees to indemnify, defend, and hold PVCSD and each of their respective officials, officers, directors, employees, agents and volunteers (collectively referred to as the "Indemnified Parties") free and harmless, and to protect and defend with counsel reasonably satisfactory to PVCSD against any and all costs and expenses, including reasonable attorneys' fees and costs incurred in connection therewith, from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs (collectively referred to as "Liabilities") that such entities or persons may incur that pertain to, arise out of or relate to or are in any manner directly or indirectly connected with the services to be performed pursuant to this Agreement, however caused, including any errors, acts or omissions of CONSULTANT, including CONSULTANT's officers, officials, directors, employees,

subconsultants, agents, representatives, volunteers, successors, assigns or anyone for whom CONSULTANT is legally responsible, or a breach by CONSULTANT of any representation or agreement contained in this Agreement. CONSULTANT's indemnification, hold harmless and defense obligation shall apply regardless of any negligence of Indemnified Parties, except to the extent caused by the sole negligence or willful misconduct of the Indemnified Parties.

5.04.1 CONSULTANT shall cooperate with and do whatever is necessary to protect Indemnified Parties from any such Liabilities.

5.04.2 If CONSULTANT is obligated to defend Indemnified Parties pursuant to this Article 5, Section 5.04, and fails to do so after reasonable notice from PVCSD, Indemnified Parties may defend themselves and/or settle such claims, suit or assertion, and CONSULTANT shall pay to Indemnified Parties any and all Liabilities incurred in relationship with Indemnified Parties' defense and/or settlement of such proceeding.

5.04.3 CONSULTANT shall pay and satisfy any judgment, award, liability or decree that may be awarded, imposed or rendered against Indemnified Parties as a result of any claims, demands, suits, actions, causes of action, arbitrations, mediations or other proceedings whether legal, administrative or otherwise, including any settlement related thereto.

5.04.4 CONSULTANT's indemnification, hold harmless and defense obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONSULTANT, subconsultant, supplier or other person under workers' compensation acts, disability acts or other employee acts or the insurance required by this Agreement. CONSULTANT's indemnification, hold harmless and defense obligation shall not be restricted to insurance proceeds, if any, received by CONSULTANT or Indemnified Parties. Provision of insurance coverage as required by this Agreement shall not affect CONSULTANT's indemnity obligations.

5.04.5 In no event will either party be liable to the other or to any third party for any loss of use, revenue or profit or for any consequential, incidental, indirect, exemplary, special or punitive damages whether arising out of breach of contract, tort (including negligence) or otherwise, regardless of whether such damage was foreseeable and whether or not such party has been advised of the possibility of such damages.

Insurance

5.05 CONSULTANT shall procure and maintain in full force and effect for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives, employees or subconsultants. Insurance policies shall be on an occurrence basis, and coverage shall be at least as broad and in the minimum amounts as follows:

5.05.1 California Workers' Compensation Insurance, as required by the State of California, with statutory limits.

5.05.2 General Liability Insurance [occurrence form CG 0001], covering bodily injury, personal injury and property damage with a combined single limit of no less than One Million Dollars (\$1,000,000) per occurrence, and a minimum annual aggregate of Two Million Dollars (\$2,000,000). If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be

three times the required occurrence limit.

5.05.3 Automobile Liability Insurance [form number CA 0001, covering code 1 (any auto)] covering bodily injury and property damage, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim for bodily injury and property damage.

5.05.4 Employer's Liability Insurance with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim for bodily injury or disease.

5.05.5 Error and Omissions Insurance appropriate to CONSULTANT's services, with a combined single limit of no less than One Million Dollars (\$1,000,000) per claim, and Two Million Dollars (\$2,000,000) policy aggregate.

5.06 The following are required provisions:

5.06.1 CONSULTANT will provide additional insured insurance coverage and policy endorsements for PVCSD and each of their respective officers, officials, directors, employees, volunteers or agents (collectively referred to as the "Insured Parties") under the general liability and automobile liability policies. The coverage shall contain no special limitations on the scope of protection afforded to the Insured Parties. General liability coverage can be provided in the form of an endorsement to CONSULTANT's insurance (at least as broad as ISO Form CG 20 10, 11 85, or both CG 20 10 and CG 20 37 forms if later revisions to CG 20 10 are used).

5.06.2 CONSULTANT's insurance shall be primary insurance as respects Insured Parties, and each of them. Any insurance, self-insurance or other coverage maintained by Insured Parties shall be excess of CONSULTANT's insurance and shall not contribute to it.

5.06.3 Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Insured Parties.

5.06.4 CONSULTANT'S insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of insurer's liability.

5.06.5 Liability insurance shall include indemnification against loss from liability imposed by law upon, or assumed under contract by, CONSULTANT or its subconsultants for damages on account of bodily injury, including death resulting therefrom, suffered or alleged to have been suffered by any person or persons, other than employees, resulting from the performance or execution of this Agreement by CONSULTANT or its subconsultants.

5.06.6 Liability insurance shall cover accidents arising out of the use and operation of non-owned and hired automobiles, trucks and/or other mobile equipment.

5.06.7 Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be cancelled or materially modified by the insured or insurer without thirty (30) days prior written notice by certified mail to PVCSD.

5.06.8 All policies shall specifically cover any contractual liability incurred hereunder.

5.07 CONSULTANT hereby agrees to waive rights of subrogation for both "General Liability" and "Worker's Compensation" insurances CONSULTANT may acquire from CONSULTANT by virtue of the

payment of any loss. CONSULTANT agrees to obtain any endorsement/s that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Insured Parties for all work performed by CONSULTANT, its employees, agents and subconsultants.

5.08 Insurance will be purchased from insurance companies with a current A.M. Best's rating of no less than A:VII, unless otherwise agreed to in writing by PVCSD.

5.09 Any deductibles or self-insured retention limits must be disclosed to and approved by PVCSD prior to the execution of this Agreement. At the option of PVCSD, either: the insurer shall reduce or eliminate such deductibles as respects the Insured Parties; or CONSULTANT shall provide a financial guarantee satisfactory to PVCSD guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

5.10 CONSULTANT will furnish PVCSD with certificates of insurance prior to the commencement of work under this Agreement, and as may be periodically requested by PVCSD. CONSULTANT shall include all endorsements necessary to comply with this Agreement, including additional insured endorsements, signed by the insurer's representative. Such evidence shall include confirmation that coverage includes or has been modified to include all provisions required by this Agreement. CONSULTANT shall, upon request of PVCSD at any time, deliver to PVCSD complete, certified copies of the policies of insurance, including endorsements, and receipts for payment or premiums thereon, required by this Agreement. Failure to obtain the required documents prior to the work beginning shall not waive CONSULTANT's obligation to provide them.

5.11 If any of the required coverages expire during the term of this Agreement, CONSULTANT shall deliver the renewed certificate(s) including the general liability and auto liability additional insured endorsements to PVCSD at least ten (10) days prior to the expiration date.

5.12 In the event that CONSULTANT employs subconsultants to perform any portion of the services to be performed pursuant to this Agreement, it shall be CONSULTANT's responsibility to require and confirm that each subconsultant meets the minimum insurance requirements specified in this Agreement.

Conflict of Interest

5.13 Upon the award of this Agreement and periodically thereafter, CONSULTANT may be required to complete and file with PVCSD a Conflict of Interest form, to be provided to CONSULTANT by PVCSD.

Assignment

5.14 Neither this Agreement nor any duties or obligations under this Agreement may be assigned or subcontracted by CONSULTANT without the prior written consent of PVCSD. PVCSD has entered into this Agreement in order to receive the professional services of CONSULTANT. The provisions of this Agreement shall apply to any subconsultant to CONSULTANT. PVCSD shall have the right to approve any subconsultant agreements, in addition to the written consent required by this Section 5.14.

Safety

5.15 CONSULTANT shall be solely and completely responsible for the safety of all CONSULTANT personnel, including personnel of any subconsultants, during performance of the services. CONSULTANT shall fully comply with all laws, rules, regulations and ordinances relating to safety of the public and workers, whether federal, state or local. CONSULTANT shall also comply with all contract provisions and PVCSD's policies, procedures, departmental rules and other directives, as provided by PVCSD's Project Manager to CONSULTANT, relating to the safety of the public and workers,

including, but not limited to, PVCSD's Consultant Safety Policies and Procedures and any project specific requirements.

ARTICLE 6 OBLIGATIONS OF PVCSD

6.01 PVCSD agrees to comply with all reasonable requests of CONSULTANT and provide access to all documents reasonably necessary to the performance of CONSULTANT's duties under this Agreement.

Place of Work

6.02 PVCSD agrees to furnish space on PVCSD premises for use by CONSULTANT while performing the above-described services

Indemnity

6.03 PVCSD agrees to indemnify, defend, and hold CONSULTANT free and harmless from all claims, demand, losses, costs, expenses, obligations, liabilities, damages, recoveries, and deficiencies, including interest, penalties, attorneys' fees, and costs, that CONSULTANT may incur as a result of a breach by PVCSD of any representation or agreement contained in this Agreement.

ARTICLE 7 TERMINATION OF AGREEMENT

Termination for Default

7.01 If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may immediately terminate this Agreement by giving written notification to the breaching party. Termination will take effect immediately on receipt of notice by the breaching party or five (5) days after mailing of notice, whichever occurs first. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- 7.01.1 CONSULTANT's failure to complete the services specified in Article 2 of this Agreement.
- 7.01.2 CONSULTANT's material breach of any representation or term contained in this Agreement.
- 7.01.3 PVCSD's material breach of any representation or agreement contained in this Agreement.

Termination Without Cause

7.02 Either party may terminate this Agreement without cause upon thirty (30) days written notice.

Compensation Upon Termination

7.03 Upon termination by either party under Sections 7.01 or 7.02 above, PVCSD will pay to CONSULTANT any outstanding service fees minus any costs reasonably incurred by PVCSD related to CONSULTANT's services under this Agreement prior to the notice of termination.

**ARTICLE 8
PROPRIETARY RIGHTS**

Confidential Information

8.01 Any written, printed, graphic, or electronically or magnetically recorded information furnished by PVCSD for CONSULTANT's use are the sole property of PVCSD. This proprietary information includes, but is not limited to, customer requirements, customer lists, marketing information, and information concerning PVCSD employees, products, services, prices, operations, and subsidiaries.

8.02 CONSULTANT and its employee(s) will keep this confidential information in the strictest confidence, and will not disclose it by any means to any person except with PVCSD approval, and only to the extent necessary to perform the services under this Agreement. This prohibition also applies to CONSULTANT's employees, agents, and subconsultants. On termination of this Agreement, CONSULTANT will promptly return any confidential information in its possession to PVCSD.

**ARTICLE 9
GENERAL PROVISIONS**

Notices

9.01 Any notices required to be given under this Agreement by either party to the other may be effected by personal delivery in writing or by mail, first class, registered or certified, postage prepaid with return receipt requested. Mailed notices must be addressed to the parties at the addresses below, but each party may change the address by giving written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated as of the day of receipt or the fifth (5th) day after mailing, whichever occurs first.

To PVCSD: Pauma Valley Community
Services District
33129 Cole Grade Road
Pauma Valley, California 92061
Attention: Eric Steinlicht, Project Manager

To CONSULTANT: Ms. Catherine R. Hansford
Hansford Economic Consulting LLC
PO Box 10384
Truckee, California 96161
Attention: Catherine R. Hansford, Project Manager

Entire Agreement of the Parties

9.02 This Agreement contains the entire understanding between the parties hereto with respect to

the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by the parties.

Partial Invalidity

9.03 If any non-material provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will continue in full force and effect without being impaired or invalidated in any way.

Attorneys' Fees

9.04 If any legal action, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which that party may be entitled.

Document and Materials Ownership

9.05 All original final drawings, diskettes, and other copies of documents and materials developed for the project, including detailed calculations, shall be furnished to and become the property of PVCSD.

Audits

9.06 If this Agreement involves an expenditure of public funds in excess of Ten Thousand Dollars (\$10,000), the Agreement is subject to examination and audit of the State Auditor, at the request of PVCSD or as part of any audit of PVCSD, for a period of three (3) years after final payment under the Agreement. CONSULTANT shall cooperate with PVCSD, including any authorized representative of PVCSD, regarding such audit at no charge to PVCSD.

Counterparts

9.07 This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

Provisions Required By Law

9.08 Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and the Agreement shall be read and enforced as though they were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the request of either party, the Agreement shall forthwith be physically amended to make such insertion.

Governing Law

9.10 This Agreement and all questions relating to its validity, interpretation, performance, and

enforcement (including, without limitation, provisions concerning limitations of actions), shall be governed by and construed in accordance with the laws of the State of California, notwithstanding any conflict-of-laws doctrines of such state or other jurisdiction to the contrary and without the aid of any canon, custom, or rule of law requiring construction against the draftsman.

Jurisdiction, Forum and Venue

9.11 The proper jurisdiction, forum and venue for any claims, causes of action or other proceedings concerning this Agreement shall be in the state and federal courts located in the State of California, County of San Diego. PVCSD and CONSULTANT agree not to bring any action or proceeding arising out of or relating to this Agreement in any other jurisdiction, forum or venue. PVCSD and CONSULTANT hereby submit to personal jurisdiction in the State of California for the enforcement of this Agreement and hereby waive any and all personal rights under the law of any state to object to jurisdiction within the State of California for the purposes of any legal action or proceeding to enforce this Agreement, whether on grounds of inconvenient forum or otherwise.

Signature Authority

9.12 PVCSD and CONSULTANT do covenant that the individual executing this Agreement on their behalf is a person duly authorized and empowered to execute this Agreement for such party.

Executed in San Diego County, California, on September 12th, 2024.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT



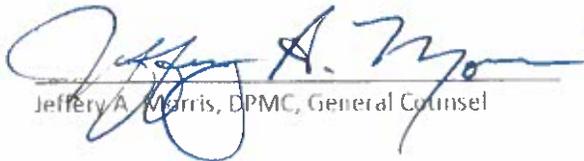
Eric Steinlicht, General Manager

HANSFORD ECONOMIC CONSULTING LLC



Catherine R. Hansford, Consultant

APPROVED AS TO FORM:



Jeffery A. Morris, DPMC, General Counsel

Attachment A – Scope of Work



Contract for Deposit of Monies

THIS CONTRACT, relating to the deposit of monies, as of August 28, 2024, between Eric Steinlicht, (hereafter designated "Treasurer" acting in his or her official capacity as General Manager (Treasurer, Finance Director, etc.) of Pauma Valley Community Services District (hereinafter designated "Depositor"), and Five Star Bank (hereinafter designated "Depository"), having a shareholder's equity of Two Hundred and Eighty Five Million, Seven Hundred Seventy Four Thousand Dollars (\$285,774,000) as of December 31, 2023.

WITNESSETH

WHEREAS, the Treasurer proposes to deposit in the Depository from time to time, commencing on August 28, 2024, monies in his/her custody in an aggregate amount on deposit at any one time not to exceed the total shareholder's equity of the Depository, and said monies will be deposited subject to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California; and
WHEREAS, said provisions of the Government Code requires the Treasurer to enter into a contract with the Depository, setting forth the conditions upon which said monies are deposited; and

WHEREAS, in the judgment of the Treasurer, this contract is to the public advantage;

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Depository relating to the method of handling and collateralization of deposits of monies.
2. This contract, but not the deposits then held hereunder, shall be subject to termination by the Treasurer or the Depository at any time upon 30 days written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule or regulation, state or federal, which, in the opinion of the Administrator of the Local Agency Security, is inconsistent herewith, including any changes relative to the payment of interest upon monies so deposited by the Treasurer. Upon notification from the Administrator, the Treasurer may withdraw deposits in the event the Depository fails to pay assessments, fines, or penalties assessed by the Administrator.
3. Interest shall accrue on any monies so deposited as permitted by any act of the Congress of the United States or by any rule or regulation of any department or agency of the Federal Government adopted pursuant thereto. If interest may be legally paid, all monies deposited in accordance with this contract shall bear interest at a rate agreed upon by the Treasurer and the Depository.
4. The Depository shall issue to the Treasurer at the time of each inactive deposit, a receipt on a form agreed to by the Depository and the Treasurer, stating the interest to be paid, if any, the duration of the deposit, the frequency of the interest payments, and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.
5. As security for said deposit, the Depository shall at all times maintain with the Agent of Depository named herein, commencing forthwith, eligible securities having a market value in excess of the actual total amount of local agency monies on deposit with the depository as per Government Code 53652. If the eligible security is determined by the Administrator of the Local Agency Security of the State of California in accordance with Government Code Section 53661 to be not qualified to secure public deposits, additional security shall be substituted immediately by the depository, as necessary, to comply with the requirements of this Paragraph.



FIVE STAR BANK

6. Eligible securities are those listed in Government Code Section 53651, which may include the use of letters of credit issued by the Federal Home Loan Bank of San Francisco pursuant to Government Code 53651(p).
7. The Agent of Depository, authorized by the Treasurer and the Depository to hold the eligible securities posted as collateral under this contract is U.S. Bank (See Section 8 below). Said Agent of Depository has filed with the Administrator of Local Agency Security of the State of California an agreement to comply in all respects with the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code.
8. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of Depository, including placement with any Federal Reserve Banks or branch thereof, pursuant to Government Code Section 53657, or the Federal Home Loan Bank of San Francisco.
9. If the Depository fails to pay all or part of any deposits of the Treasurer which are subject to this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator of the Local Agency Security. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Treasurer is governed by Government Code Section 53665.
10. The Depository may add, substitute, or withdrawal eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met.
11. The Depository shall have and hereby reserves the right to collect the interest on the securities, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government Code Section 53665.
12. The Depository shall bear and pay the expense of transportation of eligible securities to and from the designated Agent of Depository.
13. This contract, the parties hereto, and all deposits governed by this contract shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted or promulgated, all of which are by this reference made a part hereof.
14. The Treasurer named herein waives the right to collateral based on insurance provided by the Federal Deposit Insurance Corporation not to exceed the maximum amount insured pursuant to federal law, in accordance with Government Code Section 53653.

IN WITNESS WHEREOF, the Treasurer, in his/her official capacity has signed this contract in duplicate and the Depository has caused this contract to be executed in like number by its duly authorized officers.

PUBLIC ENTITY NAME

Pauma Valley Community Services District

NAME OF AUTHORIZED PERSON

Eric Steinlicht, General Manager

SIGNATURE OF AUTHORIZED PERSON

Eric Steinlicht

FIVE STAR BANK

NAME OF AUTHORIZED PERSON

Heather Luck, SVP, Chief Financial Officer

SIGNATURE OF AUTHORIZED PERSON

Heather Luck

2024 Local Agency Biennial Notice

Name of Agency: Pauma Valley Community Services District
Mailing Address: 33129 Cole Grade Road, Pauma Valley, CA 92061
Contact Person: Eric Steinlicht Phone No. 760-742-1909
Email: eric.steinlicht@paumavalleycsd.ca.gov Alternate Email: marissa.fehling@paumavalleycsd.ca.gov

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (*check one BOX*):

An amendment is required. The following amendments are necessary:

(*Check all that apply.*)

- Include new positions
- Revise disclosure categories
- Revise the titles of existing positions
- Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- Other (*describe*) _____

The code is currently under review by the code reviewing body.

No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.



Signature of Chief Executive Officer

09/18/2024

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2024**, or by the date specified by your agency, if earlier, to:

(PLACE RETURN ADDRESS OF CODE REVIEWING BODY HERE)

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

RANCHO PAUMA MUTUAL WATER COMPANY CHP BUILDING LEASE

FIRST AMENDMENT TO LEASE

This First Amendment to Lease (“First Amendment”) is entered into and is effective September __, 2024, between PAUMA VALLEY COMMUNITY SERVICE DISTRICT (“Landlord” or “CSD”) and RANCHO PAUMA MUTUAL WATER COMPANY (“Tenant” or “Company”) (collectively the “Parties”) and amends a Standard Industrial/Commercial Multi-Tenant Lease (“Lease”) by and between Landlord and Tenant dated March 24, 2024. All capitalized terms used in this First Amendment unless specifically defined herein shall have the same meaning as the capitalized terms used in the Lease.

Recitals

WHEREAS, the CSD and Company currently use an office building with an address of 33129 Cole Grade Rd, Pauma Valley, CA 92061 (the “Building”) as a joint office; and

WHEREAS, in 2023 the CSD issued a Notice to Quit to the Company regarding the use of the Building, and

WHEREAS, the Company filed suit against the CSD on September 1, 2023, concerning ownership and use of the Building (“Action”), and

WHEREAS, the CSD denies the allegations in the Action, and

WHEREAS, the Parties have entered into the Lease pursuant to an executed MOU, and are separately executing a Tolling Agreement in conjunction with this First Amendment, while an effort to resolve the dispute continues, and

WHEREAS, the Parties are entering to this First Amendment to address certain issues with the implementation of the Lease, and

NOW THEREFORE, in consideration of the mutual terms, covenants, conditions and promises contained herein, the Parties agree to the following terms:

Agreement

1. Company agrees to complete its improvements to the Leased space and vacate the conference room in the CSD space within 30 days of signing this Agreement. In the event Company fails to complete the improvements to the Leased space and/or fails to vacate the conference room in the CSD space within 30 days of signing this First Amendment, Company agrees to pay \$500 a month to the CSD starting the next full month of the Lease until the conference room is vacated.

2. The CSD agrees not to encumber or to sell the Building or the property on which it is located for the term of the Lease as amended by the First Amendment, and also for the extension of the term as may be extended.

3. Tenant Certification. By execution of this First Amendment, Tenant hereby certifies that as of the date hereof, and to the best of Tenant's knowledge, Landlord is not in default of the performance of its obligations pursuant to the Lease, and Tenant has no claim, defense, or offset with respect to the Lease.

4. Except, as and to the extent modified by this First Amendment to Lease all provisions of the Lease shall remain in full force and effect.

LANDLORD:

TENANT:

PAUMA VALLEY COMMUNITY SERVICES
DISTRICT

RANCHO PAUMA MUTUAL WATER
COMPANY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

TOLLING AGREEMENT

This tolling Agreement (“Agreement”) is entered into by and between the Pauma Valley Community Services District, a California public entity (“CSD”), and The Rancho Pauma Mutual Water Company (“Company”), each a “Party” and collectively the “Parties”.

RECITALS

WHEREAS, the CSD and Company currently use an office building with an address of 33129 Cole Grade Rd, Pauma Valley, CA 92061 (the “Building”) as a joint office;

WHEREAS, in 2023 the CSD issued a Notice to Quit to the Company regarding the use of the Building, and

WHEREAS, the Company filed suit against the CSD on September 1, 2023, concerning ownership and use of the Building (“Action”), and

WHEREAS, the CSD denies the allegations in the lawsuit, and

WHEREAS, the Parties are currently sharing office space in one portion of the Building, and

WHEREAS, the Parties have entered into a Standard Industrial/Commercial Multi-Tenant Lease dated March 24, 2024 (“Lease”) pursuant to the executed MOU, while an effort to resolve the dispute continues, and

WHEREAS, the Parties are separately entering to a First Amendment to the Lease on this same date to address certain issues with the implementation of the Lease, and

NOW THEREFORE, in consideration of the mutual terms, covenants, conditions and promises contained herein, the Parties agree to the following terms:

TERMS

1. All of the foregoing recitals are incorporated herein by this reference.
2. Preservation and Tolling of Claims and Defenses. The Parties agree to preserve any and all claims and defenses which any Party hereto may have against any other Party hereto which arise from and or relate to the Project and/or the Action. The time period extending from this Agreement Date until the date this Agreement expires [the “Tolling Period”] shall not be counted in determining the time in which any Party hereto, or their successor(s), shall be required by any applicable statutes of limitations to file any action, claim or cause of action against any other Party hereto, or their successor(s) related to the subject matter of the Action. During the Tolling Period, all applicable statutes of limitations shall be tolled and suspended and shall not run

against any of the Parties to this Agreement, or their successor(s) for any claims related to the subject matter of the Action.

3. This Agreement shall expire one year from the date of the Lease entered into between the Parties, unless an extension is mutually agreed to by the Parties pursuant to the terms of this Agreement, and as further agreed to pursuant to the Memorandum of Understanding.
4. Statutes of Limitation. The term “statutes of limitation” as used herein shall include, without limitation, all time-based defenses such as statutes of limitation, of repose, laches, estoppel, and/or any other legal or equitable requirement concerning the timely filing of actions, whether arising by statute, common law, contract, court order or otherwise.
5. No Admission of Fact or Liability. This Agreement shall not be construed as an admission of any fact or actual or potential liability on the part of any Party. This Agreement may not be offered as evidence of an admission of any liability or fact in any court proceeding.
6. Dismissal of the Action. Within five (5) days of the full execution of this Agreement, the Company shall file a request for dismissal without prejudice of the Action and each party shall bear their own attorney’s fees and costs in connection with the Action.
7. Additional Terms:
 - a. Entire Agreement. This Agreement constitutes the sole and entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous statements, promises, understandings or agreements between the Parties, whether written or oral. This Agreement does not alter, supersede the MOU that this Agreement is attached to.
 - b. Amendments. This Agreement may be amended, modified or altered at any time upon the approval of the Parties or their successors; however, any such amendment must be in writing and signed by all Parties or their successors in order for such amendment to be of any force and effect.
 - c. Partial Invalidity. In the event that any provision of this Agreement is declared by any court of competent jurisdiction or any administrative judge to be void or otherwise invalid, all of the other terms, conditions and provisions of this Agreement shall remain in full force and effect to the same extent as if that part declared void or invalid had never been incorporated in the Agreement and in such form, the remainder of the Agreement shall continue to be binding upon the Parties.
 - d. Applicable Law. This Agreement shall be subject to and governed by the laws of the State of California, without regard to conflict of law rules. The

Parties agree the State of California is the proper jurisdiction for any action arising out of, under or in connection with this Agreement, and that venue is proper exclusively in the Superior Court of the State of California, County of San Diego, for any action arising out of this Agreement.

- e. Counterparts. This Agreement may be signed and executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one Agreement. Delivery of an executed counterpart of a signature page of this Agreement or exhibit by facsimile or email shall be effective as delivery of an originally executed counterpart of this Agreement.
- f. No Adverse Construction. In the event any part of this Agreement is found to be ambiguous, such ambiguity shall not be subject to the rule of construction that ambiguities are to be construed against the drafter, as the Parties participated materially in the preparation and review of this Agreement.

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Dated: September____, 2024

By: _____

Its: _____

RANCHO PAUMA MUTUAL WATER COMPANY

Dated: September ____, 2024

By: _____

Its: _____

**MEMORANDUM OF UNDERSTANDING
BETWEEN
The Pauma Vally Community Service District
AND
The Rancho Pauma Mutual Water Company**

LEASE OF FORMER CALIFORNIA HIGHWAY PATROL OFFICE

WHEREAS, The Pauma Valley Community Service District (the “CSD”) has legal title to certain real property in the unincorporated area of Pauma Valley, in the County of San Diego, California which includes a building that is currently being used for office uses by the CSD and Rancho Pauma Mutual Water Company (“Company”) (together the “Parties”) with an address of 33129 Cole Grade Rd, Pauma Valley, CA 92061 (the “Building”), and

WHEREAS, in 2023 the CSD issued a Notice to Quit to the Company regarding the use of the Building, and

WHEREAS, the Company filed suit against the CSD on September 1, 2023, concerning ownership and use of the Building, and

WHEREAS, the CSD denies the allegations in the lawsuit, and

WHEREAS, the Parties are currently sharing office space in one portion of the Building, and

WHEREAS, a second portion of the Building that was once used by the California Highway Patrol (CHP building) is available for leasing, and

WHEREAS, this Memorandum of Understanding (“MOU”) concerns the leasing of the former California Highway Patrol Office building referred to in Exhibit “B” from the CSD to Company and is an expression of the material terms to be contained in a future lease agreement (“Agreement” or “Lease”) between the Parties, and

WHEREAS, the Parties are agreeing to a dismissal without prejudice and a tolling agreement to address the pending lawsuit while an effort to resolve the dispute continues.

Now therefore, the Parties agree to the following terms that will be memorialized in a future lease agreement:

1. Within 30 days of the execution of a lease agreement, upon written agreement with the CSD, the Company shall file dismissal without prejudice under California Code of Civil Procedure § 581(b)(2) and, separately, CSD shall consent to a tolling agreement, in a form consistent to that which is attached as Exhibit “A” to this MOU, which shall toll any and all

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statutes of limitation relating to the claims against CSD by the Company. The CSD shall waive defendant's costs and attorneys' fees. The Company shall agree to take no action for one year to enforce the lawsuit upon agreement of the Parties.

2. As will be memorialized in the Agreement, the lessor will be the Pauma Valley Community Service District, which is a special district created under the laws of the State of California and located at 33129 Cole Grade Rd. Pauma Valley, CA 92061.

3. As will be memorialized in the Agreement, the lessee will be the Rancho Pauma Mutual Water Company, currently sharing the same office location as the CSD located at 33129 Cole Grade Rd. Pauma Valley, CA 92061.

4. The portion of the Building subject to the lease shall include the former CHP office building, the cinder block shop building, the metal storage building, the chlorine storage building, subject to reasonable joint use by the CSD to be further defined in the Agreement, and the Company will continue to enjoy access to the kitchen and bathroom areas subject to professional behavior by the Parties along with joint access to the main parking lot (collectively the "Premises").

5. The Term of the Agreement will be one year with a onetime extension of one additional year upon the mutual consent of the Parties.

6. The Company will pay thirty thousand dollars (\$30,000) per year to the CSD for the use of the former CHP office building and facilities above with an effective date upon execution of the Lease. The ancillary storage facilities above will be included within this rate. The Company will accommodate within these storage facilities the CSD's storage needs.

7. The Company will pay two thousand five hundred dollars (\$2,500) per month for back rent starting from December 1, 2023, until the beginning of the Lease expected to begin on April 1, 2024. In the event that the Lease does not begin on April 1, 2024, the Company will continue to pay rent of two thousand five hundred dollars (\$2,500) per month or proportionate amount until the Lease begins.

8. The Company will pay the monthly rent on the first day of each month. Late fees will be incurred at 10% of the rental rate for each day following the tenth day of each month.

9. Failure to pay rent is a material breach of the Lease.

10. The Company will maintain general liability insurance and name the CSD as an additional insured. The policy of insurance naming the CSD as an additional insured will be at a minimum of \$1 million in general liability coverage.

11. The Lease will include mutual indemnifications.

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12. The Company will fully furnish the Premises suited for their needs and no longer rely on the CSD's office equipment.

13. The Company will be fully responsible for all maintenance and capital improvements to the Premises, including restructuring the interior spaces within the former CHP office. Any improvements to the CHP space shall revert to the owner upon expiration of the Lease.

14. The Parties will jointly and equitably share in common area maintenance costs. The District will provide a minimum ten day notice of repairs to be performed in the common areas, unless an emergency repair is required. The Company will pay their share of the maintenance costs within 30 days of receipt of the District's invoice.

15. The Company will pay any possessory interest tax or other taxes imposed on the Premises.

16. The Parties will mutually pay for any utility costs incurred for any common area.

17. The Lease will acknowledge that the Company is the owner of the SCADA system and CSD will take the necessary steps to develop independent access to the SCADA system during the term of the Lease, subject to a mutual option for a one year extension. The Parties agree that the Company shall not arbitrarily interrupt access to the SCADA system during the Lease.

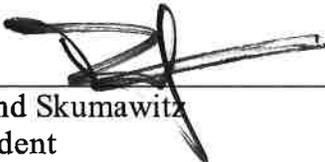
18. The Lease will acknowledge that the generator located behind the Building is a jointly owned asset. The APCD permit for the generator will remain in the Company's name during the term of the Lease, subject to a mutual option for a one year extension.

19. The CSD will transfer ownership and the billing of the electric meter service that is located at the Company storage tanks located in Pauma Heights Road into the Company's name. As consideration, the Company will absorb the costs associated with powering the upper security gate located near the tank.

****** Signatures to Follow On Next Page******

20. All disputes concerning this Lease will be resolved through binding mediation and arbitration, to be further defined in the Lease.

For: Pauma Valley Community Service District:



Roland Skumawitz
President

Dated: 3-19-2024

For: Rancho Pauma Mutual water Company:

Chuck Bandy
President

Dated: _____

STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET

1. Basic Provisions ("Basic Provisions").

1.1 Parties. This Lease ("Lease"), dated for reference purposes only March 29, 2024, is made by and between PAUMA VALLEY COMMUNITY SERVICES DISTRICT, a California public agency ("CSD") (as more particularly defined in Addendum #1, "Lessor") and RANCHO PAUMA MUTUAL WATER COMPANY, a California mutual benefit corporation ("Rancho Pauma") (as more particularly defined in Addendum #1 "Lessee"), (collectively the "Parties", or individually a "Party").

1.2(a) Premises: That certain real property, including all improvements therein or to be provided by Lessor under the terms of this Lease, commonly known as (street address, unit/suite, city, state, zip): the former California Highway Patrol office space, cinder block shop building, metal storage building, and the building known by the Parties as the chlorine storage building, located at 33129 Cole Grade Road, Pauma Valley, CA 92061 (as more particularly defined in Addendum #1 "Premises"). The Premises are located in the County of San Diego, and are generally described as (describe briefly the nature of the Premises and the "Project"): The cinder block shop building, metal storage building, and the building known by the Parties as the chlorine storage building shall be jointly used with the CSD. In addition, for avoidance of doubt, during the Term Lessee Company shall have joint access to and reasonable, non-exclusive use of the following areas of the Project, which the Parties hereby confirm comprise part of the Common Area: kitchen areas, restroom areas, and parking lot. In addition to Lessee's rights to use and occupy the Premises as hereinafter specified, Lessee shall have non-exclusive rights to any utility raceways of the building containing the Premises ("Building") and to the Common Areas (as defined in Paragraph 2.7 below), but shall not have any rights to the roof, or exterior walls of the Building or to any other buildings in the Project. The Premises, the Building, the Common Areas, the land upon which they are located, along with all other buildings and improvements thereon, are herein collectively referred to as the "Project." (See also Paragraph 2)

1.2(b) Parking: All unreserved vehicle parking spaces, on a first-come, first served basis shared with Lessor. (See also Paragraph 2.6)

1.3 Term: One (1) years and zero (0) months ("Original Term") commencing July 1, 2024 ("Commencement Date") and ending on June 30, 2025 ("Expiration Date"). (See also Paragraph 3)

1.4 Early Possession: If the Premises are available Lessee may have non-exclusive possession of the Premises commencing at the latest, upon mutual execution of the MOU ("Early Possession Date"). (See also Paragraphs 3.2 and 3.3)

1.5 Base Rent: \$2,500.00 per month ("Base Rent"), payable on the 1st day of each month commencing on the Commencement Date. (See also Paragraph 4)

If this box is checked, there are provisions in this Lease for the Base Rent to be adjusted. See Paragraph N/A.

1.6 Lessee's Share of Common Area Operating Expenses: Forty percent (40) ("Lessee's Share"). In the event that the size of the Premises and/or the Project are modified during the term of this Lease, Lessor shall recalculate Lessee's Share to reflect such modification.

1.7 Base Rent and Other Monies Paid Upon Execution:

(a) Base Rent: \$2,500.00 for the period comprising the first full calendar month following the Commencement Date.

(b) Common Area Operating Expenses: The current estimate for the period _____ is _____.

(c) Security Deposit: \$0.00 ("Security Deposit"). (See also Paragraph 5)

(d) Other: \$15,000.00 for early possession December 1, 2023 - May 31, 2024 (per MOU).

(e) Total Due Upon Execution of this Lease: \$17,500.00.

1.8 Agreed Use: Operate and administer a community water distribution center. (See also Paragraph 6)

1.9 Insuring Party. Lessor is the "Insuring Party". (See also Paragraph 8)

1.10 Real Estate Brokers. (See also Paragraphs 15 and 25)

(a) Representation: Each Party acknowledges receiving a Disclosure Regarding Real Estate Agency Relationship, confirms and consents to the following agency relationships in this Lease with the following real estate brokers ("Broker(s)") and/or their agents ("Agent(s)"):

Lessor's Brokerage Firm NONE License No. _____ Is the broker of (check one): the Lessor; or both the Lessee and Lessor (dual agent).

Lessor's Agent NONE License No. _____ is (check one): the Lessor's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).

Lessee's Brokerage Firm NONE License No. _____ Is the broker of (check one): the Lessee; or both the Lessee and Lessor (dual agent).

Lessee's Agent NONE License No. _____ is (check one): the Lessee's Agent (salesperson or broker associate); or both the Lessee's Agent and the Lessor's Agent (dual agent).

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(b) **Payment to Brokers.** Upon execution and delivery of this Lease by both Parties, Lessor shall pay to the Brokers the brokerage fee agreed to in a separate written agreement (or, if there is no such agreement, the sum of _____ or _____ % of the total Base Rent) for the brokerage services rendered by the Brokers.

1.11 **Guarantor.** The obligations of the Lessee under this Lease are to be guaranteed by NONH ("Guarantor") (See also Paragraph 1.7)

1.12 **Attachments.** Attached hereto are the following, all of which constitute a part of this Lease:

- an Addendum #1 consisting of Paragraphs 51 through _____;
- a site plan depicting the Premises;
- a site plan depicting the Project;
- a current set of the Rules and Regulations for the Project;
- a current set of the Rules and Regulations adopted by the owners' association;
- a Work Letter;
- other (specify): "OPTION(S) TO EXTEND TERM" Addendum (Paragraph 50).

2. **Premises.**

2.1 **Letting.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Premises, for the term, at the rental, and upon all of the terms, covenants and conditions set forth in this Lease. While the approximate square footage of the Premises may have been used in the marketing of the Premises for purposes of comparison, the Base Rent stated herein is NOT tied to square footage and is not subject to adjustment should the actual size be determined to be different. **NOTE:** Lessee is advised to verify the actual size prior to executing this Lease.

2.2 **Condition.** Lessor shall deliver that portion of the Premises contained within the Building ("Unit") to Lessee in its as-is, where-is condition ~~clean and free of debris~~ on the Commencement Date or the Early Possession Date, whichever first occurs ("Start Date"), and, so long as the required service contracts described in Paragraph 7.1(b) below are obtained by Lessee and in effect within thirty days following the Start Date, warrants that the existing electrical, plumbing, fire sprinkler, lighting, heating, ventilating and air conditioning systems ("HVAC"), loading doors, sump pumps, if any, and all other such elements in the Unit, other than those constructed by Lessee, shall be in good operating condition on said date, that the structural elements of the roof, bearing walls and foundation of the Unit shall be free of material defects, and that the Unit does not contain hazardous levels of any mold or fungi defined as toxic under applicable state or federal law. If a non-compliance with such warranty exists as of the Start Date, or if one of such systems or elements should malfunction or fail within the appropriate warranty period, Lessor shall, as Lessor's sole obligation with respect to such matter, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, malfunction or failure, rectify same at Lessor's expense. The warranty periods shall be as follows: (i) 6 months as to the HVAC systems, and (ii) ~~90~~ 30 days as to the remaining systems and other elements of the Unit. If Lessee does not give Lessor the required notice within the appropriate warranty period, correction of any such non-compliance, malfunction or failure shall be the obligation of Lessee at Lessee's sole cost and expense (except for the repairs to the fire sprinkler systems, roof, foundations, and/or bearing walls - see Paragraph 7). Lessor also warrants, that unless otherwise specified in writing, Lessor is unaware of (i) any recorded Notices of Default affecting the Premise; (ii) any delinquent amounts due under any loan secured by the Premises; and (iii) any bankruptcy proceeding affecting the Premises.

2.3 **Compliance.** Lessor warrants that to the best of its knowledge the improvements on the Premises comply with the building codes, applicable laws, covenants or restrictions of record, regulations, and ordinances ("Applicable Requirements") that were in effect at the time that each improvement, or portion thereof, was constructed. Said warranty does not apply to the use to which Lessee will put the Premises, modifications which may be required by the Americans with Disabilities Act or any similar laws as a result of Lessee's use (see Paragraph 49), or to any Alterations or Utility Installations (as defined in Paragraph 7.3(a)) made or to be made by Lessee. **NOTE:** Lessee is responsible for determining whether or not the Applicable Requirements, and especially the zoning are appropriate for Lessee's intended use, and acknowledges that past uses of the Premises may no longer be allowed. If the Premises do not comply with said warranty, Lessor shall, except as otherwise provided, promptly after receipt of written notice from Lessee setting forth with specificity the nature and extent of such non-compliance, rectify the same at Lessor's expense. If Lessee does not give Lessor written notice of a non-compliance with this warranty within 6 months following the Start Date, correction of that non-compliance shall be the obligation of Lessee at Lessee's sole cost and expense. If the Applicable Requirements are hereafter changed so as to require during the term of this Lease the construction of an addition to or an alteration of the Unit, Premises and/or Building, the remediation of any Hazardous Substance, or the reinforcement or other physical modification of the Unit, Premises and/or Building ("Capital Expenditure"), Lessor and Lessee shall allocate the cost of such work as follows:

(a) Subject to Paragraph 2.3(c) below, if such Capital Expenditures are required as a result of the specific and unique use of the Premises by Lessee as compared with uses by tenants in general, Lessee shall be fully responsible for the cost thereof, provided, however, that if such Capital Expenditure is required during the ~~last 2~~ years of this Lease and the cost thereof exceeds 6 months' Base Rent, Lessee may instead terminate this Lease unless Lessor notifies Lessee, in writing, within 10 days after receipt of Lessee's termination notice that Lessor has elected to pay the difference between the actual cost thereof and the amount equal to 6 months' Base Rent. If Lessee elects termination, Lessee shall immediately cease the use of the Premises which requires such Capital Expenditure and deliver to Lessor written notice specifying a termination date at least 90 days thereafter or, if earlier, the last day of the then-applicable Term. Such termination date shall, however, in no event be earlier than the last day that Lessee could legally utilize the Premises without commencing such Capital Expenditure.

(b) If such Capital Expenditure is not the result of the specific and unique use of the Premises by Lessee (such as, governmentally mandated seismic modifications), then Lessor shall pay for such Capital Expenditure and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date that on which the Base Rent is due, an amount equal to 1/144th of the portion of such costs reasonably attributable to the Premises. Lessee shall pay interest on the balance but may prepay its obligation at any time. ~~If, however, such Capital Expenditure is required during the last 2 years of this Lease or if Lessor reasonably determines that it is not economically feasible to pay its share thereof, Lessor shall have the option to terminate this Lease upon 90 days prior written notice to Lessee unless Lessee notifies Lessor, in writing, within 10 days after receipt of Lessor's termination notice that Lessee will pay for such Capital Expenditure. If Lessor does not elect to terminate, and fails to tender its share of any such Capital Expenditure, Lessee may advance such funds and deduct same, with interest, from Rent until Lessor's share of such costs have been fully paid.~~ If Lessee is unable to finance Lessor's share, or if the balance of the Rent due and payable for the remainder of this Lease is not sufficient to fully reimburse Lessee on an offset basis, Lessee shall have the right to terminate this Lease upon 30 days written notice to Lessor.

(c) Notwithstanding the above, the provisions concerning Capital Expenditures are intended to apply only to non-voluntary, unexpected, and new Applicable Requirements. If the Capital Expenditures are instead triggered by Lessee as a result of an actual or proposed change in use, change in intensity of use, or


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modification to the Premises then, and in that event, Lessee shall either: (i) immediately cease such changed use or intensity of use and/or take such other steps as may be necessary to eliminate the requirement for such Capital Expenditure, or (ii) complete such Capital Expenditure at its own expense. Lessee shall not have any right to terminate this Lease.

2.4 **Acknowledgements.** Lessee acknowledges that: (a) it has been given an opportunity to inspect and measure the Premises, (b) it has been advised by Lessor and/or Broker to satisfy itself with respect to the size and condition of the Premises (including but not limited to the electrical, HVAC, and fire sprinkler systems, security, environmental aspects, and compliance with Applicable Requirements and the Americans with Disabilities Act), and their suitability for Lessee's intended use, (c) Lessee has made such investigation as it deems necessary with reference to such matters and assumes all responsibility therefor as the same relate to its occupancy of the Premises, (d) it is not relying on any representation as to the size of the Premises made by Broker or Lessor, (e) the square footage of the Premises was not material to Lessee's decision to lease the Premises and pay the Rent stated herein, and (f) neither Lessor, Lessor's agents, nor Brokers have made any oral or written representations or warranties with respect to said matters other than as set forth in this Lease. In addition, Lessor acknowledges that: (i) Brokers have made no representations, promises or warranties concerning Lessee's ability to honor the Lease or suitability to occupy the Premises and (ii) it is Lessor's sole responsibility to investigate the financial capability and/or suitability of all proposed tenants.

2.5 **Lessee as Prior Owner/Occupant.** The warranties made by Lessor in Paragraph 2 shall be of no force or effect if immediately prior to the Start Date Lessor was the owner or occupant of the Premises. In such event, Lessee shall be responsible for any necessary corrective work.

2.6 **Vehicle Parking.** Lessee shall be entitled to use the number of Parking Spaces specified in Paragraph 1.2(b) on those portions of the Common Area designated from time to time by Lessor for parking. Lessee shall not use more parking spaces than said number. Said parking spaces shall be used for parking by vehicles no larger than full-size passenger automobiles or pick-up trucks, or other work trucks and vehicles as are reasonably necessary or convenient to Lessee's business, herein called "Permitted Size Vehicles." Lessor may regulate the loading and unloading of vehicles by adopting Rules and Regulations as provided in Paragraph 2.9. No vehicles other than Permitted Size Vehicles may be parked in the Common Area without the prior written permission of Lessor. In addition:

(a) Lessee shall not permit or allow any vehicles that belong to or are controlled by Lessee or Lessee's employees, suppliers, shippers, customers, contractors or invitees to be loaded, unloaded, or parked in areas other than those designated on-site prior to the Term, or by Lessor during the Term for such activities.

(b) Lessee shall not service or store any vehicles in the Common Areas unless such use or custom began prior to the Term.

(c) If Lessee permits or allows any of the prohibited activities described in this Paragraph 2.6, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.7 **Common Areas - Definition.** The term "Common Areas" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Project and interior utility raceways and installations within the Unit that are provided and designated by the Lessor from time to time for the general non-exclusive use of Lessor, Lessee and other tenants of the Project and their respective employees, suppliers, shippers, customers, contractors and invitees, including parking areas, loading and unloading areas, trash areas, roofs, roadways, walkways, driveways and landscaped areas.

2.8 **Common Areas - Lessee's Rights.** Lessor grants to Lessee, for the benefit of Lessee and its employees, suppliers, shippers, contractors, customers and invitees, during the term of this Lease, the non-exclusive right to use, in common with others entitled to such use, the Common Areas as they exist from time to time, subject to any rights, powers, and privileges reserved by Lessor under the terms hereof or under the terms of any rules and regulations or restrictions governing the use of the Project. Under no circumstances shall the right herein granted to use the Common Area as be deemed to include the right to store any property, temporarily or permanently, in the Common Areas. Any such storage shall be permitted only by the prior written consent of Lessor or Lessor's designated agent, which consent may be revoked at any time. In the event that any unauthorized storage shall occur, then Lessor shall have the right, without notice, in addition to such other rights and remedies that it may have, to remove the property and charge the cost to Lessee, which cost shall be immediately payable upon demand by Lessor.

2.9 **Common Areas - Rules and Regulations.** Lessor or such other person(s) as Lessor may appoint shall have the exclusive control and management of the Common Areas and shall have the right, from time to time, to establish, modify, amend and enforce reasonable rules and regulations ("Rules and Regulations") for the management, safety, care, and cleanliness of the grounds, the parking and unloading of vehicles and the preservation of good order, as well as for the convenience of other occupants or tenants of the Building and the Project and their invitees. Lessee agrees to abide by and conform to all such Rules and Regulations, and shall use its best efforts to cause its employees, suppliers, shippers, customers, contractors and invitees to so abide and conform. Lessor shall not be responsible to Lessee for the non-compliance with said Rules and Regulations by other tenants of the Project.

2.10 **Common Areas - Changes.** Lessor shall have the right, in Lessor's sole discretion, from time to time:

(a) To make NON-MATERIAL changes to the Common Areas, including, without limitation, EXCEPT NOT changes in the location, size, shape and number of driveways, entrances, parking spaces, parking areas, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways and utility raceways;

(b) To close temporarily any of the Common Areas for maintenance purposes so long as reasonable access to the Premises remains available;

(c) To designate other land outside the boundaries of the Project to be a part of the Common Areas;

(d) To add additional buildings and improvements to the Common Areas;

(e) To use the Common Areas while engaged in making additional improvements, repairs or alterations to the Project, or any portion thereof; and

(f) To do and perform such other acts and make such other changes in, to or with respect to the Common Areas and Project as Lessor may, in the exercise of sound business judgment, deem to be appropriate.

3. Term.

3.1 **Term.** The Commencement Date, Expiration Date and Original Term of this Lease are as specified in Paragraph 1.3.

3.2 **Early Possession.** Any provision herein granting Lessee Early Possession of the Premises is subject to and conditioned upon the Premises being available for such possession prior to the Commencement Date. Any grant of Early Possession only conveys a non-exclusive right to occupy the Premises. If Lessee totally or partially occupies the Premises prior to the Commencement Date, the obligation to pay Base Rent shall be abated for the period of such Early Possession EXCEPT AS OTHERWISE AGREED BY THE PARTIES IN A SEPARATE SIGNED WRITING. All other terms of this Lease (including but not limited to the obligations to pay Lessee's Share of Common Area Operating Expenses, Real Property Taxes and insurance premiums and to maintain the Premises) shall be in effect during such period. Any such Early Possession shall not affect the Expiration Date.

3.3 **Delay in Possession.** Lessor agrees to use commercially reasonable efforts to deliver exclusive possession of the Premises to Lessee by the Commencement Date. If, despite said efforts, Lessor is unable to deliver possession by such date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or change the Expiration Date. Lessee shall not, however, be obligated to pay Rent or perform its other obligations until Lessor delivers possession of the Premises and any period of rent abatement that Lessee would otherwise have enjoyed shall run from the date of delivery of possession and



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continue for a period equal to what Lessee would otherwise have enjoyed under the terms hereof, but minus any days of delay caused by the acts or omissions of Lessor. If possession is not delivered within 60 days after the Commencement Date, as the same may be extended under the terms of any Work Letter issued by Parties, Lessee may, at its option, by notice in writing within 10 days after the end of such 60-day period, cancel this Lease, in which event the Parties shall be discharged from all obligations hereunder. If such written notice is not received by Lessor within said 10 day period, Lessor's right to cancel shall terminate. If possession of the Premises is not delivered within 120 days after the Commencement Date, this Lease shall terminate unless other agreements are reached between Lessor and Lessee, in writing.

3.4 ~~Lessee Compliance~~. Lessor shall not be required to tender possession of the Premises to Lessee until Lessee complies with its obligation to provide evidence of insurance (Paragraph 8.1). Pending delivery of such evidence, Lessee shall be required to perform all of its obligations under this Lease from and after the Start Date, including the payment of Rent, notwithstanding Lessor's election to withhold possession pending receipt of such evidence of insurance. Further, if Lessee is required to perform any other conditions prior to or concurrent with the Start Date, the Start Date shall occur but Lessor may elect to withhold possession until such conditions are satisfied.

4. Rent.

4.1 **Rent Defined.** All monetary obligations of Lessee to Lessor under the terms of this Lease (except for the Security Deposit) are deemed to be rent ("Rent").

4.2 **Common Area Operating Expenses.** Lessee shall pay to Lessor during the term hereof, in addition to the Base Rent, Lessee's Share (as specified in Paragraph 1.6) of all Common Area Operating Expenses, as hereinafter defined, during each calendar year of the term of this Lease, in accordance with the following provisions:

(a) "Common Area Operating Expenses" are defined, for purposes of this Lease, as all costs relating to the ownership and operation of the Project, including, but not limited to, the following:

(i) The operation, repair and maintenance, in neat, clean, good order and condition, and if necessary the replacement, of the following:

(aa) The Common Areas and Common Area improvements, including parking areas, loading and unloading areas, trash areas, roadways, parkways, walkways, driveways, landscaped areas, bumpers, irrigation systems, Common Area lighting facilities, fences and gates, elevators, roofs, exterior walls of the buildings, building systems and roof drainage systems.

(bb) Exterior signs and any tenant directories.

(cc) Any fire sprinkler systems.

(dd) All other areas and improvements that are within the exterior boundaries of the Project but outside of the Premises and/or any other space occupied by a tenant.

(ii) The cost of water, gas, electricity and telephone to service the Common Areas and any utilities not separately metered.

(iii) The cost of trash disposal, pest control services, property management, security services, owners' association dues and fees, the cost to repaint the exterior of any structures and the cost of any environmental inspections.

(iv) Reserves set aside for maintenance, repair and/or replacement of Common Area improvements and equipment.

(v) Real Property Taxes (as defined in Paragraph 10).

(vi) The cost of the premiums for the insurance maintained by Lessor pursuant to Paragraph 8.

(vii) Any deductible portion of an insured loss concerning the Building or the Common Areas.

(viii) Auditors', accountants' and attorneys' fees and costs related to the operation, maintenance, repair and replacement of the Project.

(ix) The cost of any capital improvement to the Building or the Project not covered under the provisions of Paragraph 2.3 provided; however, that Lessor shall allocate the cost of any such capital improvement over a 12 year period and Lessee shall not be required to pay more than Lessee's Share of 1/144th of the cost of such capital improvement in any given month. Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

(x) The cost of any other services to be provided by Lessor that are stated elsewhere in this Lease to be a Common Area Operating Expense.

(b) Any Common Area Operating Expenses and Real Property Taxes that are specifically attributable to the Unit, the Building or to any other building in the Project or to the operation, repair and maintenance thereof, shall be allocated entirely to such Unit, Building, or other building. However, any Common Area Operating Expenses and Real Property Taxes that are not specifically attributable to the Building or to the operation, repair and maintenance thereof, shall be equitably allocated by Lessor to all buildings in the Project.

(c) The inclusion of the improvements, facilities and services set forth in Subparagraph 4.2(a) shall not be deemed to impose an obligation upon Lessor to either have said improvements or facilities or to provide those services unless the Project already has the same, Lessor already provides the services, or Lessor has agreed elsewhere in this Lease to provide the same or some of them.

(d) Lessee's Share of Common Area Operating Expenses is payable monthly on the same day as the Base Rent is due hereunder. The amount of such payments shall be based on Lessor's estimate of the annual Common Area Operating Expenses. Within 60 days after written request (but not more than once each year) Lessor shall deliver to Lessee a reasonably detailed statement showing Lessee's Share of the actual Common Area Operating Expenses for the preceding year. If Lessee's payments during such year exceed Lessee's Share, Lessor shall credit the amount of such over-payment against Lessee's future payments. If Lessee's payments during such year were less than Lessee's Share, Lessee shall pay to Lessor the amount of the deficiency within 10 days after delivery by Lessor to Lessee of the statement.

(e) Common Area Operating Expenses shall not include any expenses paid by any tenant directly to third parties, or as to which Lessor is otherwise reimbursed by any third party, other tenant, or insurance proceeds.

4.3 **Payment.** Lessee shall cause payment of Rent to be received by Lessor in lawful money of the United States, without offset or deduction (except as specifically permitted in this Lease), on or before the day on which it is due. ~~All monetary amounts shall be rounded to the nearest whole dollar.~~ In the event that any statement or invoice prepared by Lessor is inaccurate such inaccuracy shall not constitute a waiver and Lessee shall be obligated to pay the amount set forth in this Lease. Rent for any period during the term hereof which is for less than one full calendar month shall be prorated based upon the actual number of days of said month. Payment of Rent shall be made to Lessor at its address stated herein or to such other persons or place as Lessor may from time to time designate in writing. Acceptance of a payment which is less than the amount then due shall not be a waiver of Lessor's rights to the balance of such Rent, regardless of Lessor's endorsement of any check so stating. In the event that any check, draft, or other instrument of payment given by Lessee to Lessor is dishonored for any reason, Lessee agrees to pay to Lessor the sum of \$25 in addition to any Late Charge to compensate Lessor for additional time and expenses incurred in handling the dishonored payment and Lessor, at its option, may require all future Rent be paid by cashier's check. Payments will be applied first to accrued late charges and ~~attorney's fees~~, second to accrued interest, then to Base Rent and Common Area Operating Expenses, and any remaining amount to any other outstanding charges or costs.

5. **Security Deposit.** Lessee shall deposit with Lessor upon execution hereof the Security Deposit as security for Lessee's faithful performance of its obligations under this Lease. If Lessee fails to pay Rent, or otherwise Defaults under this Lease, Lessor may use, apply or retain all or any portion of said Security Deposit for the


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payment of any amount already due Lessor under this Lease, for Rent, which will be due in the future, and/ or to reimburse or compensate Lessor for any liability, expense, loss or damage which Lessor may suffer or incur by reason of such Lease Default thereof. If Lessor does not apply all or any portion of the Security Deposit, Lessee shall within 30 days after written request therefor deposit monies with Lessor sufficient to restore said Security Deposit to the full amount required by this Lease. If the Base Rent increases during the term of this Lease, Lessee shall, upon a written request from Lessor, deposit additional monies with Lessor so that the total amount of the Security Deposit shall at all times bear the same proportion to the increased Base Rent as the initial Security Deposit bore to the initial Base Rent. Should the Agreed Use be amended to accommodate a material change in the business of Lessee or to accommodate a sublease or assignee, Lessor shall have the right to increase the Security Deposit to the extent necessary, in Lessor's reasonable judgment, to account for any increased wear and tear that the Premises may suffer as a result thereof. If a change in control of Lessee occurs during this Lease and following such change the financial condition of Lessee, in Lessor's reasonable judgment, significantly reduced, Lessee shall deposit such additional monies with Lessor as shall be sufficient to cause the Security Deposit to be at a commercially reasonable level based on such change in financial condition. Lessor shall not be required to keep the Security Deposit separate from its general accounts. Within 90 days after the expiration or termination of this Lease, Lessor shall return that portion of the Security Deposit not used or applied by Lessor in the manner permitted by this Paragraph 5. Lessor shall upon written request provide Lessee with an accounting showing how that portion of the Security Deposit that was not returned was applied. No part of the Security Deposit shall bear interest or be considered prepayment for any monies to be paid by Lessee under this Lease. THE SECURITY DEPOSIT SHALL NOT BE USED BY LESSEE IN LIEU OF PAYMENT OF THE LAST MONTH'S RENT.

6. Use.

6.1 Use. Lessee shall use and occupy the Premises only for the Agreed Use, or any other legal use which is reasonably comparable thereto, and for no other purpose. Lessee shall not use or permit the use of the Premises in a manner that is unlawful, creates damage, waste or a nuisance, or that disturbs or occupies or causes damage to neighboring premises or properties. Other than guide, signal and seeing eye dogs, Lessee shall not keep or allow in the Premises any pets, animals, birds, fish, or reptiles. Lessor shall not unreasonably withhold or delay its consent to any written request for a modification of the Agreed Use, so long as the same will not impair the structural integrity of the Building or the mechanical or electrical systems therein, and/or is not significantly more burdensome to the Project. If Lessor elects to withhold consent, Lessor shall within 7 days after such request give written notification of same, which notice shall include an explanation of Lessor's objections to the change in the Agreed Use.

6.2 Hazardous Substances.

(a) Reportable Uses Require Consent. The term "Hazardous Substance" as used in this Lease shall mean any product, substance, or waste whose presence, use, manufacture, disposal, transportation, or release, either by itself or in combination with other materials, expected to be on the Premises, is either: (i) potentially injurious to the public health, safety or welfare, the environment or the Premises; (ii) regulated or monitored by any governmental authority; or (iii) a basis for potential liability of Lessor to any governmental agency or third party under any applicable state or common law theory. Hazardous Substances shall include, but not be limited to, hydrocarbons, petroleum, gasoline, and/or crude oil or any products, byproducts or fractions thereof. Lessee shall not engage in any activity in or on the Premises which constitutes a Reportable Use of Hazardous Substances without the express prior written consent of Lessor and timely compliance (at Lessee's expense) with all Applicable Requirements. "Reportable Use" shall mean (i) the installation or use of any above or below ground storage tank; (ii) the generation, possession, storage, use, transportation, or disposal of a Hazardous Substance that requires a permit from, or with respect to which a report, notice, registration or business plan is required to be filed with, any governmental authority; and/or (iii) the presence at the Premises of a Hazardous Substance with respect to which any Applicable Requirements requires that a notice be given to persons entering or occupying the Premises or neighboring properties. Notwithstanding the foregoing, Lessee may use any ordinary and customary materials reasonably required to be used in the normal course of the Agreed Use, ordinary office supplies (copier toner, liquid paper, glue, etc.) and common household cleaning materials, so long as such use is in compliance with all Applicable Requirements, is not a Reportable Use, and does not expose the Premises or neighboring property to any meaningful risk of contamination or damage or expose Lessor to any liability therefor. In addition, Lessor may condition its consent to any Reportable Use upon receiving such additional assurances as Lessor reasonably deems necessary to protect itself, the public, the Premises and/or the environment against damage, contamination, injury and/or liability, including, but not limited to, the installation (and removal on or before Lease expiration or termination) of protective modifications (such as concrete encasements) and/or increasing the Security Deposit.

(b) Duty to Inform Lessor. If Lessee knows, or has reasonable cause to believe, that a Hazardous Substance has come to be located in, on, under or about the Premises, other than as previously consented to by Lessor, Lessee shall immediately give written notice of such fact to Lessor, and provide Lessor with a copy of any report, notice, claim or other documentation which it has concerning the presence of such Hazardous Substance.

(c) Lessee Remediation. Lessee shall not cause or permit any Hazardous Substance to be spilled or released in, on, under or about the Premises (including through the plumbing or sanitary sewer system) and shall promptly, at Lessee's expense, comply with all Applicable Requirements and take all investigatory and/or remedial action reasonably recommended, whether or not formally ordered or required, for the cleanup of any contamination of, and for the maintenance, security and/or monitoring of the Premises or neighboring properties, that was caused or materially contributed to by Lessee, or pertaining to or involving any Hazardous Substance brought onto the Premises during the term of this Lease, by or for Lessee, or any third party.

(d) Lessee Indemnification. Lessee shall indemnify, defend and hold Lessor, its agents, employees, lenders and ground lessor, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Lessee, or any third party (provided, however, that Lessee shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside of the Project not caused or contributed to by Lessee). Lessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Lessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Lessor and Lessee shall release Lessee from its obligations under this Lease with respect to Hazardous Substances, unless specifically so agreed by Lessor in writing at the time of such agreement.

(e) Lessor Indemnification. Except as otherwise provided in paragraph 8.7, Lessor and its successors and assigns shall indemnify, defend, reimburse and hold Lessee, its employees and lenders, harmless from and against any and all environmental damages, including the cost of remediation, which are suffered as a direct result of Hazardous Substances on the Premises prior to Lessee taking possession or which are caused by the gross negligence or willful misconduct of Lessor, its agents or employees. Lessor's obligations, as and when required by the Applicable Requirements, shall include, but not be limited to, the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Lease.

(f) Investigations and Remediations. Lessor shall retain the responsibility and pay for any investigations or remediation measures required by governmental entities having jurisdiction with respect to the existence of Hazardous Substances on the Premises prior to the Lessee taking possession, unless such remediation measure is required as a result of Lessee's use (including "Alterations", as defined in paragraph 7.3(a) below) of the Premises, in which event Lessee shall be responsible for such payment. Lessee shall cooperate fully in any such activities at the request of Lessor, including allowing Lessor and Lessor's agents to have reasonable access to the Premises at reasonable times in order to carry out Lessor's investigative and remedial responsibilities.

(g) Lessor Termination Option. If a Hazardous Substance Condition (see Paragraph 9.1(e)) occurs during the term of this Lease, unless Lessee is legally


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responsible therefor (in which case Lessor shall make the investigation and remediation thereof required by the Applicable Requirements and this Lease shall continue in full force and effect, but subject to Lessor's rights under Paragraph 6.2(d) and Paragraph 13). Lessor may, at Lessor's option, either (i) investigate and remediate such Hazardous Substance Condition, if required, as soon as reasonably possible at Lessor's expense, or (ii) if the estimated cost to remediate such condition exceeds 12 times the then monthly Base Rent or \$100,000, whichever is greater, give written notice to Lessee, within 30 days after receipt by Lessor of knowledge of the occurrence of such Hazardous Substance Condition, of Lessor's desire to terminate this Lease as of the date 60 days following the date of such notice. In the event Lessor elects to give a termination notice, Lessee may, within 10 days thereafter, give written notice to Lessor of Lessee's commitment to pay the amount by which the cost of the remediation of such Hazardous Substance Condition exceeds an amount equal to 12 times the then monthly Base Rent or \$100,000, whichever is greater. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 10 days following such commitment. In such event, this Lease shall continue in full force and effect, and Lessor shall proceed to make such remediation as soon as reasonably possible after the required funds are available. If Lessee does not give such notice and provide the required funds or assurance thereof within the time provided, this Lease shall terminate as of the date specified in Lessor's notice of termination.

6.3 Lessee's Compliance with Applicable Requirements. Except as otherwise provided in this Lease, Lessee shall, at Lessee's sole expense, fully, diligently and in a timely manner, materially comply with all Applicable Requirements, the requirements of any applicable fire insurance underwriter or rating bureau, and the recommendations of Lessor's engineers and/or consultants which relate in any manner to the Premises, without regard to whether said Applicable Requirements are now in effect or become effective after the Start Date. Lessee shall, within 10 days after receipt of Lessor's written request, provide Lessor with copies of all permits and other documents, and other information evidencing Lessee's compliance with any Applicable Requirements specified by Lessor, and shall immediately upon receipt, notify Lessor in writing (with copies of any documents involved) of any threatened or actual claim, notice, citation, warning, complaint or report pertaining to or involving the failure of Lessee or the Premises to comply with any Applicable Requirements. Likewise, Lessee shall immediately give written notice to Lessor of: (i) any water damage to the Premises and any suspected seepage, pooling, dampness or other condition conducive to the production of mold; or (ii) any mustiness or other odors that might indicate the presence of mold in the Premises.

6.4 Inspection; Compliance. Lessor and Lessor's "Lender" (as defined in Paragraph 30) and consultants authorized by Lessor shall have the right to enter into Premises at any time in the case of an emergency, and otherwise at reasonable times no more frequently than once each calendar quarter, and after reasonable notice of no fewer than 3 Business Days in advance, for the purpose of inspecting and/or testing the condition of the Premises and/or for verifying compliance by Lessee with this Lease. The cost of any such inspections shall be paid by Lessor, unless a violation of Applicable Requirements, or a Hazardous Substance Condition (see Paragraph 9.1(e)) is found to exist or be imminent, or the inspection is requested or ordered by a governmental authority. In such case, Lessee shall upon request reimburse Lessor for the reasonable out of pocket cost of such inspection, so long as such inspection is reasonably related to the violation or contamination. In addition, Lessee shall provide copies of all relevant material safety data sheets (MSDS) to Lessor within 10 days of the receipt of written request therefor. Lessee acknowledges that any failure on its part to allow such inspections or testing will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to allow such inspections and/or testing in a timely fashion the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for the remainder to the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to allow such inspection and/or testing. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to such failure nor prevent the exercise of any of the other rights and remedies granted hereunder.

7. Maintenance; Repairs; Utility Installations; Trade Fixtures and Alterations.

7.1 Lessee's Obligations.

(a) In General. Subject to the provisions of Paragraph 2.2 (Condition), 2.3 (Compliance), 6.3 (Lessee's Compliance with Applicable Requirements), 7.2 (Lessor's Obligations), 9 (Damage or Destruction), and 14 (Condemnation), during the Term, Lessee shall, at Lessee's sole expense, keep the Premises, Utility Installations (to the extent intended for Lessee's exclusive use, no matter where located), and Alterations in good order, condition and repair (whether or not the portion of the Premises requiring repairs, or the means of repairing the same, are reasonably or readily accessible to Lessee, and whether or not the need for such repairs occurs as a result of Lessee's use, any prior use, the elements or the age of such portion of the Premises), including, but not limited to, all equipment or facilities, such as plumbing, HVAC equipment, electrical, lighting facilities, boilers, pressure vessels, fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, windows, doors, plate glass, and skylights but excluding any items which are the responsibility of Lessor pursuant to Paragraph 7.2. Lessee, in keeping the Premises in good order, condition and repair, shall exercise and perform good maintenance practices, specifically including the procurement and maintenance of the service contracts required by Paragraph 7.1(b) below. Lessee's obligations shall include restorations, replacements or renewals when necessary to keep the Premises and all improvements thereon or a part thereof in good order, condition and state of repair but non-Alteration replacements shall be the co-obligation of Lessor per Paragraph 7.1(d).

(b) Service Contracts. Lessee shall, at Lessee's sole expense, procure and maintain contracts, with copies to Lessor, in customary form and substance for, and with contractors specializing and experienced in the maintenance of the following equipment and improvements, if any, if and when installed on the Premises: (i) HVAC equipment, (ii) boiler and pressure vessels, and (iii) clarifiers. However, Lessor reserves the right, upon 30 days advance notice to Lessee, to procure and maintain any or all of such service contracts, and Lessee shall reimburse Lessor, upon demand, for the cost thereof.

(c) Failure to Perform. If Lessee fails to perform Lessee's obligations under this Paragraph 7.1, Lessor may enter upon the Premises after 10 days' prior written notice to Lessee (except in the case of an emergency, in which case no notice shall be required), perform such obligations on Lessee's behalf, and put the Premises in good order, condition and repair, and Lessee shall promptly pay to Lessor a sum equal to 115% of the reasonable out of pocket cost thereof.

(d) Replacement. Subject to Lessee's indemnification of Lessor as set forth in Paragraph 8.7 below, and without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an item described in Paragraph 7.1(b) cannot be repaired other than at a cost which is in excess of 50% of the cost of replacing such item, then such item shall be replaced by Lessor, and the cost thereof shall be prorated between the Parties and Lessee shall only be obligated to pay, each month during the remainder of the term of this Lease or any extension thereof, on the date on which Base Rent is due, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (i.e. 1/144th of the cost per month). Lessee shall pay interest on the unamortized balance but may prepay its obligation at any time.

7.2 Lessor's Obligations. Subject to the provisions of Paragraphs 2.2 (Condition), 2.3 (Compliance), 4.2 (Common Area Operating Expenses), 6 (Use), 7.1 (Lessee's Obligations), 9 (Damage or Destruction) and 14 (Condemnation), Lessor, subject to reimbursement pursuant to Paragraph 4.2, shall keep in good order, condition and repair the foundations, exterior walls, structural condition of interior bearing walls, exterior roof, fire sprinkler system, Common Area fire alarm and/or smoke detection systems, fire hydrants, parking lots, walkways, parkways, driveways, landscaping, fences, signs and utility systems serving the Common Areas and all parts of the Common Area which are not otherwise the express obligation of Lessee as set forth herein ~~thereof~~, as well as providing


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the services for which there is a Common Area Operating Expense pursuant to Paragraph 4.2. Lessor shall not be obligated to paint the exterior or interior surfaces of exterior walls nor shall Lessor be obligated to maintain, repair or replace windows, doors or plate glass of the Premises.

7.3 Utility Installations; Trade Fixtures; Alterations.

(a) **Definitions.** The term "Utility Installations" refers to all floor and window coverings, air and/or vacuum lines, power panels, electrical distribution, security and fire protection systems, communication cabling, lighting fixtures, HVAC equipment, plumbing, and fencing in or on the Premises. The term "Trade Fixtures" shall mean Lessee's machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the improvements, other than Utility Installations or Trade Fixtures, whether by addition or deletion. "Lessee Owned Alterations and/or Utility Installations" are defined as Alterations and/or Utility Installations made by Lessee that are not yet owned by Lessor pursuant to Paragraph 7.4(a).

(b) **Consent.** Lessee shall not make any Alterations or Utility Installations to the Premises without Lessor's prior written consent which shall not be unreasonably withheld, conditioned, or delayed. Lessee may, however, make non-structural Alterations or Utility Installations to the interior of the Premises (excluding the roof) without such consent but upon notice to Lessor, as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, do not trigger the requirement for additional modifications and/or improvements to the Premises resulting from Applicable Requirements, such as compliance with Title 24, and/or life safety systems, and the cumulative cost thereof during this Lease as extended does not exceed a sum equal to 3 month's Base Rent in the aggregate or a sum equal to one month's Base Rent in any one year. Notwithstanding the foregoing, Lessee shall not make or permit any roof penetrations and/or install anything on the roof without the prior written approval of Lessor. Lessor may, as a precondition to granting such approval, require Lessee to utilize a contractor chosen and/or approved by Lessor. Any Alterations or Utility Installations that Lessee shall desire to make and which require the consent of the Lessor shall be presented to Lessor in written form with detailed plans. Consent shall be deemed conditioned upon Lessee's: (i) acquiring all applicable governmental permits, (ii) furnishing Lessor with copies of both the permits and the plans and specifications prior to commencement of the work, and (iii) compliance with all conditions of said permits and other Applicable Requirements in a prompt and expeditious manner. Any Alterations or Utility Installations shall be performed in a workmanlike manner with good and sufficient materials. Lessee shall promptly upon completion furnish Lessor with as-built plans and specifications. For work which costs an amount in excess of \$15,000 one month's Base Rent, Lessor may condition its consent upon Lessee providing a lien and completion bond in an amount equal to 150% of the estimated cost of such Alteration or Utility Installation and/or upon Lessee's posting an additional Security Deposit with Lessor.

(c) **Liens; Bonds.** Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises, which claims are or may be secured by any mechanic's or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than 10 days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of non-responsibility. If Lessee shall contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof. If Lessor shall require, Lessee shall furnish a surety bond in an amount equal to 150% of the amount of such contested lien, claim or demand, indemnifying Lessor against liability for the same. If Lessor elects to participate in any such action, Lessee shall pay Lessor's attorneys' fees and costs.

7.4 Ownership; Removal; Surrender; and Restoration.

(a) **Ownership.** Subject to Lessor's right to require removal or elect ownership as hereinafter provided, all Alterations and Utility Installations made by Lessee shall be the property of Lessee, but considered a part of the Premises. Lessor may, at any time up to and including the 30th day prior to the end of the Term, elect in writing to be the owner of all or any specified part of the Lessee Owned Alterations and Utility Installations. Unless otherwise instructed per paragraph 7.4(b) hereof or in a separate writing signed by the Parties, all Lessee Owned Alterations and Utility Installations constructed or installed during the Term shall, at the expiration or termination of this Lease, become the property of Lessor and be surrendered by Lessee with the Premises. See also, Addendum #1.

(b) **Removal.** By delivery to Lessee of written notice from Lessor not earlier than 90 and not later than 30 days prior to the end of the term of this Lease, Lessor may require that any or all Lessee Owned Alterations or Utility Installations be removed by the expiration or termination of this Lease. Lessor may require the removal at any time of all or any part of any Lessee Owned Alterations or Utility Installations made without the required consent.

(c) **Surrender; Restoration.** Lessee shall surrender the Premises by the Expiration Date or any earlier termination date, with all of the improvements, parts and surfaces thereof broom clean and free of debris, and in good operating order, condition and state of repair, ordinary wear and tear excepted. "Ordinary wear and tear" shall not include any damage or deterioration that would have been prevented by good maintenance practice. Notwithstanding the foregoing and the provisions of Paragraph 7.1(a), if the Lessee occupies the Premises for 12 months or less, then Lessee shall surrender the Premises in the same condition as delivered to Lessee on the Start Date with NO allowance for ordinary wear and tear. Lessee shall repair any damage occasioned by the installation, maintenance or removal of Trade Fixtures, Lessee-owned Alterations and/or Utility Installations, furnishings, and equipment as well as the removal of any storage tank installed by or for Lessee. Lessee shall also remove from the Premises any and all Hazardous Substances brought onto the Premises by or for Lessee, or any third party (except Hazardous Substances which were deposited via underground migration from areas outside of the Project) to the level specified in Applicable Requirements. Trade Fixtures shall remain the property of Lessee and shall be removed by Lessee. Any personal property of Lessee not removed on or before the Expiration Date or any later earlier termination date shall be deemed to have been abandoned by Lessee and may be disposed of or retained by Lessor as provided for by applicable law, lessor may desire. The failure by Lessee to timely vacate the Premises pursuant to this Paragraph 7.4(c) without the express written consent of Lessor shall constitute a holdover under the provisions of Paragraph 26 below.

8. Insurance; Indemnity.

8.1 **Payment of Premiums.** The cost of the premiums for the insurance policies required to be carried by Lessor, pursuant to Paragraphs 8.2(b), 8.3(a) and 8.3(b), shall be a Common Area Operating Expense. Premiums for policy periods commencing prior to, or extending beyond, the term of this Lease shall be prorated to coincide with the corresponding Start Date or Expiration Date.

8.2 Liability Insurance.

(a) **Carried by Lessee.** Lessee shall obtain and keep in force a Commercial General Liability policy of insurance protecting Lessee and Lessor as an additional insured against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$1,000,000 per occurrence with an annual aggregate of not less than \$2,000,000. Lessee shall add Lessor as an additional insured by means of an endorsement at least as broad as the Insurance Service Organization's "Additional Insured-Managers or Lessors of Premises" Endorsement. The policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "Insured contract" for the performance of Lessee's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Lessee nor relieve Lessee of any obligation hereunder. Lessee shall provide an endorsement on its liability policy(ies) which provides that its insurance shall be primary to and not contributory with any similar insurance



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carried by Lessor, whose insurance shall be considered excess insurance only.

(b) Carried by Lessor. Lessor shall maintain liability insurance as described in Paragraph 8.1(4), in addition to, and not in lieu of, the insurance required to be maintained by Lessee. Lessee shall not be named as an additional insured therein.

8.3 Property Insurance - Building, Improvements and Rental Value.

(a) Building and Improvements. Lessor shall obtain and keep in force a policy or policies of insurance in the name of Lessor, with loss payable to Lessor, any ground-lessor, and to any Lender insuring loss or damage to the Premises. The amount of such insurance shall be equal to the full insurable replacement cost of the Premises, as the same shall exist from time to time, or the amount required by any Lender, but in no event more than the commercially reasonable and available insurable value thereof. Lessee Owned Alterations and Utility Installations, Trade Fixtures, and Lessee's personal property shall be insured by Lessee not by Lessor. If the coverage is available and commercially appropriate, such policy or policies shall insure against all risks of direct physical loss or damage (except the perils of flood and/or earthquake unless required by a Lender), including coverage for debris removal and the enforcement of any Applicable Requirements requiring the upgrading, demolition, reconstruction or replacement of any portion of the Premises as the result of a covered loss. Said policy or policies shall also contain an agreed valuation provision in lieu of any coinsurance clause, waiver of subrogation, and inflation guard protection causing an increase in the annual property insurance coverage amount by a factor of not less than the adjusted U.S. Department of Labor Consumer Price Index for All Urban Consumers for the city nearest to where the Premises are located. If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$10,000/\$1,000 per occurrence.

(b) Rental Value. Lessor shall also obtain and keep in force a policy or policies in the name of Lessor with loss payable to Lessor and any Lender, insuring the loss of the full Rent for one year with an extended period of indemnity for an additional 180 days ("Rental Value insurance"). Said insurance shall contain an agreed valuation provision in lieu of any coinsurance clause, and the amount of coverage shall be adjusted annually to reflect the projected Rent otherwise payable by Lessee, for the next 12 month period.

(c) Adjacent Premises. Lessee shall pay for any increase in the premiums for the property insurance of the Building and for the Common Areas or other buildings in the Project if said increase is caused by Lessee's acts, omissions, use or occupancy of the Premises.

(d) Lessee's Improvements. Since Lessor is the Insuring Party, Lessor shall not be required to insure Lessee Owned Alterations and Utility Installations unless the item in question has become the property of Lessor under the terms of this Lease, or is otherwise co-owned by Lessor and Lessee.

8.4 Lessee's Property; Business Interruption Insurance; Worker's Compensation Insurance.

(a) Property Damage. Lessee shall obtain and maintain insurance coverage on all of Lessee's personal property, Trade Fixtures, and Lessee Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$10,000/\$1,000 per occurrence. The proceeds from any such insurance shall be used by Lessee at Lessee's election, for the replacement of personal property, Trade Fixtures and Lessee Owned Alterations and Utility Installations.

(b) Business Interruption. Lessee shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Lessee for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Lessee or attributable to prevention of access to the Premises as a result of such perils.

(c) Worker's Compensation Insurance. Lessee shall obtain and maintain Worker's Compensation Insurance in such amount as may be required by Applicable Requirements. Such policy shall include a 'Waiver of Subrogation' endorsement. Lessee shall provide Lessor with a copy of such endorsement along with the certificate of insurance or copy of the policy required by paragraph 8.5.

(d) No Representation of Adequate Coverage. Lessor makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Lessee's property, business operations or obligations under this Lease.

8.5 Insurance Policies. Insurance required herein shall be by companies maintaining during the policy term a "General Policyholders Rating" of at least A-, VII, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Lessee and Lessor shall not do or permit to be done anything which invalidates the required insurance policies. Lessee shall, prior to within ten (10) Business Days of the Start Date, deliver to Lessor certified copies of policies of such insurance or certificates with copies of the required endorsements evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after 30 days prior written notice to Lessor. Lessee shall, at least 10 days prior to the expiration of such policies, furnish Lessor with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor may increase his liability insurance coverage and charge the cost thereof to Lessee, which amount shall be payable by Lessee to Lessor upon demand. Such policies shall be for a term of at least one year, or the length of the remaining term of this Lease, whichever is less. If either Party shall fail to procure and maintain the insurance required to be carried by it, the other Party may, but shall not be required to, procure and maintain the same.

8.6 Waiver of Subrogation. Without affecting any other rights or remedies, Lessee and Lessor each hereby release and relieve the other, and waive their entire right to recover damages against the other, for loss of or damage to its property arising out of or incident to the perils required to be insured against herein. The effect of such releases and waivers is not limited by the amount of insurance carried or required, or by any deductibles applicable hereto. The Parties agree to have their respective property damage insurance carriers waive any right to subrogation that such companies may have against Lessor or Lessee, as the case may be, so long as the insurance is not invalidated thereby.

8.7 Indemnity. Except for Lessor's gross negligence or willful misconduct, Lessee shall indemnify, protect, defend and hold harmless the Premises, Lessor and its agents, Lessor's master or ground lessor, partners and Lenders, from and against any and all claims, loss of rents and/or damages, liens, judgments, penalties, attorneys' and consultants' fees, expenses and/or liabilities arising during the Term of the Lease out of, involving, or in connection with, a Breach of the Lease by Lessee and/or the use and/or occupancy of the Premises and/or Project by Lessee and/or by Lessee's employees, contractors or invitees. If any action or proceeding is brought against Lessor by a third party by reason of any of the foregoing matters, Lessee shall upon notice defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor and Lessor shall cooperate with Lessee in such defense. Lessor need not have first paid any such claim in order to be defended or indemnified.

8.8 Exemption of Lessor and its Agents from Liability. Notwithstanding the negligence or breach of this Lease by Lessor or its agents, neither Lessor nor its agents shall be liable under any circumstances for: (i) injury or damage to the person or goods, wares, merchandise or other property of Lessee, Lessee's employees, contractors, invitees, customers, or any other person in or about the Premises, whether such damage or injury is caused by or results from fire, steam, electricity, gas, water or rain, indoor air quality, the presence of mold or from the breakage, leakage, obstruction or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC or lighting fixtures, or from any other cause, whether the said injury or damage results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places; (ii) any damages arising from any act or neglect of any other Tenant of Lessor or from the failure of Lessor or its agents to enforce the provisions of any other lease in the Project; or (iii) injury to Lessee's business or for any loss of income or profit therefrom. Instead, it is intended that Lessee's sole recourse in the event of such damages or injury be to file a claim on the insurance policy(ies) that Lessee is required to maintain pursuant to the provisions of paragraph 8.

8.9 Failure to Provide Insurance. Lessee acknowledges that any failure on its part to obtain or maintain the insurance required herein will expose Lessor to



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risk, and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, for any month or portion thereof that Lessee does not maintain the required insurance and/or does not provide Lessor with the required binders or certificates evidencing the existence of the required insurance, the Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater. The parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to maintain the required insurance. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to maintain such insurance, prevent the exercise of any of the other rights and remedies granted hereunder, nor relieve Lessee of its obligation to maintain the insurance specified in this Lease.

9. Damage or Destruction.

9.1 Definitions.

(a) "Premises Partial Damage" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations, which can reasonably be repaired in 3 months or less from the date of the damage or destruction, and the cost thereof does not exceed a sum equal to \$100,000 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(b) "Premises Total Destruction" shall mean damage or destruction to the improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which cannot reasonably be repaired in 3 months or less from the date of the damage or destruction and/or the cost thereof exceeds a sum equal to \$100,000 6 month's Base Rent. Lessor shall notify Lessee in writing within 30 days from the date of the damage or destruction as to whether or not the damage is Partial or Total.

(c) "Insured Loss" shall mean damage or destruction to improvements on the Premises, other than Lessee Owned Alterations and Utility Installations and Trade Fixtures, which was caused by an event required to be covered by the insurance described in Paragraph 8.3(a), irrespective of any deductible amounts or coverage limits involved.

(d) "Replacement Cost" shall mean the cost to repair or rebuild the improvements owned by Lessor at the time of the occurrence to their condition existing immediately prior thereto, including demolition, debris removal and upgrading required by the operation of Applicable Requirements, and without deduction for depreciation.

(e) "Hazardous Substance Condition" shall mean the occurrence or discovery of a condition involving the presence of, or a contamination by, a Hazardous Substance, in, on, or under the Premises which requires restoration.

9.2 Partial Damage - Insured Loss. If a Premises Partial Damage that is an Insured Loss occurs, then Lessor shall, at Lessor's expense, repair such damage (but not Lessee's Trade Fixtures or Lessee Owned Alterations and Utility Installations) as soon as reasonably possible and this Lease shall continue in full force and effect, provided, however, that Lessee shall, at Lessor's election, make the repair of any damage or destruction the total cost to repair of which is \$10,000 or less, and, in such event, Lessor shall make any applicable insurance proceeds available to Lessee on a reasonable basis for that purpose. Notwithstanding the foregoing, if the required insurance was not in force or the insurance proceeds are not sufficient to effect such repair, the Insuring Party shall promptly contribute the shortage in proceeds as and when required to complete said repairs. In the event, however, such shortage was due to the fact that, by reason of the unique nature of the improvements, full replacement cost insurance coverage was not commercially reasonable and available, Lessor shall have no obligation to pay for the shortage in insurance proceeds or to fully restore the unique aspects of the Premises unless Lessee provides Lessor with the funds to cover same, or adequate assurance thereof, within 10 days following receipt of written notice of such shortage and request therefor. If Lessor receives said funds or adequate assurance thereof within said 10 day period, the party responsible for making the repairs shall complete them as soon as reasonably possible and this Lease shall remain in full force and effect. If such funds or assurance are not received, Lessor may nevertheless elect by written notice to Lessee within 10 days thereafter to: (i) make such restoration and repair as is commercially reasonable with Lessor paying any shortage in proceeds, in which case this Lease shall remain in full force and effect; or (ii) have this Lease terminate 30 days thereafter. Lessee shall not be entitled to reimbursement of any funds contributed by Lessor to repair any such damage or destruction. Premises Partial Damage due to flood or earthquake shall be subject to Paragraph 9.3, notwithstanding that there may be some insurance coverage, but the net proceeds of any such insurance shall be made available for the repairs if made by either Party.

9.3 Partial Damage - Uninsured Loss. If a Premises Partial Damage that is not an Insured Loss occurs, unless caused by a negligent or willful act of Lessee (in which event Lessee shall make the repairs at Lessee's expense), Lessor may either: (i) repair such damage as soon as reasonably possible at Lessor's expense (subject to reimbursement pursuant to Paragraph 4.2), in which event this Lease shall continue in full force and effect; or (ii) terminate this Lease by giving written notice to Lessee within 30 days after receipt by Lessor of knowledge of the occurrence of such damage. Such termination shall be effective 60 days following the date of such notice. In the event Lessor elects to terminate this Lease, Lessee shall have the right within 10 days after receipt of the termination notice to give written notice to Lessor of Lessee's commitment to pay for the repair of such damage without reimbursement from Lessor. Lessee shall provide Lessor with said funds or satisfactory assurance thereof within 30 days after making such commitment. In such event this Lease shall continue in full force and effect, and Lessor shall proceed to make such repairs as soon as reasonably possible after the required funds are available. If Lessee does not make the required commitment, this Lease shall terminate, as of the date specified in the termination notice.

9.4 Total Destruction. Notwithstanding any other provision hereof, if a Premises Total Destruction occurs, this Lease shall terminate 60 days following Lessor's notice to Lessee of such Destruction. If the damage or destruction was caused by the gross negligence or willful misconduct of Lessee, Lessor shall have the right to recover Lessor's damages from Lessee, except as provided in Paragraph 8.6.

9.5 Damage Near End of Term. If at any time during the last 6 months of this Lease there is damage for which the cost to repair exceeds \$100,000 6 month's Base Rent, whether or not an Insured Loss, Lessor may terminate this Lease effective 60 days following the date of occurrence of such damage by giving a written termination notice to Lessee within 30 days after the date of occurrence of such damage. Notwithstanding the foregoing, if Lessee at that time has an exercisable option to extend this Lease or to purchase the Premises, then Lessee may preserve this Lease by (a) exercising such option and (b) providing Lessor with any shortage in insurance proceeds (or adequate assurance thereof) needed to make the repairs on or before the earlier of (i) the date which is 30 days after Lessee's receipt of Lessor's written notice purporting to terminate this Lease, or (ii) the day prior to the date upon which such option expires. If Lessee duly exercises such option during such period and provides Lessor with funds (or adequate assurance thereof) to cover any shortage in insurance proceeds, Lessor shall, at Lessor's commercially reasonable expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option and provide such funds or assurance during such period, then this Lease shall terminate on the date specified in the termination notice and Lessee's option shall be extinguished.

9.6 Abatement of Rent; Lessee's Remedies.

(a) Abatement. In the event of Premises Partial Damage or Premises Total Destruction or a Hazardous Substance Condition for which Lessee is not responsible under this Lease, the Rent payable by Lessee for the period required for the repair, remediation or restoration of such damage shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired, but not to exceed the proceeds received from the Rental Value insurance. All other


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obligations of Lessee hereunder shall be performed by Lessee, and Lessor shall have no liability for any such damage, destruction, remediation, repair or restoration except as provided herein.

(b) Remedies. If Lessor is obligated to repair or restore the Premises and does not commence, in a substantial and meaningful way, such repair or restoration within 90 days after such obligation shall accrue, Lessee may, at any time prior to the commencement of such repair or restoration, give written notice to Lessor and to any Lenders of which Lessee has actual notice, of Lessee's election to terminate this Lease on a date not less than 60 days following the giving of such notice. If Lessee gives such notice and such repair or restoration is not commenced within 30 days thereafter, this Lease shall terminate as of the date specified in said notice. If the repair or restoration is commenced within such 30 days, this Lease shall continue in full force and effect. "Commence" shall mean either the unconditional authorization of the preparation of the required plans, or the beginning of the actual work on the Premises, whichever first occurs.

9.7 Termination; Advance Payments. Upon termination of this Lease pursuant to Paragraph 6.2(g) or Paragraph 9, an equitable adjustment shall be made concerning advance Base Rent and any other advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's Security Deposit as has not been, or is not then required to be, used by Lessor.

10. Real Property Taxes.

10.1 Definition. As used herein, the term "Real Property Taxes" shall include any form of assessment, real estate, general, special, ordinary or extraordinary, or rental levy or tax (other than inheritance, personal income or estate taxes), improvement bonds, and/or license fee imposed upon or levied against any legal or equitable interest of Lessor in the Project, Lessor's right to other income therefrom, and/or Lessor's business of leasing, by any authority having the direct or indirect power to tax and where the funds are generated with reference to the Project address. The term "Real Property Taxes" shall also include any tax, fee, levy, assessment or charge, or any increase therein: (i) imposed by reason of events occurring during the term of this Lease, including but not limited to, a change in the ownership of the Project, (ii) a change in the improvements thereon, and/or (iii) levied or assessed on machinery or equipment provided by Lessor to Lessee pursuant to this Lease. In calculating Real Property Taxes for any calendar year, the Real Property Taxes for any real estate tax year shall be included in the calculation of Real Property Taxes for such calendar year based upon the number of days which such calendar year and tax year have in common.

10.2 Payment of Taxes. Except as otherwise provided in Paragraph 10.3, Lessor shall pay the Real Property Taxes applicable to the Project, and said payments shall be included in the calculation of Common Area Operating Expenses in accordance with the provisions of Paragraph 4.2.

10.3 Additional Improvements. Common Area Operating Expenses shall not include Real Property Taxes specified in the tax assessor's records and work sheets resulting caused by additional improvements placed upon the Project by other lessees or by Lessor for the exclusive enjoyment of such other lessees. Notwithstanding Paragraph 10.2 hereof, Lessee shall, however, pay to Lessor at the time Common Area Operating Expenses are payable under Paragraph 4.2, the entirety of any increase in Real Property Taxes if assessed solely by reason of Alterations, Trade Fixtures or Utility Installations placed upon the Premises by Lessee or at Lessee's request or by reason of any alterations or improvements to the Premises made by Lessor subsequent to the execution of this Lease by the Parties.

10.4 Joint Assessment. If the Building is not separately assessed, Real Property Taxes allocated to the Building shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included within the tax parcel assessed, such proportion to be determined by Lessor from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available. Lessor's reasonable determination thereof, in good faith, shall be conclusive.

10.5 Personal Property Taxes. Lessee shall pay prior to delinquency all taxes assessed against and levied upon Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all personal property of Lessee contained in the Premises. When possible, Lessee shall cause its Lessee Owned Alterations and Utility Installations, Trade Fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Lessor. If any of Lessee's said property shall be assessed with Lessor's real property, Lessee shall pay Lessor the taxes attributable to Lessee's property within 10 days after receipt of a written statement setting forth the taxes applicable to Lessee's property.

11. Utilities and Services.

11.1 Lessee shall pay for all water, gas, heat, light, power, telephone, trash disposal and other utilities and services supplied solely to the Premises, together with any taxes thereon. Notwithstanding the provisions of Paragraph 4.2, if at any time in Lessor's sole judgment, Lessor determines that Lessee is using a disproportionate amount of water, electricity or other commonly metered utilities, or that Lessee is generating such a large volume of trash as to require an increase in the size of the trash receptacle and/or an increase in the number of times per month that it is emptied, then Lessor may increase Lessee's Base Rent by an amount equal to such increased costs. There shall be no abatement of Rent and Lessor shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair or other cause beyond Lessor's reasonable control or in cooperation with governmental request or directions.

11.2 Within fifteen days of Lessor's written request, Lessee agrees to deliver to Lessor such information, documents and/or authorization as Lessor needs in order for Lessor to comply with new or existing Applicable Requirements relating to commercial building energy usage, ratings, and/or the reporting thereof.

12. Assignment and Subletting.

12.1 Lessor's Consent Required.

(a) Lessee shall not voluntarily or by operation of law assign, transfer, mortgage or encumber (collectively, "assign or assignment") or sublet all or any part of Lessee's interest in this Lease or in the Premises without Lessor's prior written consent.

(b) Unless Lessee is a corporation and its stock is publicly traded on a national stock exchange, a change in the control of Lessee shall constitute an assignment requiring consent. The transfer, on a cumulative basis, of 25% or more of the voting control of Lessee shall constitute a change in control for this purpose.

(c) The involvement of Lessee or its assets in any transaction, or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Lease or Lessee's assets occurs, which results or will result in a reduction of the Net Worth of Lessee by an amount greater than 25% of such Net Worth as it was represented at the time of the execution of this Lease or at the time of the most recent assignment to which Lessor has consented, or as it exists immediately prior to said transaction or transactions constituting such reduction, whichever was or is greater, shall be considered an assignment of this Lease to which Lessor may withhold its consent. "Net Worth of Lessee" shall mean the net worth of Lessee (excluding any guarantors) established under generally accepted accounting principles.

(d) An assignment or subletting without consent shall, at Lessor's option, be a Default curable after notice per Paragraph 13.1(d), or a non-curable Breach without the necessity of any notice and grace period. If Lessor elects to treat such unapproved assignment or subletting as a non-curable Breach, Lessor may either: (i) terminate this Lease, or (ii) upon 30 days written notice, increase the monthly Base Rent to 110% of the Base Rent then in effect. Further, in the event of such Breach and rental adjustment: (i) the purchase price of any option to purchase the Premises held by Lessee shall be subject to similar adjustment to 110% of the price previously in effect, and (ii) all fixed and non-fixed rental adjustments scheduled during the remainder of the Lease term shall be increased to 110% of the scheduled adjusted rent.

(e) Lessee's remedy for any breach of Paragraph 12.1 by Lessor shall be limited to compensatory damages and/or injunctive relief.



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(f) Lessor may reasonably withhold consent to a proposed assignment or subletting, if Lessee is in Default at the time consent is requested.

(g) Notwithstanding the foregoing, allowing a de minimis portion of the Premises, i.e., 20 square feet or less, to be used by a third party under its connection with the installation of a vending machine or payphone shall not constitute a subletting.

12.2 Terms and Conditions Applicable to Assignment and Subletting.

(a) Regardless of Lessor's consent, no assignment or subletting shall: (i) be effective without the express written assumption by such assignee or sublessee of the obligations of Lessee under this Lease, (ii) release Lessee of any obligations hereunder, or (iii) alter the primary liability of Lessee for the payment of Rent or for the performance of any other obligations to be performed by Lessee.

(b) Lessor may accept Rent or performance of Lessee's obligations from any person other than Lessee pending approval or disapproval of an assignment. Neither a delay in the approval or disapproval of such assignment nor the acceptance of Rent or performance shall constitute a waiver or estoppel of Lessor's right to exercise its remedies for Lessee's Default or Breach.

(c) Lessor's consent to any assignment or subletting shall not constitute a consent to any subsequent assignment or subletting.

(d) In the event of any Default or Breach by Lessee, Lessor may proceed directly against Lessee, any Guarantors or anyone else responsible for the performance of Lessee's obligations under this Lease, including any assignee or sublessee, without first exhausting Lessor's remedies against any other person or entity responsible therefor to Lessor, or any security held by Lessor.

(e) Each request for consent to an assignment or subletting shall be in writing, accompanied by information relevant to Lessor's determination as to the financial and operational responsibility and appropriateness of the proposed assignee or sublessee, including but not limited to the intended use and/or required modification of the Premises, if any, together with a fee of \$500 as consideration for Lessor's considering and processing said request. Lessee agrees to provide Lessor with such other or additional information and/or documentation as may be reasonably requested. (See also Paragraph 16.)

(f) Any assignee of or sublessee under this Lease shall, by reason of accepting such assignment, and/or entering into possession of the Premises or any portion thereof, be deemed to have assumed and agreed to conform and to comply with each and every term, covenant, condition and obligation herein to be observed or performed by Lessee during the term of said assignment or sublease, other than such obligations as are contrary to or inconsistent with provisions of an assignment or sublease to which Lessor has specifically consented to in writing.

(g) Lessor's consent to any assignment or subletting shall not transfer to the assignee or sublessee any Option granted to the original Lessee by this Lease unless such transfer is specifically consented to by Lessor in writing. (See Paragraph 39.2)

12.3 Additional Terms and Conditions Applicable to Subletting. The following terms and conditions shall apply to any subletting by Lessee of all or any part of the Premises and shall be deemed included in all subleases under this Lease whether or not expressly incorporated therein:

(a) Lessee hereby assigns and transfers to Lessor all of Lessee's interest in all Rent payable on any sublease, and Lessor may collect such Rent and apply same toward Lessee's obligations under this Lease, provided however, that until a Breach shall occur in the performance of Lessee's obligations, Lessee may collect said Rent. In the event that the amount collected by Lessor exceeds Lessee's then outstanding obligations any such excess shall be refunded to Lessee. Lessor shall not, by reason of the foregoing or any assignment of such sublease, nor by reason of the collection of Rent, be deemed liable to the sublessee for any failure of Lessee to perform and comply with any of Lessee's obligations to such sublessee. Lessee hereby irrevocably authorizes and directs any such sublessee, upon receipt of a written notice from Lessor stating that a Breach exists in the performance of Lessee's obligations under this Lease, to pay to Lessor all Rent due and to become due under the sublease. Sublessee shall rely upon any such notice from Lessor and shall pay all Rents to Lessor without any obligation or right to inquire as to whether such Breach exists, notwithstanding any claim from Lessee to the contrary.

(b) In the event of a Breach by Lessee, Lessor may, at its option, require sublessee to attend to Lessor, in which event Lessor shall undertake the obligations of the sublessor under such sublease from the time of the exercise of said option to the expiration of such sublease; provided, however, Lessor shall not be liable for any prepaid rents or security deposit paid by such sublessee to such sublessor or for any prior Defaults or Breaches of such sublessor.

(c) Any matter requiring the consent of the sublessor under a sublease shall also require the consent of Lessor.

(d) No sublessee shall further assign or sublet all or any part of the Premises without Lessor's prior written consent.

(e) Lessor shall deliver a copy of any notice of Default or Breach by Lessee to the sublessee, who shall have the right to cure the Default of Lessee within the grace period, if any, specified in such notice. The sublessee shall have a right of reimbursement and offset from and against Lessor for any such Defaults cured by the sublessee.

13. Default; Breach; Remedies.

13.1 Default; Breach. A "Default" is defined as a failure by the Lessee to comply with or perform any of the terms, covenants, conditions or Rules and Regulations under this Lease. A "Breach" is defined as the occurrence of one or more of the following Defaults, and the failure of Lessee to cure such Default within any applicable grace period:

(a) Except pursuant to order of a government body (including, but not limited to court order): The abandonment of the Premises; the vacating of the Premises prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, or where the coverage of the property insurance described in Paragraph 8.3 is jeopardized as a result thereof, or without providing reasonable assurances to minimize potential vandalism; or failure to deliver to Lessor exclusive possession of the entire Premises in accordance herewith prior to the expiration or termination of this Lease.

(b) The failure of Lessee to (i) make any payment of Rent or any Security Deposit required to be made by Lessee hereunder, whether to Lessor or to a third party, when due, (ii) to provide reasonable evidence of insurance or surety bond, or (iii) to fulfill any obligation under this Lease which endangers or threatens life or property, where such failure continues for a period of 53 business days following written notice to Lessee. THE ACCEPTANCE BY LESSOR OF A PARTIAL PAYMENT OF RENT OR SECURITY DEPOSIT SHALL NOT CONSTITUTE A WAIVER OF ANY OF LESSOR'S RIGHTS, INCLUDING LESSOR'S RIGHT TO RECOVER POSSESSION OF THE PREMISES.

(c) The failure of Lessee to allow Lessor and/or its agents access to the Premises as required under this Lease or the commission of waste, act or acts constituting public or private nuisance, and/or an illegal activity on the Premises by Lessee, where such actions continue for a period of 53 business days following written notice to Lessee. In the event that Lessee commits waste, a nuisance or an illegal activity a second time then, the Lessor may elect to treat such conduct as a non-curable Breach rather than a Default.

(d) The failure by Lessee to provide (i) reasonable written evidence of compliance with Applicable Requirements, (ii) the service contracts, (iii) the rescission of an unauthorized assignment or subletting, (iv) an Estoppel Certificate or financial statements, (v) a requested subordination, (vi) evidence concerning any guaranty and/or Guarantor, (vii) any document requested under Paragraph 41, (viii) material safety data sheets (MSDS), or (ix) any other documentation or information which Lessor may reasonably require of Lessee under the terms of this Lease, where any such failure continues for a period of 10 days following written notice to Lessee.

(e) A Default by Lessee as to the terms, covenants, conditions or provisions of this Lease, or of the rules adopted under Paragraph 2.9 hereof, other than those described in subparagraphs 13.1(a), (b), (c) or (d), above, where such Default continues for a period of 30 days after written notice; provided, however, that if

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the nature of Lessee's Default is such that more than 30 days are reasonably required for its cure, then it shall not be deemed to be a Breach if Lessee commences such cure within said 30 day period and thereafter diligently prosecutes such cure to completion.

(f) The occurrence of any of the following events: (i) the making of any general assignment or assignment for the benefit of creditors; (ii) becoming a "debtor" as defined in 11 U.S.C. § 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within 60 days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within 30 days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within 30 days; provided, however, in the event that any provision of this subparagraph is contrary to any applicable law, such provision shall be of no force or effect, and not affect the validity of the remaining provisions.

(g) The discovery that any financial statement of Lessee or of any Guarantor given to Lessor as a precondition of Lease execution was materially false.

(h) If the performance of Lessee's obligations under this Lease is guaranteed: (i) the death of a Guarantor, (ii) the termination of a Guarantor's liability with respect to this Lease other than in accordance with the terms of such guaranty, (iii) a Guarantor's becoming insolvent or the subject of a bankruptcy filing, (iv) a Guarantor's refusal to honor the guaranty, or (v) a Guarantor's breach of its guaranty obligation on an anticipatory basis, and Lessee's failure, within 60 days following written notice of any such event, to provide written alternative assurance or security, which, when coupled with the then existing resources of Lessee, equals or exceeds the combined financial resources of Lessee and the Guarantors that existed at the time of execution of this Lease.

13.2 Remedies. If Lessee fails to perform any of its affirmative duties or obligations, within 10 days after written notice (or in case of an emergency, without notice), Lessor may, at its option, perform such duty or obligation on Lessee's behalf, including but not limited to the obtaining of reasonably required bonds, insurance policies, or governmental licenses, permits or approvals. Lessee shall pay to Lessor an amount equal to 115% of the reasonable, out of pocket costs and expenses incurred by Lessor in such performance upon receipt of an invoice therefor. In the event of a Breach, Lessor may, with or without further notice or demand, and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such Breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession to Lessor. In such event Lessor shall be entitled to recover from Lessee: (i) the unpaid Rent which had been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that the Lessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that the Lessee proves could be reasonably avoided; and (iv) any other amount necessary to compensate Lessor for all the detriment proximately caused by the Lessee's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, including but not limited to the cost of recovering possession of the Premises, expenses of relating, including necessary renovation and alteration of the Premises, reasonable attorneys' fees, and that portion of any leasing commission paid by Lessor in connection with this Lease applicable to the unexpired term of this Lease. Lessor and Lessee agree that the damages to be incurred by the Lessor in the event of Lessee's default of the Lease would be difficult or impossible to calculate and the parties therefore intend to provide by the foregoing for liquidated damages and not a penalty, and agree that the sum provided is a reasonable pre-estimate of the probable loss. The worth at the time of award of the amount referred to in provision (iii) of the immediately preceding sentence shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of the District within which the Premises are located at the time of award plus one percent. Efforts by Lessor to mitigate damages caused by Lessee's Breach of this Lease shall not waive Lessor's right to recover any damages to which Lessor is otherwise entitled. If termination of this Lease is obtained through the provisional remedy of unlawful detainer, Lessor shall have the right to recover in such proceeding any unpaid Rent and damages as are recoverable therein, or Lessor may reserve the right to recover all or any part thereof in a separate suit. If a notice and grace period required under Paragraph 13.1 was not previously given, a notice to pay rent or quit or to perform or quit given to Lessee under the unlawful detainer statute shall also constitute the notice required by Paragraph 13.1. In such case, the applicable grace period required by Paragraph 13.1 and the unlawful detainer statute shall run concurrently, and the failure of Lessee to cure the Default within the greater of the two such grace periods shall constitute both an unlawful detainer and a Breach of this Lease entitling Lessor to the remedies provided for in this Lease and/or by said statute.

(b) Continue the Lease and Lessee's right to possession and recover the Rent as if becomes due, in which event Lessee may sublet or assign, subject only to reasonable limitations. Acts of maintenance, efforts to relet, and/or the appointment of a receiver to protect the Lessor's interests, shall not constitute a termination of the Lessee's right to possession.

(c) Pursue any other remedy now or hereafter available under the laws or judicial decisions of the state wherein the Premises are located. The expiration or termination of this Lease and/or the termination of Lessee's right to possession shall not relieve Lessee from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the term hereof, or by reason of Lessee's occupancy of the Premises.

13.3 Inducement Recapture. Any agreement for free or abated rent or other charges, the cost of tenant improvements for Lessee paid for or performed by Lessor, or for the giving or paying by Lessor to or for Lessee of any cash or other bonus, inducement or consideration for Lessee's entering into this Lease, all of which concessions are hereinafter referred to as "Inducement Provisions," shall be deemed conditioned upon Lessee's full and faithful performance of all of the terms, covenants and conditions of this Lease. Upon Breach of this Lease by Lessee, any such Inducement Provision shall automatically be deemed deleted from this Lease and of no further force or effect, and any rent, other charge, bonus, inducement or consideration theretofore abated, given or paid by Lessor under such an Inducement Provision shall be immediately due and payable by Lessee to Lessor, notwithstanding any subsequent cure of said Breach by Lessee. The acceptance by Lessor of rent or the cure of the Breach which initiated the operation of this paragraph shall not be deemed a waiver by Lessor of the provisions of this paragraph unless specifically so stated in writing by Lessor at the time of such acceptance.

13.4 Late Charges. Lessee hereby acknowledges that late payment by Lessee of Rent will cause Lessor to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed upon Lessor by any Lender. Accordingly, if any Rent shall not be received by Lessor within 5 days after such amount shall be due, then, without any requirement for notice to Lessee, Lessee shall immediately pay to Lessor a one-time late charge equal to 10% of each such overdue amount, or \$100, whichever is greater. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Lessor will incur by reason of such late payment. Acceptance of such late charge by Lessor shall in no event constitute a waiver of Lessee's Default or Breach with respect to such overdue amount, nor prevent the exercise of any of the other rights and remedies granted hereunder. In the event that a late charge is payable hereunder, whether or not collected, for 3 consecutive installments of Base Rent, then notwithstanding any provision of this Lease to the contrary, Base Rent shall, at Lessor's option, become due and payable quarterly in advance.

13.5 Interest. Any monetary payment due Lessor hereunder, other than late charges, not received by Lessor, when due shall bear interest from the 31st day after it was due. The interest ("Interest") charged shall be computed at the rate of 10% per annum but shall not exceed the maximum rate allowed by law. Interest is payable in addition to the potential late charge provided for in Paragraph 13.4.

13.6 Breach by Lessor.

(a) Notice of Breach. Lessor shall not be deemed in breach of this Lease unless Lessor fails within a reasonable time to perform an obligation required to



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be performed by Lessor. For purposes of this Paragraph, a reasonable time shall in no event be less than 1500 days after receipt by Lessor, and any Lender whose name and address shall have been furnished to Lessee in writing for such purpose, of written notice specifying wherein such obligation of Lessor has not been performed; provided, however, that if the nature of Lessor's obligation is such that more than 1500 days are reasonably required for its performance, then Lessor shall not be in breach if performance is commenced within such 1500 day period and thereafter diligently pursued to completion.

(b) Performance by Lessee on Behalf of Lessor. In the event that neither Lessor nor Lender cures said breach within 1500 days after receipt of said notice, or if having commenced said cure they do not diligently pursue it to completion, then Lessee may elect to cure said breach at Lessee's expense and offset from Rent the actual and reasonable cost to perform such cure, provided however, that such offset shall not exceed an amount equal to the greater of one month's Base Rent or the Security Deposit, reserving Lessee's right to reimbursement from Lessor for any such expense in excess of such offset. Lessee shall document the cost of said cure and supply said documentation to Lessor.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat of the exercise of said power (collectively "Condemnation"), this Lease shall terminate as to the part taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Unit, or more than 25% of the parking spaces is taken by Condemnation, Lessee may, at Lessee's option, to be exercised in writing within 10 days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within 10 days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Base Rent shall be reduced in proportion to the reduction in utility of the Premises caused by such Condemnation. Condemnation awards and/or payments shall be the property of Lessor, whether such award shall be made as compensation for diminution in value of the leasehold, the value of the part taken, or for coverage damages; provided, however, that Lessee shall be entitled to any compensation paid by the condemnor for Lessee's relocation expenses, loss of business goodwill and/or Trade Fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All Alterations and Utility Installations made to the Premises by Lessee, for purposes of Condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the Condemnation, Lessor shall repair any damage to the Premises caused by such Condemnation.

15. Brokerage Fees.

15.1 Additional Commission. In addition to the payments owed pursuant to Paragraph 1.10 above, Lessor agrees that (a) if Lessor exercises any Option, (b) if Lessee or anyone affiliated with Lessee acquires from Lessor any rights to the Premises or other premises owned by Lessor and located within the Project, (c) if Lessee remains in possession of the Premises, with the consent of Lessor, after the expiration of this Lease, or (d) if Base Rent is increased, whether by agreement or operation of an escalation clause herein, then Lessor shall pay Brokers a fee in accordance with the fee schedule of the Brokers in effect at the time the Lease was executed. The provisions of this paragraph are intended to supersede the provisions of any earlier agreement to the contrary.

15.2 Assumption of Obligations. Any buyer or transferee of Lessor's interest in this Lease shall be deemed to have assumed Lessor's obligation hereunder. Brokers shall be third party beneficiaries of the provisions of Paragraphs 1.10, 15.1, 27 and 31. If Lessor fails to pay to Brokers any amounts due as and for brokerage fees pertaining to this Lease when due, then such amounts shall accrue interest. In addition, if Lessor fails to pay any amounts to Lessor's Broker when due, Lessor's Broker may send written notice to Lessor and Lessee of such failure and if Lessor fails to pay such amounts within 10 days after said notice, Lessee shall pay said monies to its Broker and offset such amounts against Rent. In addition, Lessee's Broker shall be deemed to be a third party beneficiary of any commission agreement entered into by and/or between Lessor and Lessor's Broker for the limited purpose of collecting as a brokerage fee owed.

15.3 Representations and Indemnities of Broker Relationships. Lessee and Lessor each represent and warrant to the other that it has had no dealings with any person, firm, broker, agent or finder (other than the Brokers and Agents, if any) in connection with this Lease, and that no one other than said named Brokers and Agents is entitled to any commission or finder's fee in connection herewith. Lessee and Lessor do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

16. Estoppel Certificates.

(a) Each Party (as "Responding Party") shall within 10 days after written notice from the other Party (the "Requesting Party") execute, acknowledge and deliver to the Requesting Party a statement in writing in form similar to the then most current "Estoppel Certificate" form published by AIR CRE, plus such additional information, confirmation and/or statements as may be reasonably requested by the Requesting Party.

(b) If the Responding Party shall fail to execute or deliver the Estoppel Certificate within such 10 day period, the Requesting Party may execute an Estoppel Certificate stating that: (i) the Lease is in full force and effect without modification except as may be represented by the Requesting Party, (ii) there are no uncured LASC defaults in the Requesting Party's performance, and (iii) if Lessor is the Requesting Party, not more than one month's rent has been paid in advance. Prospective purchasers and encumbrancers may rely upon the Requesting Party's Estoppel Certificate, and the Responding Party shall be estopped from denying the truth of the facts contained in said Certificate. In addition, Lessee acknowledges that any failure on its part to provide such an Estoppel Certificate will expose Lessor to risks and potentially cause Lessor to incur costs not contemplated by this Lease, the extent of which will be extremely difficult to ascertain. Accordingly, should the Lessee fail to execute and/or deliver a requested Estoppel Certificate in a timely fashion the monthly Base Rent shall be automatically increased, without any requirement for notice to Lessee, by an amount equal to 10% of the then existing Base Rent or \$100, whichever is greater for remainder of the Lease. The Parties agree that such increase in Base Rent represents fair and reasonable compensation for the additional risk/costs that Lessor will incur by reason of Lessee's failure to provide the Estoppel Certificate. Such increase in Base Rent shall in no event constitute a waiver of Lessee's Default or Breach with respect to the failure to provide the Estoppel Certificate nor prevent the exercise of any of the other rights and remedies granted hereunder.

(c) If Lessor desires to finance, refinance, or call the Premises, or any part thereof, Lessee and all Guarantors shall within 10 days after written notice from Lessor deliver to any potential lender or purchaser designated by Lessor such financial statements as may be reasonably required by such lender or purchaser, including but not limited to Lessee's financial statements for the past 3 years. All such financial statements shall be received by Lessor and such lender or purchaser in confidence and shall be used only for the purposes herein set forth.

17. Definition of Lessor. The term "Lessor" as used herein shall have the meaning give in Addendum # 1, mean the owner or owners at the time in question of the fee title to the Premises, or, if this is a sublease, of the Lessee's interest in the prior lease. In the event of a transfer of Lessor's title or interest in the Premises or this Lease, Lessor shall deliver to the transferee or assignee (in cash or by credit) any unused Security Deposit held by Lessor. Upon such transfer or assignment and delivery of the Security Deposit, as aforesaid, the prior Lessor shall be relieved of all liability with respect to the obligations and/or covenants under this Lease pertaining to said Security Deposit, thereafter to be performed by the Lessor. Subject to the foregoing, the obligations and/or covenants in this Lease to be performed by the Lessor shall be binding only upon the Lessor as hereinabove defined.


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18. ~~Severability. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.~~

19. ~~Days. Unless otherwise specifically indicated to the contrary, the word "days" as used in this Lease shall mean and refer to calendar days.~~

20. ~~Limitation on Liability. The obligations of Lessor under this Lease shall not constitute personal obligations of Lessor, or its partners, members, directors, officers or shareholders, and Lessee shall look to the Premises, and to no other assets of Lessor, for the satisfaction of any liability of Lessor with respect to this Lease, and shall not seek recourse against Lessor's partners, members, directors, officers or shareholders, or any of their personal assets for such satisfaction.~~

21. ~~Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the Parties under this Lease.~~

22. ~~No Prior or Other Agreements; Broker Disclaimer. This Lease contains all agreements between the Parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective. Lessor and Lessee each represents and warrants to the Brokers that it has made, and is relying solely upon, its own investigation as to the nature, quality, character and financial responsibility of the other Party to this Lease and as to the use, nature, quality and character of the Premises. Brokers have no responsibility with respect thereto or with respect to any default or breach hereof by either Party.~~

23. Notices.

23.1 ~~Notice Requirements. All notices required or permitted by this Lease or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by email, and shall be deemed sufficiently given if served in a manner specified in this Paragraph 23. The addresses noted adjacent to a Party's signature on this Lease shall be that Party's address for delivery or mailing of notices. Either Party may by written notice to the other specify a different address for notice, except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice. A copy of all notices to Lessor shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate in writing.~~

23.2 ~~Date of Notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, the postmark thereon. If sent by regular mail the notice shall be deemed given 72 hours after the same is addressed as required herein and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantees next day delivery shall be deemed given 24 hours after delivery of the same to the Postal Service or courier. Notices delivered by hand, or transmitted by facsimile transmission or by email shall be deemed delivered upon actual receipt. If notice is received on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.~~

23.3 ~~Options. Notwithstanding the foregoing, in order to exercise any Options (see paragraph 39), the Notice must be sent by Certified Mail (return receipt requested), Express Mail (signature required), courier (signature required) or some other methodology that provides a receipt establishing the date the notice was received by the Lessor.~~

24. Waivers.

(a) ~~No waiver by Lessor OR LESSEE of the Default or Breach of any term, covenant or condition hereof by Lessee, shall be deemed a waiver of any other term, covenant or condition hereof, or of any subsequent Default or Breach by Lessee OR LESSOR of the same or of any other term, covenant or condition hereof. Lessor's OR LESSEE'S consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's OR LESSEE'S consent to, or approval of, any subsequent or similar act by Lessee OR LESSOR, or be construed as the basis of an estoppel to enforce the provision or provisions of this Lease requiring such consent.~~

(b) ~~The acceptance of Rent by Lessor shall not be a waiver of any Default or Breach by Lessee. Any payment by Lessee may be accepted by Lessor on account of monies or damages due Lessor, notwithstanding any qualifying statements or conditions made by Lessee in connection therewith, which such statements and/or conditions shall be of no force or effect whatsoever unless specifically agreed to in writing by Lessor at or before the time of deposit of such payment.~~

(c) ~~THE PARTIES AGREE THAT THE TERMS OF THIS LEASE SHALL GOVERN WITH REGARD TO ALL MATTERS RELATED THERETO AND HEREBY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE TO THE EXTENT THAT SUCH STATUTE IS INCONSISTENT WITH THIS LEASE.~~

25. ~~Disclosures Regarding the Nature of a Real Estate Agency Relationship.~~

(a) ~~When entering into a discussion with a real estate agent regarding a real estate transaction, a Lessor or Lessee should learn the nature and understand what type of agency relationship or representation it has with the agent or agents in the transaction. Lessor and Lessee acknowledge being advised by the Brokers in this transaction, as follows:~~

(i) ~~Lessor's Agent. A Lessor's agent under a listing agreement with the Lessor acts as the agent for the Lessor only. A Lessor's agent or subagent has the following affirmative obligations: To the Lessor—A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessor. To the Lessee and the Lessor—(a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.~~

(ii) ~~Lessee's Agent. An agent can agree to act as agent for the Lessee only. In these situations, the agent is not the Lessor's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Lessor. An agent acting only for a Lessee has the following affirmative obligations: In the Lessee—A fiduciary duty of utmost care, integrity, honesty, and loyalty in dealings with the Lessee. To the Lessee and the Lessor—(a) Diligent exercise of reasonable skills and care in performance of the agent's duties. (b) A duty of honest and fair dealing and good faith. (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the Parties. An agent is not obligated to reveal to either Party any confidential information obtained from the other Party which does not involve the affirmative duties set forth above.~~

(iii) ~~Agent Representing Both Lessor and Lessee. A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Lessor and the Lessee in a transaction, but only with the knowledge and consent of both the Lessor and the Lessee. In a dual agency situation, the agent has the following affirmative obligations to both the Lessor and the Lessee: (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either Lessor or the Lessee. (b) Other duties to the Lessor and the Lessee as stated above in subparagraphs (i) or (ii). In representing both Lessor and Lessee, the agent may not, without the express permission of the respective Party, disclose to the other Party confidential information, including, but not limited to, facts relating to either Lessee's or Lessor's financial position, motivations, bargaining position, or other personal information that may impact rent, including Lessor's willingness to accept a rent less than the listing rent or Lessee's willingness to pay rent greater than the rent offered. The above duties of the agent in a real estate transaction do not relieve a Lessor or Lessee from the responsibility to protect their own interests. Lessor and Lessee should carefully read all agreements to assure that they~~


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adequately express their understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional. Both Lessor and Lessee should strongly consider obtaining tax advice from a competent professional because the federal and state tax consequences of a transaction can be complex and subject to change.

(b) Brokers have no responsibility with respect to any default or breach hereof by either Party. The Parties agree that no lawsuit or other legal proceeding involving any breach of duty, error or omission relating to this Lease may be brought against Broker more than one year after the Start Date and that the liability (including court costs and attorneys' fees) of any Broker with respect to any such lawsuit and/or legal proceeding shall not exceed the fee received by such Broker pursuant to this Lease; provided, however, that the foregoing limitation on each Broker's liability shall not be applicable to any gross negligence or willful misconduct of such Broker.

(c) Lessor and Lessee agree to identify to Brokers as "Confidential" any communication or information given Brokers that is considered by each Party to be confidential.

26. **No Right To Holdover.** Lessee has no right to retain possession of the Premises or any part thereof beyond the expiration or termination of this Lease. Except as otherwise set forth in a writing signed by the Parties, at or prior to the expiration or termination of this Lease Lessee shall deliver exclusive possession of the Premises to Lessor but such delivery shall not constitute a waiver of the rights of Lessee asserted in the Action or any subsequent suit, and such delivery shall be deemed to constitute an ouster. For purposes of this provision and Paragraph 13.1(a), exclusive possession shall mean that Lessee shall have vacated the Premises, removed all of its personal property therefrom and that the Premises have been returned in the condition specified in this Lease. In the event that Lessee does not deliver exclusive possession to Lessor as specified above, then Lessor's damages during any holdover period shall be computed at the amount of the Rent (as defined in Paragraph 4.1) due during the last full month before the expiration or termination of this Lease (disregarding any temporary abatement of Rent that may have been in effect), but with Base Rent being 150% of the Base Rent payable during such last full month. Nothing contained herein shall be construed as consent by Lessor to any holding over by Lessee.

27. **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

28. **Covenants and Conditions; Construction of Agreement.** All provisions of this Lease to be observed or performed by Lessor are both covenants and conditions. In construing this Lease, all headings and titles are for the convenience of the Parties only and shall not be considered a part of this Lease. Whenever required by the context, the singular shall include the plural and vice versa. This Lease shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

29. **Binding Effect; Choice of Law.** This Lease shall be binding upon the Parties, their personal representatives, successors and assigns and be governed by the laws of the State in which the Premises are located. Unless otherwise agreed to by the Parties in a separate signed writing, any litigation between the Parties hereto concerning this Lease shall be initiated in the county in which the Premises are located. Signatures to this Lease accomplished by means of electronic signature or similar technology shall be legal and binding.

30. Subordination; Attornment; Non-Disturbance.

30.1 **Subordination.** This Lease and any Option granted hereby shall be subject and subordinate to any ground lease, mortgage, deed of trust, or other hypothecation or security device (collectively, "Security Device"), now or hereafter placed upon the Premises, to any and all advances made on the security thereof, and to all renewals, modifications, and extensions thereof. Lessee agrees that the holders of any such Security Devices (in this Lease together referred to as "Lender") shall have no liability or obligation to perform any of the obligations of Lessor under this Lease. Any Lender may elect to have this Lease and/or any Option granted hereby superior to the lien of its Security Device by giving written notice thereof to Lessee, where upon this Lease and such Options shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

30.2 **Attornment.** In the event that Lessor transfers title to the Premises, or the Premises are acquired by another upon the foreclosure or termination of a Security Device to which this Lease is subordinated (i) Lessee shall, subject to the non-disturbance provisions of Paragraph 30.3, attorn to such new owner, and upon request, enter into a new lease, containing all of the terms and provisions of this Lease, with such new owner for the remainder of the term hereof, or, at the election of the new owner, this Lease will automatically become a new lease between Lessee and such new owner, for the remainder of the term hereof and (ii) Lessor shall thereafter be relieved of any further obligations hereunder and such new owner shall assume all of Lessor's obligations, except that such new owner shall not: (a) be liable for any act or omission of any prior lessor or with respect to events occurring prior to acquisition of ownership; (b) be subject to any offsets or defenses which Lessee might have against any prior lessor, (c) be bound by prepayment of more than one month's rent, or (d) be liable for the return of any security deposit paid to any prior lessor which was not paid or credited to such new owner.

30.3 **Non-Disturbance.** With respect to Security Devices entered into by Lessor after the execution of this Lease, Lessee's subordination of this Lease shall be subject to receiving a commercially reasonable non-disturbance agreement (a "Non-Disturbance Agreement") from the Lender which Non-Disturbance Agreement provides that Lessee's possession of the Premises, and this Lease, including any Options to extend the term hereof, will not be disturbed so long as Lessee is not in Breach hereof and attorns to the record owner of the Premises. Further, within 60 days after the execution of this Lease, Lessor shall, if requested by Lessee, use its commercially reasonable efforts to obtain a Non-Disturbance Agreement from the holder of any pre-existing Security Device which is secured by the Premises. In the event that Lessor is unable to provide the Non-Disturbance Agreement within said 60 days, then Lessee may, at Lessee's option, directly contact Lender and attempt to negotiate for the execution and delivery of a Non-Disturbance Agreement.

30.4 **Self-Executing.** The agreements contained in this Paragraph 30 shall be effective without the execution of any further documents, provided, however, that, upon written request from Lessor or a Lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writings as may be reasonably required to separately document any subordination, attornment and/or Non-Disturbance Agreement provided for herein.

31. **Attorneys' Fees.** If any Party or Broker brings an action or proceeding to enforce this Lease involving the Premises whether founded in tort, contract or equity, or to declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action, or appeal thereon, shall be entitled to reasonable attorneys' fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term, "Prevailing Party" shall include, without limitation, a Party or Broker who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other Party or Broker of its claim or defense. The attorneys' fees award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. In addition, Lessor shall be entitled to attorneys' fees, costs and expenses incurred in the preparation and service of notices of Default and consultations in connection therewith, whether or not a legal action is subsequently commenced in connection with such Default or resulting Breach (\$200 is a reasonable minimum per occurrence for such services and consultation).



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32. **Lessor's Access; Showing Premises; Repairs.** Lessor and Lessor's agents shall have the right to enter the Premises at any time, in the case of an emergency, and otherwise at reasonable times after reasonable prior notice of no fewer than 3 Business Days for the purpose of showing the same to prospective purchasers, lenders, or tenants, and making such alterations, repairs, improvements or additions to the Premises as Lessor may deem necessary or desirable (HCO) required or allowed by this Lease and the erecting, using and maintaining of utilities, services, pipes and conduits through the Premises and/or other premises as long as there is no material adverse effect on Lessee's use of the Premises. All such activities shall be without abatement of rent or liability to Lessee.

33. **Auctions.** Lessee shall not conduct, nor permit to be conducted, any auction upon the Premises without Lessor's prior written consent. Lessor shall not be obligated to exercise any standard of reasonableness in determining whether to permit an auction.

34. **Signs.** Lessor may place on the Premises ordinary "For Sale" signs at any time and ordinary "For Lease" signs during the last 6 months of the term hereof. Except for ordinary "For Sublease" signs which may be placed only on the Premises, Lessee shall not place any sign upon the Project without Lessor's prior written consent. All signs must comply with all Applicable Requirements.

35. **Termination; Merger.** Unless specifically stated otherwise in writing by Lessor, the voluntary or other surrender of this Lease by Lessee, the mutual termination or cancellation hereof, or a termination hereof by Lessor for Breach by Lessee, shall automatically terminate any sublease or lesser estate in the Premises; provided, however, that Lessor may elect to continue any one or all existing subtenancies. Lessor's failure within 10 days following any such event to elect to the contrary by written notice to the holder of any such lesser interest, shall constitute Lessor's election to have such event constitute the termination of such interest.

36. **Consents.** All requests for consent shall be in writing. Except as otherwise provided herein, wherever in this Lease the consent of a Party is required to an act by or for the other Party, such consent shall not be unreasonably withheld or delayed. Lessor's actual reasonable costs and expenses (including but not limited to architects, attorneys, engineers and other consultants' fees) incurred in the consideration of or response to, a request by Lessee for any Lessor consent, including but not limited to consents to an assignment, a subletting or the presence or use of a Hazardous Substance, shall be paid by Lessee upon receipt of an invoice and supporting documentation therefor. Lessor's consent to any act, assignment or subletting shall not constitute an acknowledgment that no Default or Breach by Lessee of this Lease exists, nor shall such consent be deemed a waiver of any then existing Default or Breach, except as may be otherwise specifically stated in writing by Lessor at the time of such consent. The failure to specify herein any particular condition to Lessor's consent shall not preclude the imposition by Lessor at the time of consent of such further or other conditions as are then reasonable with reference to the particular matter for which consent is being given. In the event that either Party disagrees with any determination made by the other hereunder and reasonably requests the reasons for such determination, the determining party shall furnish its reasons in writing and in reasonable detail within 10 business days following such request.

37. **Guarantor.**

37.1 **Execution.** The Guarantors, if any, shall each execute a guaranty in the form most recently published by AIR CRE.

37.2 **Default.** It shall constitute a Default of the Lessee if any Guarantor fails or refuses, upon a request to provide: (a) evidence of the execution of the guaranty, including the authority of the party signing on Guarantor's behalf to obligate Guarantor, and in the case of a corporate Guarantor, a certified copy of a resolution of its board of directors authorizing the making of such guaranty, (b) current financial statements, (c) an UCC-1 Certificate, or (d) written confirmation that the guaranty is still in effect.

38. **Quiet Possession.** Subject to payment by Lessee of the Rent and performance of all of the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession and quiet enjoyment of the Premises during the term hereof.

39. **Options.** If Lessee is granted any Option, as defined below, then the following provisions shall apply.

39.1 **Definition.** "Option" shall mean: (a) the right to extend or reduce the term of or renew this Lease or to extend or reduce the term of or renew any lease that Lessee has on other property of Lessor; (b) the right of first refusal or first offer to lease either the Premises or other property of Lessor; (c) the right to purchase, the right of first offer to purchase or the right of first refusal to purchase the Premises or other property of Lessor.

39.2 **Options Personal To Original Lessee.** Any Option granted to Lessee in this Lease is personal to the original Lessee and cannot be assigned or exercised by anyone other than said original Lessee and only while the original Lessee is in full possession of the Premises and, if requested by Lessor, with Lessee certifying that Lessee has no intention of thereafter assigning or subletting.

39.3 **Multiple Options.** In the event that Lessee has any multiple Options to extend or renew this Lease, a later Option cannot be exercised unless the prior Options have been validly exercised.

39.4 **Effect of Default on Options.**

(a) Lessee shall have no right to exercise an Option: (i) during the period commencing with the giving of any notice of Default and continuing until said Default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Lessee), (iii) during the time Lessee is in Breach of this Lease, or (iv) in the event that Lessee has been given 3 or more notices of separate Default, whether or not the Defaults are cured, during the 12 month period immediately preceding the exercise of the Option.

(b) The period of time within which an Option may be exercised shall not be extended or enlarged by reason of Lessee's inability to exercise an Option because of the provisions of Paragraph 39.4(a).

(c) An Option shall terminate and be of no further force or effect, notwithstanding Lessee's due and timely exercise of the Option, if, after such exercise and prior to the commencement of the extended term or completion of the purchase, (i) Lessee fails to pay Rent for a period of 30 days after such Rent becomes due (without any necessity of Lessor to give notice thereof), or (ii) if Lessee commits a Breach of this Lease.

40. **Security Measures.** Lessee hereby acknowledges that the Rent payable to Lessor hereunder does not include the cost of guard service or other security measures, and that Lessor shall have no obligation whatsoever to provide same. Lessee assumes all responsibility for the protection of the Premises, Lessee, its agents and invitees and their property from the acts of third parties.

41. **Reservations.** Lessor shall not have the right to do any of the following without Lessee's prior written consent reserves the right: (i) to grant, without the consent or joinder of Lessee, such easements, rights and dedications that Lessor deems necessary, (ii) to cause the recordation of parcel maps and restrictions; and (iii) to create and/or install new utility raceways, EVEN if so long as such easements, rights, dedications, maps, restrictions, and utility raceways do not unreasonably interfere with the use of the Premises by Lessee. Lessee agrees to sign any documents reasonably requested by Lessor to effectuate such rights.

42. **Performance Under Protest.** If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be


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regarded as a voluntary payment and there shall survive the right on the part of said Party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay. A Party who does not initiate suit for the recovery of sums paid "under protest" within 6 months shall be deemed to have waived its right to protest such payment.

43. Authority; Multiple Parties; Execution.

(a) If either Party hereto is a corporation, trust, limited liability company, partnership, or similar entity, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on its behalf. Each Party shall, within 10 days after request, deliver to the other Party satisfactory evidence of such authority.

(b) If this Lease is executed by more than one person or entity as "Lessee", each such person or entity shall be jointly and severally liable hereunder. It is agreed that any one of the named Lessees shall be empowered to execute any amendment to this Lease, or other document ancillary thereto and bind all of the named Lessees, and Lessor may rely on the same as if all of the named Lessees had executed such document.

(c) This Lease may be executed by the Parties in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

44. Conflict. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions.

45. Offer. Preparation of this Lease by either party or their agent and submission of same to the other Party shall not be deemed an offer to lease to the other Party. This Lease is not intended to be binding until executed and delivered by all Parties hereto.

46. Amendments. This Lease may be modified only in writing, signed by the Parties in interest at the time of the modification. As long as they do not materially change Lessee's obligations hereunder, Lessee agrees to make such reasonable non-monetary modifications to this Lease as may be reasonably required by a lender in connection with the obtaining of normal financing or refinancing of the Premises.

47. Waiver of Jury Trial. THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

48. Arbitration of Disputes. An Addendum requiring the Arbitration of all disputes between the Parties and/or Brokers arising out of this Lease is is not attached to this Lease.

49. Accessibility; Americans with Disabilities Act.

(a) The Premises:

have not undergone an inspection by a Certified Access Specialist (CASp). Note: A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises met all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential.

have undergone an inspection by a Certified Access Specialist (CASp) and it was determined that the Premises did not meet all applicable construction-related accessibility standards pursuant to California Civil Code §55.51 et seq. Lessee acknowledges that it received a copy of the inspection report at least 48 hours prior to executing this Lease and agrees to keep such report confidential except as necessary to complete repairs and corrections of violations of construction related accessibility standards.

In the event that the Premises have been issued an inspection report by a CASp the Lessor shall provide a copy of the disability access inspection certificate to Lessee within 7 days of the execution of this Lease.

(b) Since compliance with the Americans with Disabilities Act (ADA) and other state and local accessibility statutes are dependent upon Lessee's specific use of the Premises, Lessor makes no warranty or representation as to whether or not the Premises comply with ADA or any similar legislation. In the event that Lessee's use of the Premises requires modifications or additions to the Premises in order to be in compliance with ADA or other accessibility statutes, Lessee agrees to make any such necessary modifications and/or additions at Lessee's expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY THE EXECUTION OF THIS LEASE SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY AIR CRE OR BY ANY BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS LEASE OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO:

1. SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS LEASE.
2. RETAIN APPROPRIATE CONSULTANTS TO REVIEW AND INVESTIGATE THE CONDITION OF THE PREMISES. SAID INVESTIGATION SHOULD INCLUDE BUT NOT BE LIMITED TO: THE POSSIBLE PRESENCE OF HAZARDOUS SUBSTANCES, THE ZONING OF THE PREMISES, THE STRUCTURAL INTEGRITY, THE CONDITION OF THE ROOF AND OPERATING SYSTEMS, COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT AND THE SUITABILITY OF THE PREMISES FOR LESSEE'S INTENDED USE.

WARNING: IF THE PREMISES ARE LOCATED IN A STATE OTHER THAN CALIFORNIA, CERTAIN PROVISIONS OF THE LEASE MAY NEED TO BE REVISED TO COMPLY WITH THE LAWS OF THE STATE IN WHICH THE PREMISES ARE LOCATED.

The parties hereto have executed this Lease at the place and on the dates specified above their respective signatures.

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Executed at: _____
On: _____

By LESSOR:
PAUMA VALLEY COMMUNITY SERVICES DISTRICT,
a California public agency ("CSD")

By: _____
Name Printed: RANDY SCHWITZ
Title: Pres
Phone: 951-541-4093
Fax: _____
Email: rschwit@Cmuu.com

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____
Address: _____
Federal ID No.: _____

BROKER

NONE

Attn: NONE
Title: _____

Address: _____
Phone: _____
Fax: _____
Email: _____
Federal ID No.: _____
Broker DRE License #: _____
Agent DRE License #: _____

Executed at: _____
On: _____

By LESSEE:
RANCHO PAUMA MUTUAL WATER COMPANY, a
California mutual benefit corporation
("Rancho Pauma")

By: _____
Name Printed: Charles Bandy
Title: President
Phone: 951-318-2728
Fax: _____
Email: cbandy.mfm@gmail.com

By: _____
Name Printed: _____
Title: _____
Phone: _____
Fax: _____
Email: _____
Address: _____
Federal ID No.: _____

BROKER

NONE

Attn: NONE
Title: _____

Address: _____
Phone: _____
Fax: _____
Email: _____
Federal ID No.: _____
Broker DRE License #: _____
Agent DRE License #: _____

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**OPTION(S) TO EXTEND TERM
 STANDARD LEASE ADDENDUM**

Dated: March 29, 2024

By and Between

Lessor: PAUMA VALLEY COMMUNITY SERVICES DISTRICT, a California public agency ("CSD")

Lessee: RANCHO PAUMA MUTUAL WATER COMPANY, a California mutual benefit corporation ("Rancho Pauma")

Property Address: the former California Highway Patrol office space, cinder block shop building, metal storage building, and the building known by the Parties as the chlorine storage building, located at 33129 Cole Grade Road, Pauma Valley, CA 92061
 (street address, city, state, zip)

Paragraph: 50 OPTION(S) TO EXTEND TERM. Subject to the terms, conditions and provisions of Paragraph 39, Lessor grants Lessee one (1) option(s) to extend the term of the Lease ("Extension Option(s)"), with each Extension Option being for a term of twelve (12) months, commencing when the prior term expires ("Option Term(s)"). In order to exercise an Extension Option, Lessee must give written notice to Lessor and Lessor must receive such notice at least one (1) but not more than four (4) months prior to the date that the applicable Option Term would commence, time being of the essence. If timely and proper notification of the exercise of an Extension Option is not given by Lessee and/or received by Lessor, such Extension Option shall automatically expire. Except as specifically modified, the terms, conditions and provisions of the Lease shall apply during Option Terms but the amount of rent during Option Terms shall be established by using the method(s) selected below (check method(s) to be used and fill in appropriately):

I. Consumer Price Index.

(a) During the Option Term(s) which start(s) on _____, the monthly Base Rent shall be increased on _____ and every _____ month thereafter during such Option Term(s) ("Option Term CPI Increase Date(s)") commensurate with the increase in the Option Term CPI (as herein defined) determined as follows: the monthly Base Rent scheduled for the month immediately preceding the first occurring Option Term CPI Increase Date shall be multiplied by a fraction the denominator of which is the Option Term Base CPI (as herein defined), and the numerator of which is the Option Term Comparison CPI (as herein defined). The amount so calculated shall constitute the new Base Rent until the next Option Term CPI Increase Date during the applicable Option Term, but in no event shall any such new Base Rent be less than the Base Rent for the month immediately preceding the applicable Option Term CPI Increase Date.

(b) The term "Option Term CPI" shall mean the Consumer Price Index of the Bureau of Labor Statistics of the U.S. Department of Labor for (select one): CPI-W (Urban Wage Earners and Clerical Workers) or CPI-U (All Urban Consumers), for (fill in Urban Area): _____ or _____ the area in which the Premises is located. All Items (1982-1984 = 100). The term "Option Term Comparison CPI" shall mean the CPI of the calendar month which is 2 full months prior to the applicable Option Term CPI Increase Date. The term "Option Term Base CPI" shall mean the CPI of the calendar month which is 2 full months prior to (select one): _____ Commencement Date of the Original Term, _____ start of the applicable Option Term, or _____ (fill in month) _____

(c) If compilation and/or publication of the CPI is transferred to another governmental department, bureau or agency or is discontinued, then instead the index most nearly the same as the CPI shall be used to calculate the Base Rent increases hereunder. If the Parties cannot agree on such alternative index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of said association and the decision of the arbitrators shall be binding upon the parties, with the cost of such arbitration being paid equally by the Parties.

II. Fixed Percentage. During the Option Term(s) which start(s) on _____, the monthly Base Rent shall be increased on _____ and every _____ months thereafter during such Option Term(s) ("Option Term Percentage Increase Date(s)") by _____ percent (_____ %) of the monthly Base Rent scheduled to be paid for the month immediately preceding the applicable Option Term Percentage Increase Date.

III. Fair Market Value.

(a) During the Option Term(s) which start(s) on _____, the amount of Rent shall be the amount forecasted to be the fair market rental value of the Premises during such Option Term established pursuant to the procedures, terms, assumptions and conditions set forth herein ("Fair Market Value"), provided, however, regardless of such Fair Market Value, Base Rent during an Option Term shall not be less than the Base Rent scheduled as of when the prior term expires. Starting as of Lessee's exercise of the applicable Extension Option (but not earlier than six (6) months before start of the applicable Option Term), the Parties shall for thirty (30) days ("Negotiation Period") attempt to agree upon the Fair Market Value. If during the Negotiation Period the Parties do not agree on the Fair Market Value, then the Fair Market Value shall be established pursuant to the procedures set forth herein, which shall be binding.

(b) Each Party shall, within fifteen (15) days after the end of the Negotiation Period, in writing submit to the other Party such Party's determination of the Fair Market Value ("Submitted Value(s)"). If a Party fails to timely provide a Submitted Value, then the other Party's Submitted Value shall be the Fair Market Value. If both Parties timely provide Submitted Values, then each Party shall, within fifteen (15) days after both Parties have exchanged Submitted Values, in writing notify the other Party of such Party's selected valuator who shall meet the qualifications set forth herein ("Advocate Valuator(s)"). Lessor and Lessee may select an Advocate Valuator who is favorable to such Party's position and may, prior to or after appointment of an Advocate Valuator, consult with such Party's Advocate Valuator. If a

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Party fails to timely and properly provide notice of such Party's chosen Advocate Valuator, then the other Party's Submitted Value shall be the Fair Market Value.

(c) If both Parties timely and properly designate Advocate Valuators, then such Advocate Valuator shall, within fifteen (15) days after their selection, choose a third (3rd) neutral valuator who shall meet the qualifications set forth herein ("Neutral Valuator"). The Neutral Valuator shall be engaged jointly by Lessor and Lessee. If Advocate Valuators fail to agree upon and timely appoint a Neutral Valuator, then the President of AIR CRE shall appoint such Neutral Valuator within fifteen (15) days after request by either Party. If the President of AIR CRE does not timely appoint the Neutral Valuator, then the other Party may file an appropriate legal action for a judge with competent jurisdiction over the Parties to appoint the Neutral Valuator.

(d) The Advocate Valuator and the Neutral Valuator ("Valuator(s)") shall be duly licensed real estate brokers or salespersons in good standing in the state in which the Premises is located, shall have been active over the five (5) year period before their appointment in the leasing of properties similar to the Premises within the general real estate market of the Premises. The Neutral Valuator shall additionally not be related to or affiliated with either Party or Advocate Valuator, and shall not have previously represented in a real estate transaction a Party or anyone related to or affiliated with a Party. All matters to be determined by the Valuator shall be decided by a majority vote of the Valuator, with each Valuator having one (1) vote. The Valuator(s) may, as the Valuator(s) determine, hold hearings and require briefs, including market data and additional information.

(e) Within thirty (30) days after selection of the Neutral Valuator, the Valuator(s) shall first determine the Fair Market Value established by taking into account the terms, assumptions and conditions set forth herein ("Valuator(s) Market Value"), then decide which Party's Submitted Value is closer in monetary amount to the Valuator(s) Market Value ("Selected Market Value"), then provide the Parties a copy of the Valuator(s) Market Value and finally notify the Parties of the Selected Market Value. The Selected Market Value shall be the Fair Market Value. The Valuator(s) shall have no right to decide a Selected Market Value which is a compromise to (or modification of) the Submitted Values. The decision of the Valuator(s) shall be binding upon the Parties. The Party whose Submitted Value is not the Selected Market Value shall, within ten (10) days after the Valuator(s) decide the Selected Market Value, pay the fees and costs of all three (3) Valuator(s).

(f) If the Fair Market Value has not been established before the start of the applicable Option Term, then Lessee shall continue to pay to Lessor rent in the amount payable for the month immediately preceding the start of such Option Term and Lessor's acceptance of such rent shall not waive, adversely affect or prejudice the Parties' right to complete establishment of the Fair Market Value or Lessor's right to collect the full amount of the Fair Market Value once the Fair Market Value is established. Lessee shall, within ten (10) days after establishment of the Fair Market Value, pay to Lessor any deficiency in rent then due for the Option Term. Following establishment of Fair Market Value, the Parties shall, within ten (10) days after request by either Party, sign an amendment to this Lease to confirm the Fair Market Value and the expiration date of this Lease, but the Parties' failure to request or to sign such an amendment shall not affect establishment of the Fair Market Value or extension of the Lease Term.

(g) The Valuator(s), in deciding the Valuator(s) Market Value, shall take into account rent rates, rent abatements, periodic rent increases, real property taxes, insurance premiums and other operating expenses, tenant improvement and other applicable allowances, building services, length of lease term and other factors. Professional real estate brokers and/or appraisers customarily consider in determining fair market rent of property in an arm's length transaction by ready, willing and able parties for space of comparable location, size, age, condition, quality, parking, visibility, view, signage and accessibility if the Premises were marketed in a normal and customary manner for a reasonable length of time on the open market to be leased to a tenant with financial strength and credit worthiness comparable to Lessee and guarantors (if any) of this Lease (as of Lessee's exercise of the Extension Option) for a term comparable to the length of the applicable Option term and used for the Agreed Use (or other reasonably comparable use). The Valuator(s), in deciding the Valuator(s) Market Value, shall not consider as a comparable transaction any of the following: a sublease, lease assignment, lease renewal or extension; lease with a tenant that has equity, is related to or affiliated with the landlord; or a lease of space that was subject to a right of first refusal, right of first offer, expansion option or other encumbrances. The Valuator(s), in deciding the Valuator(s) Market Value, shall reduce the Fair Market Value on account of Alterations and improvements made by Lessee to the extent the cost thereof was paid solely by Lessee (in excess of any applicable improvement allowance, abated rent in lieu of improvement allowance or other consideration provided by Lessor for Lessee's improvement of the Premises), shall not reduce the Fair Market Value on account of any real estate brokerage commission savings by Lessor, and shall not reduce the Fair Market Value on account of deferred maintenance or repair of the Premises for which Lessee was responsible under the Lease but did not perform.

IV. Fixed Rental Adjustment(s) ("FRA").

The monthly Base Rent shall be increased to the following amounts on the dates set forth below:

On (fill in FRA Adjustment Date(s)),

The new Base Rent shall be:

V. Continuation of Original Term Adjustments.

The monthly Base Rent during the Option Term(s) which start(s) on immediately following the Expiration Date stated in Paragraph 1.3 shall be increased in accordance with the same formula provided in the Lease to be used to calculate increases in the Base Rent during the Original Term of the Lease.

BROKER'S FEE: For each adjustment in Base Rent specified above, the Brokers shall be paid a Brokerage Fee in accordance with paragraph 15 of the Lease or if applicable, paragraph 9 of the Sublease.

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**ADDENDUM #1
TO
STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET**

This ADDENDUM #1 TO STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE-- NET ("Addendum") is attached to and made a part of that certain STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE - NET dated for purposes of reference only March 29, 2024 ("Main Lease Body"), by and between CSD and Rancho Pauma (also referred to in this Addendum as the "Company") with respect to certain real property located at and commonly known as 33129 Cole Grade Road, Pauma Valley, California.

51. Capitalized terms used but otherwise defined in this Addendum will have the same meanings as given to them in the Main Lease Body.

52. Recitals: The Parties hereby represent and warrant to each other the following:

a. CSD holds title to certain real property in the unincorporated area of Pauma Valley, in the County of San Diego, California which includes a building that is currently being used for office uses by the CSD and the Company. On September 1, 2023, Rancho Pauma filed suit in the Superior Court for San Diego County, Case No. 37-2023-00038164CU-BC-NC (the "Action") seeking adjudication of various issues (the "Disputed Issues"). The CSD denies the allegations in the lawsuit.

b. On or about March 20, 2024, the Parties entered into a Memorandum of Understanding (the "MOU") which, among other things, called for (i) the Parties to enter into a tolling agreement regarding the Disputed Issues, (ii) the Parties to enter into a lease to coordinate the Parties' occupancy and use of a portion of the Project in the interim, and (iii) for Company to dismiss the Action without prejudice within thirty (30) days of execution of said lease. This Lease is the interim lease referred to in the foregoing clause (ii).

53. Preservation of Rights. Notwithstanding anything to the contrary set forth in this Lease, including but not limited to the convention of referring to CSD as "Lessor" and Company as "Lessee", except as otherwise expressly waived, relinquished, or impaired in the MOU, the Parties' each respectively reserve all of their pre-MOU claims, defenses, rights, or interests; and the Parties' respective negotiation, execution, and performance of this Lease shall not constitute or effect, or be deemed to constitute or effect, a full or partial waiver, relinquishment, or impairment of either Party's pre-MOU claims, defenses, rights, or interests.

54. Conflicting Provisions. In the event of any conflict between the terms of this Addendum and those of the Main Lease Body or other addenda thereto, the terms and conditions of this Addendum shall control. Collectively, this Addendum, the Main Lease Body, and the other addenda, attachments, and exhibits incorporated by reference into the Main Lease Body, comprise the "Lease."

55. Premises; Common Area. The Project is comprised of the building commonly known as the Administration Building, the building commonly known as the CHP Building, and various other outbuildings, ancillary improvements, and adjacent exterior spaces.

- a. Kitchen & Restrooms. The Administration Building only contains one set of restrooms, and one kitchen. During the Lease Term, said restrooms and kitchen shall be deemed part of the Common Area, and Company and CSD (and their respective affiliates, employees, agents, representatives, contractors, guests, and invitees claiming under them [collectively and respectively, the "Company Affiliates" and the "CSD Affiliates"]) shall each have the right to non-exclusive access and use of same, subject to any mutually agreed upon, mutually binding, written rules and regulations reasonably calculated to promote sanitary and professional access and use; which rules and regulations (if any) shall be deemed effective once appended to this Lease by mutually executed amendment, and then posted in the restrooms and kitchen. All employees and visitors within 33129 Cole Grade Road Pauma Valley, CA 92061 are expected to adhere to the objectively reasonable and accepted standards of professionalism and civility as further defined below:
- i. **Professionalism**- conducting oneself with responsibility, integrity, accountability, and excellence.
 - ii. **Civility**-the act of showing regard for others by being polite.
- b. The Parties agree to continue to negotiate mutually binding, written rules and regulations reasonably calculated to promote sanitary and professional access and use of the common areas as referenced in section 2.9 of the Lease. Failure of Company and/or Company employees, consultants and guests to engage in objectively reasonable standards of professionalism or civility within the kitchen and restrooms could potential result in the denial of the use of the kitchen and restroom. Any violations will be based on a progressive warning basis with 3 violations resulting in denial of the use of the kitchen and restroom common areas. The Parties agree to good-faith mediation in the event that Lessor notifies Lessee of its intent to exclude the Company and/or Company employees, consultants and guests from the kitchen and restroom common areas, and such mediation shall be completed within 45 days and to the satisfaction of the mediator before any exclusion is effective. The Parties preserve any and all rights regarding the Action and the Disputed Issues, and any exclusion of the Company and Company employees, consultants and guests from the kitchen and restroom common areas pursuant to this subsection or any later adopted rules shall not be used by either party in the Action or in regard to the Disputed Issues.
- c. Administrative Building; Utilities. Except as otherwise set forth herein, CSD shall have exclusive use, possession, and control of the remainder of the Administration Building other than those parts of the Administration Building identified herein as part of the Common Area ("CSD Exclusive Premises"), and accordingly said CSD Exclusive Premises shall not be deemed part of the leased Premises and not part of the Common Area. Notwithstanding the foregoing, the CHP Building and the portions of the Administration Building which comprise CSD Exclusive Premises versus its Common Areas are not separately metered for utilities; accordingly, the Parties hereby agree to split the service use costs of utilities serving any part of the Administration Building and/or the CHP Building as a Common Area Operating Expense under paragraph 4.2(a)(ii).

d. Cinder block shop building; Metal storage building; Chlorine storage building. The cinder block shop building, the metal storage building, the chlorine storage building, are part of this lease and subject to reasonable joint use by the CSD.

56. Personal Property; Tenant Improvements.

a. Furnishings; Office equipment. Except as otherwise set forth herein or provided for in the MOU or another separate writing signed by the Parties, during the Term of the Lease, Company shall furnish the leased Premises with their own furniture, fixtures, and equipment. For avoidance of doubt, during the Term of the Lease, Company shall not have access to or use of CSD's office equipment located within the CSD Exclusive Premises.

b. Generator. CSD and Company hereby affirm and agree that (i) the generator located behind the Administrative Building is a personal property asset jointly owned 50/50 by CSD and Company; (ii) the APCD permit for the generator is presently held in Company's name, and will continue to remain in Company's name during the Term of the Lease and any extension thereof.

c. SCADA. CSD and Company hereby affirm and agree that (i) the Supervisory Control and Data Acquisition (SCADA) system is a personal property asset solely owned by Company; (ii) during the Term of the Lease and any extensions thereof, CSD shall promptly undertake all necessary steps to develop and implement its own independent SCADA system and diligently pursue those steps to completion; and (iii) Company shall not arbitrarily interrupt CSD's access to the existing SCADA system until the earlier of (A) CSD's independent SCADA system becoming operational, or (B) the end of the Lease Term including any extension thereof.

d. Tenant Improvements. During the Lease Term, Company shall bear the sole expense of any tenant improvements which Company may wish to make within the former CHP office space, including but not limited to restructuring or reconfiguring the interior spaces of same, painting, wallpapering, adding or changing locks, placing signs, displays or exhibits, and/or using screws, fastening devices, large nails or adhesive materials; all of which Company may undertake without the need for prior written consent from CSD.

57. Notice. Until notice of updated address is given in accordance with this Lease, the addresses for notice to the respective Parties shall be as follows:

To Rancho Pauma:	Pauma Valley Community Service District 33129 Cole Grade Road Pauma Valley, CA 92061 Attn: General Manager With simultaneous copy to: Procopio Cory Hargreaves & Savitch LLP Attn: J. Nelson (C/M 133032-01) 525 B Street, Suite 2200 San Diego, CA 92101
To CSD:	Pauma Valley Community Service District

	33129 Cole Grade Road Pauma Valley, CA 92061 Attn: General Manager
--	--

58. Miscellaneous. This Addendum and Lease shall be binding on and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and assigns. This Addendum and Lease contains the entire Addendum and Lease between the Parties relating to the subject of this Addendum and Lease. This Addendum and Lease may be canceled, changed, modified or amended, in full or in part, only by a written agreement signed by both Parties or their respective successors or assigns. For all purposes, this Addendum and Lease shall be deemed to have been drafted jointly by each of the Parties. This Addendum and Lease is executed and delivered in the State of California, County of San Diego, and shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

a. Further Assurances. Each Party agrees to do and perform all such further acts and things and shall execute and deliver such other certificates, instruments and documents necessary to carry out the intent and accomplish the purposes of this Addendum and Lease and to evidence, perfect or otherwise confirm its rights hereunder.

b. Successors and Assigns. This Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

c. Counterparts. This Addendum and Lease may be executed in multiple counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same agreement. Executed counterparts of this Addendum and Lease may be executed using DocuSign and may be transmitted by email or fax and any such executed counterparts shall have the same force and effect as an originally executed counterpart.

d. Authority of Signors. Any person executing this Addendum and/or Lease on behalf of a corporation, partnership or other entity warrants that he or she has been duly authorized by such entity to execute same on its behalf pursuant to duly adopted resolutions or some other document or agreement empowering him or her to do so.

[SIGNATURE PAGE(S) FOLLOW(S)]

IN WITNESS WHEREOF, the Parties have executed this ADDENDUM #1 TO STANDARD INDUSTRIAL/COMMERCIAL MULTI-TENANT LEASE—NET as of the date(s) set forth below:

LESSOR:

PAUMA VALLEY COMMUNITY SERVICES DISTRICT, a California public agency

By:

Name: Robert S. ...

Title: PRESIDENT

Dated: 6-20-24

LESSEE:

RANCHO PAUMA MUTUAL WATER COMPANY, a California mutual benefit corporation

By:

Name: Charles Bandy

Title: PRESIDENT

Dated: 6-17-24

RE: Storm Drain Funding

Sanjay Gaur <sgaur@water-economics.com>

Mon 7/8/2024 5:11 PM

To: Eric Steinlicht <eric.steinlicht@paumavalleycsd.ca.gov>

Eric,

My apologies for the delay response. I was out of the office last week due to the 4th of July. Now, I am playing catch up. We are only working for current clients or sole source opportunities. We don't have the breathing room to do competitive proposals. I see the below work to be around 35K, with all the meeting being remote. If you are interested in discussing the details, please let me know.

All the best.

Sanjay Gaur

Principal Consultant

sgaur@water-economics.com / 213-327-4405

www.water-economics.com

Water Resources Economics, LLC



**Water Resources
Economics**

PROMOTING THE VALUE AND PRICE OF
WATER SERVICE

From: Eric Steinlicht <eric.steinlicht@paumavalleycsd.ca.gov>

Sent: Tuesday, July 2, 2024 3:41 PM

To: Sanjay Gaur <sgaur@water-economics.com>

Subject: Storm Drain Funding

Good Afternoon, Sanjay,

I was given your email by one of our consultants and I'm reaching out to ask about a potential proposal for storm drain funding. Our District is in a tough situation where we have several storm drains in need of major repairs, in addition to cleaning. These things were deferred and our wastewater rate is ineffective at paying for these things. The District Board has asked that I procure proposals from consulting firms to execute the proceedings to get a new line item on the bill to fund these projects.

Please let me know when you might be free to chat about this. Thank you.

Best Regards,

Eric Steinlicht

General Manager

Pauma Valley Community Services District
33129 Cole Grade Road, Pauma Valley, CA 92061
Office: (760) 742 - 1909
[District Website](#)

July 11, 2024

Mr. Eric Steinlicht
Pauma Valley Community Services District

Letter sent via email

Subject: Stormwater Utility Special Taxes Study; HEC #230403

Dear Eric:

Thank you for the opportunity to submit a proposal to assist the Pauma Valley Community Services District (hereafter 'District' or 'PVCSD') create a stormwater utility and to calculate special taxes that will support the ongoing operations and maintenance of the stormwater system.

Proposed Scope of Services

Task 1: Project Management and Meetings

This task includes time for Catherine Hansford to manage, track, and report on project progress every month. It entails review of work status/progress, invoicing/determination of remaining budget, and coordination with District staff. Up to four (4) public meetings are also included under this task. Meetings include two (2) virtual meetings with the District Board of Directors (Board) to present draft financial findings and to present calculated special taxes, and two in-person meetings (anticipated to be a public workshop and presentation of the final report).

Task 2: Stormwater Utility Data Collection

HEC will provide a list of data needs to the District and will collect other information and data pertinent to the study. Information required of the District includes asset inventory as well as financial data. The data will be used to split costs from the wastewater fund that are either solely costs of the stormwater system, or shared costs with the wastewater system. Shared costs will be allocated between the wastewater and stormwater funds either using available data or best judgement using industry guidelines.

Task 3: Stormwater Utility Fund Financial Projection

Once operation and maintenance costs have been separated from the wastewater fund total costs, they may be projected for the next five years using historical annual percentage increases, or some other index, such as a consumer price index. Expense item categories, such as labor costs, services and supplies costs, and other costs, will be projected independently.

HEC will work with District staff to create a draft stormwater capital improvement plan (CIP), or if that is premature, create a budget for general capital improvements each year. Assumptions in the financial model including rate of growth and number of billable units (undetermined at this stage –

could be EDUs, acres, lots, for example, depending on characteristics of the properties being provided stormwater services).

The projected revenue requirement may also include other non-operating cost considerations, such as an operating reserve, and short-lived asset reserve. Non-operating revenues, such as interest revenue, late charges and other miscellaneous revenue sources, will be included as credits in the analysis so that the revenue requirement is not over-estimated. A cash flow will be presented to ensure sufficiency of funding for the new utility fund for the next five years.

Task 4: Stormwater Special Taxes Calculations

Once the projected revenue requirement is established, it is allocated to customers based on the number of billable units they have been assigned. HEC will model the number of billable units using mapping software and data provided by the District for each customer.

HEC will provide a report detailing the projected costs, cost allocation methodology, and calculated taxes for stormwater utility customers.

Adopting special taxes requires at least two-thirds registered voter approval. The District would present the new stormwater special taxes to voters and conduct a special election for adoption, with assistance from San Diego County.

Task 5: Public Outreach and Communications

Creating a new utility fund will require outreach and communication with District customers. While an outreach plan will be created as part of the work effort, outreach likely entails at least one public workshop-style meeting, an article for the newspaper, and a direct-mail notice about the new utility fund, the need for its creation, and the proposed special taxes to support it. Website content will be provided for the District to post.

Estimated Budget and Schedule

The proposed not-to-exceed budget of \$31,580 for the scope of services described above is based on HEC's 2024 hourly billing rates as follows: Principal \$205 per hour, Associate \$150 per hour, Analyst \$120 per hour, and clerical/administrative work \$100 per hour. These rates will be held through 2024 and are subject to change January 1, 2025. If any non-staff costs are incurred that are specific to work performed for the District (direct costs), these will be billed at cost. Direct costs could include mileage reimbursement and other travel-related costs, printing, videoconference hosting fees, meals when traveling for meetings, and mail and postage costs. The estimated budget includes these assumptions:

- Two in-person meetings with travel to Southern California. If all meetings are conducted virtually, the budget can be reduced commensurately, or the estimated costs can be reserved for contingency.
- Printing and mailing of any outreach materials is excluded. The District can either pay the costs directly or reimburse HEC for the costs outside of the authorized budget.

The estimated cost includes an allowance by task as shown in **Table 1**; however, HEC retains the right to move budget between tasks as needed. HEC charges for services on a cost not-to-exceed basis; therefore, you will only be billed for the work completed up to the authorized budget amount. If additional work is requested that is beyond the original scope of services, or if work efforts are greater than anticipated in development of the budget, HEC will request authorization for additional budget.

Table 1
Estimated Budget

Task/Item Description <i>Hourly Billing Rates</i>	HEC			Total
	Hansford \$205	Associate \$150	Admin \$100	Estimated Cost
1 Project Management & Public Meetings	26	0	12	\$6,530
2 Data Collection	15	0	0	\$3,080
3 Stormwater Utility Fund Financial Projection	20	0	0	\$4,100
4 Stormwater Special Taxes Calculation	22	6	8	\$6,210
5 Public Outreach & Communications	4	45	8	\$8,370
Subtotal Staff Costs	87	51	28	\$28,290
Direct Costs				\$3,290
Total Cost Estimate				\$31,580

At this time the schedule is unknown. HEC will work with the District to establish a schedule, should this proposal be acceptable to the District. We look forward to having the opportunity to discuss our proposal further. You can reach Catherine at (530) 412-3676 or catherine@hansfordecon.com with any questions about this proposal.

Sincerely,



Catherine R. Hansford, Principal
 HANSFORD ECONOMIC CONSULTING LLC

PROPOSAL

PUBLIC FACILITIES FINANCING
CONSULTING SERVICES

July 30, 2024



PAUMA VALLEY
COMMUNITY SERVICES
DISTRICT

SUBMITTED BY:

Andrea Roess
Managing Director

18201 Von Karman Avenue, Suite 220
Irvine, CA 92612
(800) 969-4382
Andrea@FinanceDTA.com



www.FinanceDTA.com

18201 Von Karman Avenue, Suite 220
Irvine, CA 92612

**PAUMA VALLEY COMMUNITY SERVICES DISTRICT
PUBLIC FACILITIES FINANCING CONSULTING SERVICES**

JULY 30, 2024

Prepared for:

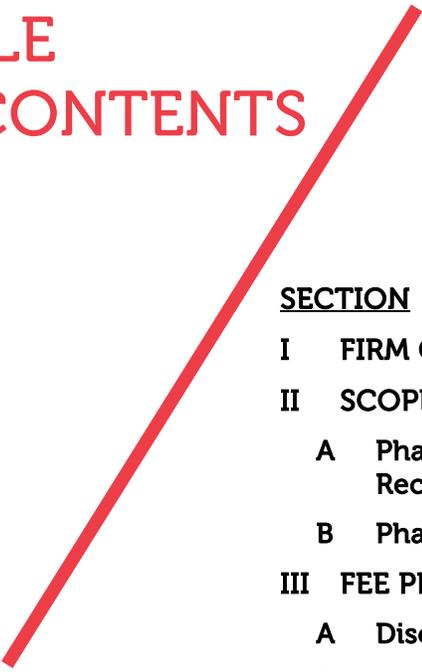
Pauma Valley Community Services District

33129 Cole Grade Road

Pauma Valley, CA 92061

Attention: Eric Steinlicht, General Manager

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I FIRM QUALIFICATIONS

DTA is pleased to submit this proposal describing our firm and its qualifications related to assisting the Pauma Valley Community Services District (the "District"), with evaluating financing options to fund certain aspects of the District's existing operation and maintenance of drainage facilities and possibly fund the repair of certain existing facilities (the "Project").

DTA, a California corporation, is a public finance consulting firm with a national practice focusing on public-private partnerships and the establishment and implementation of infrastructure and public services financing programs for local municipalities from California to North Carolina. DTA was founded in 1985 and incorporated in the State of California on May 15, 1986 (Entity Number C1374460), and has been in business for approximately over 38 years. The firm has offices in Irvine, San Francisco, San Jose, and Riverside, California, as well as Dallas and Houston, Texas, Raleigh, North Carolina, and Tampa, Florida. Since its formation in 1985, the firm has assisted over 3,000 public and private sector clients in meeting their infrastructure and public services goals. DTA is currently active in the States of Florida, Illinois, New Mexico, Texas, Utah, South Carolina, and North Carolina with over 75 ongoing public financing projects in those seven states alone. In addition, DTA does not have any commitments or potential commitments that may impact our ability to perform our duties in relation to this engagement. Additional information is available on our website (www.FinanceDTA.com).

DTA's staff members come from backgrounds in several fields, including land development, public administration, civil engineering, investment banking, economic consulting, redevelopment, law, and land use planning. This diversity of experience and expertise allows DTA to meet a wide variety of challenges related to both our actual work product and client management. DTA's staff members have considerable experience in computer-based financial analyses and modeling, which is a key component of the firm's consulting services. This ensures that the development of any computer model(s) utilized in this engagement will be in experienced hands.

DTA's consulting services include:

- Public infrastructure and public services financing strategies;
- Special tax and assessment engineering, including Community Facilities Districts ("CFDs") and Assessment Districts ("ADs");
- Fiscal and economic impact analyses;
- Tax increment and lease revenue bond financing;
- Federal and state grant and loan applications;
- Proposition ("Prop") 218 and Assembly Bill ("AB") 1600 compliance studies;
- Real estate proformas and residual land analyses;
- Development Agreement and Mitigation Agreement consulting services;
- Public improvement construction management services; and
- Clean energy bond financing.



www.FinanceDTA.com

SECTION I FIRM QUALIFICATIONS

DTA has been involved in the formation of over 2,000 public finance districts, with total authorized bonded indebtedness over \$75 billion. DTA is the State of California's leading financial consultant for CFDs. Our level of experience with the formation and issuance of bonds for CFDs is unequalled as our firm has been involved in the establishment of over 1,000 CFDs to date. DTA's also has extensive experience in evaluating various financing mechanisms, modeling the selected mechanisms, and negotiating the related third-party Mitigation Agreements and Development Agreements. In addition to CFD financing, our firm has been involved in the formation and implementation of over 500 ADs in the State of California to date, as well as similar land-secured financing programs in Arizona, Hawaii, Illinois, Missouri, Nevada, New Mexico, North Carolina, Texas, and Washington. DTA was also heavily involved in redevelopment financing in California until the demise of the program in 2011, but we have recently established six Enhanced Infrastructure Financing Districts ("EIFDs") [the new version of Tax Increment Financing ("TIF") in California] and are currently working on additional EIFDs, as well as tax increment projects in Nevada, New Mexico, and Texas. In working with private sector clients seeking public finance solutions, we also employ 1972 Act Landscaping and Lighting Districts ("LLDs"), Enterprise Zone Revenue Bonds (generally for water and sewer services), Lease Revenue Bonds or Certificates of Participation, Property Assessed Clean Energy ("PACE") Bonds, Marks-Roos Bond Pools, Development Impact Fees ("DIFs"), New Markets Tax Credits ("NMTCs"), and a variety of state loan and grant programs.

On a national basis, DTA has specialized in the preparation of Public Facilities Financing Plans ("PFFPs") that have ranged from the quantitative analysis of a single financing mechanism for an individual facility to the preparation of a comprehensive Public Financing Plan covering multiple facilities and public services through a series of financing mechanisms. Our financial analyses provide public officials, landowners, and other interested parties with the level of information necessary to make fully informed decisions regarding land use, infrastructure, and public services financing issues. Furthermore, DTA staff has extensive experience presenting to and working with various stakeholder groups, including county and city municipal staff, residents, local chapters of the Building Industry Association ("BIA"), local Chambers of Commerce, and other interested parties.

In addition to the planning and implementation of financing mechanisms, DTA is heavily involved in fiscal and economic analyses of land development impacts, project feasibility studies, and economic development studies and implementation. DTA's ability to analyze the revenues and costs to a local jurisdiction resulting from new development relates specifically to DTA's extensive experience in Fiscal Impact Analyses ("FIAs") of land development projects. DTA staff has prepared over 700 FIAs estimating the revenue and cost impacts of various land use decisions on cities, counties, and special districts. DTA's FIAs are performed utilizing our expertise in the areas of local agency budgeting and municipal costs and often used to determine the fiscal impacts of new development on one or more local public agencies. DTA's economic impact studies focus on the amounts of direct and indirect employment, retail sales, and total economic output that will be generated under different development scenarios.



www.FinanceDTA.com

SECTION I FIRM QUALIFICATIONS

Finally, DTA is a registered and licensed Municipal Advisor with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Regulation Board ("MSRB") (ID No. K0961) and complies with all the fiduciary responsibilities associated with our licensed status. All these capabilities are frequently combined with our infrastructure finance consulting services to develop public infrastructure and services financing strategies and plans.

Simply put, DTA has considerable experience with virtually every infrastructure and financing scenario imaginable. We have participated in special financing districts with single and multiple property owners, improvement areas and zones, single and multiple series of bonds, escrowed bonds, fixed and variable rate and capital appreciation bonds, and residential and non-residential land uses. DTA has developed special assessment apportionment methodologies for the financing of Master Plan capital improvements, local subdivision improvements, public services, and even the undergrounding of existing overhead utilities. We have participated in the formation of land-secured districts containing fewer than 15 dwelling units and those with more than 38,000 dwelling units.

Our staff has been involved in numerous infrastructure refundings and restructurings. This experience gives us the ability to analyze the municipality's needs and match those needs with the financing mechanism that would maximize the capacity of the financing program while minimizing burdens on homebuyers and other property owners. The variety of financing structures for which we have provided these services have given us a perspective and level of skill unmatched in our industry. **DTA's financial consulting services and work products reflect the scrutiny and refinement that can only come through such extensive experience.**

The result of this experience and expertise is that in 39 years of work establishing over 2,000 financing districts and bond programs, **DTA has never once been sued.** Our quality control is unequalled and one of the key components in ensuring our firm's success, especially when compared to so many other consulting firms in our industry that have been sued multiple times. Today, DTA continues to seek innovative solutions and refine our work product to better serve and protect our clients.

II SCOPE OF WORK

DTA shall assist the Pauma Valley Community Services District (the “District”), in evaluating a number of financing mechanisms, including a property-related fee, to fund maintenance services and/or the repair of existing infrastructure for the District. Our proposed scope of work is described below.

A Phase 1 – Research/Options and Recommendations

Task 1 – Initial Consultation

DTA will review the Project information provided by the District and propose potential financing mechanisms available to fund services and/or construction costs related to the District’s drainage facilities. Information provided by the District may include a cost/engineering analysis of the existing storm drain facilities maintained and owned by the District, facilities maintained by the District but owned by other entities (i.e., HOA, etc.), and repairs for existing facilities, if applicable.

Task 2 – Determine Public Facilities Eligibility, Public Service Levels

DTA shall review public infrastructure and public services proposed to be financed. We will confirm eligibility under applicable legislation, as well as the District’s policy guidelines.

Task 3 – Property Tax Research

DTA shall request customer data from the District in order to identify the existing property subject to the proposed fee or tax. DTA will rely on the San Diego County Assessor’s data to obtain Assessor Parcel Numbers (“APN”) and/or property tax bills to determine the overall property tax rate, special taxes, and assessments.

Task 4 – Preliminary Cashflows and Memorandum (“Memo”)

DTA shall prepare two (2) preliminary cashflow analyses and a summary memo to estimate potential revenues and expenses. We will determine the tax rates required to fund desired public services and/or improvements and fees, in addition to estimating effective total property tax rates. The memo will also outline the pros and cons of the various proposed financing mechanisms.

Task 5 – Attendance at In-Person Meeting

DTA shall attend one in-person meeting, including a public workshop, Board meeting, or other applicable meeting, as needed. Attendance at any additional in-person meetings may require additional budget if the budget amount indicated in Section III herein has been exceeded.

Task 6 – General and Technical Assistance

To the extent permitted by budget (identified in the Fee Proposal below), DTA shall participate in conference calls, answer questions, and provide technical advice to the District regarding the public financing alternatives during the period in which the above tasks are being completed. Please note that DTA does not provide services related to voter participation and polling analyses or surveys.

B Phase 2 – Implementation

DTA shall assist the District with the implementation of the applicable financing mechanism(s) selected as described in Phase 1 above. Depending on the mechanism selected, DTA can assist with the formation of the financing district, including the preparation of applicable formation documents, such as a boundary map or Engineer’s Report, among other items. DTA can also assist the District’s finance team with the review of applicable legal documents. DTA also recommends that the District engage legal counsel familiar with the proposed financing mechanisms early in the process in order to address all legal requirements and recent tax legislation. Please note that the final scope of work will be determined once the actual financing mechanisms are selected.

III FEE PROPOSAL

DTA shall perform the services noted under Phase 1 of the Scope of Work on a time and materials basis up to a budget of \$20,000, plus \$1,000 in out-of-pocket expenses. DTA shall be remunerated on an hourly basis according to the rates set forth in Table 2 below, with invoices being submitted to the District monthly. DTA shall notify the District when our invoices approach the total budget and, if additional work is needed, can perform the requested work on a time and materials basis at additional cost. Maximum fees for Phase 2 (Implementation) shall be determined at the conclusion of Phase 1 and billed on an hourly basis according to the rates set forth in Table 2 below.

Table 1: Proposed Budget

Phase	Task Description	Charge
1	Research/Options and Recommendations	\$20,000
2	Implementation	TBD
Subtotal		\$20,000
Out-of-Pocket Expenses		\$1,000
Total		\$21,000

Table 2: DTA’s Fee Schedule

Labor Category	Labor Rate
President/Managing Director	\$250/Hour
Senior Vice President	\$240/Hour
Vice President	\$225/Hour
Senior Manager	\$210/Hour
Manager	\$200/Hour
Senior Associate	\$190/Hour
Associate III	\$175/Hour
Associate II	\$165/Hour
Associate I	\$150/Hour
Research Associate II	\$140/Hour
Research Associate I	\$125/Hour

Out-of-pocket and administrative expenses shall be equal to 3% of DTA’s billings for labor, plus any outside vendor payments, not to exceed a total of \$1,000. On or about the first two weeks of each month during which consulting services are rendered hereunder, DTA shall present to the District an invoice covering the current consulting services performed and reimbursable expenses incurred pursuant to the agreement and exhibits thereto. Such invoices shall be paid by the District within 30 days of the date of each invoice. A 1.2% monthly charge may be imposed against accounts that are not paid within 30 days of the date of each invoice. DTA shall stop all work on the project if payment is not received within 45 days of submittal of an invoice.

All hourly rates for services apply through June 30, 2025, and are subject to a cost-of-living increase at that time.

A Disclaimer

While DTA has a fiduciary responsibility as a licensed Municipal Advisor, DTA is not, unless otherwise stipulated, acting as the District's Municipal Advisor. The services discussed herein do not constitute any financial advice or fall under the category of municipal advisory services as defined by the SEC.

B Limitations

This budget covers only those tasks outlined in the Scope of Work. Additional consulting services beyond those included in the Scope of Work ("Additional Work") shall require additional fees, to be billed at the hourly rates listed in Table 2, if the proposed budget has been exceeded. Any additional tasks assigned by the District or attendance at more than one (1) in-person meeting, as requested by the District, shall be charged at the hourly rates listed above if the total proposed budget has been exceeded. The actual formation and implementation of a financing district would be covered under a separate agreement. Please note that DTA does not provide services related to voter participation and polling analyses or surveys.



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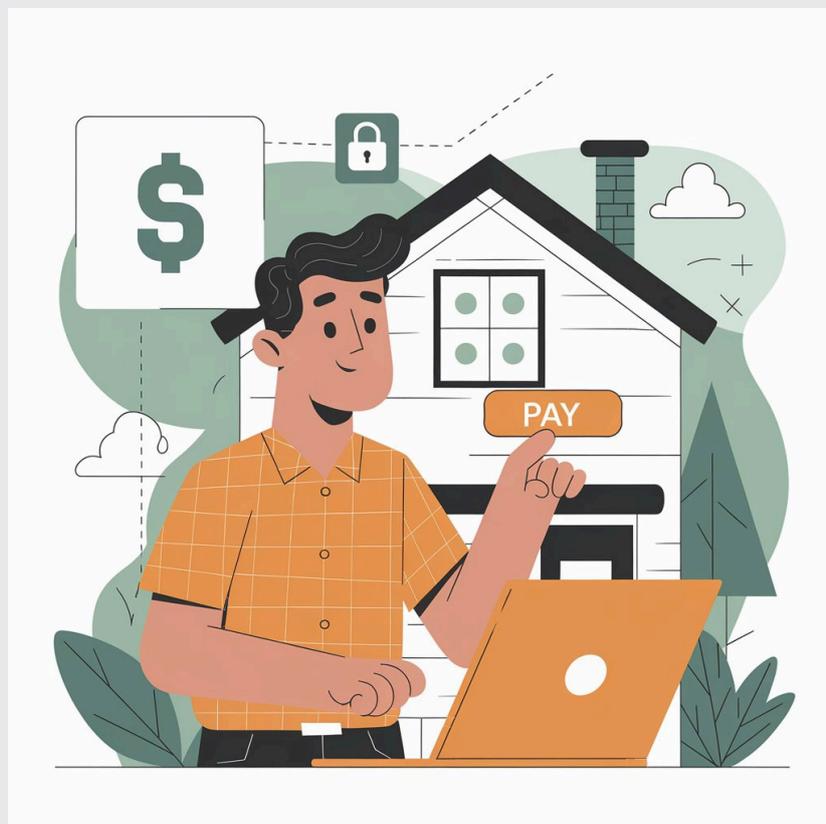
18201 VON KARMAN AVENUE, SUITE 220
IRVINE, CA 9212
PHONE: (800) 969-4DTA

Public Finance
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PAUMA VALLEY COMMUNITY SERVICES DISTRICT

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Automated ACH Payment Services!



1

Fill out the ACH Authorization form available at the District Office

2

Submit the Completed Form by Mail or Dropping it off to the District Office

3

Enjoy Automatic Payments!

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

33129 COLE GRADE RD., PAUMA VALLEY, CA 92061 – (760) 742-1909

ACH Payment Authorization Form

Customer Information:

Bank Information:

Full Name:

Bank Name:

Service Address:

Account Type: [] Checking [] Savings

Routing Number:

Phone Number:

Account Number:

Email Address:

Amount to be debited: \$ _____ on the 1st or 15th (circle one) of **each Month.**

Authorization:

By signing below, I authorize Pauma Valley Community Services District to electronically debit my bank account for payment of my PVCSD dues automatically every month. I understand that this authorization will remain in effect until I provide written notification to cancel the authorization at least 10 days before the next scheduled payment.

I certify that I am an authorized signer on the account listed above and that the information provided is accurate. I understand that insufficient funds or account closure may result in additional charges, and I agree to notify the District immediately if my account information changes.

Terms and Conditions:

1. Payments will be debited on the above-selected date of each month.
2. The charge may be made on the following business day if your selected day lands on a weekend or holiday.
3. I acknowledge that this payment authorization is to remain in effect until canceled in writing.

Customer Signature: _____ Date: _____

How to Submit:

Please complete and return this form to:

Drop off or Mail to: 33129 Cole Grade Rd., Pauma Valley, CA 92061

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

Frequently Asked Questions ...

What are ACH payments?

- ACH (Automated Clearing House) payment is an electronic method of transferring funds directly between bank accounts without needing paper checks.

What are the benefits of using ACH payments?

- **Convenience:** No need to write checks or drop off payments.
- **Time-saving:** Payments are automatically withdrawn from your account on the date you select as most convenient.
- **Cost-effective:** Avoid late fees or postage costs.

What do I need to do to sign up for Automatic Bill Payment?

- Complete the authorization form on the front side, sign it, and return it to Pauma Valley CSD with a blank **Voided** check.
- ***Please pay your current bill in Full with a separate check.*** Automatic payment will not be effective until the following billing cycle.

Who is Eligible to participate?

- The payment method is open to all customers of PVCSD.

Will I still receive a monthly invoice/statement from Pauma Valley CSD?

- Yes. Your invoice/statement will reflect your current charges

Can I select the date on which the charges are deducted from my bank account?

- Yes. The options are the 1st or 15th of each month.

What if I need to update my bank account information?

- Please submit an updated ACH Authorization Form at least 10 days before your next payment date to avoid payment issues.

Can I cancel my ACH payment?

- Yes, you can cancel your ACH payments at any time by submitting a written request to our office. Please allow 10 days for processing.

Is my personal banking information secure?

- Yes, all personal banking information is securely stored and handled in compliance with applicable laws and regulations.

What if my payment is rejected?

- If your payment is rejected, PVCSD reserves the right to charge a \$50 processing fee.

Is there a charge for this service?

- No. Pauma Valley CSD does not charge a fee for this service. However, some financial institutions may charge for automatic payments. Ask your bank about possible fees

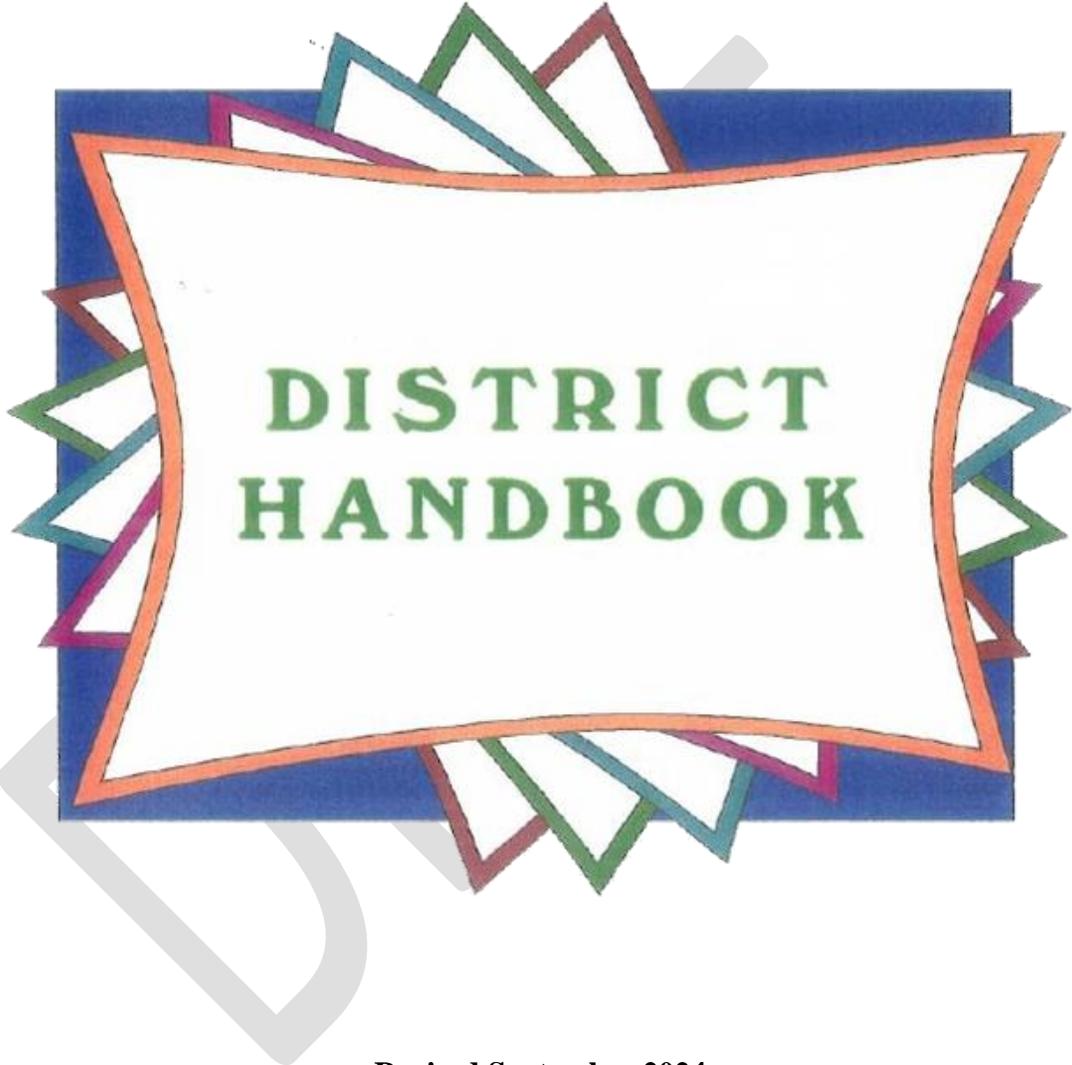
If you have any further questions regarding Automatic Bill Payment, please call

customer service
at 760-742-1900

Drop off or mail this form and voided check to:

33129 Cole Grade Road
Pauma Valley, Ca 92061

**PAUMA VALLEY
COMMUNITY SERVICES DISTRICT**



Revised September 2024

INTRODUCTION

For employees who are commencing employment with the Pauma Valley Community Services District (“PVCSD” or the “District”), let me extend a warm and sincere welcome. For employees who have been with us, thank you for your past and continued service.

This Employee Handbook (“Handbook”) is designed to help employees get acquainted with the organization. It describes some basic terms and conditions of employment with the District.

Employees are expected to read this Handbook carefully and to know and understand its contents. PVCSD reserves the right to make changes to this Handbook. Employees are responsible for knowing about and understanding those changes once they have been disseminated. PVCSD also reserves the right to interpret the provisions of this Handbook. For this reason, employees should check with the General Manager to obtain information regarding specific employment guidelines, practices, policies or procedures.

Employees should not interpret anything in this Handbook as creating a contract or guarantee of continued employment. In addition, this Handbook is not intended to cover all possible situations that may arise in your employment relationship with the District.

This Handbook is the property of the District and it is intended for the personal use and reference by employees of PVCSD.

Every employee is responsible for completing the following within two (2) weeks of receiving this Handbook: reading and signing the Handbook Acknowledgment Form and returning it to the General Manager. This Acknowledgment Form contains important points for employees and provides the District with a record that each employee has received this Handbook.

This Handbook supersedes all prior handbooks.

HANDBOOK DISCLAIMER

We have attempted to be as comprehensive as possible in preparing this Handbook. However, this Handbook is not a contract of employment and is not intended to create any contractual or other legal obligations or to alter the at-will nature of employment. Instead, it merely establishes guidelines for employees concerning some of PVCSD’s policies and benefits. Should you need further information, or if you would like to discuss any policies in the Handbook, please feel free to speak to the District’s General Manager.

This Handbook is not intended to provide in detail or be all inclusive of all Administrative Policies and Procedures, nor does it supersede or alter in any way PVCSD Ordinances, PVCSD Resolutions, State, or Federal laws. PVCSD reserves the right to delete, amend, or add handbook provisions at any time, without notice.

Nothing in this Handbook or in other statements of PVCSD policies, including statements made in the course of an employee performance review and/or wage review, shall be deemed to constitute either an express or implied promise of continuing employment. Employment with PVCSD is at-will and can be terminated by PVCSD or the employee at any time with or without cause or notice. This is the entire agreement between PVCSD and its employees regarding the term of employment. It supersedes all prior written and oral statements regarding the subjects covered in this Handbook and it cannot be modified except by a written agreement signed by the General Manager of PVCSD with approval of the District Board.

POLICY CHANGES

It is inevitable that new policies and benefits will need to be written from time to time and that old policies (including benefits) will need to be revised. While we reserve the right to modify or rescind any policies, practices, or benefits described in this Handbook, except for the employment at-will policy, at any time without prior notice, we will strive to timely advise you of any changes affecting your employment.

Revised/Approved September 2024

Revised/Approved April 2024

Revised July 2020

Revised July 2019

Revised April 2019

Revised July 2017

Revised April 2016

Revised December 2015

Revised July 2014

Revised August 2012

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1. AT-WILL EMPLOYMENT

All employment with PVCSD is “at will.” This means that both employees and PVCSD have the right to terminate employment at any time, with or without notice, and with or without cause. The at-will relationship can only be modified by a written agreement signed by the employee and PVCSD General Manager and approved by the Board of Directors.

PVCSD reserves the right to transfer, demote, suspend and administer discipline to employees with or without cause or advance notice.

None of the policies, procedures, contents of this manual, or any other documents provided to employees are intended to be, nor should it be, construed as a guarantee that employment (or any benefit) will be continued for a specific period of time. Employees should ask PVCSD’s General Manager if they have any questions about their status as an employee at-will.

2. PROBATIONARY PERIOD

PVCSD attempts to hire the most qualified employees for each position. To ensure this, PVCSD provides for an introductory period of employment for the employee to assess PVCSD and the job content, and for PVCSD to evaluate the new employee on his or her job performance. All new employees must complete, to PVCSD’s satisfaction, a 180-day (six (6) months) introductory period beginning after the date of initial appointment. Consistent with the PVCSD’s Employment At-Will policy, during the introductory period, an employee may be discharged by PVCSD for any reason, at any time, and without advance notice. Similarly, the employee may resign employment for any reason, at any time, and without advance notice during this period.

At PVCSD’s discretion, an employee’s introductory period may be extended one or more times. On successful completion of the introductory period, an employee will become a regular employee. Successful completion of the introductory period does not, however, guarantee employment for a specific duration.

Satisfactory completion of the probationary period does not alter the at-will nature of the employment relationship. PVCSD does not guarantee employment for the entire probationary period and at its discretion, PVCSD may shorten or extend the probationary period.

3. EQUAL EMPLOYMENT OPPORTUNITY

PVCSD is an Equal Employment Opportunity employer, and it is the policy of PVCSD to be in compliance with all state and federal regulations relative to discrimination in employment and PVCSD follows the practice of promoting Equal Employment Opportunity.

PVCSD is strongly committed to providing equal opportunity to all employees and applicants for employment. PVCSD does not discriminate on the basis of any status or characteristic protected under federal or state law, such as race (including but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship status, sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity and gender expression (including transgender identity and expression), because an individual has transitioned (to live as the gender with which they identify), sexual orientation, sex stereotyping, age (40 years and older), medical condition, marital status, domestic partner status, pregnancy, physical or mental disability (including HIV and AIDS), military status, veteran status; legally protected medical condition or information (including genetic information), protected medical leaves (requested or approved), status as a victim (of domestic violence, sexual assault or stalking), enrollment in a public assistance program, on the basis of any perception that an applicant or employee has any of these characteristics; or, on the basis that an applicant or employee is associated with someone who has or is perceived to have these characteristics.

PVCSD prohibits the discrimination or harassment of any individual on any basis listed above (see the Policy Against Harassment for further clarification). Any such discrimination is unlawful, and all persons involved

in the operations of the PVCSD are prohibited from engaging in this type of conduct. Please contact PVCSD's General Manager if you have any questions or concerns.

PVCSD's commitment to comply with all applicable laws providing equal employment opportunities applies to all persons involved in the District's operations and prohibits unlawful discrimination by any employee of the District, including supervisors and coworkers. This policy applies to all employment practices, including recruitment, advertising, job application procedures, hiring, firing, advancement, compensation, training, benefits, transfers, social and recreational programs, and any other terms, conditions and privileges of employment.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of PVCSD's General Manager. To ensure our workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including discharge. All employees must cooperate with all investigations conducted pursuant to this policy.

PVCSD utilizes the same complaint procedures for complaints of discrimination as it does for complaints of harassment. Please see the Reporting and Complaint Procedure. California law and PVCSD also prohibit retaliation against any employee for making a good faith complaint of discrimination or for cooperating, assisting, testifying, or participating in any of the discrimination complaint procedures in the separate Policy Against Harassment.

4. POLICY ON REASONABLE ACCOMMODATION

PVCSD is committed to providing equal opportunity for all applicants and employees, and will provide reasonable accommodations, including as required under applicable laws, in accordance with this policy.

Reasonable Accommodations Related to Disability and Religion: PVCSD will provide reasonable accommodations for applicants and employees with disabilities in accordance with the Americans with Disabilities Act (the "ADA") and California law, and for applicants and employees based on their sincerely-held religious beliefs, practices, or observance under state and federal law. Employees seeking such accommodations should promptly notify PVCSD's General Manager.

Reasonable Accommodations Relating to Pregnancy: PVCSD will provide reasonable accommodations to employees who are affected by a pregnancy, childbirth, or related medical conditions, as medically advisable.

Employees seeking a pregnancy-related accommodation, including transfer under this policy, should notify PVCSD's General Manager. This notice must be timely and be provided by employees in advance when the need for reasonable accommodation is foreseeable; in all other circumstances, notice must be provided as soon as practicable. Failure to give advance notice when the need is foreseeable may delay the reasonable accommodation or transfer until 30 days after the date the employee provides notice (unless such delay would endanger the health of the employee, her pregnancy or her coworkers).

Reasonable Accommodations for Victims of Domestic Violence, Stalking, or Sexual Assault: PVCSD will also provide reasonable accommodations for an employee who is the victim of domestic violence, stalking or sexual assault if: (i) the employee has disclosed that status to PVCSD, and (ii) the employee requests an accommodation for the employee's safety while at work.

In such circumstances, PVCSD will engage, in good faith, in a timely and interactive process with the employee to determine an effective reasonable accommodation. In this process, the employee may be asked to provide: (i) a written statement, signed by the employee or someone acting on the employee's behalf, certifying that the accommodation is for the purposes stated above, and (ii) a certification confirming the employee's status as a victim of domestic violence, sexual assault or stalking. Six (6) months after the date of each previous certification, PVCSD may request a recertification of such status. PVCSD will maintain any such certification as confidential if it identifies the employee as a victim of domestic violence, sexual

assault or stalking, disclosing such information only as required by law, or as needed to protect the employee's workplace safety, and with prior notice of such disclosure to the employee.

Retaliation and Discrimination Prohibited: PVCSD prohibits discrimination, discharge, retaliation, or any other unlawful acts against an individual because such person requests or receives an accommodation under this (or another applicable) policy, or because such individual engaged in any other conduct protected by the law. Additionally, as addressed in PVCSD's separate policy on harassment, discrimination and retaliation, PVCSD prohibits unlawful harassment, discrimination or retaliation against any employee on the basis of an individual's disability, religion, religious creed, sex (including pregnancy, childbirth and related medical conditions), status as a victim of domestic violence, sexual assault or stalking, or any other status as protected by law.

5. LACTATION ACCOMMODATION POLICY

PVCSD provides accommodations to lactating employees who need to express breastmilk during work hours in accordance with applicable law. A lactation accommodation request may be made verbally or in writing, should indicate the need for an accommodation in order to express breastmilk at work, and should be directed to PVCSD's General Manager. PVCSD shall respond to such requests in a reasonable manner, not exceeding five (5) business days. PVCSD will provide a room or other location (not a bathroom) for employees to express breastmilk in private. PVCSD will ensure that the lactation room or location will:

- Be in close proximity to the employee's work area, shielded from view, and free from intrusion while the employee is expressing milk;
- Be clean, safe and free of hazardous materials;
- Contain a surface to place a breast pump and other personal items;
- Contain a place to sit; and
- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery powered breast pump.

In addition, PVCSD will provide access to a sink with running water and a refrigerator suitable for storing milk (or other cooling device suitable for storing milk) in close proximity to an employee's workspace. In the event that more than one employee needs use of the lactation room, PVCSD will discuss alternative options with the employees to determine what arrangement addresses their needs, such as finding an alternative space.

PVCSD shall also provide a reasonable amount of break time for an employee to express any breast milk each time that she needs to do so. The break time, if possible, should run concurrently with any break time already provided to the employee. Break time for a nonexempt employee that does not run concurrently with rest time already authorized for the employee is unpaid. However, if the employee performs any work during such break, she must accurately record all time worked and PVCSD will compensate her for such time.

If PVCSD cannot provide break time, location, or other reasonable accommodations in accordance with this policy, it will inform the requesting employee in writing. Because lactation accommodation needs may change over time, employees may request changes to existing accommodations by a written request to PVCSD's District's General Manager that describes the nature of the change that is requested.

PVCSD prohibits any form of retaliation or discrimination against an employee for exercising or attempting to exercise any rights provided under the above policies. Any such conduct or violations of the above-referenced policies should be reported to PVCSD's General Manager. Employees also have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right described in the policy above.

6. OPEN DOOR POLICY

The District has a specific procedure detailed in the separate Policy Against Harassment, Discrimination and Retaliation that should be used to report any concerns or complaints related to possible sexual harassment,

or other forms of harassment, discrimination, or retaliation based on a protected category. Separately, the District has an Employee Concerns Policy that encourages employees to participate in decisions affecting them and their daily professional responsibilities. Employees who have job-related concerns or complaints are encouraged to discuss them with their supervisor or any other management representative with whom they feel comfortable. The District believes that employee concerns are best addressed through this type of informal and open communication.

Employees are encouraged to raise work-related concerns with their immediate supervisor, or with a supervisor or other management representative of their choice, or with the General Manager, as soon as possible after the event(s) that cause the concern. The District will also attempt to keep all such expressions of concern, the results of any investigation, and the terms of the resolution confidential. In the course of investigating and resolving the matter, however, some dissemination of information to others may be necessary or appropriate. No employee will be disciplined or otherwise penalized for raising a good-faith concern.

7. PROCEDURE FOR REPORTING EMPLOYEE COMPLAINTS

The purpose of this Procedure for Reporting Employee Complaints is to establish a process for all employees of the District to use to notify the District of their work-related concerns, and to give the District the opportunity to learn about, address, and resolve the complaint. This policy is intended to supplement the Open Door Policy set forth in this Handbook, which states the District's philosophy that all employees have free access to their immediate supervisors or to other District supervisors of their choice or the General Manager to informally express their work-related concerns. As noted in the Open Door Policy, the District has a specific procedure detailed in its Policy Against Harassment, Discrimination, and Retaliation that should be used to report concerns or complaints related to possible sexual harassment, or other forms of harassment, discrimination, or retaliation based on a protected category. -

Importantly, when the nature of the concern pertains to an actual or suspected violation of the law District policy, or an ethical violation, all employees, directors, and officers of the District are required to file a complaint using the procedure below. This includes reporting any activity that is considered by the person making the complaint to be illegal or dishonest. Any questions regarding whether a concern is subject to this mandatory reporting policy should be resolved in favor of filing the complaint. This procedure includes:

1. **Filing of Complaint:** Individuals should file written complaints with the District's General Manager as soon as possible after the events that give rise to the work-related concerns. The written complaint should set forth in detail the bases for the complaint including but not limited to alleged violations of policy or law.
2. **Investigation:** The District's General Manager will date and log all written complaints and send the employee an acknowledgment that the complaint is under review. The District's General Manager, or his/her/its designee will investigate the complaint, meeting separately with the employee and with others who either are named in the complaint or who may have knowledge of the facts set forth in the complaint. The District will attempt to treat all internal complaints and their investigation as confidential, recognizing, however, that in the course of investigating and resolving internal complaints some dissemination of information to others may be necessary or appropriate.
3. On completion of the investigation, the complainant and the employee being complained about will receive an oral or written report of the District's finding(s) which are listed below. Except where required by law, the details of the investigation and the basis of the investigation's findings will not be provided to the complainant.
4. Each allegation in a complaint shall have one of the following findings:
 - a. **UNFOUNDED:** The alleged act did not occur.
 - b. **EXONERATED:** The alleged act occurred but was justified, legal and proper.
 - c. **NOT SUSTAINED:** The investigation produced insufficient information to prove or disprove the allegation.
 - d. **SUSTAINED:** The District member committed all or part of the alleged act(s) of misconduct or poor service.

- e. **MISCONDUCT NOTED:** The District member violated a section of the Districts Ordinances, Policies, Rules, or Procedures not originally in the complaint.
 - f. If the complaint is resolved to the complainants satisfaction, the terms of the resolution should be recorded and signed by both the employee and a representative of the General Manager.
5. Appeal: If the complaint is not resolved to the complainants’ satisfaction, the complainant may submit a written request for review of the complaint to the District General Manager, or District Board President. Decisions resulting from appeal reviews will be final.

The District will not tolerate retaliation against individuals for reporting a good faith concern under this policy; participating in or cooperating in any internal investigations of reported concerns; or otherwise engaging in conduct protected by law. Prohibited retaliation can be adverse employment actions, like termination, compensation decreases, or poor work assignments, or even threats of physical harm. Such retaliation is a separate violation of District policy. It also may violate applicable law. Anyone who believes that he or she has been retaliated against for reporting a good faith concern, for participating in or cooperating in an internal investigation of a concern, or for exercising his or her rights, or otherwise engaging in conduct protected by law, should immediately notify the District using the same Procedure described above. The General Manager or any District Board member has the discretion to utilize the complaint procedure to evaluate complaints initiated by members of the public.

8. DISCIPLINARY ACTION

Consistent with the at-will nature of employment, PVCSD reserves the right to use discretion in deciding when and how discipline is imposed. No formal system, procedure or proof of cause is required. Attached as “Appendix A” is a non-exhaustive list of examples of PVCSD rules and regulation violations for which employees will be disciplined, up to and including termination. The following measures are part of the disciplinary process: warning, reprimand, suspension with or without pay, dismissal, demotion, or reduction in pay. The General Manager may discipline any employee for cause.

9. POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION

The District is committed to providing a professional workplace in which individuals are treated with respect and in a manner consistent with the District’s high expectations of ethical conduct. This necessarily means that the District prohibits unlawful harassment, discrimination, and retaliation in accordance with applicable laws. This includes harassment based on sex (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, and related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as race (including hair texture, protective hairstyles, and other traits historically associated with race), color, religion and religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship, age (40 years and older), mental disability and physical disability (including HIV and AIDS), legally-protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned or is (or is perceived to be) transitioning, sex stereotyping, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the National Labor Relations Act or California Fair Pay Act, requesting a reasonable accommodation on a protected basis such as disability or sincerely-held religious belief, practice, or observance, or any other characteristic protected by federal, state, or local laws.

The District strongly disapproves of and will not tolerate harassment, discrimination, or retaliation against applicants, employees, unpaid interns, or volunteers by managers, supervisors, co-workers or third parties with whom employees come into contact, consistent with applicable law. Similarly, the District will not tolerate harassment, discrimination, or retaliation by its employees directed toward non-employees with

whom the District employees have a business, service, or professional relationship (such as independent contractors, vendors, clients, volunteers, or interns).

Harassment is generally defined as verbal, physical, or visual conduct that creates an intimidating, offensive, or hostile working environment, or that interferes with an employee's work performance, and that is based on a protected status. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

As the definition above shows, harassing conduct can take many forms and may include, but is not limited to, the following (when based upon an employee's protected status as noted above): slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, pictures, drawings, or cartoons, violating someone's "personal space," foul or obscene language, leering, stalking, staring, noises, unwanted or offensive letters or poems, offensive emails, texts, gifs, memes, or voicemail messages.

Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances. For example, sexual harassment can be:

- Verbal: sexual innuendoes, sexually suggestive or degrading comments, text messages, gifs, memes, sexual jokes or slurs, graphic commentaries about a person's body, or repeated sexual advances or invitations.
- Nonverbal: displaying sexually suggestive objects, pictures, cartoons, magazines, calendars or posters, or making suggestive or insulting sounds, leering, whistling, or obscene gestures.
- Physical: offensive touching, brushing against a person's body, unwanted hugging or kissing, or impeding or blocking a person's normal movement. Sexually harassing conduct may arise if a reasonable person subjected to the conduct would find that the harassment so altered working conditions as to make it more difficult to do that person's job. Sexually harassing conduct can occur regardless of the sex, sexual orientation, or gender identity of the harasser or of the person being harassed. Sexually harassing conduct need not be motivated by sexual desire to be violative of this policy.

10. REPORTING AND INVESTIGATING HARASSING, DISCRIMINATORY AND RETALIATORY CONDUCT

All employees, independent contractors, interns, and volunteers of the District must promptly report any incidents of harassment, discrimination, and retaliation so that the District can take appropriate action. It is the responsibility of all of us to contribute to a work environment that is free of unlawful bias, discrimination, harassment, and retaliation. Failure to bring forth a complaint prevents the District from having the opportunity to correct the situation.

Any incidents of discrimination, harassment, or retaliation, including work-related harassment by any District personnel or any other person, or any conduct believed to violate this policy, must be reported immediately to the District's General Manager, who is responsible for investigating harassment complaints. An individual is not required to bring a complaint to the General Manager if the individual is uncomfortable doing so for any reason. In that case, complaints may be reported to the District Board President or any other District Board member.

Managers and supervisors have a special responsibility under this policy. All levels of management and all supervisors are responsible for compliance with this Policy Against Harassment, Discrimination, and Retaliation AND for ensuring that everyone in their Division is aware of, understands and adheres to this policy. Supervisors and managers who receive complaints or who observe or learn of discriminatory, harassing, or retaliatory conduct must immediately inform the General Manager or other appropriate District official so that an investigation may be initiated.

Individuals making such complaints must report the facts as accurately and as completely as possible. Every reported complaint of harassment, discrimination, and retaliation is taken seriously by the District. Every reported complaint, including allegations of misconduct, will be investigated thoroughly and promptly by impartial and qualified personnel. Typically, the investigation will include the following steps: an interview of the employee who lodged the complaint to obtain complete details regarding the alleged harassment, discrimination, or retaliation; interviews of anyone who is alleged to have engaged in such conduct to respond to the claims; and interview of any employees who may have witnessed, or who may have knowledge of, the alleged conduct. The Office Manager or other District official responsible for the investigation, will notify the employee who lodged the complaint of progress during the investigation, including documentation where applicable, and timely notification of the results of the investigation. The investigation will be handled in as confidential a manner as possible consistent with a fair, timely, and thorough investigation (e.g., parties will receive appropriate due process, the District will reach reasonable conclusions based on the evidence collected, etc.). Employees (or other complainants) making complaints are expected to cooperate fully with the person or persons designated to investigate the complaint.

The District prohibits conduct severe enough to be unlawful. Yet even more, the District’s workplace conduct standards also prohibit conduct and comments which are not severe enough to violate state or local or federal law—but which are still inappropriate in the workplace. For example, the District prohibits abusive conduct in the workplace—whether or not it is based on a protected category. As a result, the District will take prompt, appropriate, and effective corrective action (e.g., remedial measures) any time it is established that discrimination, harassment, or retaliation in violation of this policy has occurred—whether or not such violation also violates the law.

Corrective action may include, for example: training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances.

The District will not tolerate retaliation against an individual for good faith reports of harassment, discrimination, or retaliation; assisting another in making a report; cooperating in an investigation; filing an administrative complaint with a government agency; or engaging in other protected activity. Such retaliation is a separate violation of the law and of District policy and is subject to disciplinary action up to employment termination. Individuals who believe they have experienced or been threatened with such retaliation, and any manager or supervisor who learns of possible retaliation, must immediately report it using the same Complaint Reporting Process above.

11. RESPECTFUL CONDUCT

The District is committed to providing a professional and respectful work environment. In addition to prohibiting all forms of discrimination and harassment, the District also prohibits any “intimidation or bullying” in the workplace or at any work-related events.

Bullying is abusive conduct that a reasonable person would be hostile, offensive, and unrelated to the District’s legitimate business interests. It may include repeated infliction of verbal abuse, derogatory remarks, insults, epithets, verbal, or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person’s work performance.

Disciplinary action, up to and including termination, may be taken against any employee found to have violated this policy, amongst other appropriate actions.

Any individual who believes that they have been the subject of bullying should immediately report concerns to their direct supervisor or the General Manager, if needed. No employee will be subject to any form of retaliation for reporting an incident of bullying or for participating in the investigatory process, if needed.

12. VEHICLE USAGE

The District provides vehicles for employees to use while on “duty status”. These vehicles are to be used by District employees only, and for the sole purpose of District business. Further, District vehicles and District

employees must remain inside PVCSD boundaries during all duty status hours with the exception of utilizing for necessary District business. PVCSD vehicles are not to be used for any form of after-hours activities, unless authorized by the General Manager in writing. The District's gasoline tank is to ONLY be used to fill PVCSD's vehicles unless otherwise explicitly authorized by the District General Manager. No gasoline shall be dispensed for employee's personal use. The General Manager may in his or her discretion provide up to one (1) gallon of gas or a reasonable equivalent of electric vehicle charging to assist stranded motorists within the District.

District employees and Board members may, in the course of District business, drive District vehicles equipped with global positioning system (GPS) technology. GPS technology provides the District with business-related purposes such as vehicle, fuel use, diagnostic data, speed, location, routing, idling, and utilization information. Additionally, GPS technology greatly enhances District job performance, personnel safety, and distribution of District resources.

The District may participate in the California Department of Motor Vehicles (DMV) Employer Pull Notice (EPN) Program. Employees whose job description requires the possession of a valid California driver's license must maintain their driver's license with no limitations for operating District vehicles. Such employees are required to report any restrictions or validity of their DMV license status to the Office Manager and/or General Manager within twenty-four (24) hours or by the next business day upon notification by the DMV, law enforcement agency, or court.

Any violation of the aforementioned regulations will subject the employee to disciplinary action, up to and including termination. When an employee is authorized to use his/her personal vehicle in the performance of District work, he/she shall be reimbursed for the cost of said use on the basis of total miles driven and at the rate specified in the Internal Revenue Service Guidelines in effect at the time of said usage.

13. PROFESSIONAL CERTIFICATION

All applicants applying for vacant positions requiring certification must present evidence of certification prior to employment. District policy requires copies of certificates required to meet standards. The cost of renewal and maintaining certifications will be paid for by PVCSD as long as employment continues.

14. WAGES AND PAY DAY

It is the goal of PVCSD that employees shall be paid fair and equitable wages which compare to prevailing rates of surrounding districts in the area using like skills. Wage rates are determined on the basis of job evaluation and wage surveys conducted for all job classifications. Employee compensation and benefits will be evaluated by the Board of Directors annually to determine whether any changes will be made. The Board of Directors may, in its discretion, review one or more employees' compensation and/or benefits to determine whether to make changes at other times.

Based on applicants' knowledge, skills, certifications and abilities for the job position, the General Manager may assign base pay for newly hired employees at any range within the published salary schedule for the position the applicant was hired for.

All District supervisors or managers will conduct an annual performance review for each employee under their charge. The evaluation will be based on work performance, job skills, job duties, and District goals. Upon completion of the evaluation the supervisor or manager will review the evaluation with the employee. The performance evaluation will be signed by the employee and supervisor. The General Manager will review to approve the evaluation, sign the evaluation, and file the forms in the employee's personnel file. Employees with below average, average, or above average work performance scores will be eligible for an annual merit increase of up to 5% within the published salary schedule.

The General Manager at his or her discretion may increase an employee's base pay an additional 5%-10% for interim job assignments of a higher paying job classification. The General Manager may increase

employee salary outside of their earned merit increases up to 10% of their current salary upon justification and approval of the majority of the District Board.

Cost of Living (COLA's) adjustments to employees' base salary or annual bonus pay may be approved by the District Board with consideration of economic indicators, the job market comparable and the financial conditions of the District.

Employees will be paid in full once every two (2) calendar weeks on Wednesday. The pay period will be the previous two (2) weeks. The workweek is defined as beginning Sunday, 00:01 a.m., and ending Saturday, 12 midnight for employees who work a regular four- or five-day schedule during a calendar week.

15. ON-CALL DUTY

Every 24-hour period, Monday through Friday, one utility employee is required to be available for "on call" for an emergency situation before or after normal work hours unless otherwise approved by the District General Manager. Compensation for that status is paid at a rate of \$10 per day when scheduled in addition to any overtime logged for the work required. Any call out after defined work hours shall be for a minimum of 2 hours at the employee's overtime rate. Each Saturday and Sunday, one utility employee is required to be available for "on call" for an emergency situation, and: (1) be scheduled for overseeing PVCSD's operations unless otherwise approved by the District General Manager, (2) shall be provided the necessary equipment to access the automated SCADA system, and (3) determine if being on-site is required. Compensation for this weekend status is paid at a rate of \$50 per day in addition to any overtime logged for the work required. Compensation for the performance of on-call duty during a District recognized holiday is paid at a rate of \$50. Scheduling for 'On Call' duty is done by the Utility Division Supervisor or the District General Manager. Modification of this is subject to PVCSD review and may change at the discretion of the General Manager.

Due to the nature of shift work, Security Patrol Officers and Gate Attendants are compensated for working a shift other than the typical daytime hours. Those working the 'A' shift will receive an additional \$4.50 per day and those working the 'C' shift will receive an additional \$3.50 per day. Modification of this is subject to General Manager review and may change at its discretion.

16. FULL-TIME VS. PART-TIME EMPLOYMENT

Full-Time: A full-time employee is one who is regularly assigned to work 32 or more hours per week and shares weekend and holiday coverage as required by the job. Such employees are entitled to all full-time benefits of medical, vacation and sick leave. Full-time employees are eligible for annual performance reviews and wage reviews in accordance with District policy.

Part-Time: A part-time employee is one who is regularly scheduled to work less than 30 hours per week. This employee may share weekend and holiday coverage as required by the job. Part-time employees' eligibility for medical, vacation or sick leave benefits is determined individually at the discretion of the Board of Directors. Part-time employees working 1000 hours or more per fiscal year are required to participate in the PERS retirement program. CALPERS retired annuitants may be hired as part-time employees. Retired annuitants are subject to related State law employment limitations including being limited to 960 hours of work per fiscal year. The General Manager in his or her discretion may at any time authorize the hiring of a temporary, and/or part-time employee to facilitate the necessary operational and administrative business of the District.

17. DISTRICT PROPERTY AND CONFIDENTIAL INFORMATION

The security and usage of District property is of vital importance to the District. District property includes not only tangible property, like desks and computers, but also intangible property such as confidential information. It is critical for the District to preserve and protect its confidential information, as well as the confidential information of customers, suppliers, and third parties. All employees are responsible for ensuring

that proper security is maintained at all times. Further, any damage to District property may be grounds for discipline, up to and including termination.

“Confidential Information” means all information, not generally known, belonging to, or otherwise relating to the business of the District or its clients, customers, suppliers, vendors, affiliates or partners, regardless of the media or manner in which it is stored or conveyed, that the District has taken reasonable steps to protect from unauthorized use or disclosure. Confidential Information includes but is not limited to trade secrets as well as other proprietary knowledge, information, and know-how; non-public intellectual property rights, including business plans and strategies; manufacturing techniques; formulae; processes; designs; drawings; discoveries; improvements; ideas; conceptions; test data; compilations of data; and developments, whether or not patentable and whether or not copyrightable.

“Personal Identification Information” includes individually identifiable information about employees, customers, consultants, or other individuals, such as Social Security numbers, background information, credit card or banking information, health information, or other non-public information entrusted to the District regarding an individual’s personal identity. There are laws in the United States and other countries that protect certain types of Personal Identification Information, and employees should not disclose such protected Personal Identification Information that has been acquired and retained by the District about other individuals to any third party or from one country to another without prior managerial approval.

Given the nature of the District’s business, protecting Confidential Information and Personal Identification Information is of vital concern to the District. This information is one of the District’s most important assets. It enhances the District’s opportunities for future growth, and indirectly adds to the job security of all employees. Failure to take reasonable measures to protect the District’s Confidential Information may jeopardize its status as a trade secret. While employed by the District, employees must not use or disclose any Confidential Information or Personal Identification Information that they produce or obtain during employment with the District, except to the extent such use or disclosure is required in connection with performing their jobs. Employees may not use or disclose Confidential Information or Personal Identification Information for any reason after the employment relationship with the District ends. Misuse or unauthorized disclosure of Confidential Information or Personal Identification Information may result in immediate termination, as well as potential personal and criminal liability.

Nothing in this Guideline limits any rights an employee may have to discuss terms, wages, and working conditions of employment, or disclose information about sexual harassment or other unlawful acts in the workplace, as protected by applicable law. Employees are permitted to disclose Confidential Information that they are required to disclose pursuant to judicial order or other legal mandate. Should such a circumstance arise, the employee agrees to give the District prompt notice, prior to the deadline of the disclosure requirement, and to fully cooperate with any efforts by the District to obtain and comply with any protective order imposed on such disclosure.

Upon separation of employment, whether voluntary or involuntary, all tangible and intangible District property must be returned to the District immediately. This includes documents, materials, data files, and records of any kind, including any that contain Confidential Information or Personal Information, and any copies thereof. Also, the terminating employee must immediately notify the District if the employee has Confidential Information or Personal Information stored in the employee’s personal computer, or in a mobile, cloud, or other storage medium, and work with the District to identify all such Information and its location and help ensure it is retrieved and/or permanently deleted by the District (or the District’s designated agent).

18. DIVISIONAL TRANSFER

Any employee making a Division or job position transfer will be subject to a one hundred- and eighty-day (180) day probationary period in the new position. Any employee that does not successfully conclude a one hundred- and eighty-day (180) day probationary period in their new position will be subject to termination or a return to their previous position at the discretion of the District General Manager.

Any employee may be cross trained in the responsibilities of another job classification. Such employee shall be paid the rate appropriate to the job classification for the hours worked in that job classification once the employee formally assumes the new position and for the lowest rate of any qualified job classification for vacation pay, and the like.

19. HOURS OF WORK

A. Work Shift

In a two-week period, utility personnel work a 9/80 schedule as follows 7:00 A.M. to 4:00 P.M. four (4) days a week and have every other Friday off; working Fridays have a schedule of 7:00 A.M. to 3:00 P.M. and administrative personnel work from 8:00 A.M. to 4:00 P.M. five (5) days per week. Patrol Officers work ten (10) hour shifts, four (4) days per week whereas the Security Supervisor may work ten (10) hour shifts, four (4) days per week, or with the approval of the District General Manager may work twelve (12) hour shifts three (3) days per week, and four (4) hours remotely per week; Security Gate Attendant Supervisor works nine (9) hours shifts, four (4) days per week; Gate Attendants work eight (8) hour shifts, five (5) days per week, which enables the District to have round-the-clock security dispatch. Shifts are identified as: 'A' begins at 12 midnight and ends at 8:00 a.m.; 'B' shift begins at 8:00 a.m. and ends at 4:00 p.m.; 'C' shift begins at 4:00 p.m. and ends at 12 midnight. Shift hours may vary as deemed necessary by the Security Division Supervisor and based upon the needs of the District. Although employees may, upon hiring, work particular hours, the District does reserve the right to reassign an employee to other shifts or other hours as need arises.

Employees are expected to be on time daily and remain on the job throughout the regularly scheduled workday. Nonexempt employees are required to accurately record and save all actual time worked on each day using PVCSD's official timekeeping system. Nonexempt employees are prohibited from working "off the clock," meaning working time that is not recorded for payroll purposes. Any nonexempt employee who believes that he or she is expected to or has been asked to work without recording his or her time "off the clock" must immediately contact PVCSD's General Manager.

B. Time-Keeping

Accurately recording time worked is the responsibility of every PVCSD employee. Federal and state laws require PVCSD to keep an accurate record of time worked by non-exempt employees in order to calculate employee pay and benefits. Time worked is all time actually spent on the job performing assigned duties.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

It is the employee's responsibility to sign their time records to certify the accuracy of time recorded. Each Division Supervisor will review the time records for their employees and then approve the time record before submitting it for payroll processing. The General Manager shall review all time records for accuracy once submitted to payroll.

C. Meal and Rest Periods

The regular hours of work each day for full-time nonexempt employees shall be consecutive except for interruptions for a meal period and two (2) paid fifteen (15) minute breaks (one mid-morning and one mid-afternoon). Part-time nonexempt employees shall be eligible for a compensated fifteen (15) minute break after the completion of four (4) hours of work and shall receive two paid fifteen (15) minute breaks if they work eight (8) hours in a day.

All meal periods will be “duty-free,” where the employee will not be required to perform any duties during his/her meal period. However, some employees, who, due to the nature of their work, are unable to be relieved of all duties during their meal period, may be required to take an on-duty meal period, which is counted as time worked and paid accordingly. All on-duty meal periods must be pre-approved by management.

20. OVERTIME

The around-the-clock nature of District work may make it necessary for employees to work required overtime. All overtime requires prior approval of the supervisor.

Overtime is defined as: time worked in excess of forty (40) hours in a work week; (please note that this is limited to only those employees on the eight-hour, five-day week/ or on a 10-hour, four-day week); or time worked on a designated holiday by a full-time employee. Part-time and temporary employees are not eligible for holiday pay. Overtime shall be paid as time and one-half (1 ½ times regular rate). PVCSD recognizes holidays are paid at 2.0 times the regular rate of pay for hours worked on a District observed holiday. Security and Gate personnel whose regularly scheduled day off falls on a holiday, will not receive holiday pay unless worked. PVCSD paid time off such as vacation or sick days are not considered hours worked for the purpose of calculating overtime.

21. EMPLOYEE ABSENCE FROM WORK

All employees are expected to be on time. Should an illness or emergency situation occur, and employee is unable to report to work at his or her regular time, the employee must notify their supervisor, if possible, at least two (2) hours before the start of the shift. The supervisor will advise the employee of the proper procedure to follow depending on the reason for and expected duration of the absence. All employees must contact the supervisor each day they are out unless otherwise instructed. Employees who fail to notify the supervisor in advance of absenteeism may be subject to disciplinary action or dismissal. Failure by an employee to return to work within 48 hours of the date he/she is scheduled to return to work from any type of approved leave or regularly scheduled time off, shall be considered job abandonment and an automatic resignation by the employee. The District will consider evidence of extenuating circumstances if it is submitted to the General Manager within 10 calendar days of the day the employee first failed to report to work. Any applicable leave of absence law governs in the event of a conflict with District policy.

22. HOLIDAYS

This policy shall apply to all regular, full-time, employees. Part-time and temporary/seasonal employees are not eligible for and do not receive holiday pay.

PVCSD recognizes the following paid holidays: New Year’s Day, Martin Luther King Jr. Day, President’s Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day and Thanksgiving Friday, and Christmas Day. An employee will be paid double time if they are required to work on a holiday. If a holiday falls on a weekend day, then the District will determine a preceding or succeeding day to be taken as the holiday. All employees will additionally receive one floating holiday per year. Utility staff and Administrative staff shall receive a paid shift for the observed holidays.

23. HEALTH BENEFITS

Under the terms of the policies established from time to time by the Board of Directors of the District, PVCSD provides medical insurance for full-time employees and their dependents. These benefits will commence on the 1st of the month following the end of an employee’s 60 calendar days of employment. All benefits cease at the end of the month upon termination of employment, whether voluntary or involuntary, except as may be required to comply with applicable law. Employees’ contribution for the cost of health care coverage for self and dependents shall be calculated and deducted based on 26 pay periods per year. The Board of Directors will review and establish the employees’ contribution rate annually at its discretion. A dependent of an employee must be under the age of 26. For more information, please review Appendix C describing the

District's benefits. Employees that elect not to participate in the District's medical insurance program are eligible to receive \$100 a month, \$1200 annually in lieu of health insurance. Employees may elect to add this benefit into their Health Reimbursement Account (HRA) subject to HRA limitations.

24. HEALTH REIMBURSEMENT ACCOUNT BENEFITS

Full-time employees will receive an annual Health Reimbursement Account. The approved annual amount will commence January 1 of each year and expire December 31 of each year. The amount is available to all full-time employees regardless if health insurance benefits have been elected through PVCSD or not. This amount can be used to offset the employee contribution paid each pay period, and/ or receipts can be submitted for medical services to be reimbursed. New hires will receive a prorated amount based on the number of remaining months in the year. Newly-hired District employees are eligible to utilize the Health Reimbursement Account only after successful completion of their one hundred and eighty (180) day probational period. The Health Reimbursement account can be used retroactively for any qualifying expenses accumulated during that 180-day probational period. For employees who are subject to a probationary period exceeding 180 days, this benefit will remain "Active" at the 180-day mark regardless of the initial probationary interval. For more information, please review Appendix C describing the District's benefits.

25. LIFE INSURANCE BENEFITS

PVCSD provides a Group Term Life Insurance Policy to all full-time employees at a designated benefit amount to be paid in the event of death of an employee to the employee's designated beneficiary(ies). This benefit will commence on the 1st of the month following the end of an employee's ninety (90) days of employment. This benefit is offered by PVCSD at no charge to employees. For more information, please review Appendix C describing the District's benefits.

26. RETIREMENT BENEFITS

PVCSD provides, through the California Public Employees Retirement System (CalPERS), a retirement plan for eligible employees. Employees are required to pay the employee contribution towards this benefit, percentages are determined annually by CalPERS. The Board of Directors will review and establish the benefits annually at its discretion. For more detailed information about specific benefits visit the CalPERS website and please review Appendix C describing the District's benefits.

27. 457 SUPPLEMENT RETIREMENT BENEFITS

Since PVCSD participates in CalPERS, an optional 457 Supplement Retirement Benefit is also available. This benefit is available to any full-time employee. The contributions are pre-tax and can be adjusted at any time. For more information, please inquire at PVCSD office and please review Appendix C describing the District's benefits.

28. VACATION POLICY AND ACCRUAL

PVCSD provides vacation, which is paid time off, for employees as a means to rest and rejuvenate. PVCSD encourages employees to utilize this benefit every year. PVCSD believes personal time off is an important means to enable continuation of strong performance and positive contribution to PVCSD, as well as encourage a balanced and enriching life for employees.

PVCSD will review and may change any of these vacation benefit provisions at its discretion.

A. Eligibility and Accrual

Full-time employees will accrue vacation according to continuous years of service in accordance with the following schedule:

From hire date, but less than 5 years of continuous employment: 3.08 hours per pay period (80 hours per year).

More than 5 years, but less than 15 years of continuous employment: 4.62 hours per pay period (120 hours per year).

More than 15 years of continuous employment: 6.16 hours per pay period (160 hours per year).

Part-time employees with continuous service who the General Manager has determined to be eligible to accrue vacation, will accrue vacation in accordance with the above chart, on a pro-rated basis determined by normal hours worked. Active service for all employees commences with their first day of work and continues thereafter unless broken by an absence without pay or a leave of absence.

Vacation accrual for all PVCSD employees is limited to a maximum of 160 hours and may be used at any time upon approval from their Supervisor. The employee will not thereafter accrue additional vacation benefits until such time as he/she takes sufficient time off to reduce the total accrued vacation benefits below the maximum. At no point will an employee be allowed to have a negative balance. Employees will be eligible to begin accruing vacation upon successful completion of the probationary period.

B. Use of Vacation

In order to request vacation time, employees should submit a Vacation Request form to their Supervisor. Every effort will be made to accommodate all employees' requests for specific vacation leave time. However, the Supervisor will also consider the needs of the Division when evaluating vacation requests.

A holiday that falls during an employee's vacation leave will be treated and paid as a holiday and not as a day of vacation leave.

PVCSD will not require an employee to take vacation time in lieu of sick leave or leave of absence during periods of illness. However, the employee may elect to take vacation time in the case of extended illness where available sick leave has exhausted.

Preference in selection of vacation dates will be governed by length of service subject to the needs of the District and as approved by the Division supervisor and General Manager.

C. Payment for Unused Vacation

Upon separation from PVCSD employment, or upon election of the employee, an employee will be paid for accrued, unused vacation days at 100% of the employee's hourly rate at the time of separation or time of election. In cases where an employee terminates employment with PVCSD and has been permitted to take vacation time prior to actual accrual, the final paycheck will reflect a deduction relative to the amount of un-accrued time off taken.

29. SICK LEAVE

PVCSD provides paid time off for the purpose of illness or other medical requirements. PVCSD will review and may change any of these sick leave benefit provisions at its discretion.

Sick leave is defined as absence from work due to illness, non-industrial injury, or quarantine due to exposure to a contagious disease. In addition, dentist and doctor appointments and prescribed sickness prevention measures shall be subject to sick leave provided prior notice is provided to PVCSD's General Manager.

A. Entitlement

Regular, full-time employees are provided with 78 hours of sick leave annually, and are provided with these hours on an accumulation basis each and every pay period. Any unused sick leave shall carryover to the following year with a cap of 180 hours.

Part-time are provided with a pro-rated sick leave entitlement based upon their hours worked.

Verification

In order to receive compensation while on sick leave, the employee shall notify his/her supervisor prior to the time for beginning the regular workday, or as soon thereafter as practical, or two days prior in the case of absence for a doctor's appointment.

Employees are required to notify their supervisor as soon as possible of their absence due to illness or injury.

PVCSD strictly prohibits any form of retaliation or discrimination against an employee for attempting to use or using paid sick leave under this policy, and for any other reason prohibited by applicable law. Employees who believe that they have been discriminated or retaliated against should report their concerns to PVCSD's General Manager.

B. Use of Sick Leave

Sick leave may be applied to the following non-exclusive circumstances:

1. An absence necessitated by an employee's personal illness or injury.
2. Medical and dental office appointments.
3. Absence from duty because the employee's presence is needed to attend to the serious illness of a member of his or her immediate family. For purposes of this policy, immediate family shall mean parent, step-parent, sibling, grandparent, spouse, child (of any age), grandchild, domestic partner or legal guardian. All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a family member.
4. Illnesses while on paid vacation will be charged to sick leave rather than vacation only under the following conditions:
 - a. The illness or injury of the employee or member of the employee's immediate family was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his or her normal duties.
 - b. The employee must notify the General Manager within four (4) calendar days of the beginning of the illness or prior to the end of his or her vacation leave, whichever is sooner, to request that his or her illness on vacation be charged to sick leave.
 - c. PVCSD shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.
 - d. Upon the employee's return to work, the employee must furnish PVCSD with a certificate signed by a physician or other medical provider stating the nature of the medical condition and the period of disablement.

Sick leave may also be taken by an employee for the purpose of attending to an ill or injured member of the employee's immediate family as permitted by law, including the "Kin Care" requirements set forth in California Labor Code section 233. Employees should notify their supervisor to the extent feasible in order to avoid disruptions in work schedule as a result of use of Kin Care time. Family members eligible for this coverage is defined in the California Labor Code and might include parents, children, and spouses.

In any use of sick leave, an employee's account shall be charged to the nearest quarter hour for a non-exempt employee, while exempt employees will be charged only for full-day absences. At no point will an employee be allowed to have a negative balance.

An employee may be required to furnish a certificate issued by a licensed health care provider or other satisfactory evidence of illness, injury, medical condition or medical or dental office calls when PVCSD has notified the employee in advance of such a requirement or when the employee has been under the care of a physician.

C. Use of Sick Leave During Training Sessions and Other Off-Site Events

Training sessions, conferences, and other required PVCSD events that an employee attends for more than six (6) hours in a given workday shall be treated as a full eight (8)-hour day. However, if an employee is unable to attend all or a portion of the training or event due to illness or other incapacity, the employee must report to the General Manager the number of hours the employee missed due to illness so that the appropriate amount of time is deducted from the employee's sick leave.

30. BEREAVEMENT

In the event of a death in the immediate family, an employee may be granted a paid leave of absence not to exceed three (3) business days. If and only in the event of bereavement-related travel, limited to outside of the State of California or exceeding 1,000 miles, whichever is greater, may the employee submit a request to the District General Manager for a two (2)-day extension of bereavement. This is in addition to regular sick leave and vacation time. Certification and documentation may be required by the PVCSD Manager. For purposes of this policy and defining an applicable bereavement based event: an employee's immediate family is defined to include spouse, parents, children, brother, sister, grandparents, father-in-law, mother-in-law, sister-in-law, brother-in-law, domestic partner, or any other person who is a legal dependent of the employee.

31. PREGNANCY-RELATED DISABILITY LEAVE

A. Eligibility

PVCSD recognizes that employees may be unable to work for temporary but extended periods of time due to pregnancy, childbirth, or related medical conditions. Accordingly, for any employee who is disabled by pregnancy, childbirth, or related medical conditions, PVCSD provides leave for the period of actual disability ("Pregnancy Disability Leave"), up to a maximum of four (4) months. Pregnancy Disability Leave may be taken intermittently, or on a reduced-hours schedule, as medically advisable. An employee may also be entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions.

In accordance with applicable law and this policy, female employees may be eligible for a leave of absence and/or transfer based on pregnancy, regardless of length of service with PVCSD.

B. Pregnancy-Related Disability Leave

1. A woman is "disabled by pregnancy" if, in the opinion of her health care provider, she is unable to work at all or is unable to perform one or more of the essential functions of her job or to perform these without undue risk to herself, to the successful completion of her pregnancy, or to other persons.
2. Pregnancy disability leave is for any period(s) of actual disability caused by pregnancy, childbirth, or related medical conditions. Where medically advisable, pregnancy disability leave may be taken for a reasonable period of time, up to four (4) months per pregnancy (88 workdays for a full-time employee).

C. Leave Due to Normal Childbirth

An employee shall be entitled to the minimum leave entitlements required by applicable law.

D. Leave/Transfer and Other Reasonable Accommodation Requests

1. Whenever possible, an employee should submit a written request for Pregnancy Disability leave to the General Manager as soon as she is aware of the need for such leave. If the leave is foreseeable, the employee must provide 30 calendar days' advance notice to the General Manager of the need for Pregnancy Disability Leave. If it is not practicable to give 30 calendar days' advance notice of the need for such leave, the employee must notify the General Manager as soon as practicable after she learns of the need for such leave. If an employee fails to provide the requisite 30 days' advance notice for a foreseeable need for leave, without any reasonable excuse for the delay, PVCSD reserves the right to delay the taking of the leave until at least 30 days after the date that the employee does provide such notice.
2. PVCSD shall respond to the leave or transfer request as soon as practicable and, in any event, no later than 10 calendar days after receiving the request. PVCSD shall attempt to respond to the leave request before the date the leave is due to begin. Once given, approval shall be deemed retroactive to the date of the first day of the leave.
3. Reasonable accommodation other than leave or transfer will be granted upon request. Such requests must be supported by a written certification from the employee's health care provider.

E. Intermittent Leave

Pregnancy disability leave need not be taken in one continuous block. It may be taken on an as-needed basis, intermittently or on a reduced work schedule.

1. If it is medically advisable and foreseeable that an employee will be taking intermittent leave or leave on a reduced work schedule, PVCSD may require that the employee transfer temporarily to an available alternative position.
2. An "alternative position" is one that provides pay and benefits equivalent to those of the employee's regular position and better accommodates recurring periods of leave than the employee's regular job. It does not have to have equivalent duties. However, the employee must be qualified for the position.
3. Transfer to an alternative position may include altering an existing job to better accommodate the employee's need for intermittent leave or a reduced work schedule.

F. Temporary Transfers

1. An employee may request a temporary transfer to a position with less strenuous or less hazardous duties where the employee's health care provider certifies that such a transfer is medically advisable.
2. Temporary transfers will be granted where appropriate and when PVCSD is able to reasonably accommodate the transfer, provided that the transfer would not require PVCSD to:
 - a. Create additional employment;
 - b. Discharge another employee;
 - c. Violate a collective bargaining agreement;
 - d. Transfer a more senior employee in order to make room for the employee's transfer; or

- e. Promote or transfer the employee or any other employee to a position for which he/she is not qualified.

G. Certifications

1. As a condition of taking a pregnancy disability leave or transfer, the employee must provide medical certification from her health care provider that she is disabled due to pregnancy, childbirth or related medical conditions and/or that a transfer to an alternative position is medically advisable.
2. The medical certification should include:
 - a. The date on which the employee becomes disabled due to pregnancy or the date of the medical advisability for the transfer;
 - b. The probable duration of the period(s) of disability or the period(s) for the advisability of the transfer; and
 - c. A statement that, due to the disability, the employee is unable to work at all or to perform any one or more of the essential functions of her position without undue risk to herself, to the successful completion of her pregnancy, or to other persons or a statement that, due to pregnancy, the transfer is medically advisable.

H. Recertification

Recertification may be required where additional time is requested.

I. Fitness for Duty

The employee must provide certification from her health care provider of her fitness for duty prior to being reinstated.

J. Pay During Leave

1. Pregnancy disability leave is unpaid leave. However, the employee may request or PVCSD may require that the employee use accrued sick leave to provide pay during the period of leave.
2. An employee may also elect, at her option, to use accrued vacation or other accrued paid time off, if any, to provide pay during pregnancy disability leave.
3. The employee may also be eligible to receive temporary disability insurance payments during her pregnancy disability leave, and to coordinate the use of any accrued sick leave and/or vacation to supplement temporary disability insurance payments.

K. Reinstatement

1. The employee is entitled to be reinstated to the same or a comparable position upon release to return to work by her health care provider.
 - a. Where a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated by the date agreed upon, provided that the employee has provided medical certification of her fitness for duty.
 - b. If the actual reinstatement date differs from the original agreement, the employee will be reinstated within two (2) business days, where feasible, after the employee notifies PVCSD of her readiness to return and provides medical certification of her fitness for duty.

- c. Failure to return to work on the next workday following the expiration of pregnancy disability leave may be grounds for termination of employment.
- 2. The employee is not, however, entitled to any greater right of reinstatement than she would have had if she had not taken leave. Thus, reinstatement to the “same position” may be denied if:
 - a. For legitimate business reasons, unrelated to the employee having taken a pregnancy disability leave or transfer, the employee would not otherwise have been employed in her same position at the time reinstatement is requested; or
 - b. Each means of preserving the job or duties for the employee (such as leaving it unfilled or filling it with a temporary employee) would substantially undermine PVCSD’s ability to operate safely and efficiently.
- 3. Also, the employee has no greater right to reinstatement to a “comparable position” or to other benefits and conditions of employment than an employee who has been continuously employed. Thus, reinstatement to a comparable position may be denied if:
 - a. There is no comparable position open on the employee’s scheduled date of reinstatement or within 10 business days thereafter; or
 - b. a comparable position is available, but filling the available position with the returning employee would substantially undermine PVCSD’s ability to operate safely and efficiently.

L. Seniority and Benefits

- 1. In general, employees taking pregnancy disability leave will be treated the same as other similarly situated employees taking disability leave.
- 2. The employee returning from a pregnancy disability leave shall return with no less seniority than she had when the leave commenced for purposes of layoff, recall, promotion, job assignment, and seniority related benefits such as vacation.
- 3. The employee shall retain employee status during the period of leave, and the leave shall not constitute a break in service for purposes of longevity and/or seniority.

M. Group Health Insurance

PVCSD will continue to pay its share of the premium for the employee’s health insurance that PVCSD would have paid but for the employee’s pregnancy disability leave. The employee will be responsible for paying for his or her share of the premium as well as his or her same share of dependent coverage, and such payment will be due at the same time as if it had been made by payroll deduction. Such PVCSD payment will continue for a maximum of four (4) months in any 12-month period, beginning on the date the pregnancy disability leave commences. If the employee is not eligible for continued paid coverage or if coverage ceases, the employee may continue group health insurance coverage pursuant to Cal-COBRA guidelines.

32. CALIFORNIA FAMILY RIGHTS ACT

The California Family Rights Act (CFRA) authorizes eligible employees to take up a total of 12 weeks of paid or unpaid job-protected leave during a 12-month period. While on leave, employees keep the same employer-paid health benefits they had while working. Eligible employees can take the leave for those reasons specified under the California Family Rights Act (2 CCR § 11087).

Employees must notify PVCSD as soon as they are aware of the need for such leave. For foreseeable leave, the employee must provide 30 calendar days' advance notice. For events not foreseeable 30 days in advance, the employee must give notice as soon as is practicable, and generally must comply with PVCSD's normal call-in or notice procedures. All requests for CFRA Leave should include enough information to make PVCSD aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. If an employee fails to provide the requisite 30-day advance notice for foreseeable events without a reasonable excuse for the delay, PVCSD reserves the right to delay the start of the leave until at least 30 days after the date on which the employee does provide such notice. Once aware the employee needs leave, PVCSD will inform the employee as to whether the employee is eligible under CFRA for such leave. PVCSD may request documentation evidencing the need for such leave as permitted by law.

Eligible employees who take CFRA Leave should note that they are guaranteed employment in the same or a comparable position upon termination of such leave, subject to any exceptions provided by law.

If PVCSD employs both parents who are entitled to CFRA Leave, both employees are entitled to 12 weeks of leave each.

PVCSD will not discriminate against an employee for exercising CFRA rights or giving information or testimony as to the employee's or another person's CFRA Leave; nor will PVCSD interfere with or limit the exercise or attempted exercise of such rights.

33. MILITARY LEAVE OF ABSENCE

PVCSD will grant employees a military leave of absence to the extent required by applicable federal and state law.

34. MILITARY SPOUSE LEAVE

Qualified California employees will be given up to 10 days leave during that time in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide PVCSD with a written request for such leave within two (2) business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to PVCSD certifying that the military member will be on military leave from deployment.

35. JURY DUTY LEAVE

An employee summoned for jury duty will immediately notify the PVCSD Office Manager. PVCSD will provide employees time off to serve, as required by law, on a jury or grand jury if the employee provides reasonable advance notice. PVCSD will also provide employees with time off to appear in court or other judicial proceedings as a witness to comply with a valid subpoena or other court order.

While serving on a jury, employees will be given a paid leave of absence for the entire duration of their jury service. Said paid leave of absence is conditional upon the employee returning to work upon dismissal each day to complete his/her remaining normal workday. It is also conditional upon the employee's conveyance to PVCSD of any compensation received as a juror, not including any travel allowance.

36. VOTING LEAVE

PVCSD encourages all employees to perform their civic duty by participating in elections. In circumstances where an employee's work schedule does not provide sufficient time off to vote on an election day, PVCSD will provide employees with a reasonable amount of time off to vote during scheduled work time, up to two (2) hours of paid time off. Employees who require time off to vote must notify their supervisor at least two (2) days prior to each election day and must submit proof of voting. PVCSD reserves the right to specify a time period in which employees are permitted to leave work in order to vote. With approval of the General Manager, employees may use vacation pay to cover any work missed in excess of the two (2) hours paid by the District.

37. DISCRETIONARY LEAVE

PVCSD authorizes unpaid discretionary leave for medical or other reasons constituting good cause away from assignment. An unpaid discretionary leave must be approved by the General Manager. No unpaid discretionary leave shall be granted unless the employee requests the leave in writing and includes the reason for the request. Approval by the appropriate authority shall be in writing. No unpaid discretionary leave pursuant to this section shall be requested or authorized for the purpose of imposing disciplinary action upon any employee.

There is no entitlement to be reinstated in the exact position the employee occupied prior to the leave, PVCSD is allowed to place the employee back in a substantially similar position. Additionally, if the position is subjected to layoff during the employee's absence, he or she is not insulated from layoff because of being on leave. This section is designed to grant special requests for unpaid discretionary leave which are not specifically addressed in other sections of these policies. An employee on an unpaid discretionary leave shall not receive compensation or accrue sick leave, vacation, or holiday credits. After 30 consecutive business days on an unpaid discretionary leave, employer contributions to retirement, life insurance, medical, dental, or other designated benefit plans shall be suspended until the employee is reinstated. However, upon approval of unpaid discretionary leave, the employee may elect to continue his or her benefits coverage at his or her own expense, with the exception of retirement benefits which may not be so continued. Any employee requesting unpaid discretionary leave shall utilize all of his or her accrued compensatory time-off, administrative leave, and vacation time prior to the start of the unpaid discretionary leave.

If an employee takes an unpaid discretionary leave while on probation, his or her probationary period shall be extended the same length of time as the leave without pay. Such extension of probationary periods which arise as a result of this policy shall not be perceived as casting aspersions on any employee, but rather as a way to more accurately monitor employee performance.

Upon expiration of an approved unpaid discretionary leave, PVCSD shall endeavor to return the employee to the same or equivalent position he or she occupied at the time leave was granted. Unauthorized failure on the part of an employee to report to work upon expiration of the unpaid discretionary leave shall constitute job abandonment and will result in dismissal, unless the failure to report was due to an employee's continued leave as a disability accommodation under the Americans with Disabilities Act or Fair Employment And Housing Act. Where a disability is at issue, PVCSD will engage the employee with an interactive process meeting to determine whether a reasonable accommodation could bring the employee back to work or whether additional discretionary leave is a reasonable accommodation.

38. LEAVE RELATED TO DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR STALKING

PVCSD will provide time off to an employee who has been the victim of domestic violence, sexual assault or stalking to seek any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in safety planning programs. PVCSD requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must, within 15 days of the absence, provide PVCSD with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

Employees eligible for paid sick leave benefits under California law may take any such available paid time off, consistent with such law, for the purposes set forth in this policy. For more information, please see the Sick Leave policy. In the event paid sick leave benefits are not available, employees taking leave under this policy may elect to apply accrued and unused vacation to such time.

PVCSD prohibits discrimination, discharge, or retaliation against an employee for taking time off or requesting an accommodation under this policy, or based on the employee's status as a victim of domestic violence, sexual assault, and/or stalking.

39. CRIME VICTIMS' LEAVE

PVCSD will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. PVCSD requires that where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide PVCSD with a copy of the notice within a reasonable time.

No employee who is absent from work pursuant to this provision will be discharged or otherwise discriminated against in compensation or other terms, conditions or privileges of employment, because of such absence. Such leave is unpaid. Employees taking leave under this policy may elect to apply vacation time to such leave.

40. LEAVE FOR ORGAN AND BONE MARROW DONATION

PVCSD will grant an employee the following leaves of absence:

- Bone Marrow Donation: A paid leave of absence of up to five (5) business days in any one-year period for the purpose of donating the employee's bone marrow to another person.
- Organ Donation:
 - A paid leave of absence of up to 30 business days in any one-year period for the purpose of the employee donating the employee's organ to another person.
 - An additional unpaid leave of absence, not exceeding 30 business days in a one-year period, for the purpose of the employee donating the employee's organ to another person.

For leaves of absence under this policy that are paid, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five (5) days of such paid sick or vacation time for a bone marrow donation and up to two (2) weeks of sick or vacation time for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to PVCSD's District's General Manager that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, annual leave, or seniority. During any leave taken under this policy, PVCSD will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one or more periods. Leave taken under this policy will not run concurrently with any leave taken pursuant to the federal Family and Medical Leave Act or the California Family Rights Act.

Upon expiration of a leave of absence authorized by this policy, PVCSD will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status,

employee benefits, pay, and other terms and conditions of employment. PVCSD may decline to restore an employee because of reasons unrelated to the employee's exercise of rights under this policy.

41. EXPECTATIONS FOR PVCSD PERSONNEL

Employees are expected to be at their workplace and ready for work at the established starting time and are expected to perform their work assignments.

Employees shall not gather on PVCSD property nor conduct personal business during work hours. Protective equipment that is required or provided by the PVCSD must be properly utilized and maintained by employees as directed.

Employees must report all injuries or accidents to their supervisor at once.

Employees are required to promptly notify the General Manager of any changes in personal status, such as name, address, telephone, marital status, etc. within five (5) business days of the change.

An employee shall not cause defective work nor interfere with the work of others.

An employee must be physically capable of performing work assignments.

Employees must perform all assigned duties and fulfill their responsibilities to PVCSD. Productivity and workmanship must be up to PVCSD standards.

An employee must be available for work as scheduled or requested.

Employees shall be responsible for all PVCSD property that has been placed in their custody.

Employees shall not neglect their job, duties or responsibilities, nor refuse any work assigned to them.

42. FUNDAMENTAL RULES OF SAFETY

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition or act and any defective or damaged equipment they observe to the supervisor immediately.

Employees are required to be familiar with relevant work procedures and safe work practices and know where the first aid medical kit is located as well as fire extinguishers. Employees are required to report all personal injuries, regardless of how serious, to the supervisor or General Manager and get immediate first aid. Failure to report accidents can result in a violation of legal requirements and can lead to difficulties in processing insurance and benefit claims.

If an employee is injured on the job, he or she will be entitled to benefits under applicable state workers' compensation law. PVCSD carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled. Willful misconduct (e.g., horseplay, skylarking, initiating workplace physical aggression, etc.) will negate an employee's workers' compensation benefits.

43. WORKPLACE VIOLENCE POLICY

The District recognizes that workplace violence is a concern among employers and employees across the country. The District is committed to providing a safe, violence-free workplace. In this regard, the District strictly prohibits employees, consultants, customers, visitors, or anyone else on District premises or engaging in a District-related activity from behaving in a violent or threatening manner. Moreover, the District seeks to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the absence of violent behavior. In an effort to prevent as well as investigate potential workplace violence, the

District may utilize security cameras on District vehicles, property or security personnel to monitor workplace locations.

The District believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures within the General Manager for responding to any situation that presents the possibility of violence.

Workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the worksite, ranging from threats and verbal abuse to physical assaults and even homicide, that can affect and involve employees, clients, customers and visitors. If any employee observes or becomes aware of any of any workplace violence related actions or behavior by an employee, customer, consultant, visitor, or anyone else, he or she should notify the Office Manager or General Manager immediately. Further, employees should notify the Office Manager or General Manager if any restraining order is in effect, or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the District will inform the reporting individual of the results of the investigation. To the extent possible, the District will maintain the confidentiality of the reporting employee and of the investigation. The District may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The District will not tolerate retaliation against any employee who reports workplace violence.

If the District determines that workplace violence in violation of this policy has occurred, the District will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, the District will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

Under certain circumstances, the District may forego disciplinary action on the condition that the employee takes a medical leave of absence. In addition, the District may request that the employee participate in counseling, either voluntarily or as a condition of continued employment.

44. UNIFORM AND PROTECTIVE CLOTHING

PVCSD provides uniforms for all its permanent security patrol, gate and utility employees. Employees are responsible for maintenance and repairs of uniforms. All employees are expected to wear their appropriate uniforms while on duty.

Should personnel leave employment within their first one hundred and eighty days (180) days of employment, the employee will be responsible for the cost of the uniforms. Pursuant to applicable law, the amount deducted from the employee's final paycheck for the cost of the uniforms will be limited to an amount that will not cause the employee to be paid at a rate less than minimum wage.

New Employee Uniform Issuance Policy

Utility Employees

- Provided up to six (6) District-approved short-sleeve or long-sleeve work shirts upon hire.
- Provided up to one hundred dollars (\$100) towards a qualifying purchase for the required steel toe (or safety equivalent) work boots upon hire.
- Provided up to one hundred dollars (\$100) towards a qualifying purchase for the required denim blue or black work pants upon hire.

Security Patrol

- Provided up to one hundred dollars (\$100) towards a qualifying purchase for the required black tactical boots upon hire.
- Provided up to two (2) full sets of uniforms upon hire.

Security Gate Attendants

- Provided up to two (2) uniform short-sleeve or long-sleeve shirts upon hire.
- Provided one (1) sweater, one (1) jacket, and one (1) name badge upon hire.

District Employee Uniform Reimbursement Policy

All reimbursements for any uniforms or protective clothing must be compliant with uniform standards as deemed necessary by PVCSD management and include any applicable logos or design consistent with PVCSD standards as deemed necessary by management. The employee seeking uniform reimbursement must first obtain prior authorization by the applicable Supervisor or Manager as to the source of uniform or equipment purchase. All reimbursements require receipts for proof of purchase prior to the disbursement of reimbursement. All PVCSD employees seeking uniform reimbursement must be aware of the following timelines and allowances applicable to their position:

Utility Employees

- Up to one hundred dollars (\$100), once per year of employment following the hire date, for the required steel toe (or safety equivalent) boots.
- Up to one hundred dollars (\$100), once per year of employment following the hire date, for the cost of replacing denim work pants.
- At the discretion of District management, up to four (4) new replacement shirts (long sleeve or short sleeve).
- Additional uniforms or equipment in exceedance of any of the above may be provided solely at the discretion of the District General Manager for job function related damages that occur within the District's boundaries during the execution of an employee's duties.

Security Patrol

- Up to one hundred dollars (\$100), once per two years of employment following the hire date, for the cost of black tactical boots.
- Up to one hundred dollars (\$100), once per year of employment following the hire date, for the cost of replacing uniform pants, uniform shirts, or any uniform security cap.
- Additional uniforms or equipment in exceedance of the above may be provided solely at the discretion of the District General Manager for job function related damages that occur within the District's boundaries during the execution of an employee's duties.

Security Gate Attendants

- Up to fifty dollars (\$50), once per year of employment following the hire date, for the cost of replacing any uniform short-sleeve or long-sleeve shirt, or any qualifying purchase towards black shoes or black pants consistent with the uniform standards as deemed necessary by PVCSD management and as otherwise described in Appendix B of this Employee Handbook.
- Additional uniforms or equipment in exceedance of the above may be provided solely at the discretion of the District General Manager for job function related damages that occur within the District's boundaries during the execution of an employee's duties.

45. DRESS CODE

Administrative employees are required to dress business casual with the exception of Friday's. Administrative employees enjoy casual dress on Fridays.

Security personnel expectations are located on Appendix B.

Utility Employees are required to wear blue or black denim work pants, long or short sleeve District issued and approved shirts, steel toe safety boots and all other applicable Personal Protective Equipment relevant to job task or function.

46. DRUG AND ALCOHOL POLICY

It is PVCSD's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. Substance abuse can affect job performance, employee and public safety and the public's perception of the District and its operations. This policy shall apply to all employees of the District. Additional rules and procedures may be applicable to safety-sensitive positions.

PLEASE NOTE: Despite Proposition 64's legalization of marijuana under California law, the District still considers it a prohibited drug for purposes of this policy as it remains illegal under Federal law. Being under the influence of marijuana, at any level of intoxication, is prohibited. No level of cannabinoids in an employee's system is acceptable. Use, possession, purchase, sale, or distribution of marijuana are grounds for discipline, mostly likely termination. Employee use of marijuana is not excused even when used as "medical marijuana."

While on PVCSD's premises and while conducting business-related activities off PVCSD's premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. The reasonable use of alcohol may be allowed during work-related meetings and conferences conducted outside of working hours if alcohol is being served at such function.

A. Reasonable Suspicion Testing

The District may require a blood test, urinalysis, or other drug and/or alcohol test of employees reasonably suspected of using or being under the influence of a drug or alcohol when on duty or on District property. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility conducting the test. An employee's consent to submit to such a test is required as a condition of the employee's continued employment, and the employee's refusal to consent will be considered insubordination and may result in disciplinary action, up to and including termination of employment, for even a first refusal or any subsequent refusal.

Only the General Manager, Office Manager, Supervisors or other designated individuals who have specific training with respect to recognizing potential substance abuse will have the authority to request a drug or alcohol test based on reasonable suspicion. Employees must report any perceived violation of this policy to the General Manager for further assessment. The General Manager, Office Manager, Division Supervisors or other designated individuals (as applicable) requesting an employee to submit to a drug or alcohol test based on a reasonable suspicion must document in writing the facts constituting reasonable suspicion that the employee in question is using or under the influence of drugs or alcohol.

Employees reasonably believed to be under the influence of drugs or alcohol shall not be permitted to engage in further work. In addition, such employees shall not depart from their assigned workplace without supervision. If it is reasonably suspected that an employee is under the influence of illegal drugs or alcohol, or if it is suspected the employee is being impaired from the use of a legal drug, the District shall arrange for transportation from the assigned workplace to a testing center and/or the employee's residence, as is deemed appropriate.

Any employee who has drugs or alcohol in his or her system that exceed the standards established by the Department of Transportation at the time a drug and alcohol test is performed based upon a reasonable suspicion shall be subject to disciplinary action, up to and including termination.

B. Department of Transportation and Other Federally Mandated Testing

The District will institute and comply with any drug and alcohol testing program mandated by state and federal law, including the Drug-free Workplace Act and the U.S. Department of Transportation's testing requirements. These mandates may require employees to undergo additional testing covered by the District's DOT Drug and Alcohol Testing Policy.

C. Random Drug and Alcohol Testing of Employees in Safety Sensitive Positions

For those employees in safety sensitive positions, the District may require a blood test, urinalysis, or other drug and/or alcohol test on a random basis. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility conducting the test. Excluded from the random testing under this policy will be those employees who are subject to the DOT testing regulations. The random testing under this policy will be implemented using an independent third-party administrator who will follow a random selection pattern and testing procedures similar to those used under the DOT testing regulations. For more information on those positions that qualify as safety sensitive, please see Appendix D.

D. Drug Testing in the Event of an Accident

Employees will be required to undergo alcohol and drug testing if they are involved in an accident with District equipment that results in damage or injury occur, so long as there is reasonable suspicion of possession or intoxication. This includes all employees who are on duty operating the equipment and any others whose performance could have contributed to the accident. This is in order to ensure the safety and health of all District employees.

Following an accident where an employee is to be tested, the employee will be tested as soon as practicable (generally within two (2) hours but not to exceed eight (8) hours). Any employee who leaves the scene of the accident without appropriate authorization prior to submission to a drug and alcohol test will be considered to have refused the test and may be subject to termination of employment.

E. Procedures Used in All Testing

1. Prior to any testing, an applicant or employee will be required to sign a consent and release form allowing the District to conduct or order the testing and receive the test results. The signing of a consent and release form is a condition of employment. An employee's refusal to sign a consent and release may be considered insubordination and will subject the employee to disciplinary action, up to and including termination of employment. An applicant's refusal to sign a consent and release form will result in withdrawal of an offer of employment.
2. The drug or alcohol testing will be conducted in such a manner as to reasonably provide the applicant or employee privacy.
3. The test results will be kept on a need-to-know basis by the District. However, the District reserves the right to submit the test results as evidence in any legal or administrative action, including an action challenging disciplinary action taken by the District against the employee in question. A copy of the test results will be provided to the employee in question upon request.
4. A portion of the biological sample taken in the drug or alcohol test will be provided to the employee or applicant, upon request, so that he or she may have the sample independently analyzed at his or her own expense.

5. Biological samples taken in the drug or alcohol test will not be used for anything other than an analysis for drug or alcohol content.
6. The District shall use specimen collection sites and laboratories certified for drug and alcohol testing by the U. S. Department of Health and Human Services.
7. Testing of current employees will be conducted when the employee is in an on-duty status.
8. If an employee is tested for substance abuse and the test results are positive for drugs and/or alcohol, or if an employee admits to using drugs or alcohol that has affected their job performance, it is left to the General Manager's discretion as to whether the employee shall be immediately terminated from their employment, or if they will be offered the opportunity to participate in a rehabilitation program which may be covered under the District's medical insurance coverage. If the employee is allowed to remain in the employment of the District and they elect to participate in a rehabilitation program, reinstatement to their position will be permitted only if the program was completed and they receive affirmation of their successful completion from the program provider. Before returning to work the employee must submit the results of a new drug and alcohol test which shows an absence of substances for which the test was originally given or any other substance which would be considered illegal, and which would cause impairment. This test will be performed at the same testing facility used by the District or approved in advance by the District. Further, if an employee elects to participate in a rehabilitation program, they may be eligible to use their leave time, or request a leave of absence in order to enter into the program for a period of time to be determined prior to admittance into the program, not to exceed 30 days.

Unless otherwise required by law, an employee will not be guaranteed reinstatement to the position they held at the time they were tested positively for drugs; following the successful completion of a rehabilitation program, reinstatement and the terms and conditions under which reinstatement will occur will be determined on a case-by-case basis, with the final determination made by the District General Manager. The terms and conditions for continued employment or reinstatement shall be contained in a written agreement and at minimum will require the employee to be subject to two (2) random drug and alcohol tests annually for two (2) years from the date of return to work.

Violations of this policy, including an employee's refusal to submit for testing in accordance with this policy, may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with questions or concerns about substance dependency or abuse are encouraged to use the resources of the Employee Assistance Program. They may also wish to discuss these matters with the General Manager to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through PVCSD's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance, abides by all PVCSD's policies, rules, and prohibitions relating to conduct in the workplace, and if granting the leave will not cause PVCSD undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify PVCSD of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five (5) days of the conviction.

Appendix A

**LIST OF VIOLATIONS OF DISTRICT RULES AND REGULATIONS LIKELY TO LEAD TO
DISCIPLINE - UP TO AND INCLUDING TERMINATION**

VIOLATIONS OF DISTRICT RULES AND REGULATIONS
Theft
Reporting for shift under the influence of alcohol or illegal drugs, including prescription drugs without a valid prescription, or using the above while on duty.
Falsifying official documents, logs, records, reports, etc.
Sleeping while on duty.
Utilizing District property for personal business.
Leaving early without supervisor authorization.
Refusal or failure to perform work assigned, or to comply with supervisor's instructions.
Possession of any alcoholic beverage on District property.
Possession of illegal drugs, including legal prescriptions drugs without a valid prescription.
Carelessness in the performance of duty.
Excessive tardiness or absenteeism.
Failure to notify supervisor when unable to report for work.
Use or possession of any un-authorized weapon.
Dishonesty
Neglect of duty
Incompetence or inefficiency
Misuse of District property
Discourteous treatment of the public or fellow employees

* This is not an exhaustive list of potential violations of PVCSD rules and regulations.

Appendix B

**Pauma Valley Community Services District
District Policy for Security Personnel Uniforms and Equipment**

Security Personnel Required Uniforms: Each Security Employee (Patrol Officer, Gate Attendant, Gate Attendant Supervisor and Security Division Supervisor) shall have the following while on duty.

- Clean District Issued Uniform
- Polished Badge
 - Applicable to Patrol Officers Only
- Name Tag
- Clean Black Pants **AND** Black Shoes

Patrol Officer Required Equipment:

- Duty Belt
- Chemical Spray
- Handcuffs/keys
- Flashlight

This policy is effective immediately. Failure to comply with District Policy will result in disciplinary action.

Equipment is Subject to inspection at the request of the General Manager, Security Supervisor or Gate Attendant Supervisor at any time while the Security employee is on duty.

First Offence: Verbal Warning.

Second Offence: Written Warning/Reprimand.

Third Offence: Supervisory Review/Subject to Termination.

Employee: (print name) _____ Signature: _____
Security Supervisor: _____
General Manager: _____

Appendix C

Pauma Valley Community Services District Employee Benefits Summary

HEALTH INSURANCE

The District currently offers a choice of HMO Gold Plans through California Choice Administrators. The District pays 80% of the premium for health insurance for employees and their dependents. Employees can choose plans annually during the open enrollment period in December or anytime there are major life changing events (i.e. marriage, birth, death). Employees become eligible for this optional benefit the first day of the month following 60 days of employment.

HEALTH REIMBURSEMENT ACCOUNT

Full time employees will receive an annual Health Reimbursement Account based on their family status. The approved annual amount will commence on January 1 of each year and expire December 31 of each year. The amount is available to all full-time employees after the successful completion of their one hundred and eighty (180) probational period, regardless if health insurance benefits have been elected through the District or not. An employee may use their HRA retroactively to cover qualifying expenses accrued during their probational period. This amount can be used to offset the employee contribution paid each pay period, and/ or receipts for medical services to be reimbursed can be submitted with the completed Request for Reimbursement Form. New hires will receive a prorated amount based on the number of remaining months in the year.

- \$1,250 is provided to an individual.
- \$1,750 is provided to an employee who is married or in a legal partnership.
- \$2,250 is provided to an employee who is married or in a legal partnership with one or more children, or a single parent with one or more children.

LIFE INSURANCE

Group Term Life Insurance is provided by Principal Life Insurance Company with a benefit amount of \$50,000 at no cost to the employee. Employees become eligible for this benefit the first day of the month following 90 days of employment for the duration of their employment. Effective 7/1/2022 all new employees must complete the Principal Life Insurance Company Evidence of Insurability Health Questionnaire (EOI). If determined to be ineligible by Principal Life Insurance Company based on the EOI, the Group Term Life Insurance benefit coverage will be \$25,000 at no cost to the employee.

PENSION PLAN

The District contracts with the California Public Employees Retirement System (CalPERS):

- 3% @ 60 benefit formula for Classic Members – eligible existing members only
- 2% @ 62 benefit formula for PEPRA members – any employee hired after 1/1/2013

SOCIAL SECURITY

The District participates in the Social Security System. The current employee contribution rate is 6.2%.

DEFERRED COMPENSATION

The district offers an IRS Section 457 Deferred Compensation Plan with CalPERS. The CalPERS 457 is on an individual voluntary basis. Employees are eligible to begin making contributions at any point in their employment and may adjust contribution amounts at any time.

HOLIDAYS

The District observes the following paid holidays. Any employee that works any portion of a shift on the following days shall be paid Double Time for the entire shift worked.

New Year's Day - January 1
Martin Luther King Jr. Day – third Monday in January
Presidents Day - third Monday in February
Memorial Day - Last Monday in May
Independence Day - July 4
Labor Day - First Monday in September
Veterans' Day – November 11
Thanksgiving Day - fourth Thursday in November
Black Friday Day – fourth Friday in November
Christmas Day - December 25
One Floating Holiday - to be selected by employee per calendar year

For Administrative Staff and Utility Staff only: If a holiday falls on a Saturday, the preceding Friday will be observed. If any holiday falls on a Sunday, the following Monday will be observed.

VACATIONS

Regular full-time employees accrue vacation hours from date of hire. The annual accumulation is based on completed years of service. Vacation may be taken at any time provided the employee has completed the Vacation Request and submitted to their supervisor for approval or denial.

From hire date, but less than 5 years of continuous employment: 3.08 hours per pay period (80 hours per year)

More than 5 years, but less than 15 years of continuous employment: 4.62 hours per pay period (120 hours per year)

More than 15 years of continuous employment: 6.16 hours per pay period (160 hours per year)

Employees are permitted to take all or a portion of their vacation each year and to accumulate vacation time up to a maximum of 160 hours. Accumulated hours above 160 will be automatically paid out with payroll. Employees may choose to sell back any unused portion of their vacation accrual. Any employee that has vacation accrual at the time of separation from the District will be paid the balance of the vacation accrual on their final paycheck.

SICK LEAVE

The District offers sick leave accrual of 78 hours per calendar year. Unused sick leave is accumulated from year to year up to a maximum of 160 hours. This may be used to cover an employee's time off due to illness, injury, attending medical and/ or dental appointments and to care for an immediate family member with any of the aforementioned issues.

WORKERS COMPENSATION

The district is insured with The Zenith for work related injuries. Medical Provider Notices are posted in the District Office for review by any employee.

STATE DISABILITY PROGRAM

Disability Insurance is administered by State of California (SDI) to help protect against wage loss because of a non-occupational illness or injury in which all accrued sick time has been exhausted. More information is available on the EDD website.

UNEMPLOYMENT INSURANCE

Unemployment insurance is payable to employees who have met all of the eligibility requirements of the law. No cost to employee. Please visit the EDD website for more information.

USE OF PERSONAL PHONE

In some cases employees are required to use their personal phone while conducting District business. If this is deemed necessary for your position by the General Manager, a cell phone reimbursement is available in the amount of \$40 per month. If the employee chooses not to use their personal phone a District phone will be issued.

ELECTRIC VEHICLE CHARGING

Employees are permitted to use the electric vehicle charging stations located at the District Office with prior approval from PVCSD management.

ADMINISTRATIVE EMPLOYEES ALSO RECEIVE

SCHEDULE: Administrative Employees work five (5) 8-hour shifts per week during the office hours of 8:00 am to 4:00 pm, unless modified by management.

UTILITY EMPLOYEES ALSO RECEIVE

SAFETY BOOTS: Utility employees are reimbursed up to a maximum of \$100.00 per calendar year for steel toe safety boots and insoles. Proof of purchase required.

UNIFORMS: It is the District's policy that utility employees shall wear complete uniforms during regular working hours and while on duty. Employees are encouraged to appear neat in appearance, especially when dealing with the public. All utility employees are supplied with tee shirts. Uniform pants and shirts will be reimbursed by the District up to \$150 per calendar year per utility employee with proof of purchase.

STAND-BY PAY: Utility Employees assigned stand-by duty shall receive a daily rate of \$10 for weekdays; \$50 for weekends; \$50 for District observed holidays.

SCHEDULE: Utility Employees work a 9/80 schedule as follows 7:00 am to 4:00 pm four (4) days a week and have every other Friday off; working Fridays have a schedule of 7:00 am to 3:00 pm, unless modified by management.

GATE EMPLOYEES ALSO RECEIVE

UNIFORMS: It is the District's policy that gate employees shall wear complete uniforms during regular working hours and while on duty. Employees are encouraged to appear neat in appearance, especially when dealing with the public. All gate employees are supplied with shirts, name tag, sweater, jacket and a beanie and/or hat. Uniform articles will be reimbursed by the District up to \$50 per calendar year per gate employee with proof of purchase.

SHIFT DIFFERENTIAL PAY: Due to the round the clock nature of this Division the following differentials will be paid on top of the regular pay rate:

- Shift A – 12 midnight to 8 am - \$4.50/ per shift
- Shift B – 8 am to 4 pm - \$0 / per shift
- Shift C – 4 pm to 12 midnight - \$3.50 / per shift

SCHEDULE: Gate Employees work five (5) 8-hour shifts per week, unless modified by management.

SECURITY EMPLOYEES ALSO RECEIVE

UNIFORMS: It is the District's policy that security employees shall wear complete uniforms during regular working hours and while on duty. Employees are encouraged to appear neat in appearance, especially when dealing with the public. All security employees are supplied with blouses, matching pants, a badge, all weather jacket and a beanie. Uniform boots will be reimbursed by the District up to \$100 per every two (2) calendar years per security employee with proof of purchase. Uniform articles needing to be replaced will be reimbursed up to one hundred dollars (\$100), once per calendar year.

SHIFT DIFFERENTIAL PAY: Due to the round the clock nature of this Division the following differentials will be paid on top of the regular pay rate:

- Shift A – 12 midnight to 8 am - \$4.50/ per shift
- Shift B – 8 am to 4 pm - \$0 / per shift
- Shift C – 4 pm to 12 midnight - \$3.50 / per shift

SCHEDULE: Security Employees work four (4) 10-hour shifts per week, unless modified by management.

Appendix D

**Pauma Valley Community Services District
Safety Sensitive Positions**

General Manager
Security Supervisor
Security Patrol Officers
Utility Division Supervisor
Utility Worker I
Utility Worker II

Acknowledgement of Receipt of EMPLOYEE HANDBOOK

Employee Name: _____

I acknowledge that I have received a copy of the Employee Handbook, issued by **Pauma Valley Community Services District** (the District or PVCSD) on _____, 20___. I have promptly read and fully understand its contents. I agree to observe and abide by the conditions of employment, policies, and rules contained in this Handbook. I understand that this Handbook refers to current benefit plans maintained by the District and that I must refer to the actual plan documents and summary plan descriptions as these documents are controlling.

I understand and agree that my relationship with the District is “at-will,” which means that my employment is for no definite period and may be terminated by me or by the District at any time and for any reason with or without cause or advance notice.

I understand that the District retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the District. I understand and agree that nothing in the Handbook creates or is intended to create a promise or representation of continued employment and that employment at the District. I understand and agree that the terms of my at-will employment may not be modified or superseded except by a written agreement signed by me and the General Manager of the District, and as authorized by the District’s Board of Directors, that no other employee or representative of the District has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by me and the General Manager of the District.

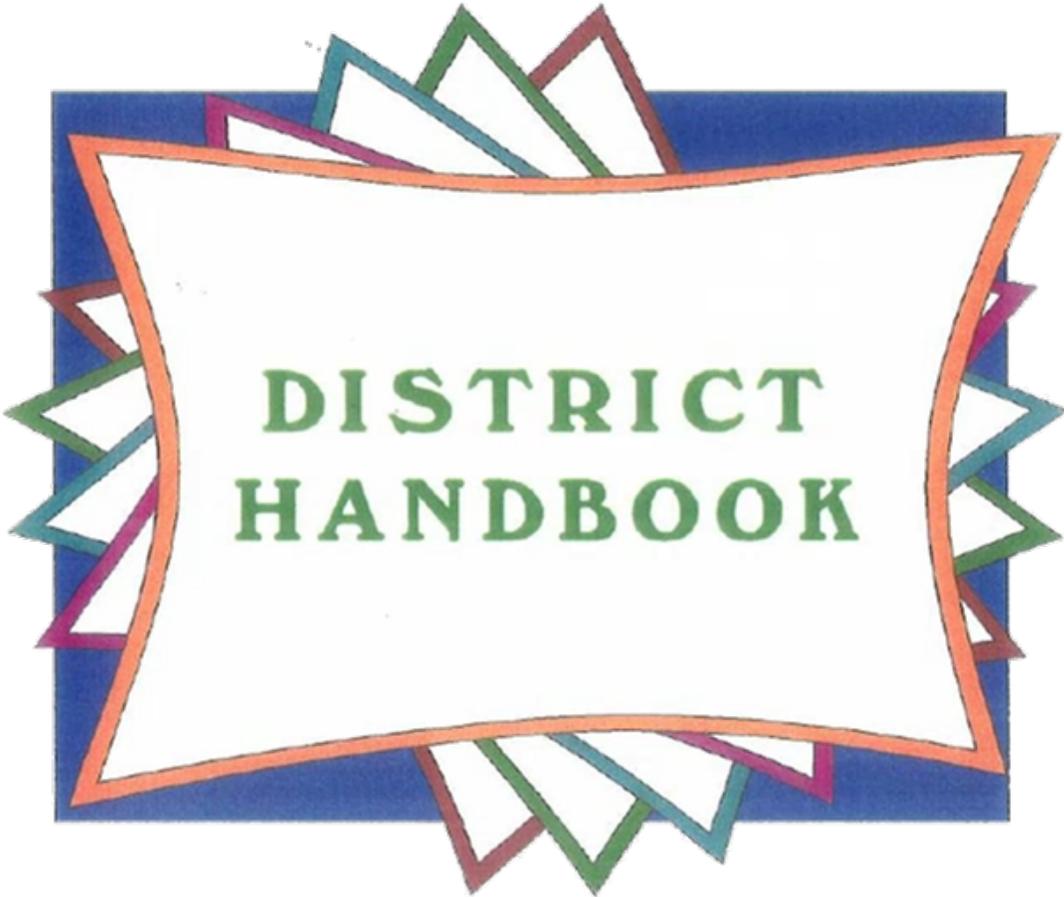
I also acknowledge receipt of the District’s Harassment, Discrimination and Retaliation policy set forth in this Handbook, and I certify that I have read it, understand it, and agree to comply with its terms and conditions.

My signature below certifies that I understand that the foregoing agreement is between the District and me concerning my employment and the circumstances under which my employment may be terminated. I also understand that if I violate the rules, policies, and procedures set forth herein, that I may be subject to discipline, up to and including termination of my employment. This Handbook supersedes all prior agreements, understandings, and representations concerning my employment. I understand that if I have questions regarding the Handbook, I can discuss those with my supervisor or General Manager.

Signature _____ Date _____

Print Name _____

**PAUMA VALLEY
COMMUNITY SERVICES DISTRICT**



Revised April 2024

INTRODUCTION

For employees who are commencing employment with the Pauma Valley Community Services District (“PVCSD” or the “District”), let me extend a warm and sincere welcome. For employees who have been with us, thank you for your past and continued service.

This Employee Handbook (“Handbook”) is designed to help employees get acquainted with the organization. It describes some basic terms and conditions of employment with the District.

Employees are expected to read this Handbook carefully and to know and understand its contents. PVCSD reserves the right to make changes to this Handbook. Employees are responsible for knowing about and understanding those changes once they have been disseminated. PVCSD also reserves the right to interpret the provisions of this Handbook. For this reason, employees should check with the General Manager to obtain information regarding specific employment guidelines, practices, policies or procedures.

Employees should not interpret anything in this Handbook as creating a contract or guarantee of continued employment. In addition, this Handbook is not intended to cover all possible situations that may arise in your employment relationship with the District.

This Handbook is the property of the District and it is intended for the personal use and reference by employees of PVCSD.

Every employee is responsible for completing the following within two (2) weeks of receiving this Handbook: reading and signing the Handbook Acknowledgment Form and returning it to the General Manager. This Acknowledgment Form contains important points for employees and provides the District with a record that each employee has received this Handbook.

This Handbook supersedes all prior handbooks.

HANDBOOK DISCLAIMER

We have attempted to be as comprehensive as possible in preparing this Handbook. However, this Handbook is not a contract of employment and is not intended to create any contractual or other legal obligations or to alter the at-will nature of employment. Instead, it merely establishes guidelines for employees concerning some of PVCSD’s policies and benefits. Should you need further information, or if you would like to discuss any policies in the Handbook, please feel free to speak to the District’s General Manager.

This Handbook is not intended to provide in detail or be all inclusive of all Administrative Policies and Procedures, nor does it supersede or alter in any way PVCSD Ordinances, PVCSD Resolutions, State, or Federal laws. PVCSD reserves the right to delete, amend, or add handbook provisions at any time, without notice.

Nothing in this Handbook or in other statements of PVCSD policies, including statements made in the course of an employee performance review and/or wage review, shall be deemed to constitute either an express or implied promise of continuing employment. Employment with PVCSD is at-will and can be terminated by PVCSD or the employee at any time with or without cause or notice. This is the entire agreement between PVCSD and its employees regarding the term of employment. It supersedes all prior written and oral statements regarding the subjects covered in this Handbook and it cannot be modified except by a written agreement signed by the General Manager of PVCSD with approval of the District Board.

POLICY CHANGES

It is inevitable that new policies and benefits will need to be written from time to time and that old policies (including benefits) will need to be revised. While we reserve the right to modify or rescind any policies, practices, or benefits described in this Handbook, except for the employment at-will policy, at any time without prior notice, we will strive to timely advise you of any changes affecting your employment.

Revised/Approved April 2024

Revised July 2020

Revised July 2019

Revised April 2019

Revised July 2017

Revised April 2016

Revised December 2015

Revised July 2014

Revised August 2012

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1. AT-WILL EMPLOYMENT

All employment with PVCSD is “at will.” This means that both employees and PVCSD have the right to terminate employment at any time, with or without notice, and with or without cause. The at-will relationship can only be modified by a written agreement signed by the employee and PVCSD General Manager and approved by the Board of Directors.

PVCSD reserves the right to transfer, demote, suspend and administer discipline to employees with or without cause or advance notice.

None of the policies, procedures, contents of this manual, or any other documents provided to employees are intended to be, nor should it be, construed as a guarantee that employment (or any benefit) will be continued for a specific period of time. Employees should ask PVCSD’s General Manager if they have any questions about their status as an employee at-will.

2. PROBATIONARY PERIOD

PVCSD attempts to hire the most qualified employees for each position. To ensure this, PVCSD provides for an introductory period of employment for the employee to assess PVCSD and the job content, and for PVCSD to evaluate the new employee on his or her job performance. All new employees must complete, to PVCSD’s satisfaction, a 180-day (six (6) months) introductory period beginning after the date of initial appointment. Consistent with the PVCSD’s Employment At-Will policy, during the introductory period, an employee may be discharged by PVCSD for any reason, at any time, and without advance notice. Similarly, the employee may resign employment for any reason, at any time, and without advance notice during this period.

At PVCSD’s discretion, an employee’s introductory period may be extended one or more times. On successful completion of the introductory period, an employee will become a regular employee. Successful completion of the introductory period does not, however, guarantee employment for a specific duration.

Satisfactory completion of the probationary period does not alter the at-will nature of the employment relationship. PVCSD does not guarantee employment for the entire probationary period and at its discretion, PVCSD may shorten or extend the probationary period.

3. EQUAL EMPLOYMENT OPPORTUNITY

PVCSD is an Equal Employment Opportunity employer, and it is the policy of PVCSD to be in compliance with all state and federal regulations relative to discrimination in employment and PVCSD follows the practice of promoting Equal Employment Opportunity.

PVCSD is strongly committed to providing equal opportunity to all employees and applicants for employment. PVCSD does not discriminate on the basis of any status or characteristic protected under federal or state law, such as race (including but not limited to, hair texture and protective hairstyles such as braids, locks, and twists), color, religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship status, sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity and gender expression (including transgender identity and expression), because an individual has transitioned (to live as the gender with which they identify), sexual orientation, sex stereotyping, age (40 years and older), medical condition, marital status, domestic partner status, pregnancy, physical or mental disability (including HIV and AIDS), military status, veteran status; legally protected medical condition or information (including genetic information), protected medical leaves (requested or approved), status as a victim (of domestic violence, sexual assault or stalking), enrollment in a public assistance program, on the basis of any perception that an applicant or employee has any of these characteristics; or, on the basis that an applicant or employee is associated with someone who has or is perceived to have these characteristics.

PVCSD prohibits the discrimination or harassment of any individual on any basis listed above (see the Policy Against Harassment for further clarification). Any such discrimination is unlawful and all persons involved

in the operations of the PVCSD are prohibited from engaging in this type of conduct. Please contact PVCSD's General Manager if you have any questions or concerns.

PVCSD's commitment to comply with all applicable laws providing equal employment opportunities applies to all persons involved in the District's operations and prohibits unlawful discrimination by any employee of the District, including supervisors and coworkers. This policy applies to all employment practices, including recruitment, advertising, job application procedures, hiring, firing, advancement, compensation, training, benefits, transfers, social and recreational programs, and any other terms, conditions and privileges of employment.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of PVCSD's General Manager. To ensure our workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including discharge. All employees must cooperate with all investigations conducted pursuant to this policy.

PVCSD utilizes the same complaint procedures for complaints of discrimination as it does for complaints of harassment. Please see the Reporting and Complaint Procedure. California law and PVCSD also prohibit retaliation against any employee for making a good faith complaint of discrimination or for cooperating, assisting, testifying, or participating in any of the discrimination complaint procedures in the separate Policy Against Harassment.

4. POLICY ON REASONABLE ACCOMMODATION

PVCSD is committed to providing equal opportunity for all applicants and employees, and will provide reasonable accommodations, including as required under applicable laws, in accordance with this policy.

Reasonable Accommodations Related to Disability and Religion: PVCSD will provide reasonable accommodations for applicants and employees with disabilities in accordance with the Americans with Disabilities Act (the "ADA") and California law, and for applicants and employees based on their sincerely-held religious beliefs, practices, or observance under state and federal law. Employees seeking such accommodations should promptly notify PVCSD's General Manager.

Reasonable Accommodations Relating to Pregnancy: PVCSD will provide reasonable accommodations to employees who are affected by a pregnancy, childbirth, or related medical conditions, as medically advisable.

Employees seeking a pregnancy-related accommodation, including transfer under this policy, should notify PVCSD's General Manager. This notice must be timely and be provided by employees in advance when the need for reasonable accommodation is foreseeable; in all other circumstances, notice must be provided as soon as practicable. Failure to give advance notice when the need is foreseeable may delay the reasonable accommodation or transfer until 30 days after the date the employee provides notice (unless such delay would endanger the health of the employee, her pregnancy or her coworkers).

Reasonable Accommodations for Victims of Domestic Violence, Stalking, or Sexual Assault: PVCSD will also provide reasonable accommodations for an employee who is the victim of domestic violence, stalking or sexual assault if: (i) the employee has disclosed that status to PVCSD, and (ii) the employee requests an accommodation for the employee's safety while at work.

In such circumstances, PVCSD will engage, in good faith, in a timely and interactive process with the employee to determine an effective reasonable accommodation. In this process, the employee may be asked to provide: (i) a written statement, signed by the employee or someone acting on the employee's behalf, certifying that the accommodation is for the purposes stated above, and (ii) a certification confirming the employee's status as a victim of domestic violence, sexual assault or stalking. Six (6) months after the date of each previous certification, PVCSD may request a recertification of such status. PVCSD will maintain any such certification as confidential if it identifies the employee as a victim of domestic violence, sexual

assault or stalking, disclosing such information only as required by law, or as needed to protect the employee's workplace safety, and with prior notice of such disclosure to the employee.

Retaliation and Discrimination Prohibited: PVCSD prohibits discrimination, discharge, retaliation, or any other unlawful acts against an individual because such person requests or receives an accommodation under this (or another applicable) policy, or because such individual engaged in any other conduct protected by the law. Additionally, as addressed in PVCSD's separate policy on harassment, discrimination and retaliation, PVCSD prohibits unlawful harassment, discrimination or retaliation against any employee on the basis of an individual's disability, religion, religious creed, sex (including pregnancy, childbirth and related medical conditions), status as a victim of domestic violence, sexual assault or stalking, or any other status as protected by law.

5. LACTATION ACCOMMODATION POLICY

PVCSD provides accommodations to lactating employees who need to express breastmilk during work hours in accordance with applicable law. A lactation accommodation request may be made verbally or in writing, should indicate the need for an accommodation in order to express breastmilk at work, and should be directed to PVCSD's General Manager. PVCSD shall respond to such requests in a reasonable manner, not exceeding five (5) business days. PVCSD will provide a room or other location (not a bathroom) for employees to express breastmilk in private. PVCSD will ensure that the lactation room or location will:

- Be in close proximity to the employee's work area, shielded from view, and free from intrusion while the employee is expressing milk;
- Be clean, safe and free of hazardous materials;
- Contain a surface to place a breast pump and other personal items;
- Contain a place to sit; and
- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery powered breast pump.

In addition, PVCSD will provide access to a sink with running water and a refrigerator suitable for storing milk (or other cooling device suitable for storing milk) in close proximity to an employee's workspace. In the event that more than one employee needs use of the lactation room, PVCSD will discuss alternative options with the employees to determine what arrangement addresses their needs, such as finding an alternative space.

PVCSD shall also provide a reasonable amount of break time for an employee to express any breast milk each time that she needs to do so. The break time, if possible, should run concurrently with any break time already provided to the employee. Break time for a nonexempt employee that does not run concurrently with rest time already authorized for the employee is unpaid. However, if the employee performs any work during such break, she must accurately record all time worked and PVCSD will compensate her for such time.

If PVCSD cannot provide break time, location, or other reasonable accommodations in accordance with this policy, it will inform the requesting employee in writing. Because lactation accommodation needs may change over time, employees may request changes to existing accommodations by a written request to PVCSD's District's General Manager that describes the nature of the change that is requested.

PVCSD prohibits any form of retaliation or discrimination against an employee for exercising or attempting to exercise any rights provided under the above policies. Any such conduct or violations of the above-referenced policies should be reported to PVCSD's General Manager. Employees also have the right to file a complaint with the California Labor Commissioner for violation of a lactation accommodation right described in the policy above.

6. OPEN DOOR POLICY

The District has a specific procedure detailed in the separate Policy Against Harassment, Discrimination and Retaliation that should be used to report any concerns or complaints related to possible sexual harassment,

or other forms of harassment, discrimination, or retaliation based on a protected category. Separately, the District has an Employee Concerns Policy that encourages employees to participate in decisions affecting them and their daily professional responsibilities. Employees who have job-related concerns or complaints are encouraged to discuss them with their supervisor or any other management representative with whom they feel comfortable. The District believes that employee concerns are best addressed through this type of informal and open communication.

Employees are encouraged to raise work-related concerns with their immediate supervisor, or with a supervisor or other management representative of their choice, or with the General Manager, as soon as possible after the event(s) that cause the concern. The District will also attempt to keep all such expressions of concern, the results of any investigation, and the terms of the resolution confidential. In the course of investigating and resolving the matter, however, some dissemination of information to others may be necessary or appropriate. No employee will be disciplined or otherwise penalized for raising a good-faith concern.

7. PROCEDURE FOR REPORTING EMPLOYEE COMPLAINTS

The purpose of this Procedure for Reporting Employee Complaints is to establish a process for all employees of the District to use to notify the District of their work-related concerns, and to give the District the opportunity to learn about, address, and resolve the complaint. This policy is intended to supplement the Open Door Policy set forth in this Handbook, which states the District's philosophy that all employees have free access to their immediate supervisors or to other District supervisors of their choice or the General Manager to informally express their work-related concerns. As noted in the Open Door Policy, the District has a specific procedure detailed in its Policy Against Harassment, Discrimination, and Retaliation that should be used to report concerns or complaints related to possible sexual harassment, or other forms of harassment, discrimination, or retaliation based on a protected category.

Importantly, when the nature of the concern pertains to an actual or suspected violation of the law District policy, or an ethical violation, all employees, directors, and officers of the District are required to file a complaint using the procedure below. This includes reporting any activity that is considered by the person making the complaint to be illegal or dishonest. Any questions regarding whether a concern is subject to this mandatory reporting policy should be resolved in favor of filing the complaint. This procedure includes:

1. **Filing of Complaint:** Individuals should file written complaints with the District's General Manager as soon as possible after the events that give rise to the work-related concerns. The written complaint should set forth in detail the bases for the complaint including but not limited to alleged violations of policy or law.
2. **Investigation:** The District's General Manager will date and log all written complaints and send the employee an acknowledgment that the complaint is under review. The District's General Manager, or his/her/its designee will investigate the complaint, meeting separately with the employee and with others who either are named in the complaint or who may have knowledge of the facts set forth in the complaint. The District will attempt to treat all internal complaints and their investigation as confidential, recognizing, however, that in the course of investigating and resolving internal complaints some dissemination of information to others may be necessary or appropriate.
3. On completion of the investigation, the complainant and the employee being complained about will receive an oral or written report of the District's finding(s) which are listed below. Except where required by law, the details of the investigation and the basis of the investigation's findings will not be provided to the complainant.
4. Each allegation in a complaint shall have one of the following findings:
 - a. **UNFOUNDED:** The alleged act did not occur.
 - b. **EXONERATED:** The alleged act occurred but was justified, legal and proper.
 - c. **NOT SUSTAINED:** The investigation produced insufficient information to prove or disprove the allegation.
 - d. **SUSTAINED:** The District member committed all or part of the alleged act(s) of misconduct or poor service.

- e. **MISCONDUCT NOTED:** The District member violated a section of the Districts Ordinances, Policies, Rules, or Procedures not originally in the complaint.
 - f. If the complaint is resolved to the complainants satisfaction, the terms of the resolution should be recorded and signed by both the employee and a representative of the General Manager.
5. Appeal: If the complaint is not resolved to the complainants' satisfaction, the complainant may submit a written request for review of the complaint to the District General Manager, or District Board President. Decisions resulting from appeal reviews will be final.

The District will not tolerate retaliation against individuals for reporting a good faith concern under this policy; participating in or cooperating in any internal investigations of reported concerns; or otherwise engaging in conduct protected by law. Prohibited retaliation can be adverse employment actions, like termination, compensation decreases, or poor work assignments, or even threats of physical harm. Such retaliation is a separate violation of District policy. It also may violate applicable law. Anyone who believes that he or she has been retaliated against for reporting a good faith concern, for participating in or cooperating in an internal investigation of a concern, or for exercising his or her rights, or otherwise engaging in conduct protected by law, should immediately notify the District using the same Procedure described above. The General Manager or any District Board member has the discretion to utilize the complaint procedure to evaluate complaints initiated by members of the public.

8. DISCIPLINARY ACTION

Consistent with the at-will nature of employment, PVCSD reserves the right to use discretion in deciding when and how discipline is imposed. No formal system, procedure or proof of cause is required. Attached as "Appendix A" is a non-exhaustive list of examples of PVCSD rules and regulation violations for which employees will be disciplined, up to and including termination. The following measures are part of the disciplinary process: warning, reprimand, suspension with or without pay, dismissal, demotion, or reduction in pay. The General Manager may discipline any employee for cause.

9. POLICY AGAINST HARASSMENT, DISCRIMINATION AND RETALIATION

The District is committed to providing a professional workplace in which individuals are treated with respect and in a manner consistent with the District's high expectations of ethical conduct. This necessarily means that the District prohibits unlawful harassment, discrimination, and retaliation in accordance with applicable laws. This includes harassment based on sex (which includes harassment based on sex, pregnancy, perceived pregnancy, childbirth, breastfeeding, and related medical conditions), as well as harassment, discrimination, and retaliation based on such factors as race (including hair texture, protective hairstyles, and other traits historically associated with race), color, religion and religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship, age (40 years and older), mental disability and physical disability (including HIV and AIDS), legally-protected medical condition or information (including genetic information), protected medical leaves (requesting or approved for leave under the Family and Medical Leave Act or the California Family Rights Act), military and/or veteran status, service, or obligation, reserve status, national guard status, marital status, domestic partner status, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned or is (or is perceived to be) transitioning, sex stereotyping, sexual orientation, status as a victim of domestic violence, sexual assault or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the National Labor Relations Act or California Fair Pay Act, requesting a reasonable accommodation on a protected basis such as disability or sincerely-held religious belief, practice, or observance, or any other characteristic protected by federal, state, or local laws.

The District strongly disapproves of and will not tolerate harassment, discrimination, or retaliation against applicants, employees, unpaid interns, or volunteers by managers, supervisors, co-workers or third parties with whom employees come into contact, consistent with applicable law. Similarly, the District will not tolerate harassment, discrimination, or retaliation by its employees directed toward non-employees with

whom the District employees have a business, service, or professional relationship (such as independent contractors, vendors, clients, volunteers, or interns).

Harassment is generally defined as verbal, physical, or visual conduct that creates an intimidating, offensive, or hostile working environment, or that interferes with an employee's work performance, and that is based on a protected status. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

As the definition above shows, harassing conduct can take many forms and may include, but is not limited to, the following (when based upon an employee's protected status as noted above): slurs, jokes, statements, gestures, assault, impeding or blocking another's movement or otherwise physically interfering with normal work, pictures, drawings, or cartoons, violating someone's "personal space," foul or obscene language, leering, stalking, staring, noises, unwanted or offensive letters or poems, offensive emails, texts, gifs, memes, or voicemail messages.

Sexually harassing conduct in particular may include all of these prohibited actions, as well as other unwelcome conduct, such as requests for sexual favors, conversation containing sexual comments, and other unwelcome sexual advances. For example, sexual harassment can be:

- Verbal: sexual innuendoes, sexually suggestive or degrading comments, text messages, gifs, memes, sexual jokes or slurs, graphic commentaries about a person's body, or repeated sexual advances or invitations.
- Nonverbal: displaying sexually suggestive objects, pictures, cartoons, magazines, calendars or posters, or making suggestive or insulting sounds, leering, whistling, or obscene gestures.
- Physical: offensive touching, brushing against a person's body, unwanted hugging or kissing, or impeding or blocking a person's normal movement. Sexually harassing conduct may arise if a reasonable person subjected to the conduct would find that the harassment so altered working conditions as to make it more difficult to do that person's job. Sexually harassing conduct can occur regardless of the sex, sexual orientation, or gender identity of the harasser or of the person being harassed. Sexually harassing conduct need not be motivated by sexual desire to be violative of this policy.

10. REPORTING AND INVESTIGATING HARASSING, DISCRIMINATORY AND RETALIATORY CONDUCT

All employees, independent contractors, interns, and volunteers of the District must promptly report any incidents of harassment, discrimination, and retaliation so that the District can take appropriate action. It is the responsibility of all of us to contribute to a work environment that is free of unlawful bias, discrimination, harassment, and retaliation. Failure to bring forth a complaint prevents the District from having the opportunity to correct the situation.

Any incidents of discrimination, harassment, or retaliation, including work-related harassment by any District personnel or any other person, or any conduct believed to violate this policy, must be reported immediately to the District's General Manager, who is responsible for investigating harassment complaints. An individual is not required to bring a complaint to the General Manager if the individual is uncomfortable doing so for any reason. In that case, complaints may be reported to the District Board President or any other District Board member.

Managers and supervisors have a special responsibility under this policy. All levels of management and all supervisors are responsible for compliance with this Policy Against Harassment, Discrimination, and Retaliation AND for ensuring that everyone in their Division is aware of, understands and adheres to this policy. Supervisors and managers who receive complaints or who observe or learn of discriminatory, harassing, or retaliatory conduct must immediately inform the General Manager or other appropriate District official so that an investigation may be initiated.

Individuals making such complaints must report the facts as accurately and as completely as possible. Every reported complaint of harassment, discrimination, and retaliation is taken seriously by the District. Every reported complaint, including allegations of misconduct, will be investigated thoroughly and promptly by impartial and qualified personnel. Typically, the investigation will include the following steps: an interview of the employee who lodged the complaint to obtain complete details regarding the alleged harassment, discrimination, or retaliation; interviews of anyone who is alleged to have engaged in such conduct to respond to the claims; and interview of any employees who may have witnessed, or who may have knowledge of, the alleged conduct. The Office Manager or other District official responsible for the investigation, will notify the employee who lodged the complaint of progress during the investigation, including documentation where applicable, and timely notification of the results of the investigation. The investigation will be handled in as confidential a manner as possible consistent with a fair, timely, and thorough investigation (e.g., parties will receive appropriate due process, the District will reach reasonable conclusions based on the evidence collected, etc.). Employees (or other complainants) making complaints are expected to cooperate fully with the person or persons designated to investigate the complaint.

The District prohibits conduct severe enough to be unlawful. Yet even more, the District’s workplace conduct standards also prohibit conduct and comments which are not severe enough to violate state or local or federal law—but which are still inappropriate in the workplace. For example, the District prohibits abusive conduct in the workplace—whether or not it is based on a protected category. As a result, the District will take prompt, appropriate, and effective corrective action (e.g., remedial measures) any time it is established that discrimination, harassment, or retaliation in violation of this policy has occurred—whether or not such violation also violates the law.

Corrective action may include, for example: training, referral to counseling, or disciplinary action ranging from a verbal or written warning to termination of employment, depending on the circumstances.

The District will not tolerate retaliation against an individual for good faith reports of harassment, discrimination, or retaliation; assisting another in making a report; cooperating in an investigation; filing an administrative complaint with a government agency; or engaging in other protected activity. Such retaliation is a separate violation of the law and of District policy and is subject to disciplinary action up to employment termination. Individuals who believe they have experienced or been threatened with such retaliation, and any manager or supervisor who learns of possible retaliation, must immediately report it using the same Complaint Reporting Process above.

11. RESPECTFUL CONDUCT

The District is committed to providing a professional and respectful work environment. In addition to prohibiting all forms of discrimination and harassment, the District also prohibits any “intimidation or bullying” in the workplace or at any work-related events.

Bullying is abusive conduct that a reasonable person would be hostile, offensive, and unrelated to the District’s legitimate business interests. It may include repeated infliction of verbal abuse, derogatory remarks, insults, epithets, verbal, or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the gratuitous sabotage or undermining of a person’s work performance.

Disciplinary action, up to and including termination, may be taken against any employee found to have violated this policy, amongst other appropriate actions.

Any individual who believes that they have been the subject of bullying should immediately report concerns to their direct supervisor or the General Manager, if needed. No employee will be subject to any form of retaliation for reporting an incident of bullying or for participating in the investigatory process, if needed.

12. VEHICLE USAGE

The District provides vehicles for employees to use while on “duty status”. These vehicles are to be used by District employees only, and for the sole purpose of District business. Further, District vehicles and District employees must remain inside PVCSD boundaries during all duty status hours with the exception of utilizing for necessary District business. PVCSD vehicles are not to be used for any form of after-hours activities, unless authorized by the General Manager in writing. The District’s gasoline tank is to ONLY be used to fill PVCSD’s vehicles. No gasoline shall be dispensed for employee’s personal use. The General Manager may in his or her discretion provide up to one (1) gallon of gas or a reasonable equivalent of electric vehicle charging to assist stranded motorists within the District.

District employees and Board members may, in the course of District business, drive District vehicles equipped with global positioning system (GPS) technology. GPS technology provides the District with business-related purposes such as vehicle, fuel use, diagnostic data, speed, location, routing, idling, and utilization information. Additionally, GPS technology greatly enhances District job performance, personnel safety, and distribution of District resources.

The District may participate in the California Department of Motor Vehicles (DMV) Employer Pull Notice (EPN) Program. Employees whose job description requires the possession of a valid California driver’s license must maintain their driver’s license with no limitations for operating District vehicles. Such employees are required to report any restrictions or validity of their DMV license status to the Office Manager and/or General Manager within twenty-four (24) hours or by the next business day upon notification by the DMV, law enforcement agency, or court.

Any violation of the aforementioned regulations will subject the employee to disciplinary action, up to and including termination. When an employee is authorized to use his/her personal vehicle in the performance of District work, he/she shall be reimbursed for the cost of said use on the basis of total miles driven and at the rate specified in the Internal Revenue Service Guidelines in effect at the time of said usage.

13. PROFESSIONAL CERTIFICATION

All applicants applying for vacant positions requiring certification must present evidence of certification prior to employment. District policy requires copies of certificates required to meet standards. The cost of renewal of certifications will be paid for by PVCSD as long as employment continues.

14. WAGES AND PAY DAY

It is the goal of PVCSD that employees shall be paid fair and equitable wages which compare to prevailing rates of surrounding districts in the area using like skills. Wage rates are determined on the basis of job evaluation and wage surveys conducted for all job classifications. Employee compensation and benefits will be evaluated by the Board of Directors annually to determine whether any changes will be made. The Board of Directors may, in its discretion, review one or more employees’ compensation and/or benefits to determine whether to make changes at other times.

Based on applicants’ knowledge, skills, certifications and abilities for the job position, the General Manager may assign base pay for newly hired employees at any range within the published salary schedule for the position the applicant was hired for.

All District supervisors or managers will conduct an annual performance review for each employee under their charge. The evaluation will be based on work performance, job skills, job duties, and District goals. Upon completion of the evaluation the supervisor or manager will review the evaluation with the employee. The performance evaluation will be signed by the employee and supervisor. The General Manager will review to approve the evaluation, sign the evaluation, and file the forms in the employee’s personnel file. Employees with below average, average, or above average work performance scores will be eligible for an annual merit increase of up to 5% within the published salary schedule.

The General Manager at his or her discretion may increase an employee's base pay an additional 5%-10% for interim job assignments of a higher paying job classification. The General Manager may increase employee salary outside of their earned merit increases up to 10% of their current salary upon justification and approval of the majority of the District Board.

Cost of Living (COLA's) adjustments to employees' base salary or annual bonus pay may be approved by the District Board with consideration of economic indicators, the job market comparable and the financial conditions of the District.

Employees will be paid in full once every two (2) calendar weeks on Wednesday. The pay period will be the previous two (2) weeks. The workweek is defined as beginning Sunday, 00:01 a.m., and ending Saturday, 12 midnight for employees who work a regular four- or five-day schedule during a calendar week.

15. ON-CALL DUTY

Every 24-hour period, Monday through Friday, one utility employee is required to be available for "on call" for an emergency situation before or after normal work hours unless otherwise approved by the District General Manager. Compensation for that status is paid at a rate of \$10 per day when scheduled in addition to any overtime logged for the work required. Any call out after defined work hours shall be for a minimum of 2 hours at the employee's overtime rate. Each Saturday and Sunday, one utility employee is required to be available for "on call" for an emergency situation, and: (1) be scheduled for overseeing PVCSD's operations unless otherwise approved by the District General Manager, (2) shall be provided the necessary equipment to access the automated SCADA system, and (3) determine if being on-site is required. Compensation for this weekend status is paid at a rate of \$50 per day in addition to any overtime logged for the work required. Compensation for the performance of on-call duty during a District recognized holiday is paid at a rate of \$50. Scheduling for 'On Call' duty is done by the Utility Division Supervisor or the District General Manager. Modification of this is subject to PVCSD review and may change at the discretion of the General Manager.

Due to the nature of shift work, Security Patrol Officers and Gate Attendants are compensated for working a shift other than the typical daytime hours. Those working the 'A' shift will receive an additional \$4.50 per day and those working the 'C' shift will receive an additional \$3.50 per day. Modification of this is subject to General Manager review and may change at its discretion.

16. FULL-TIME VS. PART-TIME EMPLOYMENT

Full-Time: A full-time employee is one who is regularly assigned to work 32 or more hours per week and shares weekend and holiday coverage as required by the job. Such employees are entitled to all full-time benefits of medical, vacation and sick leave. Full-time employees are eligible for annual performance reviews and wage reviews in accordance with District policy.

Part-Time: A part-time employee is one who is regularly scheduled to work less than 30 hours per week. This employee may share weekend and holiday coverage as required by the job. Part-time employees' eligibility for medical, vacation or sick leave benefits is determined individually at the discretion of the Board of Directors. Part-time employees working 1000 hours or more per fiscal year are required to participate in the PERS retirement program. CALPERS retired annuitants may be hired as part-time employees. Retired annuitants are subject to related State law employment limitations including being limited to 960 hours of work per fiscal year. The General Manager in his or her discretion may at any time authorize the hiring of a temporary, and/or part-time employee to facilitate the necessary operational and administrative business of the District.

17. DISTRICT PROPERTY AND CONFIDENTIAL INFORMATION

The security and usage of District property is of vital importance to the District. District property includes not only tangible property, like desks and computers, but also intangible property such as confidential information. It is critical for the District to preserve and protect its confidential information, as well as the

confidential information of customers, suppliers, and third parties. All employees are responsible for ensuring that proper security is maintained at all times. Further, any damage to District property may be grounds for discipline, up to and including termination.

“Confidential Information” means all information, not generally known, belonging to, or otherwise relating to the business of the District or its clients, customers, suppliers, vendors, affiliates or partners, regardless of the media or manner in which it is stored or conveyed, that the District has taken reasonable steps to protect from unauthorized use or disclosure. Confidential Information includes but is not limited to trade secrets as well as other proprietary knowledge, information, and know-how; non-public intellectual property rights, including business plans and strategies; manufacturing techniques; formulae; processes; designs; drawings; discoveries; improvements; ideas; conceptions; test data; compilations of data; and developments, whether or not patentable and whether or not copyrightable.

“Personal Identification Information” includes individually identifiable information about employees, customers, consultants, or other individuals, such as Social Security numbers, background information, credit card or banking information, health information, or other non-public information entrusted to the District regarding an individual’s personal identity. There are laws in the United States and other countries that protect certain types of Personal Identification Information, and employees should not disclose such protected Personal Identification Information that has been acquired and retained by the District about other individuals to any third party or from one country to another without prior managerial approval.

Given the nature of the District’s business, protecting Confidential Information and Personal Identification Information is of vital concern to the District. This information is one of the District’s most important assets. It enhances the District’s opportunities for future growth, and indirectly adds to the job security of all employees. Failure to take reasonable measures to protect the District’s Confidential Information may jeopardize its status as a trade secret. While employed by the District, employees must not use or disclose any Confidential Information or Personal Identification Information that they produce or obtain during employment with the District, except to the extent such use or disclosure is required in connection with performing their jobs. Employees may not use or disclose Confidential Information or Personal Identification Information for any reason after the employment relationship with the District ends. Misuse or unauthorized disclosure of Confidential Information or Personal Identification Information may result in immediate termination, as well as potential personal and criminal liability.

Nothing in this Guideline limits any rights an employee may have to discuss terms, wages, and working conditions of employment, or disclose information about sexual harassment or other unlawful acts in the workplace, as protected by applicable law. Employees are permitted to disclose Confidential Information that they are required to disclose pursuant to judicial order or other legal mandate. Should such a circumstance arise, the employee agrees to give the District prompt notice, prior to the deadline of the disclosure requirement, and to fully cooperate with any efforts by the District to obtain and comply with any protective order imposed on such disclosure.

Upon separation of employment, whether voluntary or involuntary, all tangible and intangible District property must be returned to the District immediately. This includes documents, materials, data files, and records of any kind, including any that contain Confidential Information or Personal Information, and any copies thereof. Also, the terminating employee must immediately notify the District if the employee has Confidential Information or Personal Information stored in the employee’s personal computer, or in a mobile, cloud, or other storage medium, and work with the District to identify all such Information and its location and help ensure it is retrieved and/or permanently deleted by the District (or the District’s designated agent).

18. DIVISIONAL TRANSFER

Any employee making a Division or job position transfer will be subject to a one hundred- and eighty-day (180) day probationary period in the new position. Any employee that does not successfully conclude a one hundred- and eighty-day (180) day probationary period in their new position will be subject to termination or a return to their previous position at the discretion of the District General Manager.

Any employee may be cross trained in the responsibilities of another job classification. Such employee shall be paid the rate appropriate to the job classification for the hours worked in that job classification once the employee formally assumes the new position and for the lowest rate of any qualified job classification for vacation pay, and the like.

19. HOURS OF WORK

A. Work Shift

In a two-week period, utility personnel work a 9/80 schedule as follows 7:00 A.M. to 4:00 P.M. four (4) days a week and have every other Friday off; working Fridays have a schedule of 7:00 A.M. to 3:00 P.M. and administrative personnel work from 8:00 A.M. to 4:00 P.M. five (5) days per week. Patrol Officers work ten (10) hour shifts, four (4) days per week whereas the Security Supervisor may work ten (10) hour shifts, four (4) days per week, or with the approval of the District General Manager may work twelve (12) hour shifts three (3) days per week, and four (4) hour shifts remotely per week; Security Gate Attendant Supervisor works nine (9) hours shifts, four (4) days per week; Gate Attendants work eight (8) hour shifts, five (5) days per week, which enables the District to have round-the-clock security dispatch. Shifts are identified as: 'A' begins at 12 midnight and ends at 8:00 a.m.; 'B' shift begins at 8:00 a.m. and ends at 4:00 p.m.; 'C' shift begins at 4:00 p.m. and ends at 12 midnight. Shift hours may vary as deemed necessary by the Security Division Supervisor and based upon the needs of the District. Although employees may, upon hiring, work particular hours, the District does reserve the right to reassign an employee to other shifts or other hours as need arises.

Employees are expected to be on time daily and remain on the job throughout the regularly scheduled workday. Nonexempt employees are required to accurately record and save all actual time worked on each day using PVCSD's official timekeeping system. Nonexempt employees are prohibited from working "off the clock," meaning working time that is not recorded for payroll purposes. Any nonexempt employee who believes that he or she is expected to or has been asked to work without recording his or her time "off the clock" must immediately contact PVCSD's General Manager.

B. Time-Keeping

Accurately recording time worked is the responsibility of every PVCSD employee. Federal and state laws require PVCSD to keep an accurate record of time worked by non-exempt employees in order to calculate employee pay and benefits. Time worked is all time actually spent on the job performing assigned duties.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

It is the employee's responsibility to sign their time records to certify the accuracy of time recorded. Each Division Supervisor will review the time records for their employees and then sign the time record before submitting it for payroll processing. The General Manager shall review all time records for accuracy once submitted to payroll.

C. Meal and Rest Periods

The regular hours of work each day for full-time nonexempt employees shall be consecutive except for interruptions for a meal period and two (2) paid fifteen (15) minute breaks (one mid-morning and one mid-afternoon). Part-time nonexempt employees shall be eligible for a compensated fifteen (15) minute break after the completion of four (4) hours of work and shall receive two paid fifteen (15) minute breaks if they work eight (8) hours in a day.

All meal periods will be “duty-free,” where the employee will not be required to perform any duties during his/her meal period. However, some employees, who, due to the nature of their work, are unable to be relieved of all duties during their meal period, may be required to take an on-duty meal period, which is counted as time worked and paid accordingly. All on-duty meal periods must be pre-approved by management.

20. OVERTIME

The around-the-clock nature of District work may make it necessary for employees to work required overtime. All overtime requires prior approval of the supervisor.

Overtime is defined as: time worked in excess of forty (40) hours in a work week; (please note that this is limited to only those employees on the eight-hour, five-day week/ or on a 10-hour, four-day week); or time worked on a designated holiday by a full-time employee. Part-time and temporary employees are not eligible for holiday pay. Overtime shall be paid as time and one-half (1 ½ times regular rate). PVCSD recognizes holidays are paid at 2.0 times the regular rate of pay for hours worked on a District observed holiday. Security and Gate personnel whose regularly scheduled day off falls on a holiday, will not receive holiday pay unless worked. PVCSD paid time off such as vacation or sick days are not considered hours worked for the purpose of calculating overtime.

21. EMPLOYEE ABSENCE FROM WORK

All employees are expected to be on time. Should an illness or emergency situation occur, and employee is unable to report to work at his or her regular time, the employee must notify their supervisor, if possible, at least two (2) hours before the start of the shift. The supervisor will advise the employee of the proper procedure to follow depending on the reason for and expected duration of the absence. All employees must contact the supervisor each day they are out unless otherwise instructed. Employees who fail to notify the supervisor in advance of absenteeism may be subject to disciplinary action or dismissal. Failure by an employee to return to work within 48 hours of the date he/she is scheduled to return to work from any type of approved leave or regularly scheduled time off, shall be considered job abandonment and an automatic resignation by the employee. The District will consider evidence of extenuating circumstances if it is submitted to the General Manager within 10 calendar days of the day the employee first failed to report to work. Any applicable leave of absence law governs in the event of a conflict with District policy.

22. HOLIDAYS

This policy shall apply to all regular, full-time, employees. Part-time and temporary/seasonal employees are not eligible for and do not receive holiday pay.

PVCSD recognizes the following paid holidays: New Year’s Day, Martin Luther King Jr. Day, President’s Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day and Thanksgiving Friday, and Christmas Day. An employee will be paid double time if they are required to work on a holiday. If a holiday falls on a weekend day, then the District will determine a preceding or succeeding day to be taken as the holiday. All employees will additionally receive one floating holiday per year. Utility staff and Administrative staff shall receive a paid shift for the observed holidays.

23. HEALTH BENEFITS

Under the terms of the policies established from time to time by the Board of Directors of the District, PVCSD provides medical insurance for full-time employees and their dependents. These benefits will commence on the 1st of the month following the end of an employee’s 60 calendar days of employment. All benefits cease at the end of the month upon termination of employment, whether voluntary or involuntary, except as may be required to comply with applicable law. Employees’ contribution for the cost of health care coverage for self and dependents shall be calculated and deducted based on 26 pay periods per year. The Board of Directors will review and establish the employees’ contribution rate annually at its discretion. A dependent of an employee must be under the age of 26. For more information, please review Appendix C describing the

District's benefits. Employees that elect not to participate in the Districts medical insurance program are eligible to receive \$100 a month, \$1200 annually in lieu of health insurance. Employees may elect to add this benefit into their Health Reimbursement Account (HRA) subject to HRA limitations.

24. HEALTH REIMBURSEMENT ACCOUNT BENEFITS

Full-time employees will receive an annual Health Reimbursement Account. The approved annual amount will commence January 1 of each year and expire December 31 of each year. The amount is available to all full-time employees regardless if health insurance benefits have been elected through PVCSD or not. This amount can be used to offset the employee contribution paid each pay period, and/ or receipts can be submitted for medical services to be reimbursed. New hires will receive a prorated amount based on the number of remaining months in the year. Newly-hired District employees are eligible to utilize the Health Reimbursement Account only after successful completion of their one hundred and eighty (180) day probational period. The Health Reimbursement account can be used retroactively for any qualifying expenses accumulated during that 180-day probational period. For employees who are subject to a probationary period exceeding 180 days, this benefit will remain "Active" at the 180-day mark regardless of the initial probationary interval. For more information, please review Appendix C describing the District's benefits.

25. LIFE INSURANCE BENEFITS

PVCSD provides a Group Term Life Insurance Policy to all full-time employees at a designated benefit amount to be paid in the event of death of an employee to the employee's designated beneficiary(ies). This benefit will commence on the 1st of the month following the end of an employee's ninety (90) days of employment. This benefit is offered by PVCSD at no charge to employees. For more information, please review Appendix C describing the District's benefits.

26. RETIREMENT BENEFITS

PVCSD provides, through the California Public Employees Retirement System (CalPERS), a retirement plan for eligible employees. Employees are required to pay the employee contribution towards this benefit, percentages are determined annually by CalPERS. The Board of Directors will review and establish the benefits annually at its discretion. For more detailed information about specific benefits visit the CalPERS website and please review Appendix C describing the District's benefits.

27. 457 SUPPLEMENT RETIREMENT BENEFITS

Since PVCSD participates in CalPERS, an optional 457 Supplement Retirement Benefit is also available. This benefit is available to any full-time employee. The contributions are pre-tax and can be adjusted at any time. For more information, please inquire at PVCSD office and please review Appendix C describing the District's benefits.

28. VACATION POLICY AND ACCRUAL

PVCSD provides vacation, which is paid time off, for employees as a means to rest and rejuvenate. PVCSD encourages employees to utilize this benefit every year. PVCSD believes personal time off is an important means to enable continuation of strong performance and positive contribution to PVCSD, as well as encourage a balanced and enriching life for employees.

PVCSD will review and may change any of these vacation benefit provisions at its discretion.

A. Eligibility and Accrual

Full-time employees will accrue vacation according to continuous years of service in accordance with the following schedule:

From hire date, but less than 5 years of continuous employment: 3.08 hours per pay period (80 hours per year).

More than 5 years, but less than 15 years of continuous employment: 4.62 hours per pay period (120 hours per year).

More than 15 years of continuous employment: 6.16 hours per pay period (160 hours per year).

Part-time employees with continuous service who the General Manager has determined to be eligible to accrue vacation, will accrue vacation in accordance with the above chart, on a pro-rated basis determined by normal hours worked. Active service for all employees commences with their first day of work and continues thereafter unless broken by an absence without pay or a leave of absence.

Vacation accrual for all PVCSD employees is limited to a maximum of 160 hours and may be used at any time upon approval from their Supervisor. The employee will not thereafter accrue additional vacation benefits until such time as he/she takes sufficient time off to reduce the total accrued vacation benefits below the maximum. At no point will an employee be allowed to have a negative balance. Employees will be eligible to begin accruing vacation upon successful completion of the probationary period.

B. Use of Vacation

In order to request vacation time, employees should submit a Vacation Request form to their Supervisor. Every effort will be made to accommodate all employees' requests for specific vacation leave time. However, the Supervisor will also consider the needs of the Division when evaluating vacation requests.

A holiday that falls during an employee's vacation leave will be treated and paid as a holiday and not as a day of vacation leave.

PVCSD will not require an employee to take vacation time in lieu of sick leave or leave of absence during periods of illness. However, the employee may elect to take vacation time in the case of extended illness where available sick leave has exhausted.

Preference in selection of vacation dates will be governed by length of service subject to the needs of the District and as approved by the Division supervisor and General Manager.

C. Payment for Unused Vacation

Upon separation from PVCSD employment, or upon election of the employee, an employee will be paid for accrued, unused vacation days at 100% of the employee's hourly rate at the time of separation or time of election. In cases where an employee terminates employment with PVCSD, and has been permitted to take vacation time prior to actual accrual, the final paycheck will reflect a deduction relative to the amount of un-accrued time off taken.

29. SICK LEAVE

PVCSD provides paid time off for the purpose of illness or other medical requirements. PVCSD will review and may change any of these sick leave benefit provisions at its discretion.

Sick leave is defined as absence from work due to illness, non-industrial injury, or quarantine due to exposure to a contagious disease. In addition, dentist and doctor appointments and prescribed sickness prevention measures shall be subject to sick leave provided prior notice is provided to PVCSD's General Manager.

A. Entitlement

Regular, full-time employees are provided with 78 hours of sick leave annually, and are provided with these hours on an accumulation basis each and every pay period. Any unused sick leave shall carryover to the following year with a cap of 180 hours.

Part-time are provided with a pro-rated sick leave entitlement based upon their hours worked.

Verification

In order to receive compensation while on sick leave, the employee shall notify his/her supervisor prior to the time for beginning the regular workday, or as soon thereafter as practical, or two days prior in the case of absence for a doctor's appointment.

Employees are required to notify their supervisor as soon as possible of their absence due to illness or injury.

PVCSD strictly prohibits any form of retaliation or discrimination against an employee for attempting to use or using paid sick leave under this policy, and for any other reason prohibited by applicable law. Employees who believe that they have been discriminated or retaliated against should report their concerns to PVCSD's General Manager.

B. Use of Sick Leave

Sick leave may be applied to the following non-exclusive circumstances:

1. An absence necessitated by an employee's personal illness or injury.
2. Medical and dental office appointments.
3. Absence from duty because the employee's presence is needed to attend to the serious illness of a member of his or her immediate family. For purposes of this policy, immediate family shall mean parent, step-parent, sibling, grandparent, spouse, child (of any age), grandchild, domestic partner or legal guardian. All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a family member.
4. Illnesses while on paid vacation will be charged to sick leave rather than vacation only under the following conditions:
 - a. The illness or injury of the employee or member of the employee's immediate family was of a nature that would preclude the effective use of vacation and would prevent the employee from performing his or her normal duties.
 - b. The employee must notify the General Manager within four (4) calendar days of the beginning of the illness or prior to the end of his or her vacation leave, whichever is sooner, to request that his or her illness on vacation be charged to sick leave.
 - c. PVCSD shall be under no obligation to extend the vacation beyond the original scheduled vacation ending date.
 - d. Upon the employee's return to work, the employee must furnish PVCSD with a certificate signed by a physician or other medical provider stating the nature of the medical condition and the period of disablement.

Sick leave may also be taken by an employee for the purpose of attending to an ill or injured member of the employee's immediate family as permitted by law, including the "Kin Care" requirements set forth in California Labor Code section 233. Employees should notify their supervisor to the extent feasible in order to avoid disruptions in work schedule as a result of use of Kin Care time. Family members eligible for this coverage is defined in the California Labor Code and might include parents, children, and spouses.

In any use of sick leave, an employee's account shall be charged to the nearest quarter hour for a non-exempt employee, while exempt employees will be charged only for full-day absences. At no point will an employee be allowed to have a negative balance.

An employee may be required to furnish a certificate issued by a licensed health care provider or other satisfactory evidence of illness, injury, medical condition or medical or dental office calls when PVCSD has notified the employee in advance of such a requirement or when the employee has been under the care of a physician.

C. Use of Sick Leave During Training Sessions and Other Off-Site Events

Training sessions, conferences, and other required PVCSD events that an employee attends for more than six (6) hours in a given workday shall be treated as a full eight (8)-hour day. However, if an employee is unable to attend all or a portion of the training or event due to illness or other incapacity, the employee must report to the General Manager the number of hours the employee missed due to illness so that the appropriate amount of time is deducted from the employee's sick leave.

30. BEREAVEMENT

In the event of a death in the immediate family, an employee may be granted a paid leave of absence not to exceed three (3) business days. If and only in the event of bereavement-related travel, limited to outside of the State of California or exceeding 1,000 miles, whichever is greater, may the employee submit a request to the District General Manager for a two (2)-day extension of bereavement. This is in addition to regular sick leave and vacation time. Certification and documentation may be required by the PVCSD Manager. For purposes of this policy and defining an applicable bereavement based event: an employee's immediate family is defined to include spouse, parents, children, brother, sister, grandparents, father-in-law, mother-in-law, sister-in-law, brother-in-law, domestic partner, or any other person who is a legal dependent of the employee.

31. PREGNANCY-RELATED DISABILITY LEAVE

A. Eligibility

PVCSD recognizes that employees may be unable to work for temporary but extended periods of time due to pregnancy, childbirth, or related medical conditions. Accordingly, for any employee who is disabled by pregnancy, childbirth, or related medical conditions, PVCSD provides leave for the period of actual disability ("Pregnancy Disability Leave"), up to a maximum of four (4) months. Pregnancy Disability Leave may be taken intermittently, or on a reduced-hours schedule, as medically advisable. An employee may also be entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions.

In accordance with applicable law and this policy, female employees may be eligible for a leave of absence and/or transfer based on pregnancy, regardless of length of service with PVCSD.

B. Pregnancy-Related Disability Leave

1. A woman is "disabled by pregnancy" if, in the opinion of her health care provider, she is unable to work at all or is unable to perform one or more of the essential functions of her job or to perform these without undue risk to herself, to the successful completion of her pregnancy, or to other persons.
2. Pregnancy disability leave is for any period(s) of actual disability caused by pregnancy, childbirth, or related medical conditions. Where medically advisable, pregnancy disability leave may be taken for a reasonable period of time, up to four (4) months per pregnancy (88 workdays for a full-time employee).

C. Leave Due to Normal Childbirth

An employee shall be entitled to the minimum leave entitlements required by applicable law.

D. Leave/Transfer and Other Reasonable Accommodation Requests

1. Whenever possible, an employee should submit a written request for Pregnancy Disability leave to the General Manager as soon as she is aware of the need for such leave. If the leave is foreseeable, the employee must provide 30 calendar days' advance notice to the General Manager of the need for Pregnancy Disability Leave. If it is not practicable to give 30 calendar days' advance notice of the need for such leave, the employee must notify the General Manager as soon as practicable after she learns of the need for such leave. If an employee fails to provide the requisite 30 days' advance notice for a foreseeable need for leave, without any reasonable excuse for the delay, PVCSD reserves the right to delay the taking of the leave until at least 30 days after the date that the employee does provide such notice.
2. PVCSD shall respond to the leave or transfer request as soon as practicable and, in any event, no later than 10 calendar days after receiving the request. PVCSD shall attempt to respond to the leave request before the date the leave is due to begin. Once given, approval shall be deemed retroactive to the date of the first day of the leave.
3. Reasonable accommodation other than leave or transfer will be granted upon request. Such requests must be supported by a written certification from the employee's health care provider.

E. Intermittent Leave

Pregnancy disability leave need not be taken in one continuous block. It may be taken on an as-needed basis, intermittently or on a reduced work schedule.

1. If it is medically advisable and foreseeable that an employee will be taking intermittent leave or leave on a reduced work schedule, PVCSD may require that the employee transfer temporarily to an available alternative position.
2. An "alternative position" is one that provides pay and benefits equivalent to those of the employee's regular position and better accommodates recurring periods of leave than the employee's regular job. It does not have to have equivalent duties. However, the employee must be qualified for the position.
3. Transfer to an alternative position may include altering an existing job to better accommodate the employee's need for intermittent leave or a reduced work schedule.

F. Temporary Transfers

1. An employee may request a temporary transfer to a position with less strenuous or less hazardous duties where the employee's health care provider certifies that such a transfer is medically advisable.
2. Temporary transfers will be granted where appropriate and when PVCSD is able to reasonably accommodate the transfer, provided that the transfer would not require PVCSD to:
 - a. Create additional employment;
 - b. Discharge another employee;
 - c. Violate a collective bargaining agreement;
 - d. Transfer a more senior employee in order to make room for the employee's transfer; or

- e. Promote or transfer the employee or any other employee to a position for which he/she is not qualified.

G. Certifications

- 1. As a condition of taking a pregnancy disability leave or transfer, the employee must provide medical certification from her health care provider that she is disabled due to pregnancy, childbirth or related medical conditions and/or that a transfer to an alternative position is medically advisable.
- 2. The medical certification should include:
 - a. The date on which the employee becomes disabled due to pregnancy or the date of the medical advisability for the transfer;
 - b. The probable duration of the period(s) of disability or the period(s) for the advisability of the transfer; and
 - c. A statement that, due to the disability, the employee is unable to work at all or to perform any one or more of the essential functions of her position without undue risk to herself, to the successful completion of her pregnancy, or to other persons or a statement that, due to pregnancy, the transfer is medically advisable.

H. Recertification

Recertification may be required where additional time is requested.

I. Fitness for Duty

The employee must provide certification from her health care provider of her fitness for duty prior to being reinstated.

J. Pay During Leave

- 1. Pregnancy disability leave is unpaid leave. However, the employee may request or PVCSD may require that the employee use accrued sick leave to provide pay during the period of leave.
- 2. An employee may also elect, at her option, to use accrued vacation or other accrued paid time off, if any, to provide pay during pregnancy disability leave.
- 3. The employee may also be eligible to receive temporary disability insurance payments during her pregnancy disability leave, and to coordinate the use of any accrued sick leave and/or vacation to supplement temporary disability insurance payments.

K. Reinstatement

- 1. The employee is entitled to be reinstated to the same or a comparable position upon release to return to work by her health care provider.
 - a. Where a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated by the date agreed upon, provided that the employee has provided medical certification of her fitness for duty.
 - b. If the actual reinstatement date differs from the original agreement, the employee will be reinstated within two (2) business days, where feasible, after the employee notifies PVCSD of her readiness to return and provides medical certification of her fitness for duty.

- c. Failure to return to work on the next workday following the expiration of pregnancy disability leave may be grounds for termination of employment.
- 2. The employee is not, however, entitled to any greater right of reinstatement than she would have had if she had not taken leave. Thus, reinstatement to the “same position” may be denied if:
 - a. For legitimate business reasons, unrelated to the employee having taken a pregnancy disability leave or transfer, the employee would not otherwise have been employed in her same position at the time reinstatement is requested; or
 - b. Each means of preserving the job or duties for the employee (such as leaving it unfilled or filling it with a temporary employee) would substantially undermine PVCSD’s ability to operate safely and efficiently.
- 3. Also, the employee has no greater right to reinstatement to a “comparable position” or to other benefits and conditions of employment than an employee who has been continuously employed. Thus, reinstatement to a comparable position may be denied if:
 - a. There is no comparable position open on the employee’s scheduled date of reinstatement or within 10 business days thereafter; or
 - b. a comparable position is available, but filling the available position with the returning employee would substantially undermine PVCSD’s ability to operate safely and efficiently.

L. Seniority and Benefits

- 1. In general, employees taking pregnancy disability leave will be treated the same as other similarly situated employees taking disability leave.
- 2. The employee returning from a pregnancy disability leave shall return with no less seniority than she had when the leave commenced for purposes of layoff, recall, promotion, job assignment, and seniority related benefits such as vacation.
- 3. The employee shall retain employee status during the period of leave, and the leave shall not constitute a break in service for purposes of longevity and/or seniority.

M. Group Health Insurance

PVCSD will continue to pay its share of the premium for the employee’s health insurance that PVCSD would have paid but for the employee’s pregnancy disability leave. The employee will be responsible for paying for his or her share of the premium as well as his or her same share of dependent coverage, and such payment will be due at the same time as if it had been made by payroll deduction. Such PVCSD payment will continue for a maximum of four (4) months in any 12-month period, beginning on the date the pregnancy disability leave commences. If the employee is not eligible for continued paid coverage or if coverage ceases, the employee may continue group health insurance coverage pursuant to Cal-COBRA guidelines.

32. CALIFORNIA FAMILY RIGHTS ACT

The California Family Rights Act (CFRA) authorizes eligible employees to take up a total of 12 weeks of paid or unpaid job-protected leave during a 12-month period. While on leave, employees keep the same employer-paid health benefits they had while working. Eligible employees can take the leave for those reasons specified under the California Family Rights Act (2 CCR § 11087).

Employees must notify PVCSD as soon as they are aware of the need for such leave. For foreseeable leave, the employee must provide 30 calendar days' advance notice. For events not foreseeable 30 days in advance, the employee must give notice as soon as is practicable, and generally must comply with PVCSD's normal call-in or notice procedures. All requests for CFRA Leave should include enough information to make PVCSD aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known. If an employee fails to provide the requisite 30-day advance notice for foreseeable events without a reasonable excuse for the delay, PVCSD reserves the right to delay the start of the leave until at least 30 days after the date on which the employee does provide such notice. Once aware the employee needs leave, PVCSD will inform the employee as to whether the employee is eligible under CFRA for such leave. PVCSD may request documentation evidencing the need for such leave as permitted by law.

Eligible employees who take CFRA Leave should note that they are guaranteed employment in the same or a comparable position upon termination of such leave, subject to any exceptions provided by law.

If PVCSD employs both parents who are entitled to CFRA Leave, both employees are entitled to 12 weeks of leave each.

PVCSD will not discriminate against an employee for exercising CFRA rights or giving information or testimony as to the employee's or another person's CFRA Leave; nor will PVCSD interfere with or limit the exercise or attempted exercise of such rights.

33. MILITARY LEAVE OF ABSENCE

PVCSD will grant employees a military leave of absence to the extent required by applicable federal and state law.

34. MILITARY SPOUSE LEAVE

Qualified California employees will be given up to 10 days leave during that time in which the employee's spouse or domestic partner is on leave from deployment in a combat zone with the active duty or reserve military or national guard during a period of military conflict. Employees may use accrued vacation time to cover this absence. If the employee has no accrued vacation, the employee must request time off without pay.

Qualifying employees are employees who work an average of 20 hours per week and have a spouse or domestic partner who is serving as (1) a member of the U.S. Armed Forces and who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States or (2) a member of the Armed Forces Reserve Components or the National Guard and has been deployed during a period of military conflict.

Qualifying employees who wish to request this leave must provide PVCSD with a written request for such leave within two (2) business days of receiving official notice that the military spouse or domestic partner will be on leave from deployment. The employee must also provide written documentation to PVCSD certifying that the military member will be on military leave from deployment.

35. JURY DUTY LEAVE

An employee summoned for jury duty will immediately notify PVCSD Manager. PVCSD will provide employees time off to serve, as required by law, on a jury or grand jury if the employee provides reasonable advance notice. PVCSD will also provide employees with time off to appear in court or other judicial proceedings as a witness to comply with a valid subpoena or other court order.

While serving on a jury, employees will be given a paid leave of absence for the entire duration of their jury service. Said paid leave of absence is conditional upon the employee returning to work upon dismissal each day to complete his/her remaining normal workday. It is also conditional upon the employee's conveyance to PVCSD of any compensation received as a juror, not including any travel allowance.

36. VOTING LEAVE

PVCSD encourages all employees to perform their civic duty by participating in elections. In circumstances where an employee's work schedule does not provide sufficient time off to vote on an election day, PVCSD will provide employees with a reasonable amount of time off to vote during scheduled work time, up to two (2) hours of paid time off. Employees who require time off to vote must notify their supervisor at least two (2) days prior to each election day and must submit proof of voting. PVCSD reserves the right to specify a time period in which employees are permitted to leave work in order to vote. With approval of the General Manager, employees may use vacation pay to cover any work missed in excess of the two (2) hours paid by the District.

37. DISCRETIONARY LEAVE

PVCSD authorizes unpaid discretionary leave for medical or other reasons constituting good cause away from assignment. An unpaid discretionary leave must be approved by the General Manager. No unpaid discretionary leave shall be granted unless the employee requests the leave in writing and includes the reason for the request. Approval by the appropriate authority shall be in writing. No unpaid discretionary leave pursuant to this section shall be requested or authorized for the purpose of imposing disciplinary action upon any employee.

There is no entitlement to be reinstated in the exact position the employee occupied prior to the leave, PVCSD is allowed to place the employee back in a substantially similar position. Additionally, if the position is subjected to layoff during the employee's absence, he or she is not insulated from layoff because of being on leave. This section is designed to grant special requests for unpaid discretionary leave which are not specifically addressed in other sections of these policies. An employee on an unpaid discretionary leave shall not receive compensation or accrue sick leave, vacation, or holiday credits. After 30 consecutive business days on an unpaid discretionary leave, employer contributions to retirement, life insurance, medical, dental, or other designated benefit plans shall be suspended until the employee is reinstated. However, upon approval of unpaid discretionary leave, the employee may elect to continue his or her benefits coverage at his or her own expense, with the exception of retirement benefits which may not be so continued. Any employee requesting unpaid discretionary leave shall utilize all of his or her accrued compensatory time-off, administrative leave, and vacation time prior to the start of the unpaid discretionary leave.

If an employee takes an unpaid discretionary leave while on probation, his or her probationary period shall be extended the same length of time as the leave without pay. Such extension of probationary periods which arise as a result of this policy shall not be perceived as casting aspersions on any employee, but rather as a way to more accurately monitor employee performance.

Upon expiration of an approved unpaid discretionary leave, PVCSD shall endeavor to return the employee to the same or equivalent position he or she occupied at the time leave was granted. Unauthorized failure on the part of an employee to report to work upon expiration of the unpaid discretionary leave shall constitute job abandonment and will result in dismissal, unless the failure to report was due to an employee's continued leave as a disability accommodation under the Americans with Disabilities Act or Fair Employment And Housing Act. Where a disability is at issue, PVCSD will engage the employee with an interactive process meeting to determine whether a reasonable accommodation could bring the employee back to work or whether additional discretionary leave is a reasonable accommodation.

38. LEAVE RELATED TO DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR STALKING

PVCSD will provide time off to an employee who has been the victim of domestic violence, sexual assault or stalking to seek any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the victim or his or her child. This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in safety planning programs. PVCSD requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee

must, within 15 days of the absence, provide PVCSD with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victims advocate, or counselor.

Employees eligible for paid sick leave benefits under California law may take any such available paid time off, consistent with such law, for the purposes set forth in this policy. For more information, please see the Sick Leave policy. In the event paid sick leave benefits are not available, employees taking leave under this policy may elect to apply accrued and unused vacation to such time.

PVCSD prohibits discrimination, discharge, or retaliation against an employee for taking time off or requesting an accommodation under this policy, or based on the employee's status as a victim of domestic violence, sexual assault, and/or stalking.

39. CRIME VICTIMS' LEAVE

PVCSD will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim. PVCSD requires that where feasible, in advance of taking leave, the employee provide it with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice. If advance notice is not possible, the employee is required to provide PVCSD with a copy of the notice within a reasonable time.

No employee who is absent from work pursuant to this provision will be discharged or otherwise discriminated against in compensation or other terms, conditions or privileges of employment, because of such absence. Such leave is unpaid. Employees taking leave under this policy may elect to apply vacation time to such leave.

40. LEAVE FOR ORGAN AND BONE MARROW DONATION

PVCSD will grant an employee the following leaves of absence:

- Bone Marrow Donation: A paid leave of absence of up to five (5) business days in any one-year period for the purpose of donating the employee's bone marrow to another person.
- Organ Donation:
 - A paid leave of absence of up to 30 business days in any one-year period for the purpose of the employee donating the employee's organ to another person.
 - An additional unpaid leave of absence, not exceeding 30 business days in a one-year period, for the purpose of the employee donating the employee's organ to another person.

For leaves of absence under this policy that are paid, if an employee has earned and unused sick or vacation time available, the employee is required to first use up to five (5) days of such paid sick or vacation time for a bone marrow donation and up to two (2) weeks of sick or vacation time for organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to PVCSD's District's General Manager that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick leave, vacation, annual leave, or seniority. During any leave taken under this policy, PVCSD will maintain and pay for coverage under any group health plan, for the full duration of this leave.

Leave provided under this policy may be taken in one or more periods. Leave taken under this policy will not run concurrently with any leave taken pursuant to the federal Family and Medical Leave Act or the California Family Rights Act.

Upon expiration of a leave of absence authorized by this policy, PVCSD will restore the employee to the position held by the employee when the leave began or to a position with equivalent seniority status, employee benefits, pay, and other terms and conditions of employment. PVCSD may decline to restore an employee because of reasons unrelated to the employee's exercise of rights under this policy.

41. EXPECTATIONS FOR PVCSD PERSONNEL

Employees are expected to be at their workplace and ready for work at the established starting time and are expected to perform their work assignments.

Employees shall not gather on PVCSD property nor conduct personal business during work hours. Protective equipment that is required or provided by the PVCSD must be properly utilized and maintained by employees as directed.

Employees must report all injuries or accidents to their supervisor at once.

Employees are required to promptly notify the General Manager of any changes in personal status, such as name, address, telephone, marital status, etc. within five (5) business days of the change.

An employee shall not cause defective work nor interfere with the work of others.

An employee must be physically capable of performing work assignments.

Employees must perform all assigned duties and fulfill their responsibilities to PVCSD. Productivity and workmanship must be up to PVCSD standards.

An employee must be available for work as scheduled or requested.

Employees shall be responsible for all PVCSD property that has been placed in their custody.

Employees shall not neglect their job, duties or responsibilities, nor refuse any work assigned to them.

42. FUNDAMENTAL RULES OF SAFETY

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition or act and any defective or damaged equipment they observe to the supervisor immediately.

Employees are required to be familiar with relevant work procedures and safe work practices and know where the first aid medical kit is located as well as fire extinguishers. Employees are required to report all personal injuries, regardless of how serious, to the supervisor or General Manager and get immediate first aid. Failure to report accidents can result in a violation of legal requirements and can lead to difficulties in processing insurance and benefit claims.

If an employee is injured on the job, he or she will be entitled to benefits under applicable state workers' compensation law. PVCSD carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled. Willful misconduct (e.g., horseplay, skylarking, initiating workplace physical aggression, etc.) will negate an employee's workers' compensation benefits.

43. WORKPLACE VIOLENCE POLICY

The District recognizes that workplace violence is a concern among employers and employees across the country. The District is committed to providing a safe, violence-free workplace. In this regard, the District strictly prohibits employees, consultants, customers, visitors, or anyone else on District premises or engaging in a District-related activity from behaving in a violent or threatening manner. Moreover, the District seeks to prevent workplace violence before it begins and reserves the right to address certain behaviors, even in the

absence of violent behavior. In an effort to prevent as well as investigate potential workplace violence, the District may utilize security cameras on District vehicles, property or security personnel to monitor workplace locations.

The District believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established procedures within the General Manager for responding to any situation that presents the possibility of violence.

Workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the worksite, ranging from threats and verbal abuse to physical assaults and even homicide, that can affect and involve employees, clients, customers and visitors. If any employee observes or becomes aware of any of any workplace violence related actions or behavior by an employee, customer, consultant, visitor, or anyone else, he or she should notify the Office Manager or General Manager immediately. Further, employees should notify the Office Manager or General Manager if any restraining order is in effect, or if a potentially violent non-work-related situation exists that could result in violence in the workplace.

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. In appropriate circumstances, the District will inform the reporting individual of the results of the investigation. To the extent possible, the District will maintain the confidentiality of the reporting employee and of the investigation. The District may, however, need to disclose results in appropriate circumstances, for example, in order to protect individual safety. The District will not tolerate retaliation against any employee who reports workplace violence.

If the District determines that workplace violence in violation of this policy has occurred, the District will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the particular facts but may include written or oral warnings, probation, reassignment of responsibilities, suspension, or termination. If the violent behavior is that of a non-employee, the District will take appropriate corrective action in an attempt to ensure that such behavior is not repeated.

Under certain circumstances, the District may forego disciplinary action on the condition that the employee takes a medical leave of absence. In addition, the District may request that the employee participate in counseling, either voluntarily or as a condition of continued employment.

44. UNIFORM AND PROTECTIVE CLOTHING

PVCSD provides uniforms for all its permanent security patrol, gate and utility employees. Employees are responsible for maintenance and repairs of uniforms. All employees are expected to wear their appropriate uniforms while on duty.

Should personnel leave employment within their first one hundred and eighty days (180) days of employment, the employee will be responsible for the cost of the uniforms. Pursuant to applicable law, the amount deducted from the employee's final paycheck for the cost of the uniforms will be limited to an amount that will not cause the employee to be paid at a rate less than minimum wage.

District Uniform Reimbursement

All reimbursements for any uniforms or protective clothing must be compliant with uniform standards as deemed necessary by PVCSD management and include any applicable logos or design consistent with PVCSD standards as deemed necessary by management. All reimbursements require receipts for proof of purchase prior to the disbursement of reimbursement.

Utility Employees

- Up to one hundred dollars (\$100), once per calendar year, for the required steel toe (or safety equivalent) boots.

- Up to one hundred dollars (\$100), once per calendar year, for the cost of replacing denim work pants.
- Up to fifty dollars (\$50), once per calendar year, for the cost of replacing a District long sleeve or short sleeve work shirt.

Security Patrol

- Up to one hundred dollars (\$100), once every two (2) calendar years, for the cost of black tactical boots.
- Up to one hundred dollars (\$100), once per calendar year, for the cost of replacing uniform pants, uniform shirts, or any uniform security cap.

Security Gate Attendants

- Up to fifty dollars (\$50), once every calendar year, for the cost of replacing any uniform short sleeve shirt, or any qualifying purchase towards black shoes or black pants consistent with the uniform standards as deemed necessary by PVCSD management.

45. DRESS CODE

Administrative employees are required to dress business casual with the exception of Friday's. Administrative employees enjoy casual dress on Fridays.

Security personnel expectations are located on Appendix B.

46. DRUG AND ALCOHOL POLICY

It is PVCSD's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. Substance abuse can affect job performance, employee and public safety and the public's perception of the District and its operations. This policy shall apply to all employees of the District. Additional rules and procedures may be applicable to safety-sensitive positions.

PLEASE NOTE: Despite Proposition 64's legalization of marijuana under California law, the District still considers it a prohibited drug for purposes of this policy as it remains illegal under Federal law. Being under the influence of marijuana, at any level of intoxication, is prohibited. No level of cannabinoids in an employee's system is acceptable. Use, possession, purchase, sale, or distribution of marijuana are grounds for discipline, mostly likely termination. Employee use of marijuana is not excused even when used as "medical marijuana."

While on PVCSD's premises and while conducting business-related activities off PVCSD's premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. The reasonable use of alcohol may be allowed during work-related meetings and conferences conducted outside of working hours if alcohol is being served at such function.

A. Reasonable Suspicion Testing

The District may require a blood test, urinalysis, or other drug and/or alcohol test of employees reasonably suspected of using or being under the influence of a drug or alcohol when on duty or on District property. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility conducting the test. An employee's consent to submit to such a test is required as a condition of the employee's continued employment, and the employee's refusal to consent will be considered insubordination and may result in disciplinary action, up to and including termination of employment, for even a first refusal or any subsequent refusal.

Only the General Manager, Office Manager, Supervisors or other designated individuals who have specific training with respect to recognizing potential substance abuse will have the authority to request a drug or alcohol test based on reasonable suspicion. Employees must report any perceived violation of this policy to the General Manager for further assessment. The General Manager, Office Manager, Division Supervisors or other designated individuals (as applicable) requesting an employee to submit to a drug or alcohol test based on a reasonable suspicion must document in writing the facts constituting reasonable suspicion that the employee in question is using or under the influence of drugs or alcohol.

Employees reasonably believed to be under the influence of drugs or alcohol shall not be permitted to engage in further work. In addition, such employees shall not depart from their assigned workplace without supervision. If it is reasonably suspected that an employee is under the influence of illegal drugs or alcohol, or if it is suspected the employee is being impaired from the use of a legal drug, the District shall arrange for transportation from the assigned workplace to a testing center and/or the employee's residence, as is deemed appropriate.

Any employee who has drugs or alcohol in his or her system that exceed the standards established by the Department of Transportation at the time a drug and alcohol test is performed based upon a reasonable suspicion shall be subject to disciplinary action, up to and including termination.

B. Department of Transportation and Other Federally Mandated Testing

The District will institute and comply with any drug and alcohol testing program mandated by state and federal law, including the Drug-free Workplace Act and the U.S. Department of Transportation's testing requirements. These mandates may require employees to undergo additional testing covered by the District's DOT Drug and Alcohol Testing Policy.

C. Random Drug and Alcohol Testing of Employees in Safety Sensitive Positions

For those employees in safety sensitive positions, the District may require a blood test, urinalysis, or other drug and/or alcohol test on a random basis. The type of test to be performed shall be determined by the medical facility, laboratory or collection facility conducting the test. Excluded from the random testing under this policy will be those employees who are subject to the DOT testing regulations. The random testing under this policy will be implemented using an independent third-party administrator who will follow a random selection pattern and testing procedures similar to those used under the DOT testing regulations. For more information on those positions that qualify as safety sensitive, please see Appendix D.

D. Drug Testing in the Event of an Accident

Employees will be required to undergo alcohol and drug testing if they are involved in an accident with District equipment that results in damage or injury occur, so long as there is reasonable suspicion of possession or intoxication. This includes all employees who are on duty operating the equipment and any others whose performance could have contributed to the accident. This is in order to ensure the safety and health of all District employees.

Following an accident where an employee is to be tested, the employee will be tested as soon as practicable (generally within two (2) hours but not to exceed eight (8) hours). Any employee who leaves the scene of the accident without appropriate authorization prior to submission to a drug and alcohol test will be considered to have refused the test and may be subject to termination of employment.

E. Procedures Used in All Testing

1. Prior to any testing, an applicant or employee will be required to sign a consent and release form allowing the District to conduct or order the testing and receive the test results. The signing of a consent and release form is a condition of employment. An employee's refusal to sign a consent and release may be considered insubordination and will subject the

employee to disciplinary action, up to and including termination of employment. An applicant's refusal to sign a consent and release form will result in withdrawal of an offer of employment.

2. The drug or alcohol testing will be conducted in such a manner as to reasonably provide the applicant or employee privacy.
3. The test results will be kept on a need-to-know basis by the District. However, the District reserves the right to submit the test results as evidence in any legal or administrative action, including an action challenging disciplinary action taken by the District against the employee in question. A copy of the test results will be provided to the employee in question upon request.
4. A portion of the biological sample taken in the drug or alcohol test will be provided to the employee or applicant, upon request, so that he or she may have the sample independently analyzed at his or her own expense.
5. Biological samples taken in the drug or alcohol test will not be used for anything other than an analysis for drug or alcohol content.
6. The District shall use specimen collection sites and laboratories certified for drug and alcohol testing by the U. S. Department of Health and Human Services.
7. Testing of current employees will be conducted when the employee is in an on-duty status.
8. If an employee is tested for substance abuse and the test results are positive for drugs and/or alcohol, or if an employee admits to using drugs or alcohol that has affected their job performance, it is left to the General Manager's discretion as to whether the employee shall be immediately terminated from their employment, or if they will be offered the opportunity to participate in a rehabilitation program which may be covered under the District's medical insurance coverage. If the employee is allowed to remain in the employment of the District and they elect to participate in a rehabilitation program, reinstatement to their position will be permitted only if the program was completed and they receive affirmation of their successful completion from the program provider. Before returning to work the employee must submit the results of a new drug and alcohol test which shows an absence of substances for which the test was originally given or any other substance which would be considered illegal, and which would cause impairment. This test will be performed at the same testing facility used by the District or approved in advance by the District. Further, if an employee elects to participate in a rehabilitation program, they may be eligible to use their leave time, or request a leave of absence in order to enter into the program for a period of time to be determined prior to admittance into the program, not to exceed 30 days.

Unless otherwise required by law, an employee will not be guaranteed reinstatement to the position they held at the time they were tested positively for drugs; following the successful completion of a rehabilitation program, reinstatement and the terms and conditions under which reinstatement will occur will be determined on a case-by-case basis, with the final determination made by the District General Manager. The terms and conditions for continued employment or reinstatement shall be contained in a written agreement and at minimum will require the employee to be subject to two (2) random drug and alcohol tests annually for two (2) years from the date of return to work.

Violations of this policy, including an employee's refusal to submit for testing in accordance with this policy, may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Employees with questions or concerns about substance dependency or abuse are encouraged to use the resources of the Employee Assistance Program. They may also wish to discuss these matters with the General Manager to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through PVCSD's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance, abides by all PVCSD's policies, rules, and prohibitions relating to conduct in the workplace, and if granting the leave will not cause PVCSD undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify PVCSD of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five (5) days of the conviction.

Appendix A

**LIST OF VIOLATIONS OF DISTRICT RULES AND REGULATIONS LIKELY TO LEAD TO
DISCIPLINE - UP TO AND INCLUDING TERMINATION**

VIOLATIONS OF DISTRICT RULES AND REGULATIONS
Theft
Reporting for shift under the influence of alcohol or illegal drugs, including prescription drugs without a valid prescription, or using the above while on duty.
Falsifying official documents, logs, records, reports, etc.
Sleeping while on duty.
Utilizing District property for personal business.
Leaving early without supervisor authorization.
Refusal or failure to perform work assigned, or to comply with supervisor's instructions.
Possession of any alcoholic beverage on District property.
Possession of illegal drugs, including legal prescriptions drugs without a valid prescription.
Carelessness in the performance of duty.
Excessive tardiness or absenteeism.
Failure to notify supervisor when unable to report for work.
Use or possession of any un-authorized weapon.
Dishonesty
Neglect of duty
Incompetence or inefficiency
Misuse of District property
Discourteous treatment of the public or fellow employees

* This is not an exhaustive list of potential violations of PVCSD rules and regulations.

Appendix B

**Pauma Valley Community Services District
District Policy for Security Personnel**

RE: Uniforms/Equipment

Effective immediately: Each Patrol Officer shall have the following while on duty.

- Clean Uniform
- Polished Badge
- Name Tag
- Clean Shoes

Equipment:

- Duty Belt
- Chemical Spray
- Handcuffs/keys
- Flashlight

This policy is effective immediately. Failure to comply with District Policy will result in disciplinary action.

Equipment Subject to inspection at request of the General Manager or Security Supervisor at anytime while the officer is on duty.

First Offence: Verbal and/or Written Warning.

Second Offence: 3 Day Suspension without Pay.

Third Offence: Supervisory Review/Subject to Termination.

Employee: (print name) _____ Signature: _____
Security Supervisor: _____
General Manager: _____

Appendix C

Pauma Valley Community Services District Employee Benefits Summary

HEALTH INSURANCE

The District currently offers a choice of HMO Gold Plans through California Choice Administrators. The District pays 80% of the premium for health insurance for employees and their dependents. Employees can choose plans annually during the open enrollment period in December or anytime there are major life changing events (i.e. marriage, birth, death). Employees become eligible for this optional benefit the first day of the month following 60 days of employment.

HEALTH REIMBURSEMENT ACCOUNT

Full time employees will receive an annual Health Reimbursement Account based on their family status. The approved annual amount will commence on January 1 of each year and expire December 31 of each year. The amount is available to all full-time employees after the successful completion of their one hundred and eighty (180) probational period, regardless if health insurance benefits have been elected through the District or not. An employee may use their HRA retroactively to cover qualifying expenses accrued during their probational period. This amount can be used to offset the employee contribution paid each pay period, and/ or receipts for medical services to be reimbursed can be submitted with the completed Request for Reimbursement Form. New hires will receive a prorated amount based on the number of remaining months in the year.

- \$1,250 is provided to an individual.
- \$1,750 is provided to an employee who is married or in a legal partnership.
- \$2,250 is provided to an employee who is married or in a legal partnership with one or more children, or a single parent with one or more children.

LIFE INSURANCE

Group Term Life Insurance is provided by Principal Life Insurance Company with a benefit amount of \$50,000 at no cost to the employee. Employees become eligible for this benefit the first day of the month following 90 days of employment for the duration of their employment. Effective 7/1/2022 all new employees must complete the Principal Life Insurance Company Evidence of Insurability Health Questionnaire (EOI). If determined to be ineligible by Principal Life Insurance Company based on the EOI, the Group Term Life Insurance benefit coverage will be \$25,000 at no cost to the employee.

PENSION PLAN

The District contracts with the California Public Employees Retirement System (CalPERS):

- 3% @ 60 benefit formula for Classic Members – eligible existing members only
- 2% @ 62 benefit formula for PEPRA members – any employee hired after 1/1/2013

SOCIAL SECURITY

The District participates in the Social Security System. The current employee contribution rate is 6.2%.

DEFERRED COMPENSATION

The district offers an IRS Section 457 Deferred Compensation Plan with CalPERS. The CalPERS 457 is on an individual voluntary basis. Employees are eligible to begin making contributions at any point in their employment and may adjust contribution amounts at any time.

HOLIDAYS

The District observes the following paid holidays. Any employee that works any portion of a shift on the following days shall be paid Double Time for the entire shift worked.

- New Year's Day - January 1
- Martin Luther King Jr. Day – third Monday in January
- Presidents Day - third Monday in February
- Memorial Day - Last Monday in May
- Independence Day - July 4
- Labor Day - First Monday in September
- Veterans' Day – November 11
- Thanksgiving Day - fourth Thursday in November
- Black Friday Day – fourth Friday in November
- Christmas Day - December 25
- One Floating Holiday - to be selected by employee per calendar year

For Administrative Staff and Utility Staff only: If a holiday falls on a Saturday, the preceding Friday will be observed. If any holiday falls on a Sunday, the following Monday will be observed.

VACATIONS

Regular full-time employees accrue vacation hours from date of hire. The annual accumulation is based on completed years of service. Vacation may be taken at any time provided the employee has completed the Vacation Request and submitted to their supervisor for approval or denial.

From hire date, but less than 5 years of continuous employment: 3.08 hours per pay period (80 hours per year)

More than 5 years, but less than 15 years of continuous employment: 4.62 hours per pay period (120 hours per year)

More than 15 years of continuous employment: 6.16 hours per pay period (160 hours per year)

Employees are permitted to take all or a portion of their vacation each year and to accumulate vacation time up to a maximum of 160 hours. Accumulated hours above 160 will be automatically paid out with payroll. Employees may choose to sell back any unused portion of their vacation accrual. Any employee that has vacation accrual at the time of separation from the District will be paid the balance of the vacation accrual on their final paycheck.

SICK LEAVE

The District offers sick leave accrual of 78 hours per calendar year. Unused sick leave is accumulated from year to

year up to a maximum of 160 hours. This may be used to cover an employee's time off due to illness, injury, attending medical and/ or dental appointments and to care for an immediate family member with any of the aforementioned issues.

WORKERS COMPENSATION

The district is insured with The Zenith for work related injuries. Medical Provider Notices are posted in the District Office for review by any employee.

STATE DISABILITY PROGRAM

Disability Insurance is administered by State of California (SDI) to help protect against wage loss because of a non-occupational illness or injury in which all accrued sick time has been exhausted. More information is available on the EDD website.

UNEMPLOYMENT INSURANCE

Unemployment insurance is payable to employees who have met all of the eligibility requirements of the law. No cost to employee. Please visit the EDD website for more information.

USE OF PERSONAL PHONE

In some cases employees are required to use their personal phone while conducting District business. If this is deemed necessary for your position by the General Manager, a cell phone reimbursement is available in the amount of \$40 per month. If the employee chooses not to use their personal phone a District phone will be issued.

ELECTRIC VEHICLE CHARGING

Employees are permitted to use the electric vehicle charging stations located at the District Office with prior approval from PVCSD management.

ADMINISTRATIVE EMPLOYEES ALSO RECEIVE

SCHEDULE: Administrative Employees work five (5) 8-hour shifts per week during the office hours of 8:00 am to 4:00 pm, unless modified by management.

UTILITY EMPLOYEES ALSO RECEIVE

SAFETY BOOTS: Utility employees are reimbursed up to a maximum of \$100.00 per calendar year for steel toe safety boots and insoles. Proof of purchase required.

UNIFORMS: It is the District's policy that utility employees shall wear complete uniforms during regular working hours and while on duty. Employees are encouraged to appear neat in appearance, especially when dealing with the public. All utility employees are supplied with tee shirts. Uniform pants and shirts will be reimbursed by the District up to \$150 per calendar year per utility employee with proof of purchase.

STAND-BY PAY: Utility Employees assigned stand-by duty shall receive a daily rate of \$10 for weekdays; \$50 for weekends; \$50 for District observed holidays.

SCHEDULE: Utility Employees work a 9/80 schedule as follows 7:00 am to 4:00 pm four (4) days a week and have every other Friday off; working Fridays have a schedule of 7:00 am to 3:00 pm, unless modified by management.

GATE EMPLOYEES ALSO RECEIVE

UNIFORMS: It is the District’s policy that gate employees shall wear complete uniforms during regular working hours and while on duty. Employees are encouraged to appear neat in appearance, especially when dealing with the public. All gate employees are supplied with shirts, name tag, sweater, jacket and a beanie and/or hat. Uniform articles will be reimbursed by the District up to \$50 per calendar year per gate employee with proof of purchase.

SHIFT DIFFERENTIAL PAY: Due to the round the clock nature of this Division the following differentials will be paid on top of the regular pay rate:

- Shift A – 12 midnight to 8 am - \$4.50/ per shift
- Shift B – 8 am to 4 pm - \$0 / per shift
- Shift C – 4 pm to 12 midnight - \$3.50 / per shift

SCHEDULE: Gate Employees work five (5) 8-hour shifts per week, unless modified by management.

SECURITY EMPLOYEES ALSO RECEIVE

UNIFORMS: It is the District’s policy that security employees shall wear complete uniforms during regular working hours and while on duty. Employees are encouraged to appear neat in appearance, especially when dealing with the public. All security employees are supplied with blouses, matching pants, a badge, all weather jacket and a beanie. Uniform boots will be reimbursed by the District up to \$100 per every two (2) calendar years per security employee with proof of purchase. Uniform articles needing to be replaced will be reimbursed up to one hundred dollars (\$100), once per calendar year.

SHIFT DIFFERENTIAL PAY: Due to the round the clock nature of this Division the following differentials will be paid on top of the regular pay rate:

- Shift A – 12 midnight to 8 am - \$4.50/ per shift
- Shift B – 8 am to 4 pm - \$0 / per shift
- Shift C – 4 pm to 12 midnight - \$3.50 / per shift

SCHEDULE: Security Employees work four (4) 10-hour shifts per week, unless modified by management.

Appendix D

**Pauma Valley Community Services District
Safety Sensitive Positions**

General Manager
Security Supervisor
Security Patrol Officers
Utility Division Supervisor
Utility Worker I
Utility Worker II

Acknowledgement of Receipt of EMPLOYEE HANDBOOK

Employee Name: _____

I acknowledge that I have received a copy of the Employee Handbook, issued by **Pauma Valley Community Services District** (the District or PVCSD) on _____, 20___. I have promptly read and fully understand its contents. I agree to observe and abide by the conditions of employment, policies, and rules contained in this Handbook. I understand that this Handbook refers to current benefit plans maintained by the District and that I must refer to the actual plan documents and summary plan descriptions as these documents are controlling.

I understand and agree that my relationship with the District is “at-will,” which means that my employment is for no definite period and may be terminated by me or by the District at any time and for any reason with or without cause or advance notice.

I understand that the District retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the District. I understand and agree that nothing in the Handbook creates or is intended to create a promise or representation of continued employment and that employment at the District. I understand and agree that the terms of my at-will employment may not be modified or superseded except by a written agreement signed by me and the General Manager of the District, and as authorized by the District’s Board of Directors, that no other employee or representative of the District has the authority to enter into any such agreement, and that any agreement to employ me for any specified period of time or that is otherwise inconsistent with the terms of this Acknowledgment will be unenforceable unless in writing and signed by me and the General Manager of the District.

I also acknowledge receipt of the District’s Harassment, Discrimination and Retaliation policy set forth in this Handbook, and I certify that I have read it, understand it, and agree to comply with its terms and conditions.

My signature below certifies that I understand that the foregoing agreement is between the District and me concerning my employment and the circumstances under which my employment may be terminated. I also understand that if I violate the rules, policies, and procedures set forth herein, that I may be subject to discipline, up to and including termination of my employment. This Handbook supersedes all prior agreements, understandings, and representations concerning my employment. I understand that if I have questions regarding the Handbook, I can discuss those with my supervisor or General Manager.

Signature _____ Date _____
Print Name _____



Budget Quote

Pauma Valley Community Services District

Hadronex, Inc. DBA SmartCover Systems 2110 Enterprise Street Escondido, CA 92029	Due Date	Period Covered	Quote Number
		-	00001150

Bill To:	Ship To:	Remit PO to orders@smartcoversystems.com or return this quote signed with PO number. Scan of PO is preferred.
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Pauma Valley Community Services District 33129 Cole Grade Road Pauma Valley, CA 92061, USA	Pauma Valley Community Services District 33129 Cole Grade Road Pauma Valley, CA 92061, USA	Date	03/29/2024
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Item	Description	Qty	Length	Rate	Total
1	SC-Q-SB-15 Complete System - Dual Sensor (Ultra-Sonic & Pressure) Standard Range 15' DSM. Includes E-Box, PowerPack, Bracket, E-Square Antenna, & Installation Kit.	1		\$4,744.00	\$4,744.00
2	ASM-SC1 SmartCover™ – REQUIRED with system. ONE Year rate for systems.	1		\$418.00	\$418.00
3	IST-1 Website: Initial Website Set-up. This applies to FIRST-TIME customers. One per customer.	1		\$0.00	\$0.00
4	Install Labor Labor for proper installation of hardware.	1		\$525.00	\$525.00
5	Freight out Shipping for hardware	1		\$50.00	\$50.00

Terms and Conditions for this transaction:

1. Payment: Net 30 days
2. All pricing subject to change.
3. All hardware, rentals, software subscriptions and renewals may be subject to tax.
4. Taxes were calculated at the time of quote creation and may change at the time of invoice.
5. Customer is responsible for paying the appropriate taxes due at time of invoice.
6. SmartCover is not responsible for the loss of wireless communication or internet communications or any communications used in the operation of this system.

SmartCover is an advisory service only. As such, SmartCover is not responsible for any damage of any kind or from any cause whatsoever that may result from, in relation to, in connection with, due to, or as a result of the installation or operation of the system, including without limitation, equipment failure, or any consequential damages caused by, or resulting from, the use or installation of the SmartCover system.

Signature for Approval _____

P.O. No.

We appreciate your business!

Subtotal	\$5,737.00
Tax	\$367.66
Total	\$6,104.66



TECHNICAL
CERTIFICATION
PROGRAM

Certificate of Competence

This is to certify

Eric Steinlicht

Having submitted acceptable evidence of qualifications by education, training and experience, this individual is hereby granted this certification of competency in

COLLECTION SYSTEM MAINTENANCE GRADE 3

Certificate number: 1308237576

Expires: 8/31/2025

A handwritten signature in black ink that reads "Gilbert D. Barela".

Gilbert Barela, President
California Water Environment Association



A handwritten signature in black ink that reads "John H. Vogel".

John Vogel, Chair
Technical Certification Program

PAUMA VALLEY COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS

Item: 26.A

Date: September 23rd, 2024

From: General Manager, Eric Steinlicht

Issue: General Manager’s Report: Prioritization Schedule

PRIORITIZATION SCHEDULE

Below is a table illustrating the General Manager’s current priorities categorized by criticality as it singularly relates to the Pauma Valley Community Services District (PVCSD). Prioritization items are to be added, eliminated, or amended at the discretion of the Board of Directors.

HIGH-PRIORITY ITEMS

ITEM	STATUS
Maintain Daily District Operations/Execute & Maintain Policy Adherence and Assist Board Members as Needed	Ongoing
Update and Renew Reporting Data as the LRO (Legally Responsible Official)	Ongoing
Conduct many conference calls pertaining to the community misinformation, and organizational restructuring	Ongoing
Respond to Board Requests for reports and additional information	Ongoing
Meet with all Board members to gather direction and goals quarterly	Ongoing
Acquire Certified Special District Manager Certification	Ongoing (3 Year Requirement)
Update Job Descriptions as Needed	Ongoing
Complete Board of Directors Performance Goals for the year	In Progress
Evaluate the snake removal service, investigate, bring correct PPE and training to District to protect staff, limit liability and ensure the District continues to receive this service compliantly	In Progress (Certification Acquired)
Work with consultants at recreating financial tools and build a more precise budget with new goals and projects, including making PVCSD a more competitive place to work	In Progress
Prop 218 Rate Study/Gates/Patrol (Cost of Service Study)	In Progress
Execute Strategic Planning Session	In Progress (Paused until October)
Salary Survey and Total Compensation Study	In Progress (Partially Completed)
Update Employee Review Sheets	In Progress
Solar Project Completion (Extensive)	In Progress (DIR/Contract/Bonds)
Investigate And Implement Criteria for Restricting RFID/Gate Access When Major Threat Exists	In Progress
Review/Establish Emergency Contracted Assistance (WW Operators/Engineers/WW Collection System Operators)	In Progress
Update PVCSD Employment Application	In Progress
Develop Criteria for Justification of Additional Utility Worker	In Progress (Two for On Call Rotation)
Ascertain Whether or Not PVCSD Is Providing Services to Residents Outside of The Sphere of Influence	In Progress (Confirmed – work w/ legal)

Cost of Service Analysis – Approved	In Progress
Acquire Collection System Maintenance Grade III, WWT Grade III, D1 and T1	In Progress
Acquire Low Interest Loan/Line of Credit to Replenish Reserves and Working Capital for District Needs	In Progress
Develop Service Request System for Residents	Completed
Acquire Essential Leadership Skills Certification	Completed
Acquire Board Approval for NBS to Collect Fees Via Tax Roll	Completed
Attend CSDA GM Leadership Conference	Completed
Acquire Quote and execute repair on storm drain hazard	Completed
District Newsletter	Completed
Acquire Quote and execute repair for sewer lateral off Wiskon Way West (Future hazard)	Completed
Develop Critical Failure Contact Binder	Completed
Develop Criteria for Justification of Full Time Employee	Completed
Create Long Term Financial Plan & Update Reserve Policy	Completed
Review Positions and Contract Operational Costs for Comparison	Completed
Investigate a Third Option for Solar Project Completion	Completed
Investigate Large Storm Drain System and Quantify the System and Needs	Completed
Draft Request for Proposal for the Wiskon Way West Storm Drain System for the Correct Management of System	Completed
Publish Request for Proposal for Wiskon Way West and Present to Board	Completed
Identify Legal and Financial Implications of Restructuring for PVCSD and RPMWC	Completed
Employee Handbook Update (Remove Job Descriptions)	Completed
Work with general counsel and surveyor to determine District obligation for Tom Cerruti’s storm drain, and dig through substantial historical records to comprehend the system	Completed
Acquire new Utility vehicle	Completed
Provide solar contractors the annual electrical use via SDG&E in order to procure a proposal in addition to multiple field tours with multiple contractors	Completed
Respond to Public Records request regarding Security, dig through District archives and work with attorney, then meet with attorney to prevent issues with rate increases to maintain District service without a continued trajectory towards District bankruptcy	Completed
Chat with Maria Kennedy and discuss the viability of grants or a District loan for the WWTP and SCADA – meet with President to discuss options with Maria	Completed
Work with accountant consultants to understand and impact CalPERS fixes	Completed
Research CA code regarding auditors	Completed
Work with legal and surveyor to understand district obligations for Storm Drains and legality	Completed
Work with Roadway to showcase District ability for their mandate, draft reports with legal and CPA	Completed

Reach out to the DIR to ensure compliance with the prevailing wage	Completed
Meet with attorney to discuss several time sensitive items in January of 2024	Completed
Train new utility worker, give tour, explain duties, and create substantial documentation for this role	Completed
Develop Critical Failure Response Plan	Completed
Identify and facilitate GIS transition immediately with deadline approaching due to Dudek potential contract breach	Completed
Develop Professional Services Agreement For Carollo and addendum for GIS/Solar so time sensitive work can begin	Completed
Identify new IT team ASAP	Completed
Renew Grade II Cert	Completed
Identify On-Call Engineering Firm	Completed
Identify Contract Wastewater Treatment Operations, Acquire Proposals, Have Objective View on Operations	Completed
Develop New Budget with Justification	Completed
Reach Out to Firm Who Can Potentially Provide a Loan	Completed
Create New Sampling and Analysis Form Due to Oversight and Report to SWRCB to Show Transparency that Incorrect Sampling Method has Ended and Form Updated	Completed
Attend Event for Adan Ortega and Advocate for RPMWC, Network with Professionals to Assist RPMWC	Completed
Identify New Vendor for Wastewater Collections and Rehab Needs	Completed
Conduct Employee Reviews of Management	Completed
Incorporate Cross Training of Admin Staff	Completed
Move Venue for Board Meetings to The Country Club: Robert Trent Jones Room Indefinitely	Completed
Develop/Locate Financial Data to Supply to Board Members Fully Burdened Rates	Completed
Require New Employees to Drug Screen/Background Check, Figure Out Logistics for This to Occur	Completed
Create 23/24 Fiscal Year Budget	Completed
Become Board Representative for SGMA JPA	Completed
Reformat PVCSD Agenda & Board Letters/Reports	Completed
Create Calendar System for Admin, & All Other Divisions (Shifts/Deadlines/Overtime Tracking Etc.)	Completed
Realign Staff with Certain District Policy	Completed
Review Policy & Ask Legal as It Relates to RFID Access	Completed
Update 22/23 PVCSD Budget To Accurately Reflect Allocations (Overdrawn in Power/Legal Etc.) (Delegate Office Manager to Illustrate the Loss)	Completed
List Priorities for Board	Completed
Create Employee Assistance Program (EAP)	Completed
Ascertain Where PVCSD Board Meetings Take Place (Schedule out for year)	Completed
Identify SGMA JPA As It Relates to PVCSD (Consult Literature/Lawyer/Staff)	Completed
Add "Reportable Action" To Agenda Post Closed Session	Completed
Acquire Gas Detector for Utility & Calibration Equipment/Calibration Assistance (Major Safety Item)	Completed

Automate Separation of Expenses for PVCSD And Rancho Pauma Mutual Water Company	Withdrawn
Post Open Position for New Utility Worker, Interview, Communicate, Verify Who Pays for Position	Withdrawn/Completed
Prepare for Mid Budget Review	Withdrawn

MID-PRIORITY ITEMS

ITEM	STATUS
Expand Professional Network for the Benefit (Shared Resources) of the District (Local Municipal GM's)	Ongoing
Public Outreach – Meet Residents	Ongoing
Complete General Manager Certification as It Relates to Wastewater and Water Distribution/Treatment	Completed and Ongoing
Attend CWEA Board meetings and be an active member, network and bring the District value	Ongoing
Complete General Manager Certification, Training Events, & Grant Writing Training	Ongoing
Call BB&K to discuss SGMA and gather intel	In Progress and Completed
Begin the process of finding out whether the WWTP has operational functionality on the other half of the train, due to improper care taking	In Progress
Research cost to outsource all areas of operations	In Progress
Issue objective for WW Worker to acquire new anti-bolt cut locks	In Progress
Create day to day job tasks and functions for Utility Worker	In Progress
Research zoning and LAFCO approval within the District for rendering of services	In Progress
Investigate 15 Property's Sewer Connection Purchase (find paperwork, speak with buyer, find out condition of main)	In Progress
Investigate easement at 32979 Temet, if an Easement was obtained, or not	In Progress
Create a new Storm Drain Maintenance task list	In Progress
Implement CMMS To Capture Inventory and Ensure We Have Spare Parts Program Implemented for Pumps/SCADA/Misc. and Provide Work Order System for Utility so that All Tasks are Accounted for	In Progress
Ascertain how to Efficiently Back-up Former Employees Emails for Public Records Request Rather than Maintaining Pricey Subscription	In Progress
New Radio's for Patrol/Gates, Meeting w/ Mike Esparza and Security/Gates Supervisor	In Progress (Next fiscal year)
Create Injury and Illness Prevention Plan	In Progress
Major Website Revamp with Transparency/Compliance Updates (Extensive if Done in House/Costly if Outsourced)	Completed
Allow PVCSD Residents to Pay Bills Via Website or Link/or Use NBS Tax Roll Collection	In Progress
New Law Requires Update for SSMP (Step Process) - Read and Review SSMP (Become Familiar) Update as Needed	In Progress

Meet With Current Contractors Providing Essential Services and Contractors Who Can Provide the Same Service for Less or Provide Additional Value to the District	In Progress
Collect All CSD Resident's Emails	In Progress
Update PVCSD Policy's W/ Legal (BB&K Or New Firm)	In Progress
Procure Grants For PVCSD	In Progress
Discuss With Board Building Depreciation and Electrical Lighting Issues	In Progress
Weigh Options for Selling Tesla's to Get Trucks with Lights to Put Patrol in Compliance	Paused
Create critical redundancy at WW lift Stations, in the event of total pump failure	Paused (Scheduled)
Investigate and hire a surveyor to ensure the Storm Drain Ownership and District responsibility	Completed
Research Storm Drain legal issues	Completed
Investigate Potential for New Accounting Firm	Completed
Find a new viable option for water service due to RPMWC false allegations	Completed
Find New Gate System Preventative Maintenance and Repair Company	Completed
Refund or Ascertain Next Step with Oak Tree Purchaser for New Homes (Paid for Sewer Connections in Advance, or so told)	Completed
Discuss with Edie Bailly new Auditing Firm and address concerns	Completed
Discuss W/ Board Cost of Living Adjustment to All Staff	Completed
Community Outreach, Introduce New Gm (Letter)	Completed
Research and investigate the cost to Offer PVCSD services to the PVRA	Completed
Call Bart Dixon for historical information and procure new quote for maintaining the Storm Drain at the 8 th Fairway (In addition to SD Storm Water Solutions)	Completed
Revisit uniform policy for Security and apply a compensation for old uniforms	Completed
Create new organizational chart for Board review	Completed
Analyze Need for CHP Satellite Office and PVCSD Needs	Completed
Review Legislative Updates for PVCSD Board Members by Investigating Online, and Speaking with Lawyer and Staff	Completed
Review AED BMP's and county guidelines, develop and submit plan	Completed
Quantify Data to Understand Costs as it Relates to Certain Activities/Tasks at Board Request	Completed
Speak With Scott Shinner Country Club GM about Communication When Utilizing PVCSD Utility Crew	Completed
Require Drug Screening and Background Check	Completed
Renew CWEA Grade II Collections Certification	Completed
Discuss W/ Legal, and Resident the Possibility for Oak Tree to Pull Out of PVCSD Patrol (Not Possible Without Board Approval, Special Tax)	Completed
Add Ab 557 As Action Item to CSD Agenda and Research with Board Letter (Understand Law and Legislation)	Completed

Communicate with Resident Needing to Temporarily Close Road for Crane Access to Property (Communicate with Roadway, Residents, staff)	Completed
Meet With All Board Members Individually	Completed
Investigate Need for PVCSD To Remain in SGMA JPA	Completed
Assist With Junk in The Trunk Garage Sale Event	Completed
Discuss W/ Board & General Counsel Tasers for Security Patrol	Withdrawn

LOW-PRIORITY ITEMS

ITEM	STATUS
Maintain Office files and PC item organization	Ongoing
Register for LAIF Access	In Progress
Verify with general counsel if gender neutral bathrooms are required by law	In Progress
Third Opti Follow up with Office Manager regarding Steve Hennes and ensuring the sewer permit is filed for RV discharge	In Progress
Contact King Benefits Regarding Form Needed on File, and if Legal Needs to Be Consulted	In Progress
Develop Policy with Board Regarding Access to Sewer System Access Points for Critical Needs, And Right of Access (Easement)	In Progress
Identify and Potentially Create a Policy for Public Records Request	In Progress
Provide Treatment Plant Tour to The PVCSD Board	Paused
Look Into Welding/CWEA/Training Classes for Utility to Upkeep Certification	Paused
Meet With Van Of El Rey Regarding New Laws for Maintaining Grease Interceptor	Paused
Meet with Former Board Members: Dick Nolan & Bill Winn	Paused
Research financial capitalization over \$5,000	Completed
Fix Phone System Issues, and Upgrade System	Completed
Review proposal for collection system maintenance	Completed
Network with neighboring agencies for potential resource sharing	Completed
Read Through Most Recent Compliance Inspections	Completed
Investigate Best Solution for Weed Abatement for PVCSD Easements/Assets/Access	Completed
Instruct Security Supervisor to research reports for an HOA area of community for prior security reports for any trends of issues	Completed
Update Patrol staff and supervisor new flashlights have been acquired	Completed
Work with Resident Who'd Like Manhole in Backyard to Blend in with Grass (Ordered and Installed AstroTurf to Manhole)	Completed
Create Letter for Parking Permit, Discuss with Residents the Policy, (Ongoing, Residents Have Issue w/ Policy)	Completed

Investigate the new law for water conservation for resident wanting to know the rules for an HOA (Sukat Trail HOA President)	Completed
Meet With Tom Tran, Scada Technician for Training on The Software, and Request New Proposal Exclusively for PVCSD	Completed
Approve New Building Permit Post Fees and Permit Completion	Completed
Research and Review Potential for PVCSD Office Being a UPS Drop Off Point	Completed
Participate In Multiple Webinars (Brown Act, Finance, Grant Writing Etc.)	Completed
Draft And Finalize New Sewer Service Permit Application	Completed
Ron Krohn Request to Have the Helipad Be Certified Via Caltrans as A Medivac Helipad, Send Letter to Confirm that is its Sole Use	Completed
Draft Letter to Provide Gate Attendant Pay Raise/New Hire/Reinforce District Policy	Completed
Draft Letters for New Hires/Promotions	Completed
Meet With CPA/Nigro & Nigro to Address Financial Situation Of PVCSD	Completed
Investigate Current Rent for Hangars Due from Country Club To PVCSD/Deal for Road Use for Treatment Plant	Completed
Relay Board Election Forms (LAFCO/Roadway/RPMWC)	Completed
Acquire Approval from RPMWC President For Including PVCSD Staff on Insurance for Vehicles in The Event of Emergencies	Completed
Sign Up for Alerts for Regulatory Bodies/Resources for GM/Special Districts	Completed
Check In with Aerosurf Internet for Slowness of Internet Speed at Guard Shack	Completed
Install SCADA Connectivity on Phone and GM Laptop	Completed
Create Grease Interceptor Inspection Form	Completed
Discuss With President Barry Willis LAFCO Incumbent on Next Board Meeting as Agenda Item	Completed
Alter Financial Reports to Expenses/Revenues	Completed
Learn More About Dudek and Reach Out for Potential Tour	Completed & Withdrawn
Review Current Percentage Split Costs For PVCSD/RPMWC Assets/Employees and How Organizational Relationship Works	Withdrawn

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