AGENDA

JOINT REGULAR MEETING
OF THE
FINANCE AND AUDIT COMMITTEE
AND
SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE
RANCHO CALIFORNIA WATER DISTRICT

Board Room
42135 Winchester Road
Temecula, CA 92590

September 3, 2026
8:30 AM
Immediately following the Special Meeting of the Board of Directors scheduled for 8:30 AM.

CALL TO ORDER

ROLL CALL

ADDITIONS TO AGENDA

Items may be added to the Agenda in accordance with Section 54954.2(b)(2) of the Government Code (Brown Act), upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Rancho California Water (District) after the Agenda was posted.

APPROVAL OF AGENDA

PUBLIC COMMENT

Any person may address the Committee at this time upon any subject not identified on this Agenda but within the jurisdiction of the Rancho California Water District. Please note that for items not listed on the agenda, the Brown Act imposes limitations on what the Committee may do at this time. The Committee may not take action on the item at this meeting. As to matters on the Agenda, persons will be given an opportunity to address the Committee when the matter is considered. If you wish to speak during public comment, please fill out a "Speaker Request Form" and give it to the Recording Secretary. When the Committee Chairman calls your name, please immediately step to the podium and begin by giving your name and address for the record. Each speaker will be given three (3) minutes to address the Committee.

1. **ACTION ITEMS**

   A. Semi-Annual Review of Investment Report and Portfolio, as of June 30, 2026

   B. Annual Review and Consideration of Revisions to Rancho California Water District's Investment Policy

   C. Review of Treasurer's Report, Certification of Cash Sufficiency, and Related Investment Activity Data, as of July 31, 2026

   D. Review and Consider Approval of a Progressive Design-Build Contract with Steve P. Rados, Inc. in the Amount of $4,574,491 for Phase 1 Design and Preconstruction Services for the Mid-Pauba Groundwater Banking Project [Project No. D2263]

   E. Review and Consider Adoption of Resolution in Opposition to San Diego Gas and Electric's Golden Pacific Powerlink Project Proposed Route Through the Temecula Valley

   F. Consider Appointment of Secretary of the Board

   G. Review of Financial Statements - July 31, 2026

   H. Review and Ratification of the Register of Audited Demands (July 18, 2026 - August 14, 2026) and Approval of Purchasing Card Transactions Report (June 30, 2026 - July 30, 2026)

2. **INFORMATION ITEMS**

   A. Presentation of Fiscal Year 2025/2026 Results Summary

   B. Quarterly Per Diem and Travel Expense Disclosure Report

   C. Review of Purchasing Reports

3. **ADJOURNMENT**

This Committee meeting is also noticed as a special meeting of the Board of Directors because a quorum of the Board may be present. Members of the Board who are not members of the Committee may attend and participate in the meeting, but only members of the Committee may make, second, or vote on any motion or other action of the Committee.

Any actions taken pursuant to this agenda will be actions within the purview of the Committee and shall be approved by an affirmative vote of a majority of the quorum of the Committee. The Committee is not empowered to act for or on behalf of the Board or the District unless exercising delegated authority from the Board. Any actions taken by the Committee shall be deemed recommendations of the Committee for future consideration by the Board at a separately noticed regular or special meeting of the Board of Directors. The Board of Directors retains all powers, privileges, and duties to exercise and perform the business of the District.

This agenda will be made available in appropriate alternative formats to persons with disabilities upon request, as required by Section 202 of the Americans with Disabilities Act of 1990. If possible, any person with a disability who requires a modification or accommodation to participate in a meeting should direct such a request to the District Secretary at (951) 296-6900 at least 48 hours before the meeting.

Any writings or documents provided to a majority of the members of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District's Administrative Headquarters Building located at 42135 Winchester Road, Temecula, California, during normal business hours.

Board Members of the Rancho California Water District

Finance and Audit Committee

Bill Wilson, Chairman
John Hoagland, Member
Bill Plummer, Member
Carol Lee Gonzales-Brady, Alternate

ATTEST TO POSTING:

/s/Krista LaRocchia	August 28, 2026, at 4:00 PM Website and Rancho Water HQ
Deputy District Secretary	Date and Time of Posting

1.A

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.A: **Semi-Annual Review of Investment Report and Portfolio, as of June 30, 2026**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Kathy Naylor, Chief Financial Officer/Treasurer

RECOMMENDATIONS:

Staff requests the Finance and Audit Committee (Committee) recommend the Board of Directors' acceptance and approval of the subject reports, as presented.

DISCUSSION:

Chandler Asset Management, Inc. will be present at the meeting to report on the status of Rancho California Water District's investment portfolio for the first half of 2026. The supporting documentation is linked below in the exhibits section.

ALTERNATIVES:

Take no action

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Rancho Water Quarterly Investment Report, Retirement Medical Benefit Plan, and Section 115 Pension Trust
2. Bond Investments

CHANDLER ASSET MANAGEMENT

INVESTMENT REPORT

Rancho California Water District Operating Reserve | As of June 30, 2026

CHANDLER ASSET MANAGEMENT | chandlerasset.com

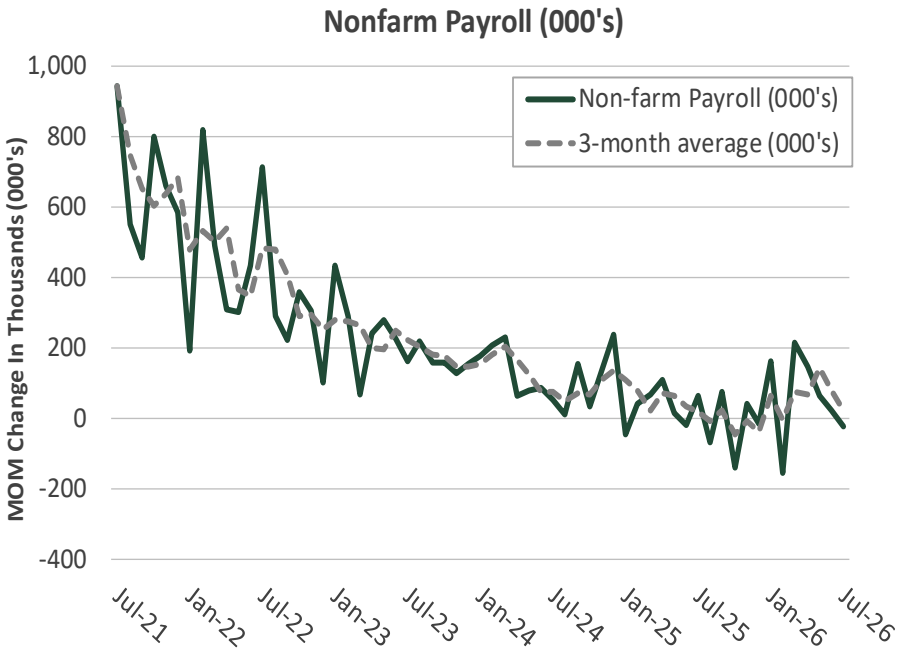
Chandler Team:

For questions about your account, please call (800) 317-4747,
or contact clientservice@chandlerasset.com

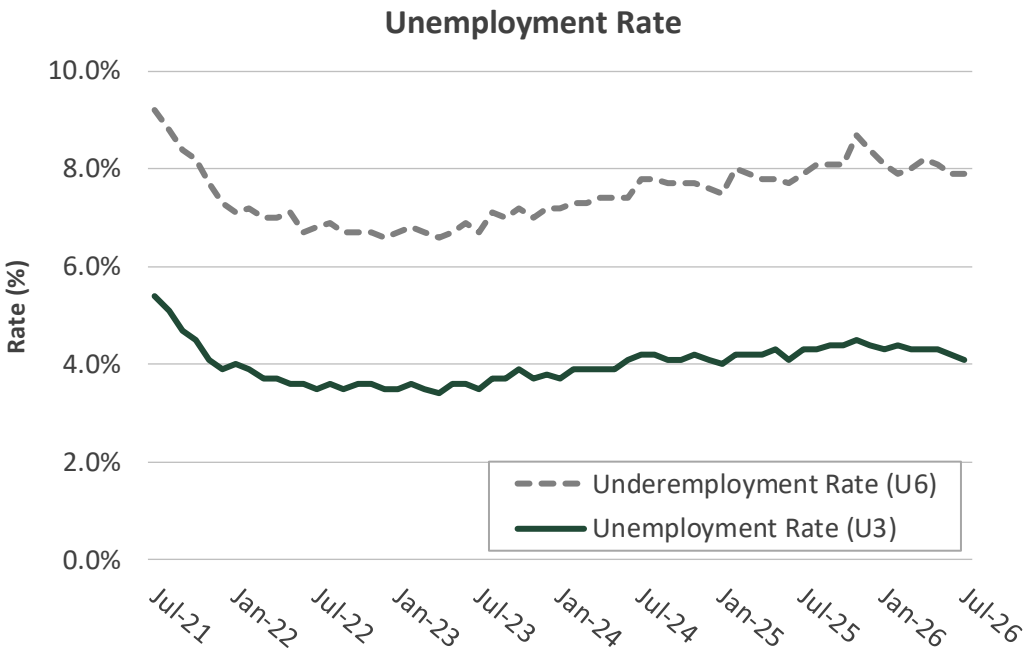
Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Please see Important Disclosures at the end of the statement.

CHANDLER ASSET MANAGEMENT

ECONOMIC UPDATE

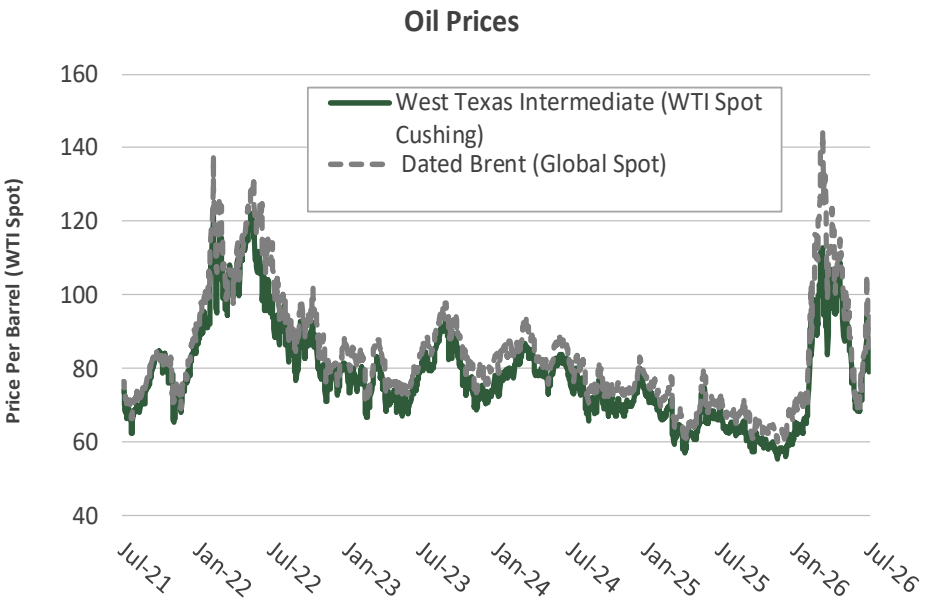


Source: US Department of Labor

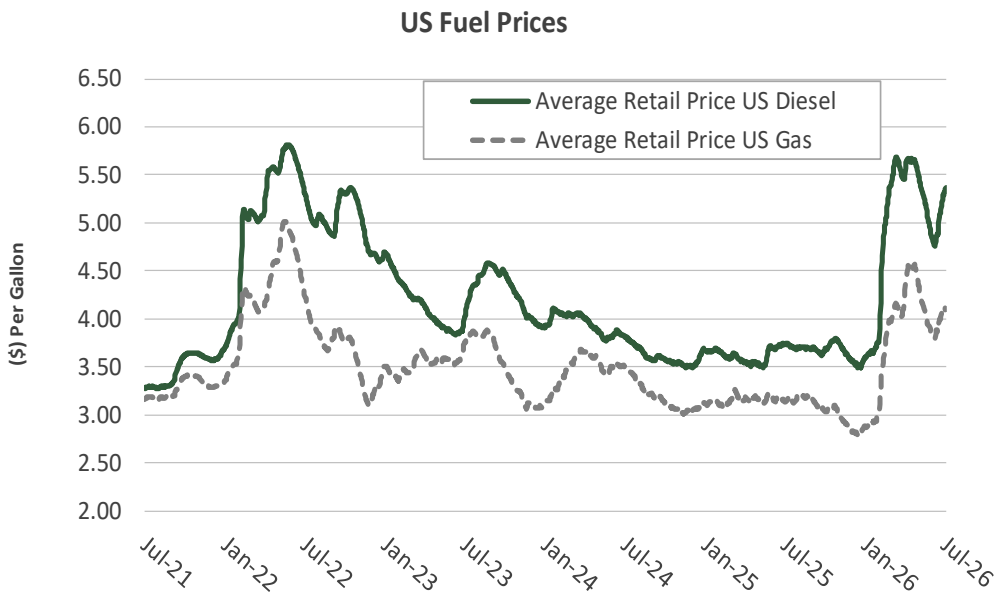


Source: US Department of Labor

Nonfarm payrolls unexpectedly declined by 23,000 in July, challenging the view that the labor market was continuing to expand at a modest pace. Revisions to the prior two months further weakened the picture: May payroll growth was revised down to 63,000 from 129,000, erasing 66,000 jobs, while June was revised down to 20,000 from 57,000, a 37,000-job reduction. Together, the revisions reduced employment growth in May and June by 103,000 positions. By industry, local government education led July's declines, shedding 50,000 jobs, followed by leisure and hospitality (-40,000) and retail trade (-19,000). Health care partially offset those losses, adding 22,000 jobs. Meanwhile, the unemployment rate edged down to 4.1%, due in part to a modest decline in labor force participation.

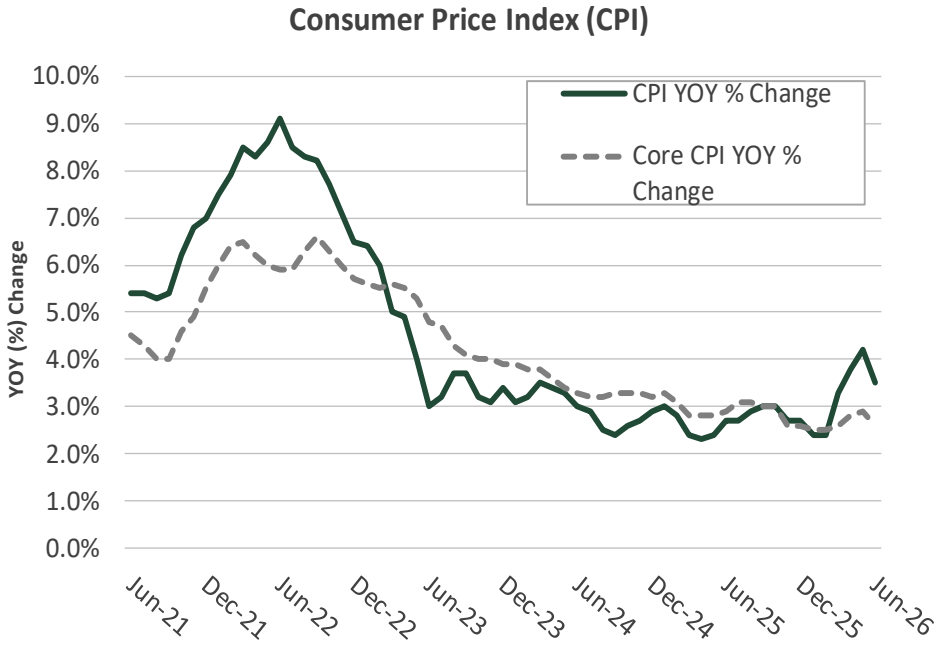


Source: Bloomberg Indices

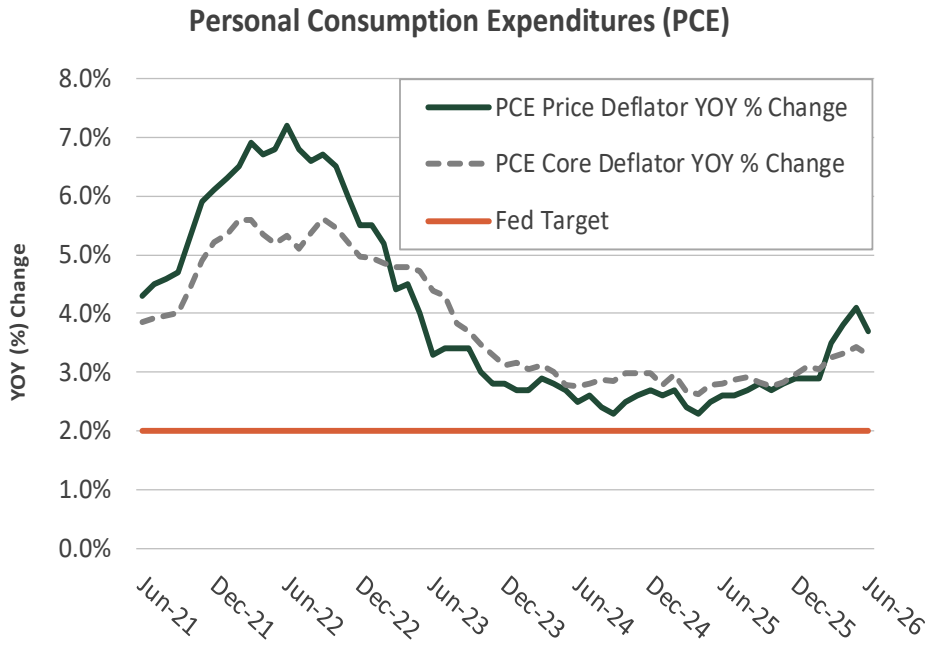


Source: Bloomberg Indices

West Texas Intermediate (WTI) crude settled at $84.67 a barrel at the end of July, while Brent finished at $90.12, with both benchmarks posting their strongest monthly gains since March: WTI rose 21% and Brent rose 24%. The advance reflected renewed hostilities between the United States and Iran, which intermittently disrupted tanker traffic through the Strait of Hormuz, a corridor that historically traffics roughly a fifth of global crude and natural gas supply. Prices retreated from their intramonth highs late in July as diplomatic overtures raised hopes for a durable ceasefire, though the stop-and-start nature of the conflict left a persistent risk premium embedded in oil markets. AAA's national average for regular gasoline held at $4.09 a gallon to end July.

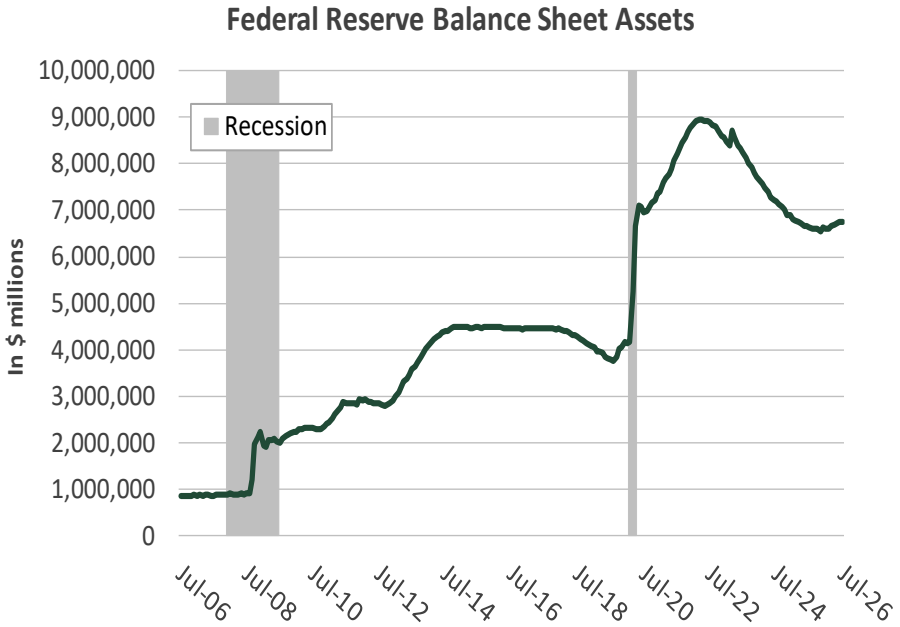


Source: US Department of Labor

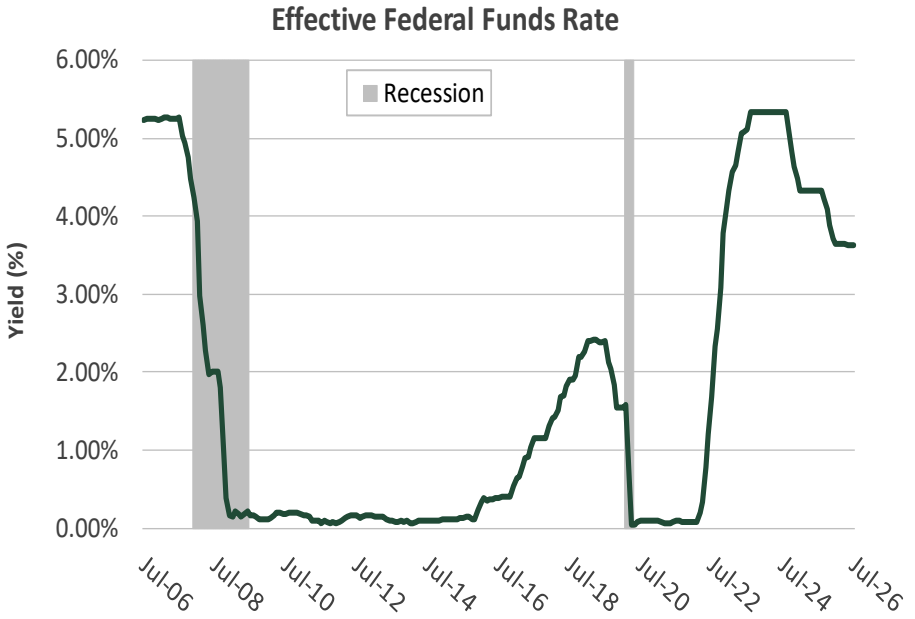


Source: US Department of Commerce

Headline Consumer Price Index (CPI) inflation rose 0.1% in July and 3.4% from a year earlier. Core CPI, which excludes food and energy, increased 0.2% for the month and remained unchanged at 2.5% year over year. Energy prices fell 1.5%, reflecting a 2.9% decline in gasoline prices. In June, the Personal Consumption Expenditures (PCE) core price index—the Federal Reserve's preferred inflation measure—rose 0.1% and cooled to 3.3% from a year earlier, while headline PCE declined 0.1% from May, and its year-over-year rate eased to 3.7% from 4.1%. Despite the recent moderation, both measures remain materially above the Fed's long-standing 2% target. Policymakers have indicated that they are not prepared to declare victory, particularly given the risk that renewed increases in oil prices could quickly reverse the disinflationary trend.

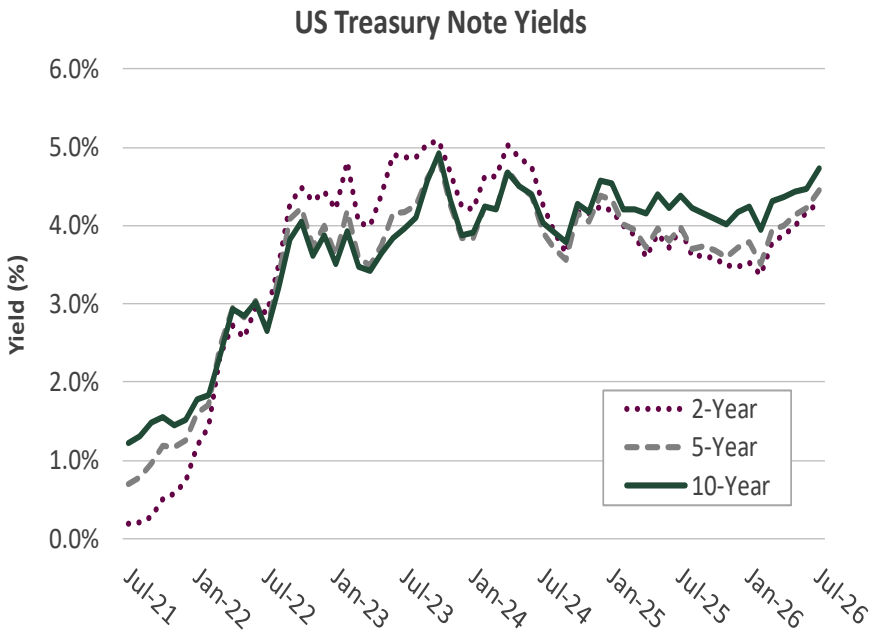


Source: Federal Reserve

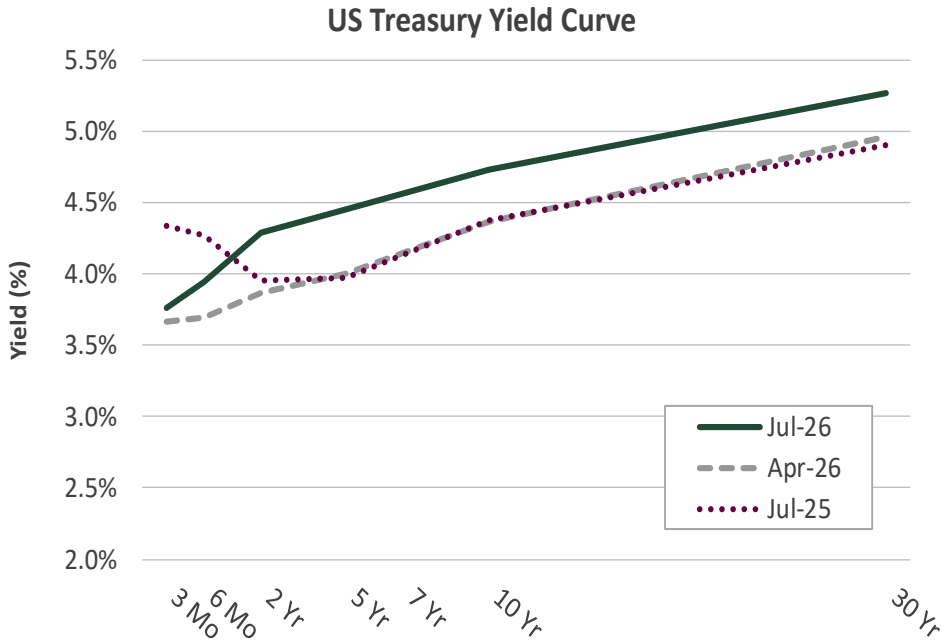


Source: Bloomberg

The Federal Reserve held its benchmark rate at 3.50% to 3.75% following the July 28 to 29 meeting of the Federal Open Market Committee, with minutes from the prior June gathering revealing officials had grown increasingly split over how much weight to place on tariff driven costs versus signs of labor market softening. Chair Kevin Warsh, sworn in earlier this year, has continued winding down forward guidance from post meeting communications, arguing markets should focus on incoming data rather than anticipated rhetoric. The balance sheet continued its gradual runoff without any announced change to the pace of reduction. Minutes also noted that the conflict in the Middle East has complicated officials' read on how persistent current inflation will prove.



Source: Bloomberg



Source: Bloomberg

A positively sloped Treasury curve persisted across its full range through the end of July, with the three-month bill yielding roughly 3.76%, the two-year note 4.29%, the five-year 4.45%, and the ten-year note 4.74%. The gap between the three-month bill and the ten-year note widened to 97 basis points, while the more closely watched two-year-to-ten-year spread widened to 45 basis points after a 24 basis points intramonth low in June. That divergence suggests recent yield increases have been concentrated in the shorter and intermediate maturities rather than lifting the entire curve uniformly. The overall shape continues to imply that markets see a near-term recession as unlikely, even as uncertainty about the Federal Reserve's next move has increased since the July meeting.

PERIODIC TABLE OF ASSET CLASS RETURNS

CHANDLER ASSET MANAGEMENT

As of June 30, 2026

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD 2026
US Mid Cap Stocks 20.7%	Emerging Market Stocks 37.3%	International Bonds 3.2%	US Large Cap Stocks 31.5%	US Small Cap Stocks 19.1%	US Real Estate 42.8%	Diversified Commodities 16.1%	US Large Cap Stocks 26.3%	US Large Cap Stocks 25.0%	Emerging Market Stocks 33.6%	Emerging Market Stocks 23.8%
US Small Cap Stocks 18.3%	International Stocks 24.2%	US Core Bonds 0.0%	US Small Cap Stocks 27.3%	US Large Cap Stocks 18.4%	US Large Cap Stocks 28.7%	International Bonds -9.8%	US Small Cap Stocks 18.1%	US Small Cap Stocks 14.2%	International Stocks 31.9%	US Small Cap Stocks 18.2%
US High Yield Bonds 17.5%	US Large Cap Stocks 21.8%	US High Yield Bonds -2.3%	US Mid Cap Stocks 26.2%	Emerging Market Stocks 18.3%	Diversified Commodities 27.1%	US High Yield Bonds -11.2%	International Stocks 17.9%	US Mid Cap Stocks 13.9%	International Real Estate 25.2%	US Real Estate 17.6%
US Large Cap Stocks 12.0%	International Real Estate 20.0%	US Real Estate -3.9%	US Real Estate 24.3%	US Mid Cap Stocks 13.7%	US Mid Cap Stocks 24.8%	US Mid Cap Stocks -13.1%	US Mid Cap Stocks 16.4%	US High Yield Bonds 8.2%	US Large Cap Stocks 17.9%	US Mid Cap Stocks 17.3%
Diversified Commodities 11.8%	US Mid Cap Stocks 16.2%	US Large Cap Stocks -4.4%	International Stocks 22.5%	International Stocks 7.6%	US Small Cap Stocks 17.7%	US Core Bonds -13.2%	US High Yield Bonds 13.5%	US Real Estate 7.9%	Diversified Commodities 15.8%	Diversified Commodities 14.4%
Emerging Market Stocks 11.2%	US Small Cap Stocks 16.2%	International Real Estate -6.4%	International Real Estate 21.0%	US Core Bonds 7.6%	International Stocks 12.6%	International Stocks -14.3%	US Real Estate 13.3%	Emerging Market Stocks 7.5%	US Small Cap Stocks 8.8%	US Large Cap Stocks 10.2%
US Real Estate 7.6%	US High Yield Bonds 7.5%	US Small Cap Stocks -9.3%	Emerging Market Stocks 18.4%	US High Yield Bonds 6.2%	International Real Estate 8.1%	US Small Cap Stocks -17.6%	Emerging Market Stocks 9.8%	Diversified Commodities 5.4%	US High Yield Bonds 8.5%	International Stocks 9.2%
International Bonds 4.9%	US Real Estate 3.9%	US Mid Cap Stocks -11.1%	US High Yield Bonds 14.4%	International Bonds 3.9%	US High Yield Bonds 5.4%	US Large Cap Stocks -18.1%	International Bonds 8.3%	International Bonds 5.0%	US Mid Cap Stocks 7.5%	US High Yield Bonds 1.9%
International Stocks 2.7%	US Core Bonds 3.6%	Diversified Commodities -11.2%	US Core Bonds 8.9%	Diversified Commodities -3.1%	International Bonds -1.4%	Emerging Market Stocks -20.1%	International Real Estate 6.3%	International Stocks 4.7%	US Core Bonds 7.1%	International Bonds 1.6%
US Core Bonds 2.6%	International Bonds 2.5%	International Stocks -14.1%	Diversified Commodities 7.7%	International Real Estate -7.1%	US Core Bonds -1.6%	International Real Estate -24.3%	US Core Bonds 5.4%	US Core Bonds 1.5%	International Bonds 2.8%	US Core Bonds 0.8%
International Real Estate 1.3%	Diversified Commodities 1.7%	Emerging Market Stocks -14.6%	International Bonds 7.6%	US Real Estate -9.6%	Emerging Market Stocks -2.5%	US Real Estate -24.8%	Diversified Commodities -7.9%	International Real Estate -8.4%	US Real Estate 2.7%	International Real Estate -2.0%

Index returns as of 6/30/2026. Past performance is not indicative of future results. Index returns assume reinvestment of all distributions and do not reflect fees or expenses. It is not possible to invest directly in an index. This information is not intended to constitute an offer, solicitation, recommendation, or advice regarding securities or investment strategy. Please see attached Asset Class Disclosure.

CHANDLER ASSET MANAGEMENT

ACCOUNT PROFILE

PORTFOLIO CHARACTERISTICS

CHANDLER ASSET MANAGEMENT

As of June 30, 2026

Name of Account	Average Maturity (yrs)	Modified Duration	Average Purchase YTM	Average Rating	6/30/2026 Market Value	3/31/2026 Market Value
Operating Accounts						
Operating Reserve	4.15	3.53	3.65%	AA+	$263,728,033	$261,717,816
Construction Fund	0.00	0.00	3.82%	AAA	$32,077	$32,074
Cash Management	0.00	0.00	3.82%	AAA	$61,027,513	$45,072,643
Total Operating Accounts					**$324,787,623**	**$306,822,534**
District Funds Held in Trust						
Retirement Medical Benefit Plan	n/a	n/a	n/a	n/a	$42,306,099	$41,189,658
Section 115 Pension Trust	n/a	n/a	n/a	n/a	$13,002,048	$12,090,288
2016 ABC Revenue Bonds	n/a	n/a	n/a	n/a	$14,291	$14,164
2017 AB Revenue Bonds	n/a	n/a	n/a	n/a	$550	$545
2019A Revenue Bonds	n/a	n/a	n/a	n/a	$1,431	$1,419
Total Funds Held in Trust					**$55,324,419**	**$53,296,074**
Total RCWD Funds					**$380,112,042**	**$360,118,607**
CFD Accounts						
99-2 Reserve	0.83	0.80	3.57%	AA+	$176,006	$174,748
CFD 89-5 Reserve	0.79	0.77	3.54%	AA+	$1,774,446	$1,796,908
99-1 CFD Imp Area "A" Rsv	0.83	0.80	3.57%	AA+	$277,131	$275,151
99-1 CFD Imp Area "B" Rsv	0.81	0.78	3.57%	AA+	$238,970	$237,256
District #32A "A" Rsv	0.00	0.00	0.00%	AAA	$0	$0
Total CFD Accounts					**$2,466,553**	**$2,484,063**
Total Market Value					**$382,578,595**	**$362,602,670**

Notes: Accounts exclude checking account balances and include accrued interest. CFD values (except 89-5) represent amounts allocated to each fund from the 2015 refunding bonds.

Investment Objectives

The investment objectives for Rancho California Water District are to preserve capital in the overall portfolio and to achieve an optimal total rate of return on surplus funds. An appropriate level of risk is to provide sufficient liquidity that shall be maintained by purchasing securities that are liquid, marketable and of high quality. In order to achieve these objectives, the District has segregated its funds into three portfolios: The Construction Fund is structured to meet a schedule of payouts for capital expenditures; The Cash Management Account is invested in short term securities to meet operating needs; and The Operating Reserve is invested in somewhat longer term securities in order to provide for future needs.

Chandler Asset Management Performance Objective

The performance objective for the Construction Fund and the Cash Management Account is to equal or exceed the return on LAIF. The performance objective for the Operating Reserve is to equal or exceed the return on an index of Government securities with maturities from one to ten years.

Strategy

In order to achieve these objectives, the District invests in high quality securities permitted under California Government Code Sections 53600 et seq., and under the District's investment policy. The Board of Directors approved investment in government securities with maturities longer than five years for the Operating Reserve Fund.

STATEMENT OF COMPLIANCE

RCWD Cons/Reconciliation | Account #696 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	13.8	Compliant	
Max % Issuer (MV)	30.0	13.8	Compliant	
Max Maturity (Years)	30.0	7.2	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	20.0	4.6	Compliant	
Max % Issuer (MV)	5.0	1.2	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	100.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	

STATEMENT OF COMPLIANCE

RCWD Cons/Reconciliation | Account #696 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	22.1	Compliant	
Max % Issuer (MV)	5.0	1.1	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	7.3	Compliant	
Max % Issuer (MV)	30.0	4.0	Compliant	
Max Maturity (Years)	30	4	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	60.5	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max Concentration (MV)	37.0	0.1	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	20.0	2.6	Compliant	
Max % Issuer (MV)	5.0	2.0	Compliant	
Max Maturity (Years)	30	6	Compliant	

STATEMENT OF COMPLIANCE

RCWD Cons/Reconciliation | Account #696 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	20.0	3.7	Compliant	
Max % Issuer (MV)	5.0	1.6	Compliant	
Max Maturity (Years)	30	7	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	27.0	Compliant	
Max Maturity (Years)	30	7	Compliant	

PORTFOLIO CHARACTERISTICS

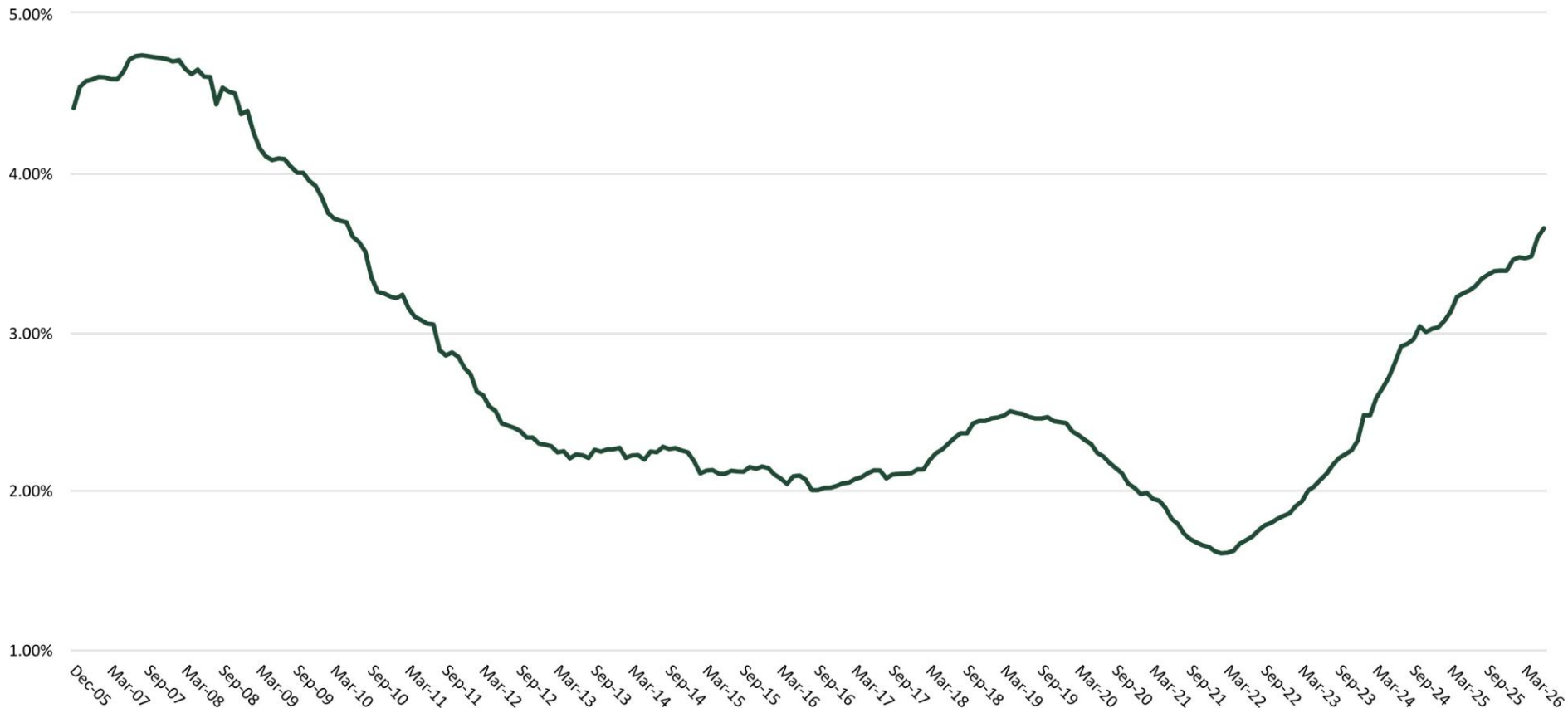
Rancho California Water District Operating Reserve | Account #30 | As of June 30, 2026

	Benchmark*	6/30/2026 Portfolio	3/31/2026 Portfolio
Average Maturity (yrs)	3.83	4.15	4.04
Average Modified Duration	3.42	3.53	3.48
Average Purchase Yield		3.65%	3.46%
Average Market Yield	4.20%	4.39%	4.14%
Average Quality**	AA+	AA+	AA+
Total Market Value		263,728,033	261,717,816

*Benchmark: ICE BofA 1-10 Year Unsubordinated US Treasury & Agency Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

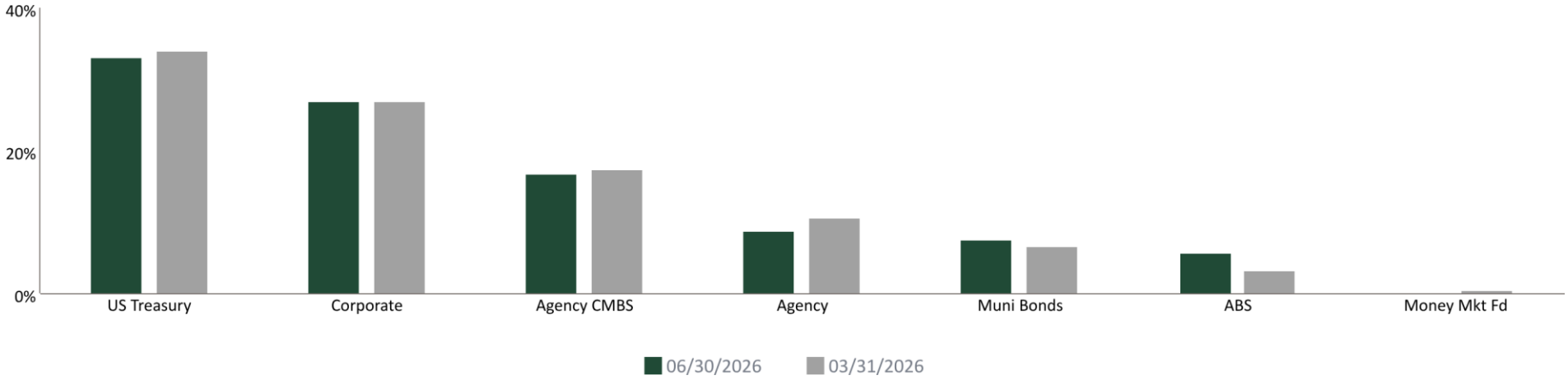
HISTORICAL AVERAGE PURCHASE YIELD

Purchase Yield as of 06/30/26 = 3.65%



SECTOR DISTRIBUTION

Rancho California Water District Operating Reserve | Account #30 | As of June 30, 2026



Sector as a Percentage of Market Value

Sector	06/30/2026	03/31/2026
US Treasury	33.26%	34.14%
Corporate	27.10%	27.02%
Agency CMBS	17.05%	17.46%
Agency	9.02%	10.78%
Muni Bonds	7.82%	6.76%
ABS	5.72%	3.37%
Money Mkt Fd	0.03%	0.47%

ISSUERS

Rancho California Water District Operating Reserve | Account #30 | As of June 30, 2026

Issuer	Investment Type	S&P Rating	Moody's Rating	Fitch Rating	% Portfolio
United States	US Treasury	AA+	Aa1	AA+	33.26%
Federal Home Loan Mortgage Corp	Agency CMBS	AA+	Aa1	AAA	16.99%
Federal Home Loan Banks	Agency	AA+	Aa1	AA+	4.90%
Federal National Mortgage Assoc	Agency	AA+	Aa1	AA+	3.12%
State of California	Muni Bonds	AA-	Aa2	AA	2.44%
State of Washington	Muni Bonds	AA+	Aaa	AA+	1.94%
American Express Credit Master Trust	ABS	AAA	NA	AAA	1.51%
Northwestern Mutual Global Funding	Corporate	AA+	Aa1	AAA	1.35%
State of New York	Muni Bonds	AA+	Aa1	AA+	1.24%
Blackrock, Inc.	Corporate	AA-	Aa3	NA	1.05%
Caterpillar Inc.	Corporate	A	A1	A+	1.02%
New York Life Insurance Company	Corporate	AA+	Aa1	AAA	1.00%
Berkshire Hathaway Inc.	Corporate	AA	Aa2	A+	1.00%
Farm Credit System	Agency	AA+	Aa1	AA+	0.98%
Toyota Motor Corporation	Corporate	A+	A1	A+	0.96%
Prudential Financial, Inc.	Corporate	AA-	Aa3	AA-	0.95%
Simon Property Group, Inc.	Corporate	A	A3	NA	0.95%
PACCAR Inc	Corporate	A+	A1	NA	0.95%
Morgan Stanley	Corporate	A-	A1	A+	0.88%
PepsiCo, Inc.	Corporate	A+	A1	NA	0.85%
Chubb Limited	Corporate	A	A2	A	0.85%
Mastercard Incorporated	Corporate	A+	Aa3	NA	0.84%
City of Los Angeles, California	Muni Bonds	AA-	Aa3	AAA	0.79%
Nat Rural Util Coop Fin Corp	Corporate	NA	A2	A	0.79%
Florida Power & Light	Corporate	A+	Aa2	AA-	0.77%
Enterprise Products Partners L.P.	Corporate	A-	A3	A-	0.77%
Marsh & McLennan Companies, Inc.	Corporate	A-	A3	A-	0.77%
Bank of America Corporation	Corporate	A-	A1	AA-	0.77%
The Home Depot, Inc.	Corporate	A	A2	A	0.77%
Chase Issuance Trust	ABS	AAA	NR	AAA	0.76%
State of Texas	Muni Bonds	AAA	NA	AAA	0.76%

ISSUERS

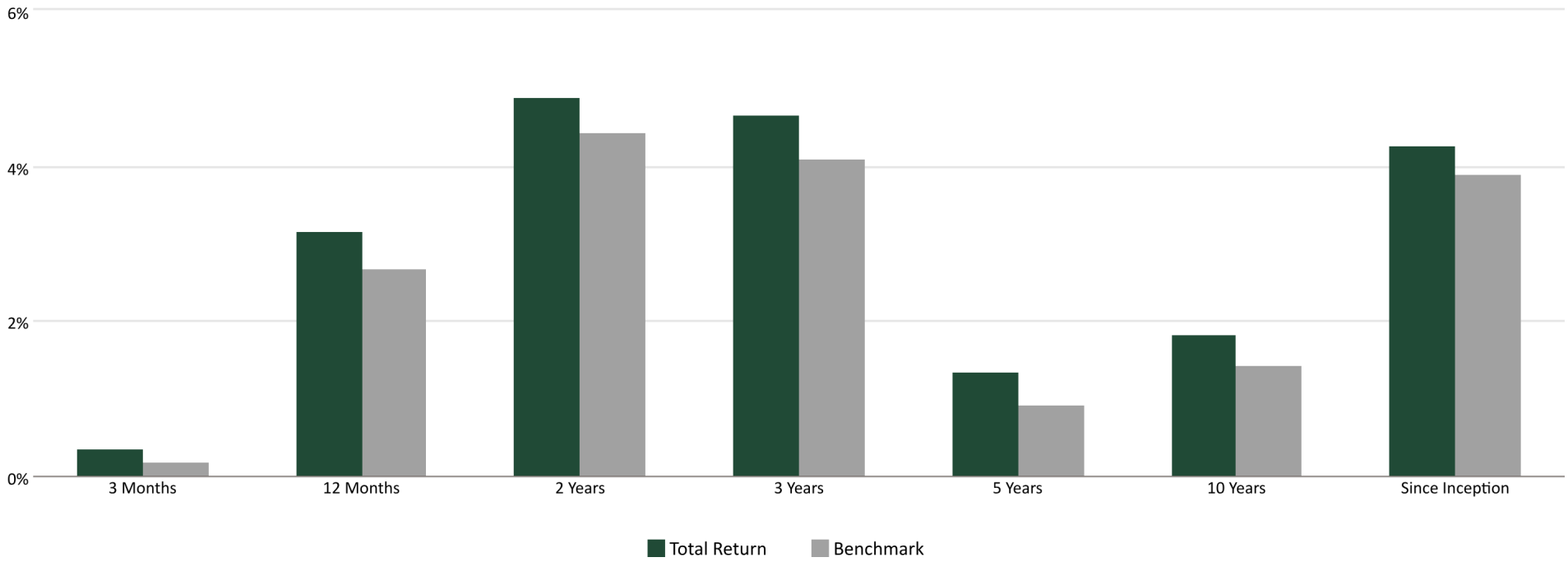
Rancho California Water District Operating Reserve | Account #30 | As of June 30, 2026

Issuer	Investment Type	S&P Rating	Moody's Rating	Fitch Rating	% Portfolio
WF Card Issuance Trust	ABS	AAA	NA	AAA	0.76%
The Goldman Sachs Group, Inc.	Corporate	BBB+	A2	A	0.75%
Honda Auto Receivables Owner Trust	ABS	AAA	Aaa	NA	0.73%
The Progressive Corporation	Corporate	A	A2	A	0.73%
Abbvie Inc.	Corporate	A-	A2	NA	0.73%
Realty Income Corporation	Corporate	A-	A3	WR	0.72%
Pfizer Inc.	Corporate	A	A2	NA	0.72%
State of Georgia	Muni Bonds	AAA	Aaa	AAA	0.68%
Guardian Life Global Funding	Corporate	AA+	Aa1	NA	0.67%
Eli Lilly and Company	Corporate	AA-	Aa3	NA	0.66%
Visa Inc.	Corporate	AA-	Aa3	NA	0.65%
The Charles Schwab Corporation	Corporate	A-	A2	A	0.60%
Deere & Company	Corporate	A	A1	A+	0.58%
JPMorgan Chase & Co.	Corporate	A	A1	AA-	0.57%
Hyundai Motor Company	Corporate	A-	A3	A-	0.57%
Hyundai Motor Company	ABS	AAA	NA	AAA	0.56%
Cargill, Incorporated	Corporate	A	A2	NA	0.52%
Wells Fargo & Company	Corporate	BBB+	A1	A+	0.51%
Massachusetts Mutual Life Insurance	Corporate	AA+	Aa3	AA+	0.47%
Bank of America Credit Card Trust	ABS	AAA	Aaa	NA	0.46%
Duke Energy Corporation	Corporate	A	Aa3	NA	0.44%
GM Financial Auto Leasing Trust	ABS	AAA	NA	AAA	0.32%
Hyundai Auto Lease Sec Trust	ABS	AAA	NA	AAA	0.30%
Mercedes-Benz Auto Lease Trust	ABS	NA	Aaa	AAA	0.27%
Morgan Stanley	Money Mkt Fd	AAAm	Aaa	AAA	0.03%
Cash	Cash	AAA	Aaa	AAA	0.00%
TOTAL					**100.00%**

INVESTMENT PERFORMANCE

Rancho California Water District Operating Reserve | Account #30 | As of June 30, 2026

Total Rate of Return: Inception | 11/01/1994



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
RCWD Operating Reserve	0.36%	3.17%	4.91%	4.68%	1.36%	1.85%	4.27%
Benchmark	*0.19%*	*2.69%*	*4.45%*	*4.11%*	*0.94%*	*1.44%*	*3.89%*

*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
Benchmark: ICE BofA 1-10 Year Unsubordinated US Treasury & Agency Index

PORTFOLIO CHARACTERISTICS

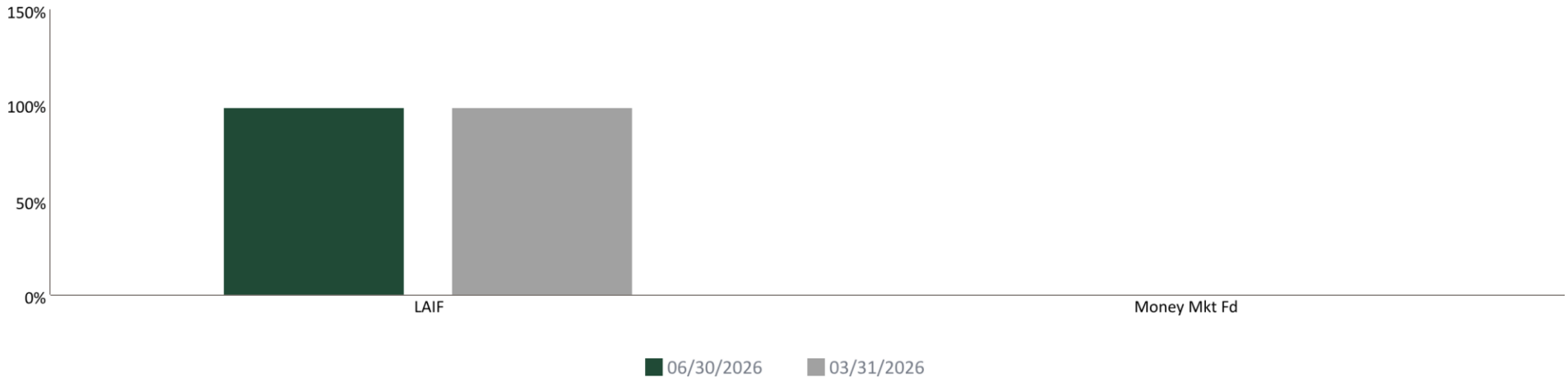
RCWD Construction Fund Consolidated | Account #11566 | As of June 30, 2026

	Benchmark*	6/30/2026 Portfolio	3/31/2026 Portfolio
Average Maturity (yrs)	0.16	0.00	0.00
Average Modified Duration	0.16	0.00	0.00
Average Purchase Yield		3.82%	3.82%
Average Market Yield	3.71%	3.82%	3.82%
Average Quality**	AA+	AAA	AAA
Total Market Value		32,077	32,074

*Benchmark: ICE BofA 3-Month US Treasury Bill Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

RCWD Construction Fund Consolidated | Account #11566 | As of June 30, 2026



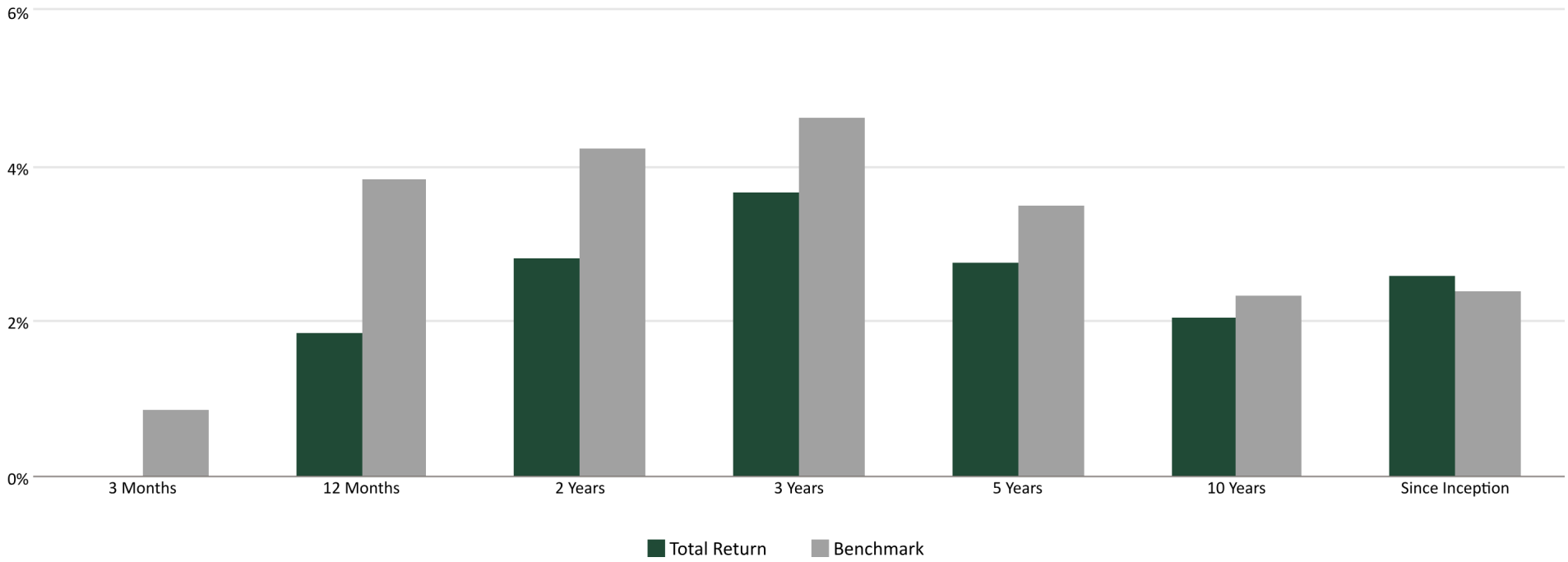
Sector as a Percentage of Market Value

Sector	06/30/2026	03/31/2026
LAIF	98.93%	98.94%
Money Mkt Fd	1.07%	1.06%

INVESTMENT PERFORMANCE

RCWD Construction Fund Consolidated | Account #11566 | As of June 30, 2026

Total Rate of Return: Inception | 06/01/1996



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
RCWD Construction Fund Cons	0.00%	1.86%	2.84%	3.67%	2.77%	2.06%	2.61%
Benchmark	*0.89%*	*3.84%*	*4.26%*	*4.63%*	*3.52%*	*2.34%*	*2.40%*

*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
Benchmark: ICE BofA 3-Month US Treasury Bill Index

PORTFOLIO CHARACTERISTICS

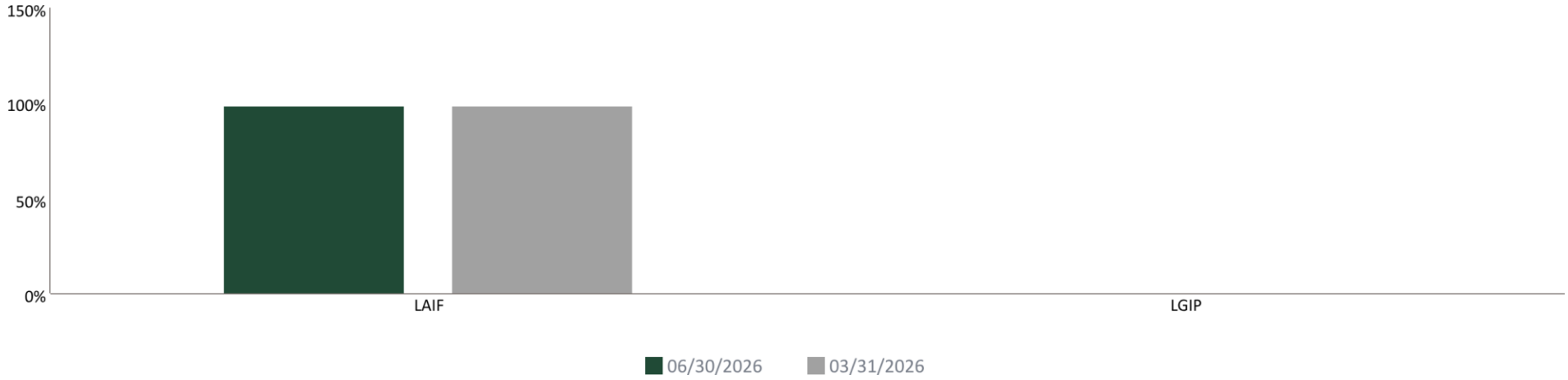
RCWD Cash Management Consolidated | Account #11564 | As of June 30, 2026

	Benchmark*	6/30/2026 Portfolio	3/31/2026 Portfolio
Average Maturity (yrs)	0.16	0.00	0.00
Average Modified Duration	0.16	0.00	0.00
Average Purchase Yield		3.82%	3.82%
Average Market Yield	3.71%	3.82%	3.82%
Average Quality**	AA+	AAA	AAA
Total Market Value		61,027,513	45,072,643

*Benchmark: ICE BofA 3-Month US Treasury Bill Index
**The credit quality is a weighted average calculation of the highest of S&P, Moody's and Fitch.

SECTOR DISTRIBUTION

RCWD Cash Management Consolidated | Account #11564 | As of June 30, 2026



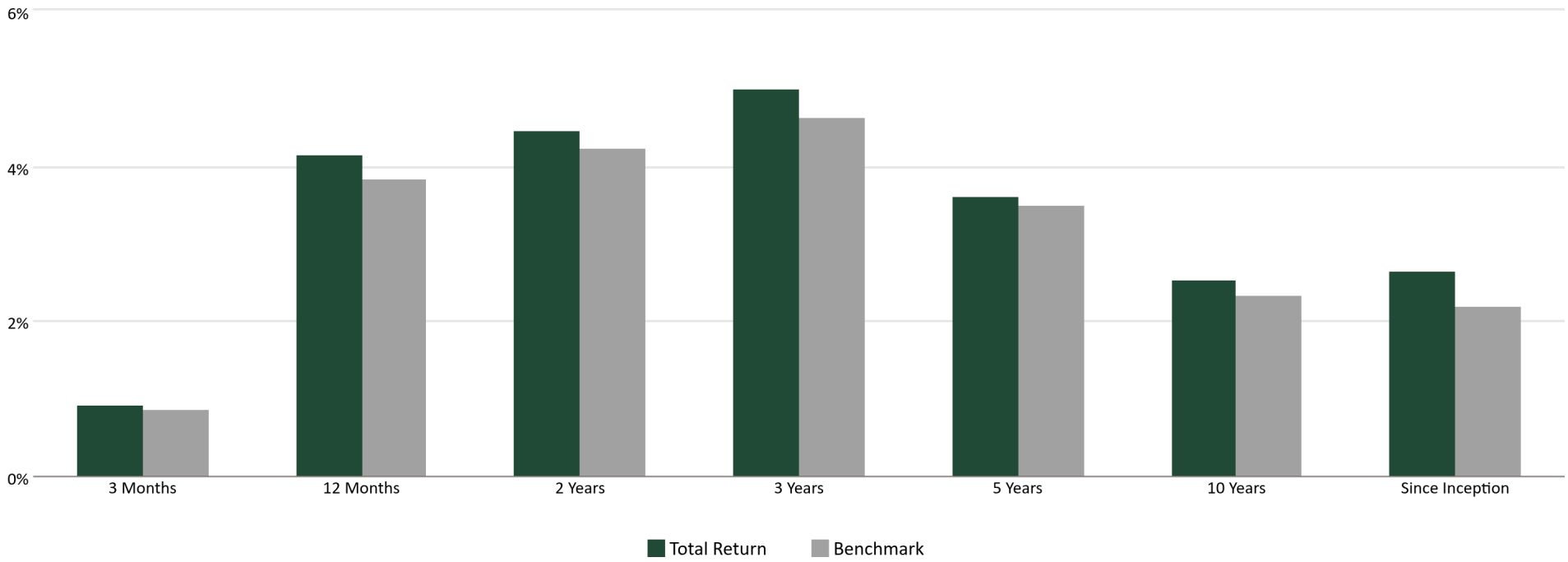
Sector as a Percentage of Market Value

Sector	06/30/2026	03/31/2026
LAIF	99.05%	98.80%
Cash	0.73%	0.91%
LGIP	0.21%	0.29%

INVESTMENT PERFORMANCE

RCWD Cash Management Consolidated | Account #11564 | As of June 30, 2026

Total Rate of Return: Inception | 03/01/1998



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
RCWD Cash Management Cons	0.93%	4.16%	4.46%	5.01%	3.62%	2.54%	2.66%
Benchmark	*0.89%*	*3.84%*	*4.26%*	*4.63%*	*3.52%*	*2.34%*	*2.22%*

*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
Benchmark: ICE BofA 3-Month US Treasury Bill Index

CHANDLER ASSET MANAGEMENT

RCWD RETIREMENT MED. BEN. PLAN CONS

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

STATEMENT OF COMPLIANCE

RCWD Retirement Med. Ben. Plan Cons | Account #709 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	0.7	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	100.0	1.9	Compliant	
Max % Issuer (MV)	5.0	0.2	Compliant	
Max Maturity (Years)	31.0	6.0	Compliant	
Min Rating (AAA by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
COMMODITIES				
Max % (MV)	10.0	3.5	Compliant	
Min % (MV)	0.0	3.5	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	100.0	9.6	Compliant	
Max % Issuer (MV)	5.0	0.4	Compliant	
Max Maturity (Years)	30.0	29.9	Compliant	
Min Rating (BBB- by 1)	0.0	0.0	Compliant	
EMERGING MARKET EQUITIES				
Max % (MV)	70.0	7.0	Compliant	
EQUITIES				

The Statement of Compliance reflects Chandler's assessment of compliance with the applicable investment policy for the assets Chandler directly manages. The report may also present assets reported to Chandler by clients, custodians, or other third parties. Chandler includes those assets in the assessment but has no discretionary authority over them, does not independently verify the information provided, and assumes no responsibility for the accuracy or completeness of that information. Questions regarding this report should be directed to the designated investment professional.

STATEMENT OF COMPLIANCE

RCWD Retirement Med. Ben. Plan Cons | Account #709 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	55.0	46.3	Compliant	
Min % (MV)	30.0	46.3	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	0.9	Compliant	
Max Maturity (Years)	30.0	6.9	Compliant	
FIXED INCOME ETF				
ETF Max % (MV)	100.0	17.2	Compliant	
HIGH YIELD BONDS				
Max % (MV)	15.0	6.6	Compliant	
INTERNATIONAL BONDS				
Max % (MV)	10.0	4.4	Compliant	
Min % (MV)	0.0	4.4	Compliant	
INTERNATIONAL EQUITY				
Max % (MV)	30.0	6.9	Compliant	
Min % (MV)	0.0	6.9	Compliant	
INTERNATIONAL REAL ESTATE				
Max % (MV)	10.0	3.0	Compliant	
Min % (MV)	0.0	3.0	Compliant	
LARGE CAP US EQUITY				
Max % (MV)	50.0	21.1	Compliant	
MID CAP US EQUITY				
Max % (MV)	50.0	6.1	Compliant	
MONEY MARKET FUND				
Max % (MV)	100.0	0.6	Compliant	
Max % Issuer (MV)	5.0	0.6	Compliant	
Min Rating (AAA by S&P Moody's or Fitch)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	100.0	0.0	Compliant	

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STATEMENT OF COMPLIANCE

RCWD Retirement Med. Ben. Plan Cons | Account #709 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	31.0	0.0	Compliant	
Min Rating (AAA by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (AAA by 1)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
REAL ESTATE				
Max % (MV)	20.0	3.2	Compliant	
Min % (MV)	0.0	3.2	Compliant	
SUPRANATIONAL SECURITIES				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
TIME DEPOSITS/NON-NEGOTIABLE CDS				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
US SMALL CAP EQUITIES				
Max % (MV)	50.0	5.2	Compliant	
US TREASURIES				

The Statement of Compliance reflects Chandler's assessment of compliance with the applicable investment policy for the assets Chandler directly manages. The report may also present assets reported to Chandler by clients, custodians, or other third parties. Chandler includes those assets in the assessment but has no discretionary authority over them, does not independently verify the information provided, and assumes no responsibility for the accuracy or completeness of that information. Questions regarding this report should be directed to the designated investment professional.

STATEMENT OF COMPLIANCE

RCWD Retirement Med. Ben. Plan Cons | Account #709 | As of June 30, 2026

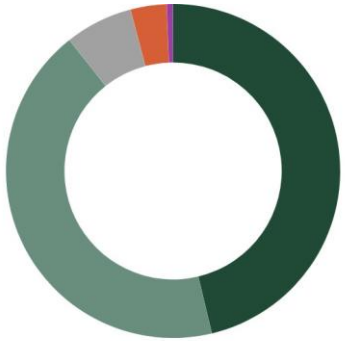
Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	100.0	7.6	Compliant	
Max Maturity (Years)	30.0	23.4	Compliant	

The Statement of Compliance reflects Chandler's assessment of compliance with the applicable investment policy for the assets Chandler directly manages. The report may also present assets reported to Chandler by clients, custodians, or other third parties. Chandler includes those assets in the assessment but has no discretionary authority over them, does not independently verify the information provided, and assumes no responsibility for the accuracy or completeness of that information. Questions regarding this report should be directed to the designated investment professional.

CURRENT ASSET ALLOCATION

RCWD Retirement Med. Ben. Plan Cons | Account #709 | As of June 30, 2026

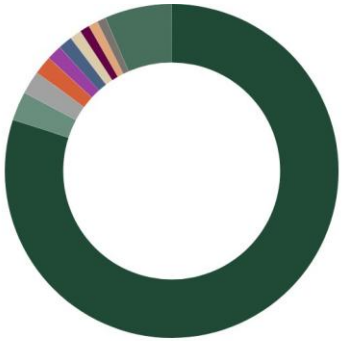
Asset Allocation



Equity **46.28%**
Bonds **43.07%**
Real Estate (REIT) **6.55%**
Commodities **3.49%**
Cash **0.62%**

	Market Value	% Held
Equity	19,577,849.72	46.28%
Bonds	18,220,065.96	43.07%
Real Estate (REIT)	2,772,343.41	6.55%
Commodities	1,475,164.75	3.49%
Cash	260,675.43	0.62%
Total	42,306,099.27	100.00%

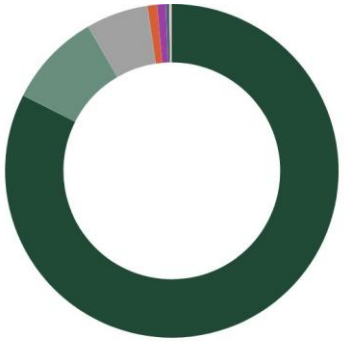
Country Allocation



United States **79.98%**
Japan **2.81%**
Canada **2.24%**
Taiwan **1.80%**
China **1.47%**
United Kingdom **1.37%**
South Korea **1.13%**
India **0.94%**
Australia **0.92%**
Germany **0.84%**
Other **6.50%**

Country	Region	% held
United States	North America	79.98%
Japan	Asia	2.81%
Canada	North America	2.24%
Taiwan	Asia	1.80%
China	Asia	1.47%
United Kingdom	Europe	1.37%
South Korea	Asia	1.13%
India	Asia	0.94%
Australia	Australia	0.92%
Germany	Europe	0.84%
Other	Various	6.50%
Total		100.00%

Regional Allocation



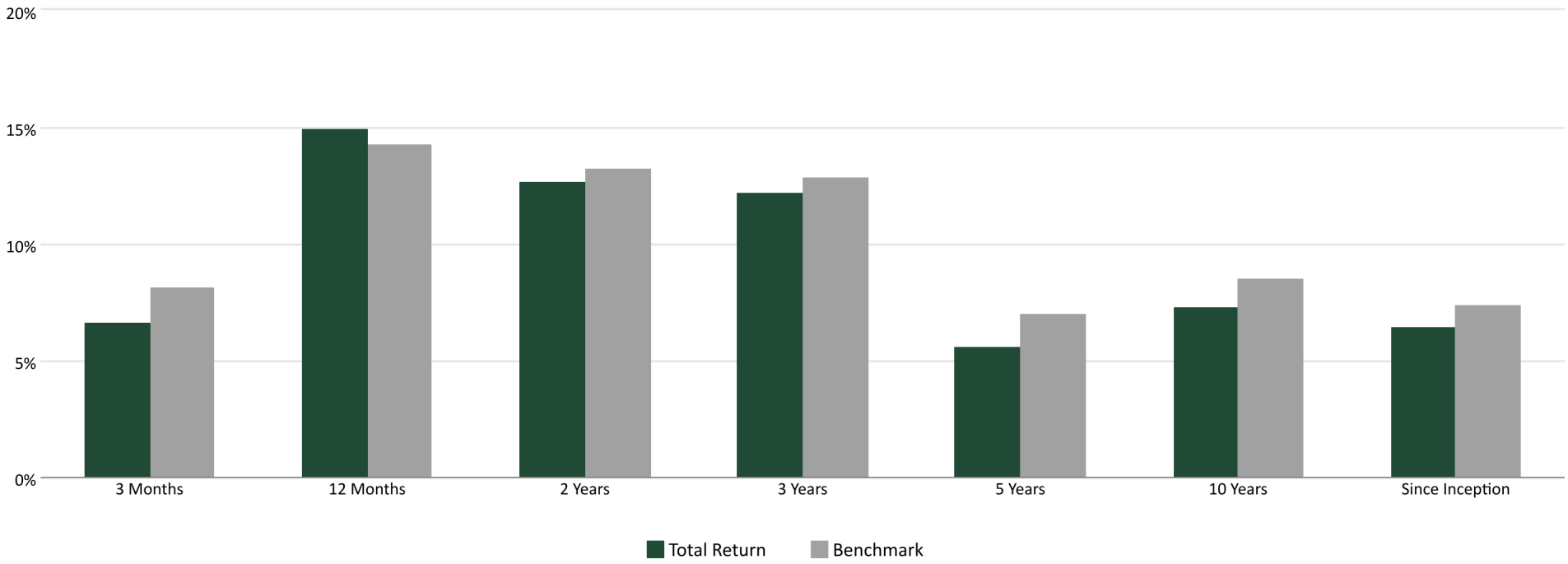
North America **82.49%**
Asia Pacific **9.15%**
Western Europe **6.01%**
Central Asia **0.94%**
Africa / Middle East **0.85%**
South & Central Ame...**0.32%**
Eastern Europe **0.20%**
Other **0.04%**

Region	% held
North America	82.49%
Asia Pacific	9.15%
Western Europe	6.01%
Central Asia	0.94%
Africa / Middle East	0.85%
South & Central America	0.32%
Eastern Europe	0.20%
Other	0.04%
Total	100.00%

INVESTMENT PERFORMANCE

RCWD Retirement Med. Ben. Plan Cons | Account #709 | As of June 30, 2026

Total Rate of Return: Inception | 10/01/2003



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
RCWD Benefit Plan ConsAgg	6.67%	15.03%	12.76%	12.24%	5.71%	7.37%	6.51%
Benchmark	*8.25%*	*14.36%*	*13.29%*	*12.94%*	*7.04%*	*8.57%*	*7.41%*
Secondary Benchmark	*8.91%*	*15.33%*	*13.45%*	*12.66%*	*5.95%*	*7.72%*	

*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
Benchmark: 35% S&P 500 TR, 40% ICE Corp Gov & Mtg Index, 25% MSCI EAFE NTR - Monthly Rebalancing
Secondary Benchmark: 54% MSCI ACWI IMI NTR, 6% FTSE EPRA Nareit Global REITs NTR, 40% ICE BofA US Broad Market Index

CHANDLER ASSET MANAGEMENT

RCWD SECTION 115 PENSION TRUST

Investment Objectives

Safety of principal is the foremost objective of the investment program. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Chandler Asset Management Performance Objective

The performance objective for the portfolio is to earn a total rate of return through a market cycle that is equal to or above the return on the benchmark index.

Strategy

In order to achieve this objective, the portfolio invests in high-quality fixed income securities that comply with the investment policy and all regulations governing the funds.

STATEMENT OF COMPLIANCE

RCWD Section 115 Pension Trust | Account #10620 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
BANKERS' ACCEPTANCES				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	7.0	0.0	Compliant	
Max Maturity (Days)	180.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
CMOS, MORTGAGE SECURITIES, ASSET BACKED (ABS)				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	7.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (AAA by 1)	0.0	0.0	Compliant	
CASH				
Max % (MV)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
COMMODITIES				
Max % (MV)	5.0	3.9	Compliant	
Min % (MV)	0.0	3.9	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	7.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (BBB- by 1)	0.0	0.0	Compliant	
DOMESTIC BONDS				
Max % (MV)	50.0	29.3	Compliant	
Min % (MV)	20.0	29.3	Compliant	

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STATEMENT OF COMPLIANCE

RCWD Section 115 Pension Trust | Account #10620 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
EMERGING MARKET EQUITIES				
Max % (MV)	70.0	4.9	Compliant	
EQUITIES				
Max % (MV)	70.0	51.0	Compliant	
Min % (MV)	50.0	51.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
FIXED INCOME ETF				
ETF Max % (MV)	100.0	33.2	Compliant	
HIGH YIELD BONDS				
Max % (MV)	15.0	5.9	Compliant	
INTERNATIONAL BONDS				
Max % (MV)	15.0	3.9	Compliant	
Min % (MV)	0.0	3.9	Compliant	
INTERNATIONAL EQUITY				
Max % (MV)	35.0	4.9	Compliant	
Min % (MV)	0.0	4.9	Compliant	
INTERNATIONAL REAL ESTATE				
Max % (MV)	5.0	3.0	Compliant	
Min % (MV)	0.0	3.0	Compliant	
LARGE CAP US EQUITY				
Max % (MV)	70.0	29.9	Compliant	
MID CAP US EQUITY				
Max % (MV)	70.0	6.7	Compliant	
MONEY MARKET FUND				
Max % (MV)	100.0	0.3	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				

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STATEMENT OF COMPLIANCE

RCWD Section 115 Pension Trust | Account #10620 | As of June 30, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	100.0	0.0	Compliant	
Max Maturity (CMO; Years)	30.0	0.0	Compliant	
Min Rating (AAA by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	7.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (AAA by 1)	0.0	0.0	Compliant	
NON-US GOVERNMENT ISSUERS				
Min Rating (AAA by 1)	0.0	0.0	Compliant	
REAL ESTATE				
Max % (MV)	15.0	3.0	Compliant	
Min % (MV)	0.0	3.0	Compliant	
SUPRANATIONAL SECURITIES				
Max % (MV)	100.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
TIME DEPOSITS/NON-NEGOTIABLE CDS				
Max % (MV)	100.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
Min Rating (A-1 by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	0.0	Compliant	
Max Maturity (Years)	30.0	0.0	Compliant	
US SMALL CAP EQUITIES				
Max % (MV)	70.0	4.7	Compliant	

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CURRENT ASSET ALLOCATION

RCWD Section 115 Pension Trust | Account #10620 | As of June 30, 2026

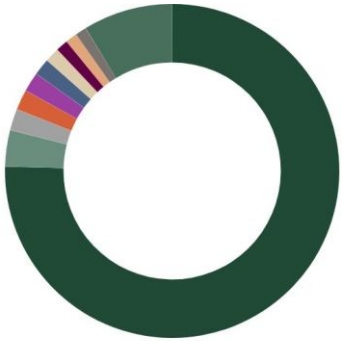
Asset Allocation



Equity **51.01%**
Bonds **38.78%**
Real Estate (REIT) **6.01%**
Commodities **3.87%**
Cash **0.33%**

	Market Value	% Held
Equity	6,632,050.60	51.01%
Bonds	5,042,525.50	38.78%
Real Estate (REIT)	781,375.60	6.01%
Commodities	502,545.40	3.87%
Cash	43,550.80	0.33%
Total	13,002,047.90	100.00%

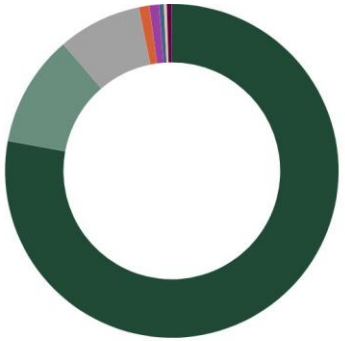
Country Allocation



United States **75.44%**
Canada **2.08%**
United Kingdom **1.92%**
South Korea **1.42%**
Australia **1.14%**
Other **8.65%**
Japan **3.52%**
Taiwan **1.95%**
China **1.62%**
Germany **1.17%**
France **1.09%**

Country	Region	% held
United States	North America	75.44%
Japan	Asia	3.52%
Canada	North America	2.08%
Taiwan	Asia	1.95%
United Kingdom	Europe	1.92%
China	Asia	1.62%
South Korea	Asia	1.42%
Germany	Europe	1.17%
Australia	Australia	1.14%
France	Europe	1.09%
Other	Various	8.65%
Total		100.00%

Regional Allocation



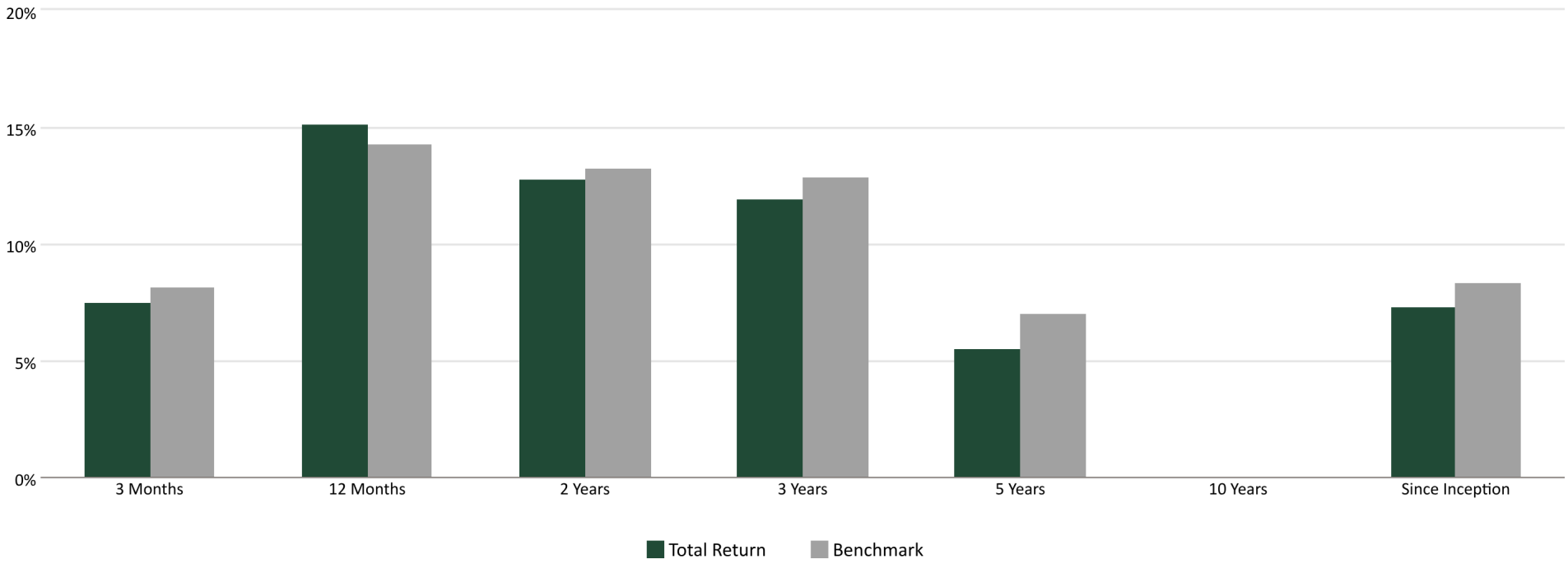
North America **77.90%**
Western Europe **8.09%**
Africa / Middle East **0.94%**
Eastern Europe **0.27%**
Asia Pacific **10.84%**
Central Asia **1.00%**
South & Central Ame...**0.47%**
Other **0.49%**

Region	% held
North America	77.90%
Asia Pacific	10.84%
Western Europe	8.09%
Central Asia	1.00%
Africa / Middle East	0.94%
South & Central America	0.47%
Eastern Europe	0.27%
Other	0.49%
Total	100.00%

INVESTMENT PERFORMANCE

RCWD Section 115 Pension Trust | Account #10620 | As of June 30, 2026

Total Rate of Return: Inception | 08/01/2018



TOTAL RATE OF RETURN*	3 Months	12 Months	2 Years	3 Years	5 Years	10 Years	Since Inception
RCWD Section 115 Pension Trust	7.54%	15.20%	12.82%	11.95%	5.55%		7.37%
Benchmark	*8.25%*	*14.36%*	*13.29%*	*12.94%*	*7.04%*		*8.38%*
Secondary Benchmark	*8.91%*	*15.33%*	*13.45%*	*12.66%*	*5.95%*		*7.56%*

*Periods over 1 year are annualized.
Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending market value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.
Benchmark: 35% S&P 500 TR, 40% ICE Corp Gov & Mtg Index, 25% MSCI EAFE NTR - Monthly Rebalancing
Secondary Benchmark: 54% MSCI ACWI IMI NTR, 6% FTSE EPRA Nareit Global REITs NTR, 40% ICE BofA US Broad Market Index

CHANDLER ASSET MANAGEMENT

PORTFOLIO HOLDINGS

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
ABS									
448970AD5	HALST 2026-A A3 3.97 12/15/2028	805,000.00	01/12/2026 3.98%	804,881.99 804,899.93	99.32 4.46%	799,565.45 1,420.38	0.31% (5,334.49)	NA/AAA AAA	2.46 1.49
36275AAD1	GMALT 2026-2 A3 4.3 03/20/2029	850,000.00	05/05/2026 4.40%	849,908.03 849,912.27	99.86 4.43%	848,772.60 913.75	0.32% (1,139.67)	NA/AAA AAA	2.72 1.57
02582JKH2	AMXCA 2024-1 A 5.23 04/16/2029	1,895,000.00	04/16/2024 5.30%	1,894,611.53 1,894,782.17	100.82 4.20%	1,910,592.06 4,404.82	0.73% 15,809.89	NA/AAA AAA	2.79 0.76
05522RDJ4	BACCT 2024-1 A 4.93 05/15/2029	1,215,000.00	06/06/2024 4.93%	1,214,931.84 1,214,960.36	100.65 4.21%	1,222,842.83 2,662.20	0.47% 7,882.47	Aaa/AAA NA	2.87 0.84
58770YAD3	MBALT 2026-A A3 3.93 01/15/2030	725,000.00	01/13/2026 3.97%	724,856.23 724,872.14	99.21 4.40%	719,296.43 1,266.33	0.27% (5,575.71)	Aaa/NA AAA	3.54 1.78
02582JKP4	AMXCA 2025-2 A 4.28 04/15/2030	2,070,000.00	05/06/2025 4.28%	2,069,962.53 2,069,971.16	99.90 4.38%	2,067,913.44 3,937.60	0.79% (2,057.72)	NA/AAA AAA	3.79 1.69
92970QAJ4	WFCIT 2025-1 A 4.34 05/15/2030	1,995,000.00	06/03/2025 4.33%	1,994,966.88 1,994,973.98	100.03 4.36%	1,995,618.45 3,848.13	0.76% 644.47	NA/AAA AAA	3.87 1.76
43814YAD3	HAROT 2026-2 A3 4.3 11/15/2030	1,930,000.00	05/05/2026 3.02%	1,929,944.22 1,929,945.88	99.74 4.46%	1,925,064.99 3,688.44	0.74% (4,880.89)	Aaa/AAA NA	4.38 2.14
44935KAD5	HART 26B A3 4.81 02/18/2031	1,465,000.00	06/09/2026 4.86%	1,464,823.17 1,464,824.62	100.24 4.44%	1,468,521.86 2,740.36	0.56% 3,697.24	NA/AAA AAA	4.64 2.20
161571JA3	CHAIT 2026-1 A 4.4 05/15/2029	2,005,000.00	05/21/2026 4.45%	2,004,525.62 2,004,540.51	100.06 4.42%	2,006,299.24 8,086.83	0.77% 1,758.73	NA/AAA AAA	2.87 2.63
Total ABS		**14,955,000.00**	**4.36%**	**14,953,412.04** **14,953,683.02**	**100.07** **4.37%**	**14,964,487.34** **32,968.86**	**5.72%** **10,804.32**		**3.49** **1.73**
AGENCY									
3130ACKB9	FEDERAL HOME LOAN BANKS 2.625 09/10/2027	3,000,000.00	11/20/2017 2.68%	2,985,060.00 2,998,180.49	98.22 4.17%	2,946,501.00 24,281.25	1.13% (51,679.49)	Aa1/AA+ AA+	1.20 1.15
3135G05Y5	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.75 10/08/2027	4,405,000.00	-- 0.79%	4,393,220.85 4,402,803.00	95.86 4.13%	4,222,690.27 7,616.98	1.61% (180,112.74)	Aa1/AA+ AA+	1.27 1.24
3130AEB25	FEDERAL HOME LOAN BANKS 3.25 06/09/2028	3,500,000.00	01/29/2019 3.14%	3,533,495.00 3,506,947.91	98.22 4.21%	3,437,707.00 6,951.39	1.31% (69,240.91)	Aa1/AA+ AA+	1.94 1.85
3130AG3X1	FEDERAL HOME LOAN BANKS 2.875 03/09/2029	2,255,000.00	-- 2.71%	2,287,916.40 2,264,058.65	96.69 4.19%	2,180,260.28 20,169.72	0.83% (83,798.37)	Aa1/AA+ AA+	2.69 2.53

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3130AGDY8	FEDERAL HOME LOAN BANKS 2.75 06/08/2029	3,990,000.00	-- 2.46%	4,095,103.95 4,021,133.79	96.09 4.18%	3,833,863.32 7,010.21	1.46% (187,270.47)	Aa1/AA+ AA+	2.94 2.78
3130AGUW3	FEDERAL HOME LOAN BANKS 2.125 09/14/2029	500,000.00	03/05/2020 1.23%	541,020.00 513,806.96	93.55 4.30%	467,770.00 3,157.99	0.18% (46,036.96)	Aa1/AA+ AA+	3.21 3.02
3135G05Q2	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875 08/05/2030	4,535,000.00	-- 0.99%	4,486,574.80 4,514,811.98	87.60 4.20%	3,972,764.31 16,092.95	1.52% (542,047.67)	Aa1/AA+ AA+	4.10 3.93
3133ERDM0	FEDERAL FARM CREDIT BANKS FUNDING CORP 4.75 05/02/2031	2,500,000.00	07/19/2024 4.38%	2,553,425.00 2,538,120.63	102.67 4.13%	2,566,722.50 19,461.81	0.98% 28,601.87	Aa1/AA+ AA+	4.84 4.27
Total Agency		**24,685,000.00**	**2.25%**	**24,875,816.00** **24,759,863.41**	**95.92** **4.18%**	**23,628,278.67** **104,742.29**	**9.02%** **(1,131,584.74)**		**2.66** **2.50**
AGENCY CMBS									
3137FBBX3	FHMS K-068 A2 3.244 08/25/2027	3,100,000.00	-- 2.41%	3,232,648.44 3,125,876.88	98.76 4.25%	3,061,677.80 8,380.33	1.17% (64,199.08)	Aaa/AA+ AA+	1.15 1.04
3137H1Z33	FHMS K-744 A2 1.712 07/25/2028	1,647,575.95	02/08/2022 2.07%	1,611,592.88 1,636,296.52	94.98 4.42%	1,564,851.16 2,350.54	0.60% (71,445.36)	Aa1/AA+ AAA	2.07 1.85
3137H5DX2	FHMS K-747 A2 2.05 11/25/2028	2,700,000.00	01/19/2022 1.96%	2,712,617.10 2,704,364.12	94.72 4.43%	2,557,556.10 4,612.50	0.98% (146,808.02)	Aa1/AA+ AAA	2.41 2.22
3137HB2L7	FHMS K-753 A2 4.4 10/25/2030	1,400,000.00	11/27/2023 5.13%	1,342,632.81 1,364,320.69	99.61 4.47%	1,394,582.00 5,133.33	0.53% 30,261.31	Aa1/AA+ AAA	4.32 3.76
3137HBC51	FHMS K-754 A2 4.94 11/25/2030	2,000,000.00	12/07/2023 4.80%	2,021,562.50 2,013,585.92	101.65 4.48%	2,032,956.00 8,233.33	0.78% 19,370.08	Aa1/AA+ AAA	4.41 3.84
3137FJY60	FHMS K-1508 A2 3.9 12/25/2030	1,970,000.00	-- 4.20%	1,930,742.19 1,947,716.64	97.64 4.48%	1,923,506.03 6,402.50	0.73% (24,210.61)	Aa1/AA+ AA+	4.49 3.86
3137HDVA5	FHMS K756 4.963 05/25/2031	2,885,000.00	07/24/2024 4.84%	2,942,570.18 2,926,221.65	101.88 4.49%	2,939,180.30 11,931.88	1.12% 12,958.65	Aa1/AA+ AAA	4.90 4.17
3137HH5X5	FHMS K757 A2 4.456 08/25/2031	3,445,000.00	10/02/2024 4.10%	3,513,800.10 3,496,392.51	99.72 4.50%	3,435,202.42 12,792.43	1.31% (61,190.09)	Aaa/AA+ AA+	5.15 4.42
3137H6LN3	FHMS K-139 A2 2.59 01/25/2032	2,100,000.00	03/01/2022 2.34%	2,143,923.60 2,124,619.75	90.64 4.52%	1,903,532.40 4,532.50	0.73% (221,087.35)	Aaa/AA+ AA+	5.57 5.00
3137HJZS9	FHMS K-759 A2 4.8 01/25/2032	3,630,000.00	02/11/2025 4.76%	3,626,123.16 3,626,890.48	101.24 4.52%	3,675,030.15 14,520.00	1.40% 48,139.67	Aa1/AA+ AAA	5.57 4.70

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
3137H8BK6	FHMS K-147 A2 3.0 06/25/2032	2,800,000.00	08/19/2025 4.37%	2,576,437.50 2,604,710.25	92.00 4.55%	2,576,067.20 7,000.00	0.98% (28,643.05)	Aa1/AA+ AAA	5.99 5.30
3137HN4L9	FHMS K-761 A2 4.4 06/25/2032	2,600,000.00	09/04/2025 4.41%	2,618,483.40 2,616,277.44	99.19 4.54%	2,578,901.00 9,533.33	0.99% (37,376.44)	Aa1/AA+ AAA	5.99 5.09
3137H8U90	FHMS K-148 A2 3.5 07/25/2032	1,550,000.00	04/26/2023 4.11%	1,478,736.33 1,503,356.24	94.47 4.55%	1,464,354.75 4,520.83	0.56% (39,001.49)	Aaa/AA+ AA+	6.07 5.30
3137HNTK4	FHMS K-762 A2 4.36 09/25/2032	2,600,000.00	11/05/2025 4.25%	2,608,806.20 2,607,989.09	98.90 4.56%	2,571,303.80 9,446.67	0.98% (36,685.29)	Aa1/AAA AA+	6.24 5.26
3137HPET6	FHMS K-763 A2 4.17 10/25/2032	2,250,000.00	12/08/2025 4.47%	2,231,028.00 2,232,253.61	97.78 4.57%	2,200,101.75 7,818.75	0.84% (32,151.86)	Aa1/AAA AA+	6.32 5.37
3137H9M89	FHMS K-152 A2 3.78 11/25/2032	1,120,000.00	04/11/2023 4.15%	1,087,931.25 1,098,721.94	95.75 4.56%	1,072,365.28 3,528.00	0.41% (26,356.66)	Aa1/AA+ AAA	6.41 5.42
3137H9UD9	FHMS K-154 A2 4.35 01/25/2033	3,330,000.00	03/08/2024 4.59%	3,272,895.70 3,287,811.00	98.62 4.59%	3,283,932.78 12,071.25	1.25% (3,878.22)	Aa1/AA+ AAA	6.57 5.56
3137HRKH1	FHMS K-765 A2 4.17 02/25/2033	3,000,000.00	05/21/2026 4.70%	2,909,179.69 2,910,481.37	97.57 4.60%	2,927,118.00 10,425.00	1.12% 16,636.63	Aa1/AA+ AAA	6.66 5.61
3137HASK3	FHMS K-160 A2 4.5 08/25/2033	1,500,000.00	10/26/2023 5.61%	1,378,359.38 1,411,621.02	99.26 4.62%	1,488,882.00 5,625.00	0.57% 77,260.98	Aa1/AAA AA+	7.15 5.93
Total Agency CMBS		**45,627,575.95**	**4.07%**	**45,240,070.41** **45,239,507.11**	**97.95** **4.51%**	**44,651,100.92** **148,858.19**	**17.05%** **(588,406.19)**		**5.11** **4.38**
CASH									
CCYUSD	Receivable	3,540.23	--	3,540.23 3,540.23	1.00	3,540.23 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**3,540.23**		**3,540.23** **3,540.23**	**1.00**	**3,540.23** **0.00**	**0.00%** **0.00**		**0.00** **0.00**
CORPORATE									
808513BY0	CHARLES SCHWAB CORP 2.45 03/03/2027	1,590,000.00	03/01/2022 2.46%	1,589,573.10 1,589,935.65	98.80 4.27%	1,570,985.19 12,768.58	0.60% (18,950.46)	A2/A- A	0.67 0.65
084664CZ2	BERKSHIRE HATHAWAY FINANCE CORP 2.3 03/15/2027	2,650,000.00	03/07/2022 2.30%	2,649,496.50 2,649,929.13	98.68 4.21%	2,615,038.55 17,946.39	1.00% (34,890.58)	Aa2/AA A+	0.71 0.69

HOLDINGS REPORT

CHANDLER ASSET MANAGEMENT

Rancho California Water District Operating Reserve | Account #30 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
66815L2Q1	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.71 01/10/2029	2,000,000.00	-- 4.67%	2,003,840.20 2,001,942.17	100.45 4.52%	2,009,082.00 44,745.00	0.77% 7,139.83	Aa1/AA+ AAA	2.53 2.31
61747YFA8	MORGAN STANLEY 5.123 02/01/2029	1,000,000.00	02/13/2024 5.31%	993,270.00 997,302.42	100.61 4.97%	1,006,076.00 21,345.83	0.38% 8,773.58	A1/A- A+	2.59 1.48
532457CK2	ELI LILLY AND CO 4.5 02/09/2029	1,700,000.00	02/07/2024 4.51%	1,698,878.00 1,699,414.13	100.53 4.28%	1,708,950.50 30,175.00	0.65% 9,536.37	Aa3/AA- NA	2.61 2.32
09290DAA9	BLACKROCK INC 4.7 03/14/2029	2,700,000.00	03/05/2024 4.74%	2,695,113.00 2,697,358.45	100.99 4.30%	2,726,794.80 37,717.50	1.04% 29,436.35	Aa3/AA- NA	2.70 2.41
26442UAH7	DUKE ENERGY PROGRESS LLC 3.45 03/15/2029	1,172,000.00	03/15/2024 4.94%	1,095,456.68 1,130,493.52	97.44 4.46%	1,141,969.84 11,905.57	0.44% 11,476.32	Aa3/A NA	2.71 2.52
64952WFG3	NEW YORK LIFE GLOBAL FUNDING 5.0 06/06/2029	1,225,000.00	06/03/2024 5.04%	1,222,648.00 1,223,620.49	101.27 4.53%	1,240,563.63 4,253.47	0.47% 16,943.14	Aa1/AA+ AAA	2.93 2.69
24422EXT1	JOHN DEERE CAPITAL CORP 4.85 06/11/2029	1,500,000.00	06/07/2024 5.04%	1,487,670.00 1,492,734.35	101.25 4.39%	1,518,784.50 4,041.67	0.58% 26,050.15	A1/A A+	2.95 2.71
341081GT8	FLORIDA POWER & LIGHT CO 5.15 06/15/2029	2,000,000.00	06/13/2024 4.82%	2,027,729.62 2,016,027.50	101.87 4.47%	2,037,488.00 4,577.78	0.78% 21,460.50	Aa2/A+ AA-	2.96 2.57
44891AEN3	HYUNDAI CAPITAL AMERICA 4.75 06/18/2029	1,500,000.00	06/15/2026 4.78%	1,498,590.00 1,498,606.72	99.66 4.87%	1,494,871.50 2,572.92	0.57% (3,735.22)	A3/A- A-	2.97 2.73
437076DC3	HOME DEPOT INC 4.75 06/25/2029	2,000,000.00	06/20/2024 4.84%	1,991,920.00 1,995,176.78	100.99 4.39%	2,019,794.00 1,583.33	0.77% 24,617.22	A2/A A	2.99 2.68
713448FX1	PEPSICO INC 4.5 07/17/2029	2,200,000.00	07/15/2024 4.53%	2,196,590.00 2,197,923.37	100.31 4.39%	2,206,806.80 45,100.00	0.84% 8,883.43	A1/A+ NA	3.05 2.69
06051GHM4	BANK OF AMERICA CORP 4.271 07/23/2029	2,000,000.00	04/29/2025 4.55%	1,983,520.00 1,989,483.53	99.21 4.88%	1,984,226.00 37,489.89	0.76% (5,257.53)	A1/A- AA-	3.06 1.91
171239AL0	CHUBB INA HOLDINGS LLC 4.65 08/15/2029	2,200,000.00	08/15/2024 4.50%	2,214,762.00 2,209,133.68	100.49 4.48%	2,210,832.80 38,646.67	0.84% 1,699.12	A2/A A	3.13 2.76
40139LBJ1	GUARDIAN LIFE GLOBAL FUNDING 4.179 09/26/2029	1,780,000.00	09/23/2024 4.18%	1,780,000.00 1,780,000.00	98.69 4.62%	1,756,698.02 19,629.69	0.67% (23,301.98)	Aa1/AA+ NA	3.24 2.96
69371RT48	PACCAR FINANCIAL CORP 4.0 09/26/2029	2,500,000.00	09/26/2024 4.04%	2,495,625.00 2,497,164.04	98.97 4.34%	2,474,172.50 26,388.89	0.95% (22,991.54)	A1/A+ NA	3.24 2.97
61748UAK8	MORGAN STANLEY 4.133 10/18/2029	1,300,000.00	10/20/2025 4.10%	1,301,053.00 1,300,810.00	98.64 4.70%	1,282,255.00 10,895.05	0.49% (18,555.00)	A1/A- A+	3.30 2.15

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
38141GD27	GOLDMAN SACHS GROUP INC 4.153 10/21/2029	2,000,000.00	10/15/2025 4.14%	2,000,720.00 2,000,553.80	98.59 4.72%	1,971,800.00 16,150.56	0.75% (28,753.80)	A2/BBB+ A	3.31 2.15
00287YBX6	ABBVIE INC 3.2 11/21/2029	2,000,000.00	04/29/2025 4.38%	1,903,480.00 1,928,218.32	95.75 4.57%	1,915,082.00 7,111.11	0.73% (13,136.32)	A2/A- NA	3.39 3.15
95000U3J0	WELLS FARGO & CO 5.198 01/23/2030	1,300,000.00	01/22/2025 5.13%	1,303,211.00 1,302,059.35	101.12 4.84%	1,314,612.00 29,657.48	0.50% 12,552.65	A1/BBB+ A+	3.57 2.32
571748CA8	MARSH & MCLENNAN COMPANIES INC 4.65 03/15/2030	2,000,000.00	03/11/2025 4.69%	1,996,200.00 1,997,181.25	99.90 4.68%	1,997,978.00 27,383.33	0.76% 796.75	A3/A- A-	3.71 3.32
743315AW3	PROGRESSIVE CORP 3.2 03/26/2030	2,000,000.00	11/14/2025 4.16%	1,924,100.00 1,934,888.30	95.34 4.57%	1,906,772.00 16,888.89	0.73% (28,116.30)	A2/A A	3.74 3.44
57629TBX4	MASSMUTUAL GLOBAL FUNDING II 4.55 05/07/2030	1,250,000.00	05/01/2025 4.58%	1,248,337.50 1,248,719.89	99.26 4.76%	1,240,791.25 8,531.25	0.47% (7,928.64)	Aa3/AA+ AA+	3.85 3.47
74153WCW7	PRICOA GLOBAL FUNDING I 4.7 05/28/2030	2,500,000.00	08/20/2025 4.38%	2,534,275.00 2,528,093.29	99.86 4.74%	2,496,480.00 10,770.83	0.95% (31,613.29)	Aa3/AA- AA-	3.91 3.52
66815L2W8	NORTHWESTERN MUTUAL GLOBAL FUNDING 4.6 06/03/2030	1,500,000.00	05/27/2025 4.60%	1,499,730.00 1,499,788.11	99.72 4.68%	1,495,797.00 5,366.67	0.57% (3,991.11)	Aa1/AA+ AAA	3.93 3.54
828807DZ7	SIMON PROPERTY GROUP LP 4.375 10/01/2030	2,500,000.00	10/07/2025 4.28%	2,510,694.21 2,509,104.13	99.03 4.63%	2,475,772.50 27,343.75	0.95% (33,331.63)	A3/A NA	4.25 3.79
141781CF9	CARGILL INC 4.125 10/23/2030	1,400,000.00	10/21/2025 4.11%	1,400,812.00 1,400,698.52	97.93 4.66%	1,371,048.00 10,908.33	0.52% (29,650.52)	A2/A NA	4.31 3.87
717081FD0	PFIZER INC 4.2 11/15/2030	1,915,000.00	11/18/2025 4.22%	1,913,487.15 1,913,671.68	98.71 4.53%	1,890,353.95 10,277.17	0.72% (23,317.73)	A2/A NA	4.38 3.93
63743HGC0	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP 4.3 12/10/2030	2,100,000.00	12/01/2025 4.32%	2,098,026.00 2,098,245.45	98.64 4.64%	2,071,477.80 5,267.50	0.79% (26,767.65)	A2/NA A	4.45 3.99
64952WFR9	NEW YORK LIFE GLOBAL FUNDING 4.25 01/09/2031	1,385,000.00	01/05/2026 4.29%	1,382,784.00 1,382,993.95	98.37 4.65%	1,362,392.65 28,123.19	0.52% (20,601.30)	Aa1/AA+ AAA	4.53 3.98
89236TPH2	TOYOTA MOTOR CREDIT CORP 4.2 01/10/2031	1,365,000.00	01/07/2026 4.21%	1,364,576.85 1,364,616.29	98.20 4.64%	1,340,460.03 26,913.25	0.51% (24,156.26)	A1/A+ A+	4.53 3.99
29379VCK7	ENTERPRISE PRODUCTS OPERATING LLC 4.6 01/15/2031	2,000,000.00	04/17/2026 4.30%	2,025,240.00 2,024,171.01	99.68 4.68%	1,993,614.00 42,422.22	0.76% (30,557.01)	A3/A- A-	4.54 3.97
756109AX2	REALTY INCOME CORP 3.25 01/15/2031	2,000,000.00	05/28/2026 4.71%	1,879,920.00 1,882,261.99	94.04 4.72%	1,880,784.00 29,972.22	0.72% (1,477.99)	A3/A- NA	4.54 4.08

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
92826CAZ5	VISA INC 4.1 02/12/2031	1,695,000.00	02/03/2026 4.13%	1,692,728.70 1,692,901.60	98.91 4.36%	1,676,536.37 26,832.79	0.64% (16,365.23)	Aa3/AA- NA	4.62 4.09
46647PBJ4	JPMORGAN CHASE & CO 4.493 03/24/2031	1,500,000.00	06/16/2026 4.64%	1,490,880.00 1,490,953.34	99.12 5.30%	1,486,807.50 18,159.21	0.57% (4,145.84)	A1/A AA-	4.73 3.35
89236TQB4	TOYOTA MOTOR CREDIT CORP 4.55 05/14/2031	1,165,000.00	05/11/2026 4.60%	1,162,635.05 1,162,697.22	99.17 4.74%	1,155,349.14 6,920.42	0.44% (7,348.08)	A1/A+ A+	4.87 4.29
14913V2D9	CATERPILLAR FINANCIAL SERVICES CORP 4.5 05/15/2031	2,700,000.00	-- 4.55%	2,694,591.60 2,694,730.81	99.53 4.61%	2,687,226.30 15,525.00	1.03% (7,504.51)	A1/A A+	4.87 4.30
57636QBL7	MASTERCARD INC 4.6 06/08/2031	2,220,000.00	06/04/2026 4.62%	2,218,224.00 2,218,246.37	99.85 4.63%	2,216,587.86 6,524.33	0.85% (1,658.51)	Aa3/A+ NA	4.94 4.36
Total Corporate		**71,512,000.00**	**4.38%**	**71,170,388.16** **71,241,850.60**	**99.24** **4.58%**	**70,953,111.97** **748,832.73**	**27.10%** **(288,738.63)**		**3.50** **3.04**
MONEY MARKET FUND									
61747C707	MORG STAN I LQ:GV I	82,770.85	-- 3.56%	82,770.85 82,770.85	1.00 3.56%	82,770.85 0.00	0.03% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**82,770.85**	**3.56%**	**82,770.85** **82,770.85**	**1.00** **3.56%**	**82,770.85** **0.00**	**0.03%** **0.00**		**0.00** **0.00**
MUNICIPAL BONDS									
13063DL22	CALIFORNIA STATE 1.75 10/01/2028	1,000,000.00	06/01/2022 3.60%	894,750.00 962,534.28	94.46 4.36%	944,553.00 4,375.00	0.36% (17,981.28)	Aa2/AA- AA	2.25 2.16
93974EYF7	WASHINGTON STATE 3.5 08/01/2029	2,150,000.00	07/20/2022 3.59%	2,137,315.00 2,144,404.70	97.77 4.28%	2,102,156.05 31,354.17	0.80% (42,248.65)	Aaa/AA+ AA+	3.09 2.84
882724WW3	TEXAS ST 4.0 10/01/2029	2,000,000.00	05/02/2023 4.05%	1,994,120.00 1,997,017.32	99.39 4.20%	1,987,748.00 20,000.00	0.76% (9,269.32)	NA/AAA AAA	3.25 2.99
544351QV4	LOS ANGELES CALIF 5.0 09/01/2030	2,000,000.00	09/16/2022 4.25%	2,099,960.00 2,052,586.90	102.18 4.42%	2,043,692.00 33,333.33	0.78% (8,894.90)	Aa3/AA- AAA	4.17 3.68
13063EGV2	CALIFORNIA STATE 5.0 08/01/2031	2,500,000.00	10/30/2024 4.56%	2,563,510.00 2,547,942.30	102.27 4.50%	2,556,742.50 52,083.33	0.98% 8,800.20	Aa2/AA- AA	5.09 4.37
373384J80	GEORGIA ST 4.48 02/01/2032	1,750,000.00	05/22/2024 4.74%	1,720,425.00 1,728,511.01	100.03 4.47%	1,750,479.50 32,666.67	0.67% 21,968.49	Aaa/AAA AAA	5.59 0.08

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
649791PX2	NEW YORK ST 2.8 02/15/2032	3,500,000.00	06/07/2022 3.88%	3,193,435.00 3,321,935.82	92.17 4.39%	3,226,069.00 37,022.22	1.23% (95,866.82)	Aa1/AA+ AA+	5.63 5.05
13063ESC1	CALIFORNIA ST 4.35 11/01/2032	2,900,000.00	10/31/2025 4.26%	2,915,428.00 2,913,995.23	98.91 4.55%	2,868,317.50 21,025.00	1.10% (45,677.73)	Aa2/AA- AA	6.34 5.44
93974FLH4	WASHINGTON STATE 4.45 08/01/2033	3,000,000.00	06/17/2026 4.45%	3,000,000.00 3,000,000.00	99.38 4.55%	2,981,322.00 2,225.00	1.14% (18,678.00)	Aaa/AA+ AA+	7.09 5.90
Total Municipal Bonds		**20,800,000.00**	**4.19%**	**20,518,943.00 20,668,927.55**	**98.48 4.43%**	**20,461,079.55 234,084.72**	**7.82% (207,848.00)**		**5.08 4.02**
US TREASURY									
912828ZB9	UNITED STATES TREASURY 1.125 02/28/2027	3,800,000.00	03/24/2020 0.75%	3,896,929.69 3,809,267.87	98.13 4.01%	3,728,750.00 14,288.72	1.42% (80,517.87)	Aa1/AA+ AA+	0.67 0.65
91282CAH4	UNITED STATES TREASURY 0.5 08/31/2027	1,150,000.00	08/06/2021 0.94%	1,120,261.72 1,144,275.42	95.89 4.15%	1,102,741.90 1,921.88	0.42% (41,533.52)	Aa1/AA+ AA+	1.17 1.14
91282CAL5	UNITED STATES TREASURY 0.375 09/30/2027	2,300,000.00	10/25/2021 1.32%	2,175,746.09 2,273,829.20	95.46 4.15%	2,195,511.00 2,168.03	0.84% (78,318.20)	Aa1/AA+ AA+	1.25 1.22
9128283F5	UNITED STATES TREASURY 2.25 11/15/2027	2,500,000.00	11/07/2019 1.90%	2,566,308.59 2,511,364.60	97.46 4.17%	2,436,620.00 7,184.10	0.93% (74,744.60)	Aa1/AA+ AA+	1.38 1.33
91282CAY7	UNITED STATES TREASURY 0.625 11/30/2027	2,000,000.00	12/22/2021 1.32%	1,920,312.50 1,980,997.03	95.18 4.16%	1,903,672.00 1,058.74	0.73% (77,325.03)	Aa1/AA+ AA+	1.42 1.38
91282CBJ9	UNITED STATES TREASURY 0.75 01/31/2028	4,500,000.00	03/12/2021 1.27%	4,343,378.91 4,463,914.20	94.80 4.18%	4,266,036.00 14,078.04	1.63% (197,878.20)	Aa1/AA+ AA+	1.59 1.54
91282CCH2	UNITED STATES TREASURY 1.25 06/30/2028	1,075,000.00	07/29/2021 1.01%	1,092,048.83 1,079,925.07	94.47 4.16%	1,015,539.60 36.51	0.39% (64,385.47)	Aa1/AA+ AA+	2.00 1.94
91282CCR0	UNITED STATES TREASURY 1.0 07/31/2028	2,300,000.00	08/10/2021 1.11%	2,282,929.69 2,294,897.68	93.75 4.16%	2,156,250.00 9,593.92	0.82% (138,647.68)	Aa1/AA+ AA+	2.08 2.02
91282CCV1	UNITED STATES TREASURY 1.125 08/31/2028	2,250,000.00	09/03/2021 1.10%	2,253,427.73 2,251,064.61	93.76 4.17%	2,109,550.50 8,460.43	0.81% (141,514.11)	Aa1/AA+ AA+	2.17 2.09
91282CCY5	UNITED STATES TREASURY 1.25 09/30/2028	2,250,000.00	10/05/2021 1.30%	2,242,705.08 2,247,649.38	93.79 4.17%	2,110,254.75 7,069.67	0.81% (137,394.63)	Aa1/AA+ AA+	2.25 2.17
912828YB0	UNITED STATES TREASURY 1.625 08/15/2029	2,700,000.00	05/28/2020 0.67%	2,931,503.91 2,778,498.06	92.67 4.15%	2,502,036.00 16,483.43	0.96% (276,462.06)	Aa1/AA+ AA+	3.13 2.97

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91282CLK5	UNITED STATES TREASURY 3.625 08/31/2029	3,500,000.00	09/11/2024 3.45%	3,527,480.47 3,517,537.18	98.40 4.17%	3,443,944.00 42,406.59	1.32% (73,593.18)	Aa1/AA+ AA+	3.17 2.92
912828ZQ6	UNITED STATES TREASURY 0.625 05/15/2030	4,525,000.00	-- 0.89%	4,414,625.00 4,479,549.75	87.37 4.19%	3,953,542.28 3,612.01	1.51% (526,007.48)	Aa1/AA+ AA+	3.87 3.75
91282CHR5	UNITED STATES TREASURY 4.0 07/31/2030	1,400,000.00	-- 4.00%	1,400,949.32 1,399,952.93	99.27 4.19%	1,389,827.60 23,359.12	0.53% (10,125.33)	Aa1/AA+ AA+	4.08 3.67
91282CAV3	UNITED STATES TREASURY 0.875 11/15/2030	4,200,000.00	-- 1.36%	4,014,726.56 4,116,471.14	86.84 4.20%	3,647,107.80 4,693.61	1.39% (469,363.34)	Aa1/AA+ AA+	4.38 4.20
91282CJX0	UNITED STATES TREASURY 4.0 01/31/2031	4,200,000.00	-- 4.16%	4,160,929.69 4,174,205.97	99.13 4.21%	4,163,577.60 70,077.35	1.59% (10,628.37)	Aa1/AA+ AA+	4.59 4.08
91282CKC4	UNITED STATES TREASURY 4.25 02/28/2031	2,500,000.00	03/20/2024 4.27%	2,496,386.72 2,497,572.62	100.17 4.21%	2,504,200.00 35,512.91	0.96% 6,627.38	Aa1/AA+ AA+	4.67 4.14
91282CKF7	UNITED STATES TREASURY 4.125 03/31/2031	3,000,000.00	04/10/2024 4.53%	2,928,750.00 2,951,454.81	99.63 4.21%	2,988,750.00 31,106.56	1.14% 37,295.19	Aa1/AA+ AA+	4.75 4.23
91282CKN0	UNITED STATES TREASURY 4.625 04/30/2031	3,500,000.00	05/03/2024 4.49%	3,527,480.47 3,519,010.02	101.79 4.21%	3,562,618.50 27,272.42	1.36% 43,608.48	Aa1/AA+ AA+	4.83 4.27
91282CLZ2	UNITED STATES TREASURY 4.125 11/30/2031	2,500,000.00	12/11/2024 4.20%	2,488,574.22 2,491,116.28	99.46 4.24%	2,486,620.00 8,734.63	0.95% (4,496.28)	Aa1/AA+ AA+	5.42 4.79
91282CMT5	UNITED STATES TREASURY 4.125 03/31/2032	2,500,000.00	04/08/2025 4.06%	2,509,082.03 2,507,485.19	99.36 4.25%	2,483,887.50 25,922.13	0.95% (23,597.69)	Aa1/AA+ AA+	5.75 5.02
91282CEP2	UNITED STATES TREASURY 2.875 05/15/2032	4,800,000.00	-- 3.78%	4,534,531.25 4,577,729.72	92.84 4.27%	4,456,310.40 17,625.00	1.70% (121,419.32)	Aa1/AA+ AA+	5.88 5.29
91282CFV8	UNITED STATES TREASURY 4.125 11/15/2032	5,400,000.00	-- 4.08%	5,413,789.06 5,413,041.93	99.10 4.29%	5,351,486.40 28,449.05	2.04% (61,555.53)	Aa1/AA+ AA+	6.38 5.52
91282CGM7	UNITED STATES TREASURY 3.5 02/15/2033	5,300,000.00	-- 3.77%	5,182,351.57 5,221,555.93	95.41 4.30%	5,056,740.60 69,690.61	1.93% (164,815.33)	Aa1/AA+ AA+	6.63 5.75
91282CHC8	UNITED STATES TREASURY 3.375 05/15/2033	3,300,000.00	-- 3.78%	3,190,687.50 3,223,903.73	94.45 4.32%	3,116,823.60 14,224.52	1.19% (107,080.13)	Aa1/AA+ AA+	6.87 6.01
91282CQT1	UNITED STATES TREASURY 4.25 05/31/2033	3,000,000.00	06/03/2026 4.34%	2,983,359.38 2,983,528.92	99.63 4.31%	2,988,750.00 10,799.18	1.14% 5,221.08	Aa1/AA+ AA+	6.92 5.91
91282CHT1	UNITED STATES TREASURY 3.875 08/15/2033	4,200,000.00	-- 4.34%	4,043,910.16 4,087,807.81	97.24 4.33%	4,084,172.40 61,143.65	1.56% (3,635.41)	Aa1/AA+ AA+	7.13 6.06
91282CJZ5	UNITED STATES TREASURY 4.0 02/15/2034	6,000,000.00	-- 4.08%	5,966,250.00 5,968,087.72	97.70 4.36%	5,861,718.00 90,165.75	2.24% (106,369.72)	Aa1/AA+ AA+	7.63 6.39

HOLDINGS REPORT

Rancho California Water District Operating Reserve | Account #30 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
				89,609,416.14	96.20	87,067,038.43	33.26%		4.49
Total US Treasury		90,650,000.00	2.96%	89,965,694.77	4.22%	647,138.55	(2,898,656.34)		3.99
				266,454,356.83	97.67	261,811,407.95	100.00%		4.15
Total Portfolio		268,315,887.03	3.65%	266,915,837.54	4.39%	1,916,625.35	(5,104,429.59)		3.53
Total Market Value + Accrued						263,728,033.30			

HOLDINGS REPORT

RCWD Construction Fund Consolidated | Account #11566 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
CCYUSD	Receivable	1.00	--	1.00 1.00	1.00	1.00 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**1.00**		**1.00** **1.00**	**1.00**	**1.00** **0.00**	**0.00%** **0.00**		**0.00** **0.00**
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	31,733.70	-- 3.82%	31,733.70 31,733.70	1.00 3.82%	31,733.70 0.00	98.93% 0.00	NA/NA NA	0.00 0.00
Total LAIF		**31,733.70**	**3.82%**	**31,733.70** **31,733.70**	**1.00** **3.82%**	**31,733.70** **0.00**	**98.93%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
61747C707	MORG STAN I LQ:GV I	342.70	-- 3.56%	342.70 342.70	1.00 3.56%	342.70 0.00	1.07% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**342.70**	**3.56%**	**342.70** **342.70**	**1.00** **3.56%**	**342.70** **0.00**	**1.07%** **0.00**		**0.00** **0.00**
Total Portfolio		**32,077.40**	**3.82%**	**32,077.40** **32,077.40**	**1.00** **3.82%**	**32,077.40** **0.00**	**100.00%** **0.00**		**0.00** **0.00**
Total Market Value + Accrued						**32,077.40**			

HOLDINGS REPORT

RCWD Cash Management Consolidated | Account #11564 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
CCYUSD	Receivable	13.79	--	13.79 13.79	1.00	13.79 0.00	0.00% 0.00	Aaa/AAA AAA	0.00 0.00
CCYUSD	Receivable	444,836.07	--	444,836.07 444,836.07	1.00	444,836.07 0.00	0.73% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**444,849.86**		**444,849.86** **444,849.86**	**1.00**	**444,849.86** **0.00**	**0.73%** **0.00**		**0.00** **0.00**
LAIF									
90LAIF$00	Local Agency Investment Fund State Pool	60,447,634.89	-- 3.82%	60,447,634.89 60,447,634.89	1.00 3.82%	60,447,634.89 0.00	99.05% 0.00	NA/NA NA	0.00 0.00
Total LAIF		**60,447,634.89**	**3.82%**	**60,447,634.89** **60,447,634.89**	**1.00** **3.82%**	**60,447,634.89** **0.00**	**99.05%** **0.00**		**0.00** **0.00**
LOCAL GOV INVESTMENT POOL									
99RIVRP$0	Riverside County Investment Pool	130,298.41	-- 3.82%	130,298.41 130,298.41	1.00 3.82%	130,298.41 0.00	0.21% 0.00	NA/NA AAA	0.00 0.00
Total Local Gov Investment Pool		**130,298.41**	**3.82%**	**130,298.41** **130,298.41**	**1.00** **3.82%**	**130,298.41** **0.00**	**0.21%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
61747C707	MORG STAN I LQ:GV I	4,729.52	-- 3.56%	4,729.52 4,729.52	1.00 3.56%	4,729.52 0.00	0.01% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**4,729.52**	**3.56%**	**4,729.52** **4,729.52**	**1.00** **3.56%**	**4,729.52** **0.00**	**0.01%** **0.00**		**0.00** **0.00**
Total Portfolio		**61,027,512.68**	**3.82%**	**61,027,512.68** **61,027,512.68**	**1.00** **3.82%**	**61,027,512.68** **0.00**	**100.00%** **0.00**		**0.00** **0.00**
Total Market Value + Accrued						**61,027,512.68**			

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
ABS								
36269WAD1	GMALT 2024-2 A3 5.39 07/20/2027	4,973.16	4,972.87	4,973.07	100.09	4,977.43	8.19	0.01% 4.37
38012QAD0	GMALT 2024-3 A3 4.21 10/20/2027	18,487.37	18,485.18	18,486.43	100.02	18,491.55	23.78	0.04% 5.11
58770JAD6	MBALT 2024-A A3 5.32 01/18/2028	20,136.53	20,134.18	20,135.53	100.35	20,207.43	47.61	0.05% 71.90
36271VAD9	GMALT 2025-1 A3 4.66 02/21/2028	50,000.00	49,994.10	49,996.79	100.19	50,092.85	71.19	0.12% 96.06
437930AC4	HAROT 2024-2 A3 5.27 11/20/2028	24,825.67	24,822.65	24,824.07	100.54	24,960.30	47.24	0.06% 136.23
44934QAD3	HART 2024-B A3 4.84 03/15/2029	37,117.63	37,112.03	37,114.37	100.30	37,229.61	79.84	0.09% 115.25
05594YAD8	BMWLT 2026-1 A3 4.15 05/25/2029	50,000.00	49,994.48	49,994.82	99.56	49,778.75	34.58	0.12% (216.07)
89239TAD4	TAOT 2024-D A3 4.4 06/15/2029	57,127.36	57,124.17	57,125.33	100.05	57,158.15	111.72	0.14% 32.82
47800DAD6	JDOT 2025 A3 4.23 09/17/2029	75,000.00	74,995.28	74,996.64	99.88	74,907.08	141.00	0.18% (89.57)
096924AD7	BMWOT 2025-A A3 4.56 09/25/2029	80,000.00	79,992.12	79,994.48	100.25	80,197.84	60.80	0.19% 203.36
92970QAE5	WFCIT 2024-2 A 4.29 10/15/2029	100,000.00	99,985.14	99,990.17	100.06	100,060.20	190.67	0.24% 70.03
89231HAD8	TAOT 2025-B A3 4.34 11/15/2029	40,000.00	39,997.71	39,998.30	100.04	40,014.40	77.16	0.09% 16.10
58770YAD3	MBALT 2026-A A3 3.93 01/15/2030	35,000.00	34,993.06	34,993.83	99.21	34,724.66	61.13	0.08% (269.17)
362549AD9	GMCAR 2025-2 A3 4.28 04/16/2030	30,000.00	29,995.58	29,996.59	100.01	30,003.75	53.50	0.07% 7.16
43815CAD0	HAROT 2026-1 A3 3.78 09/23/2030	65,000.00	64,989.65	64,990.47	98.83	64,239.96	68.25	0.15% (750.52)
92348KFG3	VZMT 262 A1A 4.51 06/21/2032	105,000.00	104,981.82	104,981.83	99.92	104,918.00	13.15	0.25% (63.83)

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
Total ABS		**792,667.72**	**792,570.02**	**792,592.72**	**99.91**	**791,961.94**	**1,089.83**	**1.88% (630.78)**
AGENCY								
31359MEU3	FEDERAL NATIONAL MORTGAGE ASSOCIATION 6.25 05/15/2029	40,000.00	48,109.84	48,109.84	105.57	42,227.00	319.44	0.10% (5,882.84)
3135G05Q2	FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875 08/05/2030	100,000.00	99,248.00	99,248.00	87.60	87,602.30	354.86	0.21% (11,645.70)
3134A4KX1	FEDERAL HOME LOAN MORTGAGE CORP 6.25 07/15/2032	100,000.00	118,961.00	118,961.00	110.35	110,353.50	2,881.94	0.26% (8,607.50)
3130AVWG3	FEDERAL HOME LOAN BANKS 4.0 06/10/2033	125,000.00	120,670.00	120,670.00	97.60	121,994.88	291.67	0.29% 1,324.88
Total Agency		**365,000.00**	**386,988.84**	**386,988.84**	**100.00**	**362,177.68**	**3,847.92**	**0.86% (24,811.17)**
AGENCY MBS								
31384WNM8	FN 535996 7.5 06/01/2031	748.79	802.84	783.50	103.23	772.97	4.68	0.00% (10.52)
31385JJC3	FN 545759 6.5 07/01/2032	717.62	752.14	741.71	103.48	742.59	3.89	0.00% 0.88
31283HTE5	FH G01449 7.0 07/01/2032	709.06	750.28	735.92	105.71	749.56	4.14	0.00% 13.64
31385XF85	FN 555591 5.5 07/01/2033	1,843.22	1,876.91	1,868.03	100.98	1,861.26	8.45	0.00% (6.76)
31402CU67	FN 725205 5.0 03/01/2034	2,570.55	2,476.56	2,497.26	99.88	2,567.59	10.71	0.01% 70.32
31402CVZ2	FN 725232 5.0 03/01/2034	2,177.83	2,318.70	2,282.95	99.87	2,174.98	9.07	0.01% (107.97)
31404NHE9	FN 773429 5.0 06/01/2034	1,281.21	1,278.02	1,278.70	99.37	1,273.13	5.34	0.00% (5.57)
3128MJAD2	FH G08003 6.0 07/01/2034	1,715.86	1,774.30	1,760.68	102.63	1,761.07	8.58	0.00% 0.39

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
31402DMP2	FN 725866 4.5 09/01/2034	1,256.64	1,236.21	1,240.49	98.18	1,233.72	4.71	0.00% (6.77)
31402DJS0	FN 725773 5.5 09/01/2034	3,535.83	3,497.70	3,505.69	101.17	3,577.15	16.21	0.01% 71.46
31402RDF3	FN 735502 6.0 04/01/2035	1,311.87	1,296.69	1,299.70	102.66	1,346.72	6.56	0.00% 47.02
3128MJE22	FH G08152 6.5 09/01/2036	790.21	806.02	803.01	105.36	832.54	4.28	0.00% 29.53
3128M6VH8	FH G04816 5.0 09/01/2038	2,565.56	2,734.33	2,706.14	100.97	2,590.44	10.69	0.01% (115.70)
31416CCH7	FN 995672 4.5 04/01/2039	2,946.73	3,073.81	3,053.89	98.89	2,914.12	11.05	0.01% (139.78)
31419LZY2	FN AE9758 4.0 12/01/2040	8,795.03	8,599.56	8,625.08	96.87	8,520.07	29.32	0.02% (105.01)
31292K6A0	FH C03565 4.0 12/01/2040	3,880.47	3,857.43	3,860.44	96.95	3,761.94	12.93	0.01% (98.51)
36202FM78	G2 004882 4.0 12/20/2040	4,094.75	4,172.81	4,161.84	96.11	3,935.53	13.65	0.01% (226.31)
3138A4X75	FN AH3401 4.5 01/01/2041	16,051.23	16,788.80	16,685.63	98.89	15,873.46	60.19	0.04% (812.17)
3138A4XY6	FN AH3394 4.0 01/01/2041	8,327.80	8,391.55	8,382.50	96.61	8,045.31	27.76	0.02% (337.19)
312945DN5	FH A96409 3.5 01/01/2041	7,997.31	8,324.70	8,277.27	93.96	7,514.17	23.33	0.02% (763.09)
312945AM0	FH A96312 4.0 01/01/2041	9,381.77	9,469.74	9,457.65	96.33	9,037.78	31.27	0.02% (419.87)
312945ZK7	FH A97046 4.5 02/01/2041	4,939.81	5,104.21	5,081.24	99.01	4,891.13	18.52	0.01% (190.11)
31416YXR4	FN AB3387 4.0 08/01/2041	4,571.64	4,868.81	4,829.24	96.51	4,412.19	15.24	0.01% (417.04)
31418ABZ0	FN MA0955 3.5 01/01/2042	16,413.35	16,848.04	16,790.03	93.52	15,349.12	47.87	0.04% (1,440.91)
31292LFA8	FH C03761 3.5 02/01/2042	10,716.89	11,229.30	11,161.45	93.63	10,034.30	31.26	0.02% (1,127.15)

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
31292LLA1	FH C03921 3.5 05/01/2042	31,026.80	32,775.62	32,547.12	93.55	29,026.37	90.49	0.07% (3,520.74)
3138LT4V7	FN AO3535 3.5 06/01/2042	15,049.29	15,919.32	15,807.63	94.02	14,149.99	43.89	0.03% (1,657.63)
31417CC94	FN AB5495 3.5 07/01/2042	16,380.33	17,337.56	17,213.17	93.44	15,305.40	47.78	0.04% (1,907.77)
31417DTQ6	FN AB6858 3.5 11/01/2042	16,516.41	17,566.75	17,437.88	93.22	15,396.39	48.17	0.04% (2,041.49)
31417FZS0	FN AB8852 3.5 03/01/2043	13,467.16	14,435.12	14,314.80	93.26	12,559.58	39.28	0.03% (1,755.22)
3138Y3XV8	FN AX2491 4.0 10/01/2044	6,888.35	7,374.84	7,320.38	95.59	6,584.65	22.96	0.02% (735.73)
3128MJXS4	FH G08688 4.0 01/01/2046	12,979.69	13,742.24	13,662.58	95.50	12,395.80	43.27	0.03% (1,266.78)
3138WKUN3	FN AS9588 4.0 05/01/2047	22,590.38	23,966.98	23,831.61	94.81	21,417.04	75.30	0.05% (2,414.57)
31418CNE0	FN MA3088 4.0 08/01/2047	13,323.89	13,602.86	13,575.66	94.89	12,642.64	44.41	0.03% (933.02)
3128MJ2T6	FH G08785 4.0 10/01/2047	17,645.52	17,850.24	17,830.57	94.70	16,711.12	58.82	0.04% (1,119.45)
3140J6GR2	FN BM2007 4.0 09/01/2048	10,235.43	10,468.93	10,447.05	94.89	9,711.99	34.12	0.02% (735.06)
3140JG6L4	FN BN0874 4.0 11/01/2048	11,247.19	11,616.25	11,582.11	94.88	10,670.82	37.49	0.03% (911.30)
Total Agency MBS		**306,691.47**	**318,986.15**	**317,440.60**	**95.38**	**292,344.66**	**1,005.68**	**0.69% (25,095.95)**
CMO								
3137AN2S3	FHR 4019 GB 2.0 12/15/2041	3,199.93	3,209.05	3,206.23	95.06	3,042.00	5.33	0.01% (164.22)
Total CMO		**3,199.93**	**3,209.05**	**3,206.23**	**95.06**	**3,042.00**	**5.33**	**0.01% (164.22)**

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
CASH								
CCYUSD	Receivable	238.30	238.30	238.30	1.00	238.30	0.00	0.00% 0.00
CCYUSD	Receivable	610.72	610.72	610.72	1.00	610.72	0.00	0.00% 0.00
Total Cash		**849.02**	**849.02**	**849.02**	**1.00**	**849.02**	**0.00**	**0.00% 0.00**
COMMODITIES								
464285204	ISHARES:GOLD TRUST	9,545.00	905,359.25	905,359.25	75.51	720,742.95	0.00	1.71% (184,616.30)
003261104	ABRDN:BBG AC STR K1 FREE	33,770.00	723,691.10	723,691.10	22.34	754,421.80	0.00	1.79% 30,730.70
Total Commodities		**43,315.00**	**1,629,050.35**	**1,629,050.35**	**48.32**	**1,475,164.75**	**0.00**	**3.49% (153,885.60)**
CORPORATE								
49456BAP6	KINDER MORGAN INC 4.3 03/01/2028	40,000.00	45,057.60	45,057.60	99.58	39,833.40	573.33	0.09% (5,224.20)
06051GGL7	BANK OF AMERICA CORP 3.705 04/24/2028	50,000.00	53,128.00	53,128.00	99.32	49,661.00	344.77	0.12% (3,467.00)
031162DD9	AMGEN INC 3.0 02/22/2029	30,000.00	29,906.10	29,906.10	96.32	28,895.85	322.50	0.07% (1,010.25)
571748BG6	MARSH & MCLENNAN COMPANIES INC 4.375 03/15/2029	75,000.00	73,846.50	73,846.50	99.61	74,705.40	966.15	0.18% 858.90
172967LW9	CITIGROUP INC 4.075 04/23/2029	50,000.00	53,129.50	53,129.50	99.06	49,532.05	384.86	0.12% (3,597.45)
46647PAR7	JPMORGAN CHASE & CO 4.005 04/23/2029	25,000.00	24,522.25	24,522.25	98.91	24,727.08	189.13	0.06% 204.83
655844CE6	NORFOLK SOUTHERN CORP 2.55 11/01/2029	75,000.00	77,392.50	77,392.50	93.68	70,262.10	318.75	0.17% (7,130.40)
65339KBM1	NEXTERA ENERGY CAPITAL HOLDINGS INC 2.75 11/01/2029	50,000.00	52,053.50	52,053.50	94.53	47,265.50	229.17	0.11% (4,788.00)

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
87264ABF1	T-MOBILE USA INC 3.875 04/15/2030	75,000.00	68,778.75	68,778.75	96.90	72,673.13	613.54	0.17% 3,894.38
747525BK8	QUALCOMM INC 2.15 05/20/2030	25,000.00	24,747.75	24,747.75	91.47	22,866.73	61.22	0.05% (1,881.03)
03027XBC3	AMERICAN TOWER CORP 2.1 06/15/2030	70,000.00	70,437.50	70,437.50	90.40	63,280.98	65.33	0.15% (7,156.52)
084664CW9	BERKSHIRE HATHAWAY FINANCE CORP 1.45 10/15/2030	70,000.00	69,510.00	69,510.00	88.76	62,131.72	214.28	0.15% (7,378.28)
11135FAQ4	BROADCOM INC 4.15 11/15/2030	75,000.00	74,982.75	74,985.37	97.89	73,420.20	397.71	0.17% (1,565.17)
20030NDM0	COMCAST CORP 1.95 01/15/2031	60,000.00	58,308.00	58,308.00	88.36	53,017.56	539.50	0.13% (5,290.44)
828807DM6	SIMON PROPERTY GROUP LP 2.2 02/01/2031	50,000.00	44,747.00	44,747.00	89.83	44,913.60	458.33	0.11% 166.60
17275RBS0	CISCO SYSTEMS INC 4.95 02/26/2031	80,000.00	79,915.60	79,915.60	101.65	81,317.68	1,375.00	0.19% 1,402.08
126650DQ0	CVS HEALTH CORP 1.875 02/28/2031	85,000.00	76,010.75	76,010.75	87.71	74,553.93	544.53	0.18% (1,456.83)
06051GJF7	BANK OF AMERICA CORP 1.898 07/23/2031	35,000.00	35,248.15	35,248.15	89.19	31,216.54	291.55	0.07% (4,031.62)
0641594B9	BANK OF NOVA SCOTIA 2.15 08/01/2031	75,000.00	75,906.75	75,906.75	88.38	66,284.33	671.88	0.16% (9,622.43)
927804GE8	VIRGINIA ELECTRIC AND POWER CO 2.3 11/15/2031	40,000.00	39,911.60	39,911.60	88.78	35,510.00	117.56	0.08% (4,401.60)
25731VAA2	DOMINION ENERGY SOUTH CAROLINA INC 2.3 12/01/2031	55,000.00	54,965.90	54,965.90	88.66	48,761.24	105.42	0.12% (6,204.66)
26444HAK7	DUKE ENERGY FLORIDA LLC 2.4 12/15/2031	25,000.00	25,253.50	25,253.50	89.12	22,280.00	26.67	0.05% (2,973.50)
37045XDS2	GENERAL MOTORS FINANCIAL COMPANY INC 3.1 01/12/2032	60,000.00	55,865.70	55,865.70	90.52	54,314.94	873.17	0.13% (1,550.76)
09247XAS0	BLACKROCK FINANCE INC 2.1 02/25/2032	75,000.00	69,271.50	69,271.50	87.53	65,647.13	551.25	0.16% (3,624.38)
61747YED3	MORGAN STANLEY 2.239 07/21/2032	75,000.00	69,620.50	69,620.50	87.73	65,794.65	746.33	0.16% (3,825.85)

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
756109BP8	REALTY INCOME CORP 5.625 10/13/2032	100,000.00	97,837.75	97,837.75	103.74	103,741.30	1,218.75	0.25% 5,903.55
89236TKR5	TOYOTA MOTOR CREDIT CORP 4.7 01/12/2033	75,000.00	74,060.25	74,060.25	99.50	74,621.93	1,654.79	0.18% 561.68
26442CBJ2	DUKE ENERGY CAROLINAS LLC 4.95 01/15/2033	75,000.00	76,935.75	76,935.75	100.65	75,489.38	1,711.88	0.18% (1,446.38)
78016FZX5	ROYAL BANK OF CANADA 5.0 02/01/2033	85,000.00	81,715.60	81,715.60	100.69	85,588.88	1,770.83	0.20% 3,873.28
38141GZM9	GOLDMAN SACHS GROUP INC 3.102 02/24/2033	65,000.00	64,711.40	64,711.40	90.57	58,873.04	711.31	0.14% (5,838.37)
023135DE3	AMAZON.COM INC 4.55 03/13/2033	60,000.00	59,229.00	59,256.94	98.37	59,022.54	819.00	0.14% (234.40)
002824BT6	ABBOTT LABORATORIES 4.3 03/15/2033	120,000.00	119,775.60	119,785.58	97.00	116,395.20	1,605.33	0.28% (3,390.38)
172967NN7	CITIGROUP INC 3.785 03/17/2033	90,000.00	79,816.50	82,543.78	93.97	84,574.17	984.10	0.20% 2,030.39
06051GKQ1	BANK OF AMERICA CORP 4.571 04/27/2033	75,000.00	70,521.25	70,521.25	98.02	73,518.23	609.47	0.17% 2,996.98
14040HCT0	CAPITAL ONE FINANCIAL CORP 5.268 05/10/2033	135,000.00	129,550.90	129,969.05	100.29	135,384.75	1,007.51	0.32% 5,415.70
438516CM6	HONEYWELL INTERNATIONAL INC 4.5 01/15/2034	100,000.00	98,000.00	98,000.00	97.70	97,696.90	2,075.00	0.23% (303.10)
494553AE0	KINDER MORGAN INC 5.4 02/01/2034	65,000.00	64,845.95	64,868.28	101.93	66,253.92	1,462.50	0.16% 1,385.63
74340XCJ8	PROLOGIS LP 5.0 03/15/2034	100,000.00	98,279.00	98,635.04	99.76	99,761.90	1,472.22	0.24% 1,126.86
47233WEJ4	JEFFERIES FINANCIAL GROUP INC 6.2 04/14/2034	100,000.00	100,343.00	100,268.59	102.35	102,350.80	1,326.11	0.24% 2,082.21
95000U3D3	WELLS FARGO & CO 5.389 04/24/2034	75,000.00	74,195.25	74,195.25	101.52	76,143.45	752.21	0.18% 1,948.20
22822VBG5	CROWN CASTLE INC 5.2 09/01/2034	70,000.00	68,863.21	69,052.20	99.10	69,366.92	1,213.33	0.16% 314.72
46647PDY9	JPMORGAN CHASE & CO 6.254 10/23/2034	50,000.00	53,207.50	52,516.07	107.03	53,514.90	590.66	0.13% 998.83

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
92343VCQ5	VERIZON COMMUNICATIONS INC 4.4 11/01/2034	50,000.00	46,812.50	46,812.50	94.80	47,399.25	366.67	0.11% 586.75
87264ADM4	T-MOBILE USA INC 4.7 01/15/2035	65,000.00	62,331.75	62,681.08	96.51	62,730.07	1,408.69	0.15% 48.99
036752BD4	ELEVANCE HEALTH INC 5.2 02/15/2035	125,000.00	124,838.00	124,925.74	100.21	125,267.75	2,455.56	0.30% 342.02
38141GB37	GOLDMAN SACHS GROUP INC 5.33 07/23/2035	60,000.00	59,749.20	59,790.66	100.34	60,203.52	1,403.57	0.14% 412.86
025816DW6	AMERICAN EXPRESS CO 5.284 07/26/2035	125,000.00	125,943.75	125,845.87	101.01	126,264.38	2,843.82	0.30% 418.50
776696AM8	ROPER TECHNOLOGIES INC 5.1 09/15/2035	100,000.00	99,169.00	99,241.61	97.15	97,150.50	1,501.67	0.23% (2,091.11)
828807EA1	SIMON PROPERTY GROUP LP 5.125 10/01/2035	60,000.00	60,716.40	60,660.35	100.20	60,120.54	768.75	0.14% (539.81)
89115KAJ9	TORONTO-DOMINION BANK 4.928 10/15/2035	120,000.00	120,193.20	120,185.54	98.24	117,887.04	1,248.43	0.28% (2,298.50)
816851BX6	SEMPRA 5.25 03/15/2036	85,000.00	83,602.60	83,605.35	98.69	83,883.70	1,338.75	0.20% 278.34
61747YGA7	MORGAN STANLEY 5.664 04/17/2036	65,000.00	65,264.55	65,233.12	102.66	66,728.42	756.77	0.16% 1,495.29
594918BS2	MICROSOFT CORP 3.45 08/08/2036	50,000.00	51,563.00	51,563.00	89.22	44,612.15	685.21	0.11% (6,950.85)
00206RJZ6	AT&T INC 3.5 06/01/2041	75,000.00	78,847.50	78,847.50	76.94	57,704.78	218.75	0.14% (21,142.73)
46625HJU5	JPMORGAN CHASE & CO 4.85 02/01/2044	60,000.00	65,013.60	65,013.60	92.33	55,400.82	1,212.50	0.13% (9,612.78)
94974BGQ7	WELLS FARGO & CO 4.9 11/17/2045	70,000.00	72,293.20	72,293.20	87.46	61,218.57	419.22	0.14% (11,074.63)
037833DW7	APPLE INC 2.65 05/11/2050	65,000.00	61,686.95	61,686.95	61.18	39,765.25	239.24	0.09% (21,921.71)
91324PEW8	UNITEDHEALTH GROUP INC 5.05 04/15/2053	60,000.00	54,941.40	54,941.40	89.89	53,931.60	639.67	0.13% (1,009.80)
747525BT9	QUALCOMM INC 6.0 05/20/2053	50,000.00	51,776.00	51,776.00	102.13	51,063.95	341.67	0.12% (712.05)

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
30303MAK8	META PLATFORMS INC 6.3 05/15/2056	65,000.00	64,451.40	64,453.85	99.54	64,702.17	648.38	0.15% 248.32
Total Corporate		**4,215,000.00**	**4,163,599.56**	**4,166,950.37**	**96.16**	**4,031,199.33**	**50,464.20**	**9.55%** **(135,751.04)**
EMERGING MARKET EQUITY								
922042858	VANGUARD EM ST I ETF	49,355.00	2,250,323.10	2,250,323.10	59.69	2,945,999.95	0.00	6.98% 695,676.85
Total Emerging Market Equity		**49,355.00**	**2,250,323.10**	**2,250,323.10**	**59.69**	**2,945,999.95**	**0.00**	**6.98%** **695,676.85**
FIXED INCOME ETF								
92206C771	VANGUARD MTG-BK IDX ETF	55,955.00	2,552,494.27	2,552,494.27	46.81	2,619,253.55	0.00	6.20% 66,759.28
Total Fixed Income ETF		**55,955.00**	**2,552,494.27**	**2,552,494.27**	**46.81**	**2,619,253.55**	**0.00**	**6.20%** **66,759.28**
INTERNATIONAL BONDS								
92203J407	VANGUARD TOT ITL BI ETF	38,375.00	1,928,689.13	1,928,689.13	48.43	1,858,501.25	0.00	4.40% (70,187.88)
Total International Bonds		**38,375.00**	**1,928,689.13**	**1,928,689.13**	**48.43**	**1,858,501.25**	**0.00**	**4.40%** **(70,187.88)**
INTERNATIONAL EQUITY								
921943858	VANGUARD DEV MKT ETF	41,105.00	1,591,442.64	1,591,442.64	71.25	2,928,731.25	0.00	6.94% 1,337,288.62
Total International Equity		**41,105.00**	**1,591,442.64**	**1,591,442.64**	**71.25**	**2,928,731.25**	**0.00**	**6.94%** **1,337,288.62**

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RCWD Retirement Med. Ben. Plan Cons | Account #709 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
INTERNATIONAL REAL ESTATE								
922042676	VANGUARD GXUS RE ETF	28,100.00	1,245,092.52	1,245,092.52	44.85	1,260,285.00	0.00	2.98% 15,192.48
Total International Real Estate		**28,100.00**	**1,245,092.52**	**1,245,092.52**	**44.85**	**1,260,285.00**	**0.00**	**2.98%** **15,192.48**
LARGE CAP US EQUITY								
922908710	VANGUARD 500 IDX ADM	10,531.18	1,735,135.95	1,735,135.95	691.99	7,287,474.02	0.00	17.26% 5,552,338.06
464287200	ISHARES:CORE S&P 500	2,195.00	1,514,498.52	1,514,498.52	748.89	1,643,813.55	0.00	3.89% 129,315.03
Total Large Cap US Equity		**12,726.18**	**3,249,634.48**	**3,249,634.48**	**702.46**	**8,931,287.57**	**0.00**	**21.15%** **5,681,653.09**
MID CAP US EQUITY								
464287507	ISHARES:CORE S&P MD-CP	33,305.00	1,127,648.91	1,127,648.91	77.11	2,568,148.55	0.00	6.08% 1,440,499.64
Total Mid Cap US Equity		**33,305.00**	**1,127,648.91**	**1,127,648.91**	**77.11**	**2,568,148.55**	**0.00**	**6.08%** **1,440,499.64**
MONEY MARKET FUND								
31846V203	FIRST AMER:GVT OBLG Y	18,831.18	18,831.18	18,831.18	1.00	18,831.18	0.00	0.04% 0.00
31846V203	FIRST AMER:GVT OBLG Y	240,995.23	240,995.23	240,995.23	1.00	240,995.23	0.00	0.57% 0.00
Total Money Market Fund		**259,826.41**	**259,826.41**	**259,826.41**	**1.00**	**259,826.41**	**0.00**	**0.62%** **0.00**
REAL ESTATE								

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
922908553	VANGUARD RE IDX ETF	13,935.00	1,056,265.30	1,056,265.30	96.43	1,343,752.05	0.00	3.18% 287,486.75
Total Real Estate		**13,935.00**	**1,056,265.30**	**1,056,265.30**	**96.43**	**1,343,752.05**	**0.00**	**3.18% 287,486.75**
SMALL CAP US EQUITY								
922908751	VANGUARD S-C ID ETF	7,270.00	990,710.76	990,710.76	303.12	2,203,682.40	0.00	5.22% 1,212,971.64
Total Small Cap US Equity		**7,270.00**	**990,710.76**	**990,710.76**	**303.12**	**2,203,682.40**	**0.00**	**5.22% 1,212,971.64**
US HIGH YIELD BONDS								
46435U853	ISHARES:BRD USD HY CP BD	75,270.00	2,745,096.90	2,745,096.90	37.02	2,786,495.40	0.00	6.60% 41,398.50
Total US High Yield Bonds		**75,270.00**	**2,745,096.90**	**2,745,096.90**	**37.02**	**2,786,495.40**	**0.00**	**6.60% 41,398.50**
US TIPS								
33939L605	FLEXSHS:IB 5Y TD TIPS	97,495.00	2,358,404.05	2,358,404.05	24.20	2,359,379.00	0.00	5.59% 974.95
Total US TIPS		**97,495.00**	**2,358,404.05**	**2,358,404.05**	**24.20**	**2,359,379.00**	**0.00**	**5.59% 974.95**
US TREASURY								
9128283W8	UNITED STATES TREASURY 2.75 02/15/2028	30,000.00	30,048.05	30,048.05	97.79	29,336.73	309.94	0.07% (711.32)
91282CCH2	UNITED STATES TREASURY 1.25 06/30/2028	30,000.00	30,389.06	30,389.06	94.47	28,340.64	1.02	0.07% (2,048.42)
91282CCY5	UNITED STATES TREASURY 1.25 09/30/2028	55,000.00	54,116.99	54,116.99	93.79	51,584.01	172.81	0.12% (2,532.99)

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
9128286B1	UNITED STATES TREASURY 2.625 02/15/2029	150,000.00	158,619.14	158,619.14	96.20	144,292.95	1,479.28	0.34% (14,326.19)
91282CEV9	UNITED STATES TREASURY 3.25 06/30/2029	100,000.00	96,753.90	96,753.90	97.43	97,433.60	8.83	0.23% 679.70
912828YB0	UNITED STATES TREASURY 1.625 08/15/2029	150,000.00	147,876.95	147,876.95	92.67	139,002.00	915.75	0.33% (8,874.95)
912828Z94	UNITED STATES TREASURY 1.5 02/15/2030	100,000.00	102,921.88	102,921.88	91.10	91,101.60	563.54	0.22% (11,820.28)
912828ZQ6	UNITED STATES TREASURY 0.625 05/15/2030	150,000.00	149,783.20	149,783.20	87.37	131,056.65	119.74	0.31% (18,726.55)
91282CAV3	UNITED STATES TREASURY 0.875 11/15/2030	250,000.00	248,378.91	248,378.91	86.84	217,089.75	279.38	0.51% (31,289.16)
91282CKF7	UNITED STATES TREASURY 4.125 03/31/2031	165,000.00	160,444.52	160,405.20	99.63	164,381.25	1,710.86	0.39% 3,976.05
91282CEP2	UNITED STATES TREASURY 2.875 05/15/2032	250,000.00	236,210.94	236,210.94	92.84	232,099.50	917.97	0.55% (4,111.44)
91282CPM7	UNITED STATES TREASURY 3.75 11/30/2032	100,000.00	99,226.56	99,285.68	97.00	97,000.00	317.62	0.23% (2,285.68)
91282CGM7	UNITED STATES TREASURY 3.5 02/15/2033	150,000.00	145,978.51	145,978.51	95.41	143,115.30	1,972.38	0.34% (2,863.21)
91282CJJ1	UNITED STATES TREASURY 4.5 11/15/2033	250,000.00	255,814.45	255,321.92	101.00	252,509.75	1,436.82	0.60% (2,812.17)
91282CLF6	UNITED STATES TREASURY 3.875 08/15/2034	150,000.00	151,365.23	151,123.30	96.59	144,884.70	2,183.70	0.34% (6,238.60)
91282CNT4	UNITED STATES TREASURY 4.25 08/15/2035	325,000.00	328,030.27	327,801.84	98.73	320,861.45	5,189.23	0.76% (6,940.39)
912810QS0	UNITED STATES TREASURY 3.75 08/15/2041	120,000.00	136,453.60	136,453.60	88.88	106,659.36	1,690.61	0.25% (29,794.24)
912810TF5	UNITED STATES TREASURY 2.375 02/15/2042	50,000.00	44,400.98	44,400.98	72.93	36,464.85	446.13	0.09% (7,936.13)
912810TH1	UNITED STATES TREASURY 3.25 05/15/2042	200,000.00	197,921.87	197,921.87	82.34	164,671.80	830.16	0.39% (33,250.07)
912810TU2	UNITED STATES TREASURY 4.375 08/15/2043	265,000.00	259,591.02	259,942.63	94.03	249,182.95	4,355.66	0.59% (10,759.68)

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Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
912810RD2	UNITED STATES TREASURY 3.75 11/15/2043	130,000.00	128,837.63	128,837.63	86.43	112,363.68	622.62	0.27% (16,473.95)
912810RN0	UNITED STATES TREASURY 2.875 08/15/2045	150,000.00	146,215.34	146,215.34	74.20	111,304.65	1,620.17	0.26% (34,910.69)
912810RY6	UNITED STATES TREASURY 2.75 08/15/2047	100,000.00	91,570.31	91,570.31	70.70	70,695.30	1,033.15	0.17% (20,875.01)
912810SK5	UNITED STATES TREASURY 2.375 11/15/2049	100,000.00	101,889.64	101,889.64	63.69	63,691.40	303.33	0.15% (38,198.24)
Total US Treasury		**3,520,000.00**	**3,502,838.96**	**3,502,247.48**	**91.76**	**3,199,123.86**	**28,480.70**	**7.58% (303,123.62)**
Total Portfolio		**9,959,440.73**	**32,153,720.41**	**32,154,954.08**	**212.68**	**42,221,205.61**	**84,893.66**	**100.00% 10,066,251.53**
Total Market Value + Accrued						**42,306,099.27**		

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RCWD Section 115 Pension Trust | Account #10620 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
CASH								
CCYUSD	Receivable	220.06	220.06	220.06	1.00	220.06	0.00	0.00% 0.00
Total Cash		**220.06**	**220.06**	**220.06**	**1.00**	**220.06**	**0.00**	**0.00% 0.00**
COMMODITIES								
464285204	ISHARES:GOLD TRUST	3,290.00	302,264.00	302,264.00	75.51	248,427.90	0.00	1.91% (53,836.10)
003261104	ABRDN:BBG AC STR K1 FREE	11,375.00	241,172.97	241,172.97	22.34	254,117.50	0.00	1.95% 12,944.53
Total Commodities		**14,665.00**	**543,436.97**	**543,436.97**	**48.62**	**502,545.40**	**0.00**	**3.87% (40,891.57)**
EMERGING MARKET EQUITY								
922042858	VANGUARD EM ST I ETF	10,600.00	513,488.79	513,488.79	59.69	632,714.00	0.00	4.87% 119,225.22
Total Emerging Market Equity		**10,600.00**	**513,488.79**	**513,488.79**	**59.69**	**632,714.00**	**0.00**	**4.87% 119,225.22**
INTERNATIONAL BONDS								
92203J407	VANGUARD TOT ITL BI ETF	10,490.00	535,466.02	535,466.02	48.43	508,030.70	0.00	3.91% (27,435.32)
Total International Bonds		**10,490.00**	**535,466.02**	**535,466.02**	**48.43**	**508,030.70**	**0.00**	**3.91% (27,435.32)**
INTERNATIONAL EQUITY								
921943858	VANGUARD DEV MKT ETF	8,960.00	412,310.71	412,310.71	71.25	638,400.00	0.00	4.91% 226,089.29

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
Total International Equity		**8,960.00**	**412,310.71**	**412,310.71**	**71.25**	**638,400.00**	**0.00**	**4.91% 226,089.29**
INTERNATIONAL REAL ESTATE								
922042676	VANGUARD GXUS RE ETF	8,725.00	382,722.00	382,722.00	44.85	391,316.25	0.00	3.01% 8,594.25
Total International Real Estate		**8,725.00**	**382,722.00**	**382,722.00**	**44.85**	**391,316.25**	**0.00**	**3.01% 8,594.25**
LARGE CAP US EQUITY								
464287200	ISHARES:CORE S&P 500	5,185.00	2,655,649.21	2,655,649.21	748.89	3,882,994.65	0.00	29.86% 1,227,345.44
Total Large Cap US Equity		**5,185.00**	**2,655,649.21**	**2,655,649.21**	**748.89**	**3,882,994.65**	**0.00**	**29.86% 1,227,345.44**
MID CAP US EQUITY								
464287507	ISHARES:CORE S&P MD-CP	11,285.00	506,481.39	506,481.39	77.11	870,186.35	0.00	6.69% 363,704.96
Total Mid Cap US Equity		**11,285.00**	**506,481.39**	**506,481.39**	**77.11**	**870,186.35**	**0.00**	**6.69% 363,704.96**
MONEY MARKET FUND								
61747C707	MORG STAN I LQ:GV I	43,330.74	43,330.74	43,330.74	1.00	43,330.74	0.00	0.33% 0.00
Total Money Market Fund		**43,330.74**	**43,330.74**	**43,330.74**	**1.00**	**43,330.74**	**0.00**	**0.33% 0.00**
REAL ESTATE								

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
922908553	VANGUARD RE IDX ETF	4,045.00	341,343.94	341,343.94	96.43	390,059.35	0.00	3.00% 48,715.41
Total Real Estate		**4,045.00**	**341,343.94**	**341,343.94**	**96.43**	**390,059.35**	**0.00**	**3.00% 48,715.41**
SMALL CAP US EQUITY								
922908751	VANGUARD S-C ID ETF	2,005.00	323,864.92	323,864.92	303.12	607,755.60	0.00	4.67% 283,890.68
Total Small Cap US Equity		**2,005.00**	**323,864.92**	**323,864.92**	**303.12**	**607,755.60**	**0.00**	**4.67% 283,890.68**
US CORE BONDS								
921937835	VANGUARD TOT BD ETF	41,545.00	3,194,975.61	3,194,975.61	73.41	3,049,818.45	0.00	23.46% (145,157.16)
Total US Core Bonds		**41,545.00**	**3,194,975.61**	**3,194,975.61**	**73.41**	**3,049,818.45**	**0.00**	**23.46% (145,157.16)**
US HIGH YIELD BONDS								
46435U853	ISHARES:BRD USD HY CP BD	20,550.00	750,230.70	750,230.70	37.02	760,761.00	0.00	5.85% 10,530.30
Total US High Yield Bonds		**20,550.00**	**750,230.70**	**750,230.70**	**37.02**	**760,761.00**	**0.00**	**5.85% 10,530.30**
US TIPS								
33939L605	FLEXSHS:IB 5Y TD TIPS	30,455.00	736,480.90	736,480.90	23.77	723,915.35	0.00	5.57% (12,565.55)
Total US TIPS		**30,455.00**	**736,480.90**	**736,480.90**	**23.77**	**723,915.35**	**0.00**	**5.57% (12,565.55)**

HOLDINGS REPORT

RCWD Section 115 Pension Trust | Account #10620 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Cost Value	Book Value	Mkt Price	Market Value	Accrued Int.	% of Port. Gain/Loss
Total Portfolio		**212,060.80**	**10,940,001.96**	**10,940,001.96**	**278.11**	**13,002,047.90**	**0.00**	**100.00% 2,062,045.95**
Total Market Value + Accrued						**13,002,047.90**		

HOLDINGS REPORT

RCWD CFD 99 1A 2015 Reserve Acct | Account #10457 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
CCYUSD	Receivable	42.94	--	42.94 42.94	1.00	42.94 0.00	0.02% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**42.94**		**42.94** **42.94**	**1.00**	**42.94** **0.00**	**0.02%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
X9USDMOR3	MORG STAN I LQ:GV I	14,725.58	-- 3.56%	14,725.58 14,725.58	1.00 3.56%	14,725.58 0.00	5.34% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**14,725.58**	**3.56%**	**14,725.58** **14,725.58**	**1.00** **3.56%**	**14,725.58** **0.00**	**5.34%** **0.00**		**0.00** **0.00**
US TREASURY									
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	260,000.00	12/02/2025 3.57%	263,371.88 262,034.64	100.33 4.10%	260,868.40 1,494.29	94.64% (1,166.24)	Aa1/AA+ AA+	0.87 0.84
Total US Treasury		**260,000.00**	**3.57%**	**263,371.88** **262,034.64**	**100.33** **4.10%**	**260,868.40** **1,494.29**	**94.64%** **(1,166.24)**		**0.87** **0.84**
Total Portfolio		**274,768.52**	**3.57%**	**278,140.40** **276,803.16**	**95.01** **4.07%**	**275,636.92** **1,494.29**	**100.00%** **(1,166.24)**		**0.83** **0.80**
Total Market Value + Accrued						**277,131.21**			

HOLDINGS REPORT

RCWD CFD 99 1B 2015 Reserve Acct | Account #10456 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
CCYUSD	Receivable	49.31	--	49.31 49.31	1.00	49.31 0.00	0.02% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**49.31**		**49.31** **49.31**	**1.00**	**49.31** **0.00**	**0.02%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
X9USDMOR3	MORG STAN I LQ:GV I	16,921.90	-- 3.56%	16,921.90 16,921.90	1.00 3.56%	16,921.90 0.00	7.12% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**16,921.90**	**3.56%**	**16,921.90** **16,921.90**	**1.00** **3.56%**	**16,921.90** **0.00**	**7.12%** **0.00**		**0.00** **0.00**
US TREASURY									
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	220,000.00	12/02/2025 3.57%	222,853.13 221,721.62	100.33 4.10%	220,734.80 1,264.40	92.86% (986.82)	Aa1/AA+ AA+	0.87 0.84
Total US Treasury		**220,000.00**	**3.57%**	**222,853.13** **221,721.62**	**100.33** **4.10%**	**220,734.80** **1,264.40**	**92.86%** **(986.82)**		**0.87** **0.84**
Total Portfolio		**236,971.21**	**3.57%**	**239,824.34** **238,692.83**	**93.24** **4.06%**	**237,706.01** **1,264.40**	**100.00%** **(986.82)**		**0.81** **0.78**
Total Market Value + Accrued						**238,970.41**			

HOLDINGS REPORT

RCWD CFD 99 2 2015 Reserve Acct | Account #10455 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
CCYUSD	Receivable	27.63	--	27.63 27.63	1.00	27.63 0.00	0.02% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**27.63**		**27.63** **27.63**	**1.00**	**27.63** **0.00**	**0.02%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
X9USDMOR3	MORG STAN I LQ:GV I	9,478.62	-- 3.56%	9,478.62 9,478.62	1.00 3.56%	9,478.62 0.00	5.41% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**9,478.62**	**3.56%**	**9,478.62** **9,478.62**	**1.00** **3.56%**	**9,478.62** **0.00**	**5.41%** **0.00**		**0.00** **0.00**
US TREASURY									
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	165,000.00	12/02/2025 3.57%	167,139.84 166,291.21	100.33 4.10%	165,551.10 948.30	94.57% (740.11)	Aa1/AA+ AA+	0.87 0.84
Total US Treasury		**165,000.00**	**3.57%**	**167,139.84** **166,291.21**	**100.33** **4.10%**	**165,551.10** **948.30**	**94.57%** **(740.11)**		**0.87** **0.84**
Total Portfolio		**174,506.25**	**3.57%**	**176,646.09** **175,797.46**	**94.94** **4.07%**	**175,057.35** **948.30**	**100.00%** **(740.11)**		**0.83** **0.80**
Total Market Value + Accrued						**176,005.65**			

HOLDINGS REPORT

RCWD 89-5 98 Reserve Fund | Account #239 | As of June 30, 2026

Cusip	Security Description	Par Value/ Units	Purchase Date Purchase Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody's/ S&P/ Fitch	Maturity Duration
CASH									
CCYUSD	Receivable	426.73	--	426.73 426.73	1.00	426.73 0.00	0.02% 0.00	Aaa/AAA AAA	0.00 0.00
Total Cash		**426.73**		**426.73** **426.73**	**1.00**	**426.73** **0.00**	**0.02%** **0.00**		**0.00** **0.00**
MONEY MARKET FUND									
31846V203	FIRST AMER:GVT OBLG Y	159,479.39	-- 3.25%	159,479.39 159,479.39	1.00 3.25%	159,479.39 0.00	9.03% 0.00	Aaa/AAAm AAA	0.00 0.00
Total Money Market Fund		**159,479.39**	**3.25%**	**159,479.39** **159,479.39**	**1.00** **3.25%**	**159,479.39** **0.00**	**9.03%** **0.00**		**0.00** **0.00**
US TREASURY									
91282CKR1	UNITED STATES TREASURY 4.5 05/15/2027	1,600,000.00	12/02/2025 3.57%	1,620,750.00 1,612,520.87	100.33 4.10%	1,605,344.00 9,195.65	90.94% (7,176.87)	Aa1/AA+ AA+	0.87 0.84
Total US Treasury		**1,600,000.00**	**3.57%**	**1,620,750.00** **1,612,520.87**	**100.33** **4.10%**	**1,605,344.00** **9,195.65**	**90.94%** **(7,176.87)**		**0.87** **0.84**
Total Portfolio		**1,759,906.12**	**3.54%**	**1,780,656.12** **1,772,426.99**	**91.34** **4.02%**	**1,765,250.12** **9,195.65**	**100.00%** **(7,176.87)**		**0.79** **0.77**
Total Market Value + Accrued						**1,774,445.77**			

CHANDLER ASSET MANAGEMENT

TRANSACTIONS

TRANSACTION LEDGER

Rancho California Water District Operating Reserve | Account #30|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/20/2026	29379VCK7	2,000,000.00	ENTERPRISE PRODUCTS OPERATING LLC 4.6 01/15/2031	101.262	4.30%	(2,025,240.00)	(24,277.78)	(2,049,517.78)	0.00
Purchase	05/13/2026	43814YAD3	1,930,000.00	HAROT 2026-2 A3 4.3 11/15/2030	99.997	3.02%	(1,929,944.22)	0.00	(1,929,944.22)	0.00
Purchase	05/14/2026	36275AAD1	850,000.00	GMALT 2026-2 A3 4.3 03/20/2029	99.989	4.40%	(849,908.03)	0.00	(849,908.03)	0.00
Purchase	05/14/2026	89236TQB4	1,165,000.00	TOYOTA MOTOR CREDIT CORP 4.55 05/14/2031	99.797	4.60%	(1,162,635.05)	0.00	(1,162,635.05)	0.00
Purchase	05/15/2026	14913V2D9	665,000.00	CATERPILLAR FINANCIAL SERVICES CORP 4.5 05/15/2031	99.863	4.53%	(664,088.95)	0.00	(664,088.95)	0.00
Purchase	05/15/2026	14913V2D9	2,035,000.00	CATERPILLAR FINANCIAL SERVICES CORP 4.5 05/15/2031	99.779	4.55%	(2,030,502.65)	0.00	(2,030,502.65)	0.00
Purchase	05/27/2026	3137HRKH1	3,000,000.00	FHMS K-765 A2 4.17 02/25/2033	96.973	4.70%	(2,909,179.69)	(9,035.00)	(2,918,214.69)	0.00
Purchase	05/28/2026	161571JA3	2,005,000.00	CHAIT 2026-1 A 4.4 05/15/2029	99.976	4.45%	(2,004,525.62)	0.00	(2,004,525.62)	0.00
Purchase	05/29/2026	756109AX2	2,000,000.00	REALTY INCOME CORP 3.25 01/15/2031	93.996	4.71%	(1,879,920.00)	(24,194.44)	(1,904,114.44)	0.00
Purchase	06/05/2026	91282CQT1	3,000,000.00	UNITED STATES TREASURY 4.25 05/31/2033	99.445	4.34%	(2,983,359.38)	(1,741.80)	(2,985,101.18)	0.00
Purchase	06/08/2026	57636QBL7	2,220,000.00	MASTERCARD INC 4.6 06/08/2031	99.920	4.62%	(2,218,224.00)	0.00	(2,218,224.00)	0.00
Purchase	06/17/2026	44935KAD5	1,465,000.00	HART 26B A3 4.81 02/18/2031	99.988	4.86%	(1,464,823.17)	0.00	(1,464,823.17)	0.00
Purchase	06/17/2026	46647PBJ4	1,500,000.00	JPMORGAN CHASE & CO 4.493 03/24/2031	99.392	4.64%	(1,490,880.00)	(15,538.29)	(1,506,418.29)	0.00
Purchase	06/18/2026	44891AEN3	800,000.00	HYUNDAI CAPITAL AMERICA 4.75 06/18/2029	99.969	4.76%	(799,752.00)	0.00	(799,752.00)	0.00

TRANSACTION LEDGER

Rancho California Water District Operating Reserve | Account #30|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Purchase	06/18/2026	44891AEN3	700,000.00	HYUNDAI CAPITAL AMERICA 4.75 06/18/2029	99.834	4.81%	(698,838.00)	0.00	(698,838.00)	0.00
Purchase	06/25/2026	93974FLH4	3,000,000.00	WASHINGTON STATE 4.45 08/01/2033	100.000	4.45%	(3,000,000.00)	0.00	(3,000,000.00)	0.00
Total Purchase			**28,335,000.00**				**(28,111,820.76)**	**(74,787.31)**	**(28,186,608.07)**	**0.00**
TOTAL ACQUISITIONS			**28,335,000.00**				**(28,111,820.76)**	**(74,787.31)**	**(28,186,608.07)**	**0.00**
DISPOSITIONS										
Sale	04/20/2026	89236TJK2	(715,000.00)	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	99.516	1.13%	711,539.40	2,725.94	714,265.34	(3,450.44)
Sale	05/11/2026	57629WDE7	(500,000.00)	MASSMUTUAL GLOBAL FUNDING II 1.2 07/16/2026	99.505	1.63%	497,525.00	1,916.67	499,441.67	(2,096.86)
Sale	05/11/2026	57629WDE7	(800,000.00)	MASSMUTUAL GLOBAL FUNDING II 1.2 07/16/2026	99.470	1.63%	795,760.00	3,066.67	798,826.67	(3,634.97)
Sale	05/11/2026	91282CCW9	(1,750,000.00)	UNITED STATES TREASURY 0.75 08/31/2026	99.109	0.95%	1,734,414.06	2,567.93	1,736,981.99	(14,534.75)
Sale	05/13/2026	931142ER0	(565,000.00)	WALMART INC 1.05 09/17/2026	99.031	1.09%	559,525.15	922.83	560,447.98	(5,400.58)
Sale	05/13/2026	26444HAC5	(1,000,000.00)	DUKE ENERGY FLORIDA LLC 3.2 01/15/2027	99.406	2.53%	994,060.00	10,488.89	1,004,548.89	(8,647.62)
Sale	05/13/2026	89236TJK2	(1,600,000.00)	TOYOTA MOTOR CREDIT CORP 1.125 06/18/2026	99.708	1.13%	1,595,328.00	7,250.00	1,602,578.00	(4,658.12)
Sale	05/26/2026	58989V2D5	(1,235,000.00)	MET TOWER GLOBAL FUNDING 1.25 09/14/2026	99.143	1.27%	1,224,416.05	3,087.50	1,227,503.55	(10,514.88)
Sale	05/27/2026	3137HAGZ3	(3,400,000.00)	FHMS K-752 A2 4.284 07/25/2030	99.031	2.77%	3,367,062.50	10,519.60	3,377,582.10	48,650.14

TRANSACTION LEDGER

Rancho California Water District Operating Reserve | Account #30|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Sale	05/29/2026	880591EU2	(1,600,000.00)	TENNESSEE VALLEY AUTHORITY 2.875 02/01/2027	99.345	2.41%	1,589,520.00	15,077.78	1,604,597.78	(15,312.16)
Sale	06/05/2026	880591EU2	(2,400,000.00)	TENNESSEE VALLEY AUTHORITY 2.875 02/01/2027	99.317	2.41%	2,383,608.00	23,766.67	2,407,374.67	(23,435.65)
Sale	06/05/2026	26444HAC5	(1,200,000.00)	DUKE ENERGY FLORIDA LLC 3.2 01/15/2027	99.378	2.53%	1,192,536.00	14,933.33	1,207,469.33	(10,231.01)
Sale	06/08/2026	59217GER6	(1,830,000.00)	METROPOLITAN LIFE GLOBAL FUNDING I 1.875 01/11/2027	98.684	1.90%	1,805,917.20	14,010.94	1,819,928.14	(23,834.88)
Sale	06/16/2026	02665WFY2	(1,400,000.00)	AMERICAN HONDA FINANCE CORP 4.8 03/05/2030	99.909	4.82%	1,398,726.00	18,853.33	1,417,579.33	(357.76)
Sale	06/17/2026	46647PAM8	(1,250,000.00)	JPMORGAN CHASE & CO 3.509 01/23/2029	98.441	5.08%	1,230,512.50	17,545.00	1,248,057.50	8,655.61
Sale	06/18/2026	91282CHR5	(2,500,000.00)	UNITED STATES TREASURY 4.0 07/31/2030	99.477	4.00%	2,486,914.06	38,121.55	2,525,035.61	(13,001.15)
Sale	06/30/2026	3130ACKB9	(350,000.00)	FEDERAL HOME LOAN BANKS 2.625 09/10/2027	98.233	2.68%	343,815.50	2,807.29	346,622.79	(5,971.74)
Total Sale			**(24,095,000.00)**				**23,911,179.42**	**187,661.92**	**24,098,841.34**	**(87,776.81)**
TOTAL DISPOSITIONS			**(24,095,000.00)**				**23,911,179.42**	**187,661.92**	**24,098,841.34**	**(87,776.81)**

TRANSACTION LEDGER

RCWD Cash Management Consolidated | Account #11564|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/15/2026	90LAIF$00	417,107.08	Local Agency Investment Fund State Pool	1.000	3.81%	(417,107.08)	0.00	(417,107.08)	0.00
Purchase	04/27/2026	99RIVRP$0	77.95	Riverside County Investment Pool	1.000	3.80%	(77.95)	0.00	(77.95)	0.00
Purchase	05/29/2026	90LAIF$00	5,500,000.00	Local Agency Investment Fund State Pool	1.000	3.81%	(5,500,000.00)	0.00	(5,500,000.00)	0.00
Purchase	06/02/2026	90LAIF$00	9,000,000.00	Local Agency Investment Fund State Pool	1.000	3.81%	(9,000,000.00)	0.00	(9,000,000.00)	0.00
Purchase	06/26/2026	99RIVRP$0	1,103.72	Riverside County Investment Pool	1.000	3.82%	(1,103.72)	0.00	(1,103.72)	0.00
Purchase	06/30/2026	90LAIF$00	5,000,000.00	Local Agency Investment Fund State Pool	1.000	3.82%	(5,000,000.00)	0.00	(5,000,000.00)	0.00
Total Purchase			**19,918,288.75**				**(19,918,288.75)**	**0.00**	**(19,918,288.75)**	**0.00**
TOTAL ACQUISITIONS			**19,918,288.75**				**(19,918,288.75)**	**0.00**	**(19,918,288.75)**	**0.00**
DISPOSITIONS										
Sale	04/20/2026	90LAIF$00	(3,000,000.00)	Local Agency Investment Fund State Pool	1.000	3.81%	3,000,000.00	0.00	3,000,000.00	0.00
Sale	04/24/2026	90LAIF$00	(1,000,000.00)	Local Agency Investment Fund State Pool	1.000	3.81%	1,000,000.00	0.00	1,000,000.00	0.00
Total Sale			**(4,000,000.00)**				**4,000,000.00**	**0.00**	**4,000,000.00**	**0.00**
TOTAL DISPOSITIONS			**(4,000,000.00)**				**4,000,000.00**	**0.00**	**4,000,000.00**	**0.00**

TRANSACTION LEDGER

RCWD Retirement Med. Ben. Plan Cons | Account #709|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	04/22/2026	05594YAD8	50,000.00	BMWLT 2026-1 A3 4.15 05/25/2029	99.989	4.85%	(49,994.48)	0.00	(49,994.48)	0.00
Purchase	05/13/2026	30303MAK8	65,000.00	META PLATFORMS INC 6.3 05/15/2056	99.156	6.36%	(64,451.40)	(102.38)	(64,553.78)	0.00
Purchase	06/24/2026	816851BX6	85,000.00	SEMPRA 5.25 03/15/2036	98.356	5.47%	(83,602.60)	(1,251.98)	(84,854.58)	0.00
Purchase	06/26/2026	922908710	30.34	VANGUARD 500 IDX ADM	678.503	0.00%	(20,583.75)	0.00	(20,583.75)	0.00
Purchase	06/30/2026	92348KFG3	105,000.00	VZMT 262 A1A 4.51 06/21/2032	99.983	4.51%	(104,981.82)	0.00	(104,981.82)	0.00
Total Purchase			**305,030.34**				**(323,614.05)**	**(1,354.36)**	**(324,968.41)**	**0.00**
TOTAL ACQUISITIONS			**305,030.34**				**(323,614.05)**	**(1,354.36)**	**(324,968.41)**	**0.00**
DISPOSITIONS										
Sale	04/16/2026	9128283W8	(10,000.00)	UNITED STATES TREASURY 2.75 02/15/2028	98.215	2.73%	9,821.48	45.58	9,867.06	(194.54)
Sale	04/16/2026	91282CCH2	(20,000.00)	UNITED STATES TREASURY 1.25 06/30/2028	94.727	1.05%	18,945.31	73.20	19,018.51	(1,314.06)
Sale	05/13/2026	91282CEV9	(25,000.00)	UNITED STATES TREASURY 3.25 06/30/2029	97.719	3.82%	24,429.69	298.52	24,728.21	241.21
Sale	06/15/2026	922042858	(4,670.00)	VANGUARD EM ST I ETF	59.529	0.00%	277,952.67	0.00	277,952.67	65,025.73
Sale	06/15/2026	921943858	(4,630.00)	VANGUARD DEV MKT ETF	71.530	0.00%	331,130.78	0.00	331,130.78	151,873.28
Sale	06/15/2026	464287200	(565.00)	ISHARES:CORE S&P 500	745.790	0.00%	421,357.02	0.00	421,357.02	31,520.27
Sale	06/15/2026	464287507	(3,605.00)	ISHARES:CORE S&P MD-CP	76.339	0.00%	275,165.42	0.00	275,165.42	153,106.44
Sale	06/15/2026	922908751	(845.00)	VANGUARD S-C ID ETF	297.704	0.00%	251,551.31	0.00	251,551.31	136,399.92

TRANSACTION LEDGER

RCWD Retirement Med. Ben. Plan Cons | Account #709|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
Sale	06/24/2026	816851BG3	(100,000.00)	SEMPRA 3.4 02/01/2028	98.060	2.75%	98,060.00	1,350.56	99,410.56	(6,457.00)
Total Sale			**(169,315.00)**				**1,708,413.68**	**1,767.86**	**1,710,181.54**	**530,201.26**
TOTAL DISPOSITIONS			**(169,315.00)**				**1,708,413.68**	**1,767.86**	**1,710,181.54**	**530,201.26**

TRANSACTION LEDGER

RCWD Section 115 Pension Trust | Account #10620|04/01/2026 Through 06/30/2026|

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/ Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	06/23/2026	003261104	1,475.00	ABRDN:BBG AC STR K1 FREE	22.749	0.00%	(33,569.97)	0.00	(33,569.97)	0.00
Purchase	06/23/2026	464285204	490.00	ISHARES:GOLD TRUST	78.630	0.00%	(38,533.60)	0.00	(38,533.60)	0.00
Purchase	06/23/2026	92203J407	740.00	VANGUARD TOT ITL BI ETF	48.290	0.00%	(35,742.00)	0.00	(35,742.00)	0.00
Purchase	06/23/2026	922042676	490.00	VANGUARD GXUS RE ETF	44.720	0.00%	(21,917.70)	0.00	(21,917.70)	0.00
Purchase	06/23/2026	921937835	3,415.00	VANGUARD TOT BD ETF	73.130	0.00%	(249,773.10)	0.00	(249,773.10)	0.00
Purchase	06/23/2026	46435U853	1,430.00	ISHARES:BRD USD HY CP BD	37.000	0.00%	(52,924.30)	0.00	(52,924.30)	0.00
Purchase	06/23/2026	33939L605	2,625.00	FLEXSHS:IB 5Y TD TIPS	23.670	0.00%	(62,160.00)	0.00	(62,160.00)	0.00
Total Purchase			**10,665.00**				**(494,620.67)**	**0.00**	**(494,620.67)**	**0.00**
TOTAL ACQUISITIONS			**10,665.00**				**(494,620.67)**	**0.00**	**(494,620.67)**	**0.00**
DISPOSITIONS										
Sale	06/23/2026	922042858	(710.00)	VANGUARD EM ST I ETF	61.330	0.00%	43,536.30	0.00	43,536.30	13,109.25
Sale	06/23/2026	921943858	(615.00)	VANGUARD DEV MKT ETF	72.340	0.00%	44,482.03	0.00	44,482.03	18,141.64
Sale	06/23/2026	464287200	(355.00)	ISHARES:CORE S&P 500	748.290	0.00%	265,633.93	0.00	265,633.93	166,062.04
Sale	06/23/2026	464287507	(500.00)	ISHARES:CORE S&P MD-CP	76.180	0.00%	38,084.22	0.00	38,084.22	18,177.29
Sale	06/23/2026	922908553	(40.00)	VANGUARD RE IDX ETF	96.610	0.00%	3,863.92	0.00	3,863.92	569.92
Sale	06/23/2026	922908751	(105.00)	VANGUARD S-C ID ETF	297.610	0.00%	31,247.36	0.00	31,247.36	14,518.40
Total Sale			**(2,325.00)**				**426,847.76**	**0.00**	**426,847.76**	**230,578.55**
TOTAL DISPOSITIONS			**(2,325.00)**				**426,847.76**	**0.00**	**426,847.76**	**230,578.55**

IMPORTANT DISCLOSURES

2026 Chandler Asset Management, Inc, An Independent Registered Investment Adviser.

Information contained herein is confidential. Prices are provided by ICE Data Services Inc ("IDS"), an independent pricing source. In the event IDS does not provide a price or if the price provided is not reflective of fair market value, Chandler will obtain pricing from an alternative approved third party pricing source in accordance with our written valuation policy and procedures. Our valuation procedures are also disclosed in Item 5 of our Form ADV Part 2A.

Performance results are presented gross-of-advisory fees and represent the client's Total Return. The deduction of advisory fees lowers performance results. These results include the reinvestment of dividends and other earnings. Past performance may not be indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable or equal to past performance levels. All investment strategies have the potential for profit or loss. Economic factors, market conditions or changes in investment strategies, contributions or withdrawals may materially alter the performance and results of your portfolio.

Index returns assume reinvestment of all distributions. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance results. It is not possible to invest directly in an index.

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Fixed income investments are subject to interest, credit and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates.

Ratings information have been provided by Moody's, s&P and Fitch through data feeds we believe to be reliable as of the date of this statement, however we cannot guarantee its accuracy.

Security level ratings for U.S. Agency issued mortgage-backed securities ("MBS") reflect the issuer rating because the securities themselves are not rated. The issuing U.S. Agency guarantees the full and timely payment of both principal and interest.

LGIP Yields: Reported yields for local government investment pools may be presented as either the 30-day yield or the monthly distribution yield, as applicable. For certain funds, the 30-day yield is calculated using reported daily yield data. Yield calculations are subject to change and may not be directly comparable across funds.

LAIF Yields: Additional Disclosure for CA Clients - As a result of a reporting lag from the Local Agency Investment Fund (LAIF), reported LAIF yields represent the most recently available Daily Effective Yield and may reflect data from approximately 7–10 days prior to month-end.

PERIODIC TABLE OF ASSET CLASS RETURNS DISCLOSURES

- **US Large Cap Stocks – Standard & Poor's (S&P) 500** – The S&P 500 is a market value weighted index of the 500 largest market capitalization stocks that trade on U.S. exchanges.
- **US Mid Cap Stocks – Standard & Poor's (S&P) Mid Cap 400** – The S&P Mid Cap 400 is a market capitalization weighted index that measures the performance of mid-capitalization U.S. traded stocks.
- **US Small Cap Stocks – Center for Research in Security Prices (CRSP) US Small Cap** – The CRSP US Small Cap Index is a market capitalization weighted index that measures the performance of small capitalization U.S. stocks.
- **International Stocks – Morgan Stanley Capital International (MSCI) World ex USA Net** – The MSCI World ex USA Index is a market capitalization weighted index of large and mid-cap stocks from the developed markets, excluding the U.S.
- **Emerging Market Stocks – Morgan Stanley Capital International (MSCI) Emerging Markets Net** – The MSCI Emerging Markets Index is a market capitalization weighted index that captures equity performance of large and mid-cap stocks from emerging market countries.
- **U.S. Real Estate – FTSE EPRA Nareit Developed REITs USA** – The FTSE EPRA Nareit Developed REITs USA Index includes Real Estate Investment Trusts (REITs) publicly traded in the U.S.
- **International Real Estate – FTSE EPRA Nareit Developed ex US REITs Net** – The FTSE EPRA Nareit Developed ex US REITs Index includes Real Estate Investment Trusts (REITs) publicly traded in developed markets, excluding the U.S.
- **US Core Bonds – ICE BofA US Broad Market** – The ICE BofA US Broad Market Index is a broad measure of U.S. investment grade bond performance that includes U.S. Treasuries, agencies, corporates, mortgage, and securitized products.
- **US High Yield Bonds – ICE BofA US High Yield** – The ICE BofA High Yield Bond Index measures the market performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds.
- **International Bonds – Bloomberg Global Aggregate ex USD** – The Bloomberg Global Aggregate ex USD Index is an investment grade multi-currency benchmark that includes treasury, government-related, corporate and securitized fixed-rate bonds from developed and emerging markets issuers. Bonds issued in USD are excluded.
- **Diversified Commodities – Bloomberg Commodity Index** – The Bloomberg Commodity Index tracks the price movement of a diversified basket of commodities. Commodity weights are determined by world production and trading volume, with single commodity and sector concentration limits. The index consists of futures contracts across energy, agriculture, metals, and livestock sectors.

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All investments contain risk and may lose value. Fixed income investments are subject to interest rate, credit, and market risk. Interest rate risk: the value of fixed income investments will decline as interest rates rise. Credit risk: the possibility that the borrower may not be able to repay interest and principal. Low rated bonds generally have to pay higher interest rates to attract investors willing to take on greater risk. Market risk: the bond market in general could decline due to economic conditions, especially during periods of rising interest rates. International: Non-US markets may be more volatile due to a variety of factors including less liquidity, transparency and oversight of companies and assets. Values of non-US investments may fluctuate due to changes in currency exchange rates. Non-US companies are also subject to risks that come with political and economic stability that may affect their respective countries. These risks may be greater in emerging market countries. Equities: Investments on equities are subject to risks from stock market fluctuations that occur in response to economic and business developments.

BENCHMARK DISCLOSURES

Benchmark	Disclosure
35% S&P 500 TR, 40% ICE Corp Gov & Mtg Index, 25% MSCI EAFE NTR - Monthly Rebalancing	The S&P 500 is a market value weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization. The MSCI EAFE International Equity Index is a market capitalization weighted index that captures international equity performance of large- and mid-cap stocks in the developed stock markets of Europe, Australasia, and the Far East. The ICE BofA US Corporate, Government & Mortgage Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasuries, quasi-governments, corporates, covered bonds and residential mortgage pass-throughs. Non-residential mortgage collateralized debt such as commercial mortgage backed securities and asset backed securities are excluded from this index, as are all collateralized mortgage obligations. Most qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). They must also have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance and a fixed coupon schedule. Amounts outstanding for qualifying US Treasuries must be at least $1 billion; US agencies, foreign governments, supranationals, corporates and covered bonds must have at least $250 million outstanding. Qualifying residential mortgage pass-through securities include fixed rate securities publicly issued by US agencies. 30-year, 20-year and 15-year fixed rate mortgage pools must have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.
54% MSCI ACWI IMI NTR, 6% FTSE EPRA Nareit Global REITs NTR, 40% ICE BofA US Broad Market Index	The MSCI ACWI IMI USD Net Total Return Index captures large, mid and small cap representation across 23 Developed Market and 23 Emerging Market countries. FTSE EPRA Nareit Global REITs Net Total Return Index measures the net-of-tax total return, using maximum tax rates for non-domiciled investors, stated in US dollar terms, of the size- and liquidity-screened stocks in both developed and emerging markets of the publicly traded real estate companies which qualify for REIT status under the tax law in the country of domicile. ICE BofA US Broad Market Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, quasi-government, corporate, securitized and collateralized securities. With the exception of local currency sovereign debt, qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance and a fixed coupon schedule. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security.

BENCHMARK DISCLOSURES

Benchmark	Disclosure
ICE BofA US Corp, Govt & Mtge Index	The ICE BofA US Corporate, Government & Mortgage Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasuries, quasi-governments, corporates, covered bonds and residential mortgage pass-throughs. Non-residential mortgage collateralized debt such as commercial mortgage backed securities and asset backed securities are excluded from this index, as are all collateralized mortgage obligations. Most qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). They must also have at least one year remaining term to final maturity, at least 18 months to final maturity at point of issuance and a fixed coupon schedule. Amounts outstanding for qualifying US Treasuries must be $1 billion; US agencies, foreign governments, supranationals, corporates and covered bonds must have at least $250 million outstanding. Qualifying residential mortgage pass-through securities include fixed rate securities publicly issued by US agencies. 30-year, 20-year and 15-year fixed rate mortgage pools must have at least one year remaining term to final maturity and a minimum amount outstanding of at least $5 billion per generic coupon and $250 million per production year within each generic coupon.
S&P 500 Index	The S&P 500 is a market value weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization.

BENCHMARK DISCLOSURES

Benchmark	Disclosure
ICE BofA 1-10 Yr US Treasury & Agency Index	The ICE BofA 1-10 Year US Treasury & Agency Index tracks the performance of US dollar denominated US Treasury and nonsubordinated US agency debt issued in the US domestic market. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). Qualifying securities must have at least one year remaining term to final maturity and less than ten years remaining term to final maturity, at least 18 months to maturity at time of issuance, a fixed coupon schedule, and a minimum amount outstanding of $1 billion for sovereigns and $250 million for agencies.
ICE BofA 1-10 Yr AAA-A US Corp & Govt Index	The ICE BofA 1-10 AAA-A Year US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational, and corporate securities. Qualifying securities must be rated AAA through A3 (based on an average of Moody's, S&P and Fitch). In addition, qualifying securities must have at least one year remaining term to final maturity and less than ten years remaining term to final maturity, at least 18 months to final maturity at point of issuance, a fixed coupon schedule, and a minimum amount outstanding of $1 billion for US Treasuries and $250 million for all other securities.
ICE BofA 3-Month US Treasury Bill Index	The ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date.

Rancho Water

RANCHO CALIFORNIA WATER DISTRICT
2016ABC REVENUE BONDS
06/30/26

SETTLEMENT DATE	MATURITY DATE	DESCRIPTION	RATE	PURCHASE YIELD	PAR VALUE	COST VALUE	MARKET VALUE	ACCRUED
NA	NA	Money Market Funds	3.59%	NA	$14,291	$14,291	$14,291	$0
		TOTAL INVESTMENTS		**NA**	**$14,291**	**$14,291**	**$14,291**	**$0**

RANCHO CALIFORNIA WATER DISTRICT
2017ABC REVENUE BONDS
06/30/26

SETTLEMENT DATE	MATURITY DATE	DESCRIPTION	RATE	PURCHASE YIELD	PAR VALUE	COST VALUE	MARKET VALUE	ACCRUED
NA	NA	Money Market Funds	3.59%	NA	$550	$550	$550	$0
		TOTAL INVESTMENTS		**NA**	**$550**	**$550**	**$550**	**$0**

RANCHO CALIFORNIA WATER DISTRICT
2019A REVENUE BONDS
06/30/26

SETTLEMENT DATE	MATURITY DATE	DESCRIPTION	RATE	PURCHASE YIELD	PAR VALUE	COST VALUE	MARKET VALUE	ACCRUED
		Money Market Funds	3.59%	NA	$1,431	$1,431	$1,431	$0
		TOTAL INVESTMENTS		**NA**	**$1,431**	**$1,431**	**$1,431**	**$0**

1.B

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.B: **Annual Review and Consideration of Revisions to Rancho California Water District's Investment Policy**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Kathy Naylor, Chief Financial Officer/Treasurer

RECOMMENDATIONS:

Staff requests the Finance and Audit Committee (Committee) recommend the Board of Directors approve Rancho California Water District's (District) Investment Policy (Policy), as revised.

DISCUSSION:

On an annual basis, District staff reviews the Policy together with representatives from the District's investment management firm, Chandler Asset Management, Inc. (Chandler) to ascertain compliance with California Government Code (Code) restrictions (Section 53600 et seq.), prudent business practices, and whether any changes to the policy are necessary. Per Section 53646, the Policy is then presented for consideration.

The District's Policy was first developed in 1989 and, as previously indicated, is reviewed and updated regularly. Chandler and staff reviewed the current Policy (revised August 14, 2025) and provided minor updates to reflect recent legislative updates, as summarized below:

1. Added an update from Senate Bill 595 (Choi): Local Government: Investments and Financial Reports (effective January 1, 2026) to Commercial Paper; increasing the maximum investment of 40% through January 1, 2031 and permanently increasing the maturity limit from 270 to 397 days.
2. Senate Bill 595 also extended the period for investments in zero or negative accrual government securities through January 1, 2031.

Chandler representative Jayson Schmitt and Daniel Delaney will be present at the meeting to address any comments or concerns by the Committee regarding the subject matter.

ALTERNATIVES:

Take no action

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

None

EXHIBITS/ATTACHMENTS:

1. Investment Policy - Relined Version
2. Current Investment Policy

INVESTMENT POLICY

REVISED SEPTEMBER 10, 2026~~AUGUST 14, 2025~~

RANCHO CALIFORNIA WATER DISTRICT
42135 WINCHESTER ROAD
TEMECULA, CA 92590
PHONE (951) 296-6900 • FAX (951) 296-6860
WWW.RANCHOWATER.COM

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SECTION 1 - INVESTMENT POLICY

OVERVIEW

I. PURPOSE

This Investment Policy is set forth by Rancho California Water District (hereinafter referred to as "District") for the following purposes:

a. To establish a clear understanding for the governing Board, management, responsible employees, citizens and third parties of the objectives, policies and guidelines for the investment of the District's idle and surplus funds;

b. To offer guidance to investment staff and any external investment advisers on the investment of District funds; and

c. To establish a basis for evaluating investment results.

The District establishes investment policies that meet its current investment goals. The District shall review this policy annually and may change its policies as its investment objectives change.

II. SCOPE

This investment policy applies to all financial assets and investment activities of the District with the following exceptions:

a. The Deferred Compensation Plan is excluded because it is managed by a third-party administrator and invested by individual plan participants; and

b. Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of the District as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.

III. DELEGATION OF AUTHORITY

Authority to manage the District's investment program is derived from California Government Code, Sections 41006 and 53600 *et seq.*

The Board is responsible for the management of the District's funds, including the administration of this investment policy. Management responsibility for the cash management of the District's funds is hereby delegated to the Chief Financial Officer-Treasurer.

The Chief Financial Officer-Treasurer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer-Treasurer.

The District may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the District's investment portfolio in a manner consistent with the District's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the District.

IV. PRUDENT INVESTOR STANDARD

The Prudent Investor Standard shall be used by investment officials, and shall be applied in the context of managing an overall portfolio. Investment staff acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

The **Prudent Investor Standard:** When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

V. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the Chief Financial Officer-Treasurer, and the Chief Financial Officer-Treasurer to the General Manager, any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the

performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

VI. INTERNAL CONTROLS

The Chief Financial Officer-Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the District and/or the Board, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

VII. AUTHROIZED FINANCIAL INSTITUTION, DEPOSITORIES, AND BROKER/DEALERS

To the extent practicable, the Chief Financial Officer-Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The District's Chief Financial Officer-Treasurer will determine which financial institutions are authorized to provide investment services to the District. It shall be the District's policy to purchase securities only from authorized institutions and firms.

The Chief Financial Officer-Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the District. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the District are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule) and California Government Code, Section 53601.5.

Selection of broker/dealers used by an external investment adviser retained by the District will be at the sole discretion of the adviser with oversight from the District's staff. At least annually, the District's staff will request a list of the external advisor's approved broker/dealers and a summary of the process used in their due diligence of the approved broker/dealers. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Chief Financial Officer-Treasurer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 *et seq*. and the District's investment policy. The Chief Financial Officer-Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

VIII. OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity and return. In order to achieve these objectives, the District has segregated its funds into three portfolios. The Construction Fund is structured to meet a schedule of payouts for capital expenditures. The Cash Management Account is invested in short-term securities to meet operating needs. The Operating Reserve is invested in somewhat longer-term securities in order to provide for future needs.

IX. SAFETY

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

X. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

XI. RETURN

The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the District's

investment risk constraints, the cash flow characteristics of the portfolio and state law.

XII. BENCHMARKS

The District shall develop market benchmarks that are similar in characteristics to the District's portfolios, and shall compare the total return of the District's portfolio to the appropriate benchmarks.

Specifically, the benchmarks for the Construction Fund and Cash Management Account shall be LAIF and a market index of 3-month U.S. Treasury Bills (ICE BofA: G0O1 Index). The benchmark for the Operating Reserve portfolio shall be a market index of U.S. Treasury and agency securities with a maturity of 1-10 years (ICE BofA 1-10 Year U.S. Treasury and Agency Index: G5A0 Index).

XIII. AUTHORIZED INVESTMENTS

The District's investments are governed by California Government Code, Sections 53600 *et seq*. Within the investments permitted by the Code, the District seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the Chief Financial Officer-Treasurer will review the document and make an interpretation until the policy can be updated. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. **MUNICIPAL SECURITIES** include obligations of the District, the State of California and any local agency within the State of California, provided that:

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 20% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed thirty (30) years.
    - No issuer limitation for the District's obligations.

2. **MUNICIPAL SECURITIES (REGISTERED TREASURY NOTES OR BONDS)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 20% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed thirty (30) years.

3. **U.S. TREASURIES** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the District may invest in U.S. Treasuries, provided that:

    - The maximum maturity is thirty (30) years.

4. **FEDERAL AGENCIES** or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the District may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

    - No more than 30% of the portfolio may be invested in any single Agency/GSE issuer, except GNMA can be invested up to 50%.
    - The maximum maturity does not exceed thirty (30) years.

5. **BANKER'S ACCEPTANCES,** provided that**:**

    - They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
    - No more than 40% of the portfolio may be invested in Banker's Acceptances.
    - No more than 5% of the portfolio may be invested in any single issuer.
    - The maximum maturity does not exceed 180 days.

6. **COMMERCIAL PAPER**, provided that:

    - The issuer is a corporation organized and operating in the United States with assets in excess of $500 million.
    - The securities are rated "A-1" or its equivalent or better by at least one NRSRO.

- They are issued by corporations which have long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- The District may purchase no more than 10% of the outstanding commercial paper of any single issuer.
- No more than 40% of the portfolio may be invested in Commercial Paper. Under a provision sunsetting on January 1, 20312~~26~~, no more than 40% of the portfolio may be invested in Commercial Paper if the Districts investment assets under management are greater than $100,000,000.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed ~~270~~397 days.

7. **NEGOTIABLE CERTIFICATES OF DEPOSIT (NCDS)**, issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

   - The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
   - Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
   - No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
   - No more than 5% of the portfolio may be invested in any single issuer.
   - The maximum maturity does not exceed five (5) years.

8. **FEDERALLY INSURED TIME DEPOSITS** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

   - The amount per institution is limited to the maximum covered under federal insurance.
   - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
   - The maximum maturity does not exceed five (5) years.

9. **COLLATERALIZED TIME DEPOSITS** (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

   - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
   - The maximum maturity does not exceed five (5) years.

10. PLACEMENT SERVICE DEPOSITS, provided that:

- No more than 30% of the total portfolio may be invested in a combination of qualifying placement service deposits.
- The full amount of each deposit along with accrued interest must at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
- Under a provision sunsetting on January 1, 2031, no more than 50% of the portfolio may be invested in deposits through a placement service, including Certificates of Deposit, if the Agency is a city, district or local agency that does not pool money with other local agencies.
- The maximum maturity does not exceed five (5) years.

11. COLLATERALIZED BANK DEPOSITS. District's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the District may invest in collateralized bank deposits.

12. REPURCHASE AGREEMENTS collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.
- No more than 5% allocation to a single counterparty and a 10% maximum allocation to this security type.

13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF), provided that:

- The District may invest up to the maximum amount permitted by LAIF.
- LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Chief Financial Officer-Treasurer to adequately judge the risk inherent in LAIF's portfolio.

14. SHARES OF BENEFICIAL INTEREST ISSUED BY A JOINT POWERS AUTHORITY (JPA), provided that:

- The JPA is organized pursuant to California Government Code Section 6509.7 and invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive.
- Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA.
- The JPA has retained an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (q).

15. LOCAL GOVERNMENT INVESTMENT POOLS

- Other LGIPs permitted by client.
- No more than one half the maximum allowable by LAIF

16. CORPORATE MEDIUM-TERM NOTES (MTNS), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

17. ASSET-BACKED, MORTGAGE-BACKED, MORTGAGE PASS-THROUGH SECURITIES, AND COLLATERALIZED MORTGAGE OBLIGATIONS FROM ISSUERS NOT DEFINED IN SECTIONS 3 AND 4 OF THE AUTHORIZED INVESTMENTS SECTION OF THIS POLICY, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- The maximum legal final maturity does not exceed five (5) years.

18. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

a. **MUTUAL FUNDS** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

(i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.

- No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

- **MONEY MARKET MUTUAL FUNDS** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

(i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five (5) years' experience managing money market mutual funds with assets under management in excess of $500 million.

- No more than 10% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund. Cannot have a balance above 10% for seven (7) consecutive days.

- No more than 20% of the total portfolio may be invested in these securities.

19. SUPRANATIONALS, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

XIV. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than government money market funds), unregulated and/or unrated investment pools or trusts, and futures and options.

In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.

Investment in any other security that could result in a zero-interest accrual if held to maturity is prohibited other than those backed by the U.S. Government. Under a provision sunsetting on January 1, 2031~~26~~, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.

Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.

Purchasing or selling securities on margin is prohibited.
Purchasing securities denominated in a foreign currency.

The use of reverse-repurchase agreements, securities lending, or any other form of borrowing or leveraging is prohibited.

The District pursues prudent active management strategies in order to enhance return and reduce risk as market conditions change over time.

The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is prohibited.

XV. INVESTMENT POOLS/MUTUAL FUNDS

The District shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Chief Financial Officer-Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.

- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XVI. COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDS). The District shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The District shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The District requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The District shall receive monthly statements of collateral.

XVII. DELIVERY, SAFEKEEPING AND CUSTODY

DELIVERY-VERSUS-PAYMENT (DVP). All investment transactions shall be conducted on a delivery-versus-payment basis.

SAFEKEEPING AND CUSTODY. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the District's portfolio shall be held in safekeeping in the District's name by a third-party custodian, acting as agent for the District under the terms of a custody agreement executed by the bank and the District. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the District from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money mutual funds, since the purchased securities are not deliverable.

XVIII. MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The District shall mitigate credit risk by adopting the following strategies:

No more than 5% of the total portfolio may be invested in securities of any single bank, bank holding company, or other non-governmental issuer other than Government Money Market Mutual Funds that may have no more than 10% in any one fund for more than 7 consecutive days unless otherwise specified in this policy.

The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the District's risk preferences.

If securities owned by the District are downgraded to a level below the minimum quality required by this Investment Policy, it shall be the District's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. For the purposes of this investment policy, credit ratings shall be interpreted by their category and any references to Nationally Recognized Statistical Ratings Organization (NRSRO) shall include Moody's, Standard and Poor's, and Fitch or their successors. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the governing Board.

The diversification requirements described herein, and as shown in the Table on Page 15 are designed to mitigate credit risk in the portfolio. The minimum quality required in the Table on Page 15, requires one qualifying credit rating by a nationally recognized credit rating organization.

XIX. MITIGATING MARKET RISK IN THE PORTFOLIO

Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by marking some longer-term investments only with funds that are not needed for current cash flow purposes. The District further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and mitigate its exposure to market risk.

The Board of Directors (Board) has approved the purchase of securities with maturities in excess of five (5) years for the Operating Reserve portfolio. Purchases of such securities shall not exceed 40% of surplus funds unless prior approval is given by the Board.

The maximum stated final maturity of individual securities in the portfolio shall be thirty (30) years, as defined more specifically in this policy;

The duration of each portfolio shall typically be equal to the duration of its market benchmark, plus or minus 10%.

XX. REPORTING

a. **Monthly.** The Chief Financial Officer-Treasurer and/or Investment Officer shall prepare a monthly investment report for review and approval by the governing Board, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last month. This management summary will be prepared in a manner, which will allow the governing Board to ascertain whether investment activities during the reporting period have conformed to the investment policy.

b. **Quarterly.** On a quarterly basis, within 45 days after the end of the quarter, the District's Chief Financial Officer-Treasurer and/or Investment Officer shall prepare a report in compliance with Government Code Section 53646 the detailed listing of individual securities held in the District's investment portfolio. The report will include the following:

    1. Listing of individual securities held at the end of the reporting period;
    2. Cost and market value of all securities, including realized and unrealized market value gains or losses in accordance with GASB requirements;
    3. Average weighted yield to maturity of portfolio;
    4. Listing of investment by maturity date;
    5. Percentage of the total portfolio, which each type of investment represents;
    6. Statement of compliance with Investment Policy, including an explanation of any compliance exceptions (CGC Section 53646); and
    7. Certification of sufficient liquidity to meet budgeted expenditures over the ensuing six months (CGC Section 53646).

c. **Semi-Annual**. On a semi-annual basis, the District's Investment Adviser shall report the total rate of return on each of the District's portfolios to the governing Board, together with a comparison to each portfolio's market benchmarks. For the Cash Management and Construction Funds, total return on an unrealized basis shall be reported; for the Operating Reserve Portfolio, both realized and unrealized returns will be reported.

d. **Annually.** On an annual basis, the Chief Financial Officer-Treasurer shall present the Investment Policy, together with any proposed amendments, to the governing Board for its consideration.

XXI. INVESTMENT LIMITATIONS

SUMMARY OF INVESTMENT LIMITATIONS				
Type of Security	**% Limit Per Issuer**	**% Limit Per Type of Security**	**Minimum Quality[1]**	**Maturity Limit**
U.S. Treasuries	n/a	100%	n/a	30 years
Federal Agencies:	n/a	100%	n/a	30 years
GNMA	50%	n/a	n/a	30 years
Farm Credit	30%	n/a	n/a	30 years
FHLB	30%	n/a	n/a	30 years
FHLMC	30%	n/a	n/a	30 years
FNMA	30%	n/a	n/a	30 years
TVA	30%	n/a	n/a	30 years
Other Agencies	30% each	n/a	n/a	30 years
Supranationals	10% each (IBRD, IFC and IADB)	30%	AA	5 years
State of California, LAIF		Allowable Maximum		
Shares of Beneficial Interest Issued by a Joint Powers Authority (JPA) [4]	10%	20%	AAA	n/a
Local Government Investment Pools	No more than one half the maximum allowable by LAIF	No more than one half the maximum allowable by LAIF	AAA	n/a
Municipal Securities	5%[2]	Allowable Maximum 20%	A	30 years
Bankers' Acceptances	5%	40%	A1/P1	180 days
Commercial Paper	5%	40%	A1/P1	397~~270~~ days
Negotiable Certificates of Deposits	5%	30%	A1/P1[3]	5 years
Corporate Medium-Term Notes	5%	30%	A	5 years
Federally Insured Time Deposit	5%	20%	n/a	5 years
Certificate of Deposit Placement Service (CDARS)	none	30%	n/a	5 years
Collateralized Time Deposits	none	20%	n/a	5 years
Collateralized Bank Deposits	none	none	n/a	5 years
Repurchase Agreements	5%	10%	n/a	1 year
Mutual Fund[4]	10%	Allowable maximum 20% combined Mutual Fund and Government Money Market Fund	AAA	n/a
Government Money Market Mutual Funds (Shares of beneficial interest in money market funds)	10%[5]	Allowable maximum 20% combined Mutual Fund and Government Money Market Fund	AAA	5 years
Collateralized Mortgage Obligations (CMOs) and Mortgage-Backed Securities (MBS), Asset Backed Securities (ABS)	5%	Allowable maximum 20% combined CMOs, MBS', and ABS'	AA	5 years

[1]Securities/Issuers with credit ratings requirements are required to be rated by at least one NRSRO.

[2]No per Issuer limit for RCWD obligations.

[3]The amount of the NCD insured up to the FDIC limit does not require any credit ratings

[4]Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.

[5]No more than 10% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund. Cannot have a balance above 10% for seven (7) consecutive days

Guaranteed Investment Contracts (GICs). The Board has authorized the investment of bond proceeds (project and reserve funds) in GICs from providers rated a minimum of "AA" by a NRSRO. Collateralization requirements shall be determined at the time the investment agreement is made, based on market conditions and the District's objectives.

XXII. REVIEW OF INVESTMENT POLICY

The investment policy will be reviewed and adopted at least annually within 120 days of the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by Staff to the Board for their consideration and adoption.

Prepared by:

_____

Chief Financial Officer/Treasurer

Date Approved by Governing Body:

September 10, 2026~~August 14, 2025~~

SECTION 2 - RETIREMENT MEDICAL BENEFITS PLAN INVESTMENT OBJECTIVES AND GUIDELINES

ADOPTED FEBRUARY 8, 2018

I. INVESTMENT OBJECTIVES

The primary objectives for investment of the Rancho California Water District's Retirement Medical Benefits Plan monies is to ensure contributions to the plan are available to meet the obligations of the plan at the same time producing a return consistent with the long-term stated goal. In order to achieve these objectives, the District has selected the following investment guidelines:

- Long-term Growth of Assets: The Trust's objective is to grow over time and increase its purchasing power by earning a total return equal to or in excess of the long-term actuarial investment return rate of 6.75%. The Investment Manager will seek to minimize risk through diversification.

- Preservation of Capital: Another of the Trust's objectives is to protect principal. Exposing the Trust to undue risk is to be avoided; however, the assumption of an appropriate level of risk, commensurate with the growth objective, is warranted in pursuit of the investment goals. The investment manager and the Board further recognize that financial assets fluctuate in value and that near-term results can diverge from long-term stated goals. The investment manager will seek to minimize risk through diversification. The Investment Manager will advise the Board from time to time on the reasonableness of their objectives in light of capital market conditions.

- Liquidity: To provide sufficient liquidity for periodic cash requirements.

These objectives are to be considered in conjunction with guidelines and restrictions set forth in this Policy.

II. INVESTMENT GUIDELINES

The Investment Manager shall allocate Trust assets consistent with the stated investment objectives in Section I above and in accord with the asset allocation set forth in this section. The allocation of Trust assets shall be maintained within the "Policy Asset Class Ranges" noted in the table below. The Investment Manager will be responsible for determining the asset allocation within these bands and rebalancing as necessary.

ASSET CLASS	ACCEPTABLE RANGE
Equities	30% - 55%
Domestic	30% - 50%
International	0% - 30%
Real Estate	0% - 20%
Domestic	0% - 20%
International	0% - 10%
Commodities	0% - 10%
Bonds	30% - 60%
Domestic	30% - 60%
Investment Grade	20% - 60%
High Yield	0% - 15%
International	0% - 10%
Cash	0% - 10%

It is understood that deviations will occur as a result of market impact and cash flow. The actual asset allocation will be monitored by the District and the Investment Manager. At least quarterly, the Investment Manager will rebalance portfolio allocations to assure the asset allocation proportions remain within the permitted range.

III. ELIGIBLE INVESTMENTS AND DIVERSIFICATION

Investments may be placed in the following asset classes:

- Equity securities of U.S. and non-U.S. issuers.
- Fixed Income securities of U.S. and non-U.S. issuers.
- Real Estate Investment Trusts (REITs).
- Commodities (Investments must be made in a pooled-investment vehicle).

Investments may be placed in the following investment vehicles:

- Mutual Funds that invest in permitted asset classes.
- Exchange Traded Funds (ETF) that invest in permitted asset classes.
- Commingled funds that are consistent with the aforementioned asset classes.
- Individual Fixed Income Securities must meet the criteria defined below:
    - U.S. Dollar Denominated.
    - U.S. Treasury Securities or securities guaranteed by the full faith and credit of the U.S.
    - U.S. Agency Securities or Instruments of the U.S. Government. Examples of issuers include Federal Farm Credit Bank, Federal Home Loan Bank,

Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Tennessee Valley Authority,

- Supranational obligations that are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- Other non-U.S. governmental issuers of securities with a rating of at least AAA by a NRSRO.
- Corporate securities rated investment grade by a NRSRO.
- Bank certificates of deposit, bank Eurodollar time deposits and Eurodollar certificates of deposit rated in one of the two highest categories by Thompson Bankwatch, and rated in the highest short-term category by a NRSRO.
- Banker's Acceptances Issued by Banks rated in the highest short-term category by a NRSRO.
- Money market mutual funds with a minimum of $500 million in assets, which invest in permissible securities.
- MBS, CMO, and ABS with a rating of at least "AAA" by a NRSRO or issued by a Government Sponsored Enterprise (GSE).

Prohibited Transactions

- Direct short sales of individual securities (the Investment Manager may buy commingled funds that employ short sale techniques).
- Direct margin purchases (see glossary for a definition. The Investment Manager may buy commingled funds that employ margin).
- Direct investment in commodities futures contracts (the Investment Manager may buy commingled funds that use futures contracts).
- Direct investments in real estate or direct real estate lending.
- Hedge funds (see glossary for a definition).

The District's assets will be invested in investment securities noted above. All the investment funds generally will be fully invested. The invested funds of any single issuer will be less than 5% of the total assets of the overall fund, with the exception of the pooled-investment vehicles, U.S. government, U.S. government agency, and supranational obligation.

IV. PERFORMANCE STANDARDS

The primary performance goal is to earn the long-term actuarial investment return rate of 6.75%. The Investment Manager will make time-weighted rate of return measurements at quarterly intervals for the portfolio as a whole and for each separate asset class in compliance with GIPS® (Global Investment Performance Standards).

Performance will be measured against an appropriate blended benchmark, which is consistent with the portfolio's policy target. Emphasis will be placed on performance over a market cycle.

SECTION 3 - RANCHO CALIFORNIA WATER DISTRICT SECTION 115 PENSION TRUST

ADOPTED JUNE 14, 2018

I. PURPOSE

Rancho California Water District (hereinafter referred to as "District") has established the Rancho California Water District Section 115 Trust ("Trust"). This Trust is intended to provide funding for the District's retirement benefits provided through the California Public Employees' Retirement System ("CalPERS") for those eligible employees that meet any specified age, service, and other requirements. The District hereby adopts this Funding Policy Statement ("Policy Statement") for the purposes set forth herein.

The purpose of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the District's stated objectives for the Trust to fund the District's Pension Obligations, as defined under the Rancho California Water District Section 115 Trust Agreement ("Trust Agreement").

The purpose of this Policy Statement is to establish clear guidelines on how the returns achieved from the investment of the Trust assets will be applied.

The District has separately established investment policies that meet its current investment goals. Refer to the most current Investment Policy for more detailed information regarding the investment standards and procedures applicable to the Trust.

II. SCOPE

This Policy Statement applies exclusively to the Trust.

III. OBJECTIVES

Consistent with the main objective for the Trust, it is the District's intent and determination that the corpus of the Trust shall remain intact unless otherwise determined by the District's Board of Directors (Board). Such intent is for the purpose of ensuring that the District has the necessary funds to meet its Pension Obligations irrespective of the economic conditions at any given time.

The annual earnings achieved from the investment of the Trust's assets, determined as of June 30 of each fiscal year, shall be allocated in accordance with the following guidelines, as determined by the District:

1. If the funded ratio of the District's CalPERS pension plan is below 70%, then 100% of the Trust's annual earnings will be paid directly to CalPERS as an additional payment towards the District's Unfunded Accrued Liability ("UAL").

2. If the funded ratio of the District's CalPERS pension plan is at least 70% but less than 80%, then the Trust's annual earnings will be applied as follows:

    a. 75% of the Trust's annual earnings will be paid directly to CalPERS as an additional payment towards the District's UAL.
    b. The remaining 25% of the Trust's annual earnings will be added to the Trust's corpus.

3. If the funded ratio of the District's CalPERS pension plan is at least 80% but less than 100%, then the Trust's annual earnings will be applied as follows:

    a. 50% of the Trust's annual earnings will be paid directly to CalPERS as an additional payment of the District's UAL.
    b. The remaining 50% of the Trust's annual earnings will be added to the Trust's corpus.

4. If the funded ratio of the District's CalPERS pension plan is at 100% but the annual earnings of the Trust are insufficient to reimburse 100% of the District's annual employer contributions to CalPERS, then the Trust's annual earnings will be applied as follows:

    a. 50% of the Trust's annual earnings will be used to reimburse to the District for its annual employer contributions.
    b. The remaining 50% of the Trust's annual earnings will be added to the Trust's corpus.

5. If the District's CalPERS pension plan is 100% funded and the annual earnings of the Trust are sufficient to reimburse 100% of District's annual employer contributions to CalPERS, then 100% of the District's annual employer contributions (for fiscal year June 30) are to be reimbursed provided that 50% of the annual earnings would be added to the Trust's corpus until the losses from previous years have been fully recovered. For this purpose, "losses" is defined as a reduction in the Trust's corpus as a result of negative investment returns.

For the purpose of applying this policy, the most recently available actuarial study, or other most recent District-specific communication from CalPERS, shall be the basis for determining the status of the District's funded ratio on its pension plan, and the amount of District-required employer contributions.

IV. INVESTMENT OBJECTIVES

The primary objectives for investment of the Rancho California Water District Section 115 Pension Trust are to help fund ongoing pension payments to meet the District's obligations. In order to achieve these objectives, the District has selected the following investment guidelines.

- Long-term Growth of Assets: The Trust's objective is to grow over time and increase its purchasing power by earning a total return equal to or in excess of the investment return goal of 7%. The Investment Manager will seek to minimize risk through diversification.

- Preservation of Capital: Another of the Trust's objectives is to protect principal. Exposing the Trust to undue risk is to be avoided; however, the assumption of an appropriate level of risk, commensurate with the growth objective, is warranted in pursuit of the investment goals. The investment manager and the Board further recognize that financial assets fluctuate in value and that near-term results can diverge from long-term stated goals. The investment manager will seek to minimize risk through diversification. The Investment Manager will advise the Board from time to time on the reasonableness of their objectives in light of capital market conditions.

- Liquidity: To provide sufficient liquidity for periodic withdrawals from the Trust as needed.

These objectives are to be considered in conjunction with guidelines and restrictions set forth in this Policy.

V. INVESTMENT GUIDELINES

The Investment Manager shall allocate Trust assets consistent with the stated investment objectives in Section I above and in accord with the asset allocation set forth in this section. The allocation of Trust assets shall be maintained within the "Policy Asset Class Ranges" noted in the table below. The Investment Manager will be responsible for determining the asset allocation within these bands and rebalancing as necessary.

ASSET CLASS	ACCEPTABLE RANGE
Equities	50% - 70%
Domestic	40% - 70%
International	0% - 35%
Real Estate	0% - 15%
Domestic	0% - 15%
International	0% - 5%
Commodities	0% - 5%
Bonds	30% - 50%
Domestic	20% - 50%
Investment Grade	20% - 50%
High Yield	0% – 15%
International	0% - 15%
Cash	0% - 5%

It is understood that deviations will occur as a result of market impact and cash flow. The actual asset allocation will be monitored by the District and Investment Manager. At least quarterly, the Investment Manager will rebalance portfolio allocations to assure the asset allocation proportions remain within the permitted range.

VI. ELIGIBLE INVESTMENTS AND DIVERSIFICATION

Investments may be placed in the following asset classes:

- Equity securities of U.S. and non-U.S. issuers.
- Fixed Income securities of U.S. and non-U.S. issuers.
- Real Estate Investment Trusts (REIT).
- Commodities (Investments must be made in a pooled-investment vehicle).

Investments may be placed in the following investment vehicles:

- Mutual Funds that invest in permitted asset classes.
- Exchange Traded Funds (ETF) that invest in permitted asset classes.
- Commingled funds that are consistent with the aforementioned asset classes.
- Individual Fixed Income Securities must meet the criteria defined below:
  - U.S. Dollar Denominated.
  - U.S. Treasury Securities or securities guaranteed by the full faith and credit of the U.S.
  - U.S. Agency Securities or Instruments of the U.S. Government. Examples of issuers include Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, and Tennessee Valley Authority.
  - Supranational obligations that are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in a rating category of "AA" or its equivalent or better by a NRSRO.
  - Other non-U.S. governmental issuers of securities with a rating of at least AAA by a NRSRO.
  - Corporate securities rated investment grade by a NRSRO.
  - Banker's Acceptances Issued by Banks rated in the highest short-term category by a NRSRO.
  - Money market mutual funds with a minimum of $500 million in assets, which invest in permissible securities.
  - Mortgage Backed Securities (MBS), Collateralized Mortgage Obligations (CMO) and Asset Backed Securities (ABS) with a rating of at least "AAA" by a NRSRO or issued by a GSE.

Prohibited Transactions

- Direct short sales of individual securities (the Investment Manager may buy commingled funds that employ short sale techniques).
- Direct margin purchases (see glossary for a definition. The Investment Manager may buy commingled funds that employ margin).
- Direct investment in commodities futures contracts (the Investment Manager may buy commingled funds that use futures contracts).
- Direct investments in real estate or direct real estate lending (the Investment Manager may buy commingled funds that invests in real estate or engages in real estate lending).
- Hedge funds (see glossary for a definition).

The District's assets will be invested in the investment securities noted above. All the investment funds generally will be fully invested. The invested funds of any single issuer will be less than 7% of the total assets of the overall fund, with the exception of the pooled-

investment vehicles, U.S. government, U.S. government agency and supranational obligation and money market funds.

VII. PERFORMANCE STANDARDS

The primary performance goal is to earn the long-term actuarial investment return rate of 7%. The Investment Manager will make time-weighted rate of return measurements at quarterly intervals for the portfolio as a whole and for each separate asset class in compliance with GIPS® (Global Investment Performance Standards).

Performance will be measured against an appropriate blended benchmark, which is consistent with the portfolio's policy target. Emphasis will be placed on performance over a market cycle.

SECTION 4 - GLOSSARY OF INVESTMENT TERMS©

Agencies. Shorthand market terminology for any obligation issued by *a government-sponsored entity (GSE),* or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the U.S. Government. Examples are:

FDIC. The Federal Deposit Insurance Corporation provides insurance backed by the full faith and credit of the U.S. Government to certain bank deposits and debt obligations.

FFCBS. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "Freddie Mac" issues discount notes, bonds, and mortgage pass-through securities.

FNMA. Like FHLB and Freddie Mac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "Fannie Mae," issues discount notes, bonds, and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as "Ginnie Mae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the U.S. Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the U.S. Government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Asset-Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker's acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank, which "accepts" the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial paper. The short-term unsecured debt of corporations.

Commodity. A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

Cost yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery versus payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument of the value of which is totally or partially derived from the value of another instrument, interest rate or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as **discount securities**. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Equity. Also referred to as stock or any other security representing an ownership interest.

Exchange-Traded Fund (ETF). A security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange.

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Guaranteed Investment Contract (GIC). Insurance contracts that guarantee the owner principal repayment and a fixed or floating interest rate for a predetermined period of time. Since the issuer guarantees of the contact it does have credit risk.

Haircut. The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).

Hedge Fund. An aggressively managed portfolio of investments that uses advanced investment strategies such as leveraged, long, short, and derivative positions in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark). Legally, hedge funds are most often set up as private investment partnerships that are open to a limited number of investors and require a very large initial minimum investment. Investments in hedge funds are illiquid, as they often require investors keep their money in the fund for at least one year.

Investment Grade. A rating that indicates a municipal or corporate bond has a relatively low risk of default. Bond credit rating firms, such as Standard & Poor's, use different designations consisting of upper- and lower-case letters 'A' and 'B' to identify a bond's credit quality rating. 'AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings for bonds below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality and are commonly referred to as "high yield bonds."

Joint powers authority (JPA). An entity created by two or more public agencies that share a common goal in order to jointly exercise powers common to all members through a joint powers agreement or contract.

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity. The speed and ease with which an asset can be converted to cash.

Margin. The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Marking to Market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations, which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (T-Bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund. An entity that pools the funds of investors and invests those funds in a set of securities, which is specifically defined in the fund's prospectus. Mutual funds can be invested in

various types of domestic and/or international stocks, bonds and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Ratings Organization (NRSRO). The formal term to describe credit rating agencies that provide credit ratings that are used by the U.S. government in several regulatory areas. Ratings provided by NRSRO are used frequently by investors and are used as benchmarks by federal and state agencies. Example are Moody's, Standard and Poor's and Fitch credit ratings services.

Negotiable CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Placement service deposits. A private service that allows local agencies to invest in FDIC-insured deposits with one or more banks, savings and loans, and credit unions located in the United States. IntraFi (formerly known as CDARS) is an example of an entity that provides this service.
Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule. A standard of responsibility that applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Real Estate Investment Trust (REIT). A security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or through mortgages.

Realized Yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional Dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement (RP, Repo). Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a **reverse repurchase agreement**.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer's name.

Structured Note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Supranational. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Total Rate of Return. A measure of a portfolio' performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-Bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

Treasury Notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment, which equates the expected cash, flows from the investment to its cost.

INVESTMENT POLICY

REVISED AUGUST 14, 2025

RANCHO CALIFORNIA WATER DISTRICT
42135 WINCHESTER ROAD
TEMECULA, CA 92590
PHONE (951) 296-6900 • FAX (951) 296-6860
WWW.RANCHOWATER.COM

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SECTION 1 - INVESTMENT POLICY

OVERVIEW

I. PURPOSE

This Investment Policy is set forth by Rancho California Water District (hereinafter referred to as "District") for the following purposes:

a. To establish a clear understanding for the governing Board, management, responsible employees, citizens and third parties of the objectives, policies and guidelines for the investment of the District's idle and surplus funds;

b. To offer guidance to investment staff and any external investment advisers on the investment of District funds; and

c. To establish a basis for evaluating investment results.

The District establishes investment policies that meet its current investment goals. The District shall review this policy annually and may change its policies as its investment objectives change.

II. SCOPE

This investment policy applies to all financial assets and investment activities of the District with the following exceptions:

a. The Deferred Compensation Plan is excluded because it is managed by a third-party administrator and invested by individual plan participants; and

b. Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of the District as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.

III. DELEGATION OF AUTHORITY

Authority to manage the District's investment program is derived from California Government Code, Sections 41006 and 53600 *et seq*.

The Board is responsible for the management of the District's funds, including the administration of this investment policy. Management responsibility for the cash management of the District's funds is hereby delegated to the Chief Financial Officer-Treasurer.

The Chief Financial Officer-Treasurer will be responsible for all transactions undertaken and will establish a system of procedures and controls to regulate the activities of subordinate officials and employees. Such procedures will include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Chief Financial Officer-Treasurer.

The District may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the District's investment portfolio in a manner consistent with the District's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The District's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The District recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the District.

IV. PRUDENT INVESTOR STANDARD

The Prudent Investor Standard shall be used by investment officials, and shall be applied in the context of managing an overall portfolio. Investment staff acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

The **Prudent Investor Standard:** When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

V. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the Chief Financial Officer-Treasurer, and the Chief Financial Officer-Treasurer to the General Manager, any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the

performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the District.

VI. INTERNAL CONTROLS

The Chief Financial Officer-Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Periodically, as deemed appropriate by the District and/or the Board, an independent analysis by an external auditor shall be conducted to review internal controls, account activity and compliance with policies and procedures.

VII. AUTHROIZED FINANCIAL INSTITUTION, DEPOSITORIES, AND BROKER/DEALERS

To the extent practicable, the Chief Financial Officer-Treasurer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The District's Chief Financial Officer-Treasurer will determine which financial institutions are authorized to provide investment services to the District. It shall be the District's policy to purchase securities only from authorized institutions and firms.

The Chief Financial Officer-Treasurer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the District. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the District are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule) and California Government Code, Section 53601.5.

Selection of broker/dealers used by an external investment adviser retained by the District will be at the sole discretion of the adviser with oversight from the District's staff. At least annually, the District's staff will request a list of the external advisor's approved broker/dealers and a summary of the process used in their due diligence of the approved broker/dealers. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Chief Financial Officer-Treasurer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 *et seq*. and the District's investment policy. The Chief Financial Officer-Treasurer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

VIII. OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity and return. In order to achieve these objectives, the District has segregated its funds into three portfolios. The Construction Fund is structured to meet a schedule of payouts for capital expenditures. The Cash Management Account is invested in short-term securities to meet operating needs. The Operating Reserve is invested in somewhat longer-term securities in order to provide for future needs.

IX. SAFETY

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

X. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term funds.

XI. RETURN

The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the District's

investment risk constraints, the cash flow characteristics of the portfolio and state law.

XII. BENCHMARKS

The District shall develop market benchmarks that are similar in characteristics to the District's portfolios, and shall compare the total return of the District's portfolio to the appropriate benchmarks.

Specifically, the benchmarks for the Construction Fund and Cash Management Account shall be LAIF and a market index of 3-month U.S. Treasury Bills (ICE BofA: G0O1 Index). The benchmark for the Operating Reserve portfolio shall be a market index of U.S. Treasury and agency securities with a maturity of 1-10 years (ICE BofA 1-10 Year U.S. Treasury and Agency Index: G5A0 Index).

XIII. AUTHORIZED INVESTMENTS

The District's investments are governed by California Government Code, Sections 53600 *et seq*. Within the investments permitted by the Code, the District seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the Chief Financial Officer-Treasurer will review the document and make an interpretation until the policy can be updated. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

1. **MUNICIPAL SECURITIES** include obligations of the District, the State of California and any local agency within the State of California, provided that:

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 20% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed thirty (30) years.
    - No issuer limitation for the District's obligations.

2. **MUNICIPAL SECURITIES (REGISTERED TREASURY NOTES OR BONDS)** of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

    - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
    - No more than 5% of the portfolio may be invested in any single issuer.
    - No more than 20% of the portfolio may be in Municipal Securities.
    - The maximum maturity does not exceed thirty (30) years.

3. **U.S. TREASURIES** and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the District may invest in U.S. Treasuries, provided that:

    - The maximum maturity is thirty (30) years.

4. **FEDERAL AGENCIES** or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the District may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

    - No more than 30% of the portfolio may be invested in any single Agency/GSE issuer, except GNMA can be invested up to 50%.
    - The maximum maturity does not exceed thirty (30) years.

5. **BANKER'S ACCEPTANCES,** provided that**:**

    - They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
    - No more than 40% of the portfolio may be invested in Banker's Acceptances.
    - No more than 5% of the portfolio may be invested in any single issuer.
    - The maximum maturity does not exceed 180 days.

6. **COMMERCIAL PAPER**, provided that:

    - The issuer is a corporation organized and operating in the United States with assets in excess of $500 million.
    - The securities are rated "A-1" or its equivalent or better by at least one NRSRO.

- They are issued by corporations which have long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- The District may purchase no more than 10% of the outstanding commercial paper of any single issuer.
- No more than 40% of the portfolio may be invested in Commercial Paper. Under a provision sunsetting on January 1, 2026, no more than 40% of the portfolio may be invested in Commercial Paper if the Districts investment assets under management are greater than $100,000,000.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 270 days.

7. NEGOTIABLE CERTIFICATES OF DEPOSIT (NCDS), issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in NCDs (combined with CDARS).
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

8. FEDERALLY INSURED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- The amount per institution is limited to the maximum covered under federal insurance.
- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

9. COLLATERALIZED TIME DEPOSITS (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

10. PLACEMENT SERVICE DEPOSITS, provided that:

- No more than 30% of the total portfolio may be invested in a combination of qualifying placement service deposits.
- The full amount of each deposit along with accrued interest must at all times be insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA).
- Under a provision sunsetting on January 1, 2031, no more than 50% of the portfolio may be invested in deposits through a placement service, including Certificates of Deposit, if the Agency is a city, district or local agency that does not pool money with other local agencies.
- The maximum maturity does not exceed five (5) years.

11. COLLATERALIZED BANK DEPOSITS. District's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the District may invest in collateralized bank deposits.

12. REPURCHASE AGREEMENTS collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.
- No more than 5% allocation to a single counterparty and a 10% maximum allocation to this security type.

13. STATE OF CALIFORNIA LOCAL AGENCY INVESTMENT FUND (LAIF), provided that:

- The District may invest up to the maximum amount permitted by LAIF.
- LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Chief Financial Officer-Treasurer to adequately judge the risk inherent in LAIF's portfolio.

14. SHARES OF BENEFICIAL INTEREST ISSUED BY A JOINT POWERS AUTHORITY (JPA), provided that:

- The JPA is organized pursuant to California Government Code Section 6509.7 and invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive.
- Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA.
- The JPA has retained an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of $500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (q).

15. LOCAL GOVERNMENT INVESTMENT POOLS

- Other LGIPs permitted by client.
- No more than one half the maximum allowable by LAIF

16. CORPORATE MEDIUM-TERM NOTES (MTNS), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

17. ASSET-BACKED, MORTGAGE-BACKED, MORTGAGE PASS-THROUGH SECURITIES, AND COLLATERALIZED MORTGAGE OBLIGATIONS FROM ISSUERS NOT DEFINED IN SECTIONS 3 AND 4 OF THE AUTHORIZED INVESTMENTS SECTION OF THIS POLICY, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- The maximum legal final maturity does not exceed five (5) years.

18. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:

a. **MUTUAL FUNDS** that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

(i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.

- No more than 10% of the total portfolio may be invested in shares of any one mutual fund.

- **MONEY MARKET MUTUAL FUNDS** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:

(i) Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
(ii) Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five (5) years' experience managing money market mutual funds with assets under management in excess of $500 million.

- No more than 10% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund. Cannot have a balance above 10% for seven (7) consecutive days.

- No more than 20% of the total portfolio may be invested in these securities.

19. SUPRANATIONALS, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

XIV. PROHIBITED INVESTMENT VEHICLES AND PRACTICES

State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than government money market funds), unregulated and/or unrated investment pools or trusts, and futures and options.

In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.

Investment in any other security that could result in a zero-interest accrual if held to maturity is prohibited other than those backed by the U.S. Government. Under a provision sunsetting on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted.

Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.

Purchasing or selling securities on margin is prohibited.
Purchasing securities denominated in a foreign currency.

The use of reverse-repurchase agreements, securities lending, or any other form of borrowing or leveraging is prohibited.

The District pursues prudent active management strategies in order to enhance return and reduce risk as market conditions change over time.

The purchase of a security with a forward settlement date exceeding 45 days from the time of investment is prohibited.

XV. INVESTMENT POOLS/MUTUAL FUNDS

The District shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Chief Financial Officer-Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.

- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

XVI. COLLATERALIZATION

CERTIFICATES OF DEPOSIT (CDS). The District shall require any commercial bank or savings and loan association to deposit eligible securities with an agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150% of the face value of the CD if the securities are classified as mortgages and 110% of the face value of the CD for all other classes of security.

COLLATERALIZATION OF BANK DEPOSITS. This is the process by which a bank or financial institution pledges securities, or other deposits for the purpose of securing repayment of deposited funds. The District shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

REPURCHASE AGREEMENTS. The District requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.
- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.
- The District shall receive monthly statements of collateral.

XVII. DELIVERY, SAFEKEEPING AND CUSTODY

DELIVERY-VERSUS-PAYMENT (DVP). All investment transactions shall be conducted on a delivery-versus-payment basis.

SAFEKEEPING AND CUSTODY. To protect against potential losses due to failure of individual securities dealers, and to enhance access to securities, interest payments and maturity proceeds, all cash and securities in the District's portfolio shall be held in safekeeping in the District's name by a third-party custodian, acting as agent for the District under the terms of a custody agreement executed by the bank and the District. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the District from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money mutual funds, since the purchased securities are not deliverable.

XVIII. MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The District shall mitigate credit risk by adopting the following strategies:

No more than 5% of the total portfolio may be invested in securities of any single bank, bank holding company, or other non-governmental issuer other than Government Money Market Mutual Funds that may have no more than 10% in any one fund for more than 7 consecutive days unless otherwise specified in this policy.

The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the District's risk preferences.

If securities owned by the District are downgraded to a level below the minimum quality required by this Investment Policy, it shall be the District's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. For the purposes of this investment policy, credit ratings shall be interpreted by their category and any references to Nationally Recognized Statistical Ratings Organization (NRSRO) shall include Moody's, Standard and Poor's, and Fitch or their successors. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the governing Board.

The diversification requirements described herein, and as shown in the Table on Page 15 are designed to mitigate credit risk in the portfolio. The minimum quality required in the Table on Page 15, requires one qualifying credit rating by a nationally recognized credit rating organization.

XIX. MITIGATING MARKET RISK IN THE PORTFOLIO

Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by marking some longer-term investments only with funds that are not needed for current cash flow purposes. The District further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and mitigate its exposure to market risk.

The Board of Directors (Board) has approved the purchase of securities with maturities in excess of five (5) years for the Operating Reserve portfolio. Purchases of such securities shall not exceed 40% of surplus funds unless prior approval is given by the Board.

The maximum stated final maturity of individual securities in the portfolio shall be thirty (30) years, as defined more specifically in this policy;

The duration of each portfolio shall typically be equal to the duration of its market benchmark, plus or minus 10%.

XX. REPORTING

a. **Monthly.** The Chief Financial Officer-Treasurer and/or Investment Officer shall prepare a monthly investment report for review and approval by the governing Board, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last month. This management summary will be prepared in a manner, which will allow the governing Board to ascertain whether investment activities during the reporting period have conformed to the investment policy.

b. **Quarterly.** On a quarterly basis, within 45 days after the end of the quarter, the District's Chief Financial Officer-Treasurer and/or Investment Officer shall prepare a report in compliance with Government Code Section 53646 the detailed listing of individual securities held in the District's investment portfolio. The report will include the following:

    1. Listing of individual securities held at the end of the reporting period;
    2. Cost and market value of all securities, including realized and unrealized market value gains or losses in accordance with GASB requirements;
    3. Average weighted yield to maturity of portfolio;
    4. Listing of investment by maturity date;
    5. Percentage of the total portfolio, which each type of investment represents;
    6. Statement of compliance with Investment Policy, including an explanation of any compliance exceptions (CGC Section 53646); and
    7. Certification of sufficient liquidity to meet budgeted expenditures over the ensuing six months (CGC Section 53646).

c. **Semi-Annual**. On a semi-annual basis, the District's Investment Adviser shall report the total rate of return on each of the District's portfolios to the governing Board, together with a comparison to each portfolio's market benchmarks. For the Cash Management and Construction Funds, total return on an unrealized basis shall be reported; for the Operating Reserve Portfolio, both realized and unrealized returns will be reported.

d. **Annually.** On an annual basis, the Chief Financial Officer-Treasurer shall present the Investment Policy, together with any proposed amendments, to the governing Board for its consideration.

XXI. INVESTMENT LIMITATIONS

SUMMARY OF INVESTMENT LIMITATIONS				
Type of Security	**% Limit Per Issuer**	**% Limit Per Type of Security**	**Minimum Quality[1]**	**Maturity Limit**
U.S. Treasuries	n/a	100%	n/a	30 years
Federal Agencies:	n/a	100%	n/a	30 years
GNMA	50%	n/a	n/a	30 years
Farm Credit	30%	n/a	n/a	30 years
FHLB	30%	n/a	n/a	30 years
FHLMC	30%	n/a	n/a	30 years
FNMA	30%	n/a	n/a	30 years
TVA	30%	n/a	n/a	30 years
Other Agencies	30% each	n/a	n/a	30 years
Supranationals	10% each (IBRD, IFC and IADB)	30%	AA	5 years
State of California, LAIF		Allowable Maximum		
Shares of Beneficial Interest Issued by a Joint Powers Authority (JPA) [4]	10%	20%	AAA	n/a
Local Government Investment Pools	No more than one half the maximum allowable by LAIF	No more than one half the maximum allowable by LAIF	AAA	n/a
Municipal Securities	5%[2]	Allowable Maximum 20%	A	30 years
Bankers' Acceptances	5%	40%	A1/P1	180 days
Commercial Paper	5%	40%	A1/P1	270 days
Negotiable Certificates of Deposits	5%	30%	A1/P1[3]	5 years
Corporate Medium-Term Notes	5%	30%	A	5 years
Federally Insured Time Deposit	5%	20%	n/a	5 years
Certificate of Deposit Placement Service (CDARS)	none	30%	n/a	5 years
Collateralized Time Deposits	none	20%	n/a	5 years
Collateralized Bank Deposits	none	none	n/a	5 years
Repurchase Agreements	5%	10%	n/a	1 year
Mutual Fund[4]	10%	Allowable maximum 20% combined Mutual Fund and Government Money Market Fund	AAA	n/a
Government Money Market Mutual Funds (Shares of beneficial interest in money market funds)	10%[5]	Allowable maximum 20% combined Mutual Fund and Government Money Market Fund	AAA	5 years
Collateralized Mortgage Obligations (CMOs) and Mortgage-Backed Securities (MBS), Asset Backed Securities (ABS)	5%	Allowable maximum 20% combined CMOs, MBS', and ABS'	AA	5 years

[1]Securities/Issuers with credit ratings requirements are required to be rated by at least one NRSRO.

[2]No per Issuer limit for RCWD obligations.

[3]The amount of the NCD insured up to the FDIC limit does not require any credit ratings

[4]Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.

[5]No more than 10% of the total portfolio may be invested in the shares of any one Money Market Mutual Fund. Cannot have a balance above 10% for seven (7) consecutive days

Guaranteed Investment Contracts (GICs). The Board has authorized the investment of bond proceeds (project and reserve funds) in GICs from providers rated a minimum of "AA" by a NRSRO. Collateralization requirements shall be determined at the time the investment agreement is made, based on market conditions and the District's objectives.

XXII. REVIEW OF INVESTMENT POLICY

The investment policy will be reviewed and adopted at least annually within 120 days of the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

Any recommended modifications or amendments shall be presented by Staff to the Board for their consideration and adoption.

Prepared by:

Kathleen Naylor

Chief Financial Officer/Treasurer

Date Approved by Governing Body:

August 14, 2025

SECTION 2 - RETIREMENT MEDICAL BENEFITS PLAN INVESTMENT OBJECTIVES AND GUIDELINES

ADOPTED FEBRUARY 8, 2018

I. INVESTMENT OBJECTIVES

The primary objectives for investment of the Rancho California Water District's Retirement Medical Benefits Plan monies is to ensure contributions to the plan are available to meet the obligations of the plan at the same time producing a return consistent with the long-term stated goal. In order to achieve these objectives, the District has selected the following investment guidelines:

- Long-term Growth of Assets: The Trust's objective is to grow over time and increase its purchasing power by earning a total return equal to or in excess of the long-term actuarial investment return rate of 6.75%. The Investment Manager will seek to minimize risk through diversification.

- Preservation of Capital: Another of the Trust's objectives is to protect principal. Exposing the Trust to undue risk is to be avoided; however, the assumption of an appropriate level of risk, commensurate with the growth objective, is warranted in pursuit of the investment goals. The investment manager and the Board further recognize that financial assets fluctuate in value and that near-term results can diverge from long-term stated goals. The investment manager will seek to minimize risk through diversification. The Investment Manager will advise the Board from time to time on the reasonableness of their objectives in light of capital market conditions.

- Liquidity: To provide sufficient liquidity for periodic cash requirements.

These objectives are to be considered in conjunction with guidelines and restrictions set forth in this Policy.

II. INVESTMENT GUIDELINES

The Investment Manager shall allocate Trust assets consistent with the stated investment objectives in Section I above and in accord with the asset allocation set forth in this section. The allocation of Trust assets shall be maintained within the "Policy Asset Class Ranges" noted in the table below. The Investment Manager will be responsible for determining the asset allocation within these bands and rebalancing as necessary.

ASSET CLASS	ACCEPTABLE RANGE
Equities	30% - 55%
Domestic	30% - 50%
International	0% - 30%
Real Estate	0% - 20%
Domestic	0% - 20%
International	0% - 10%
Commodities	0% - 10%
Bonds	30% - 60%
Domestic	30% - 60%
Investment Grade	20% - 60%
High Yield	0% - 15%
International	0% - 10%
Cash	0% - 10%

It is understood that deviations will occur as a result of market impact and cash flow. The actual asset allocation will be monitored by the District and the Investment Manager. At least quarterly, the Investment Manager will rebalance portfolio allocations to assure the asset allocation proportions remain within the permitted range.

III. ELIGIBLE INVESTMENTS AND DIVERSIFICATION

Investments may be placed in the following asset classes:

- Equity securities of U.S. and non-U.S. issuers.
- Fixed Income securities of U.S. and non-U.S. issuers.
- Real Estate Investment Trusts (REITs).
- Commodities (Investments must be made in a pooled-investment vehicle).

Investments may be placed in the following investment vehicles:

- Mutual Funds that invest in permitted asset classes.
- Exchange Traded Funds (ETF) that invest in permitted asset classes.
- Commingled funds that are consistent with the aforementioned asset classes.
- Individual Fixed Income Securities must meet the criteria defined below:
    - U.S. Dollar Denominated.
    - U.S. Treasury Securities or securities guaranteed by the full faith and credit of the U.S.
    - U.S. Agency Securities or Instruments of the U.S. Government. Examples of issuers include Federal Farm Credit Bank, Federal Home Loan Bank,

Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, Tennessee Valley Authority,

- Supranational obligations that are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- Other non-U.S. governmental issuers of securities with a rating of at least AAA by a NRSRO.
- Corporate securities rated investment grade by a NRSRO.
- Bank certificates of deposit, bank Eurodollar time deposits and Eurodollar certificates of deposit rated in one of the two highest categories by Thompson Bankwatch, and rated in the highest short-term category by a NRSRO.
- Banker's Acceptances Issued by Banks rated in the highest short-term category by a NRSRO.
- Money market mutual funds with a minimum of $500 million in assets, which invest in permissible securities.
- MBS, CMO, and ABS with a rating of at least "AAA" by a NRSRO or issued by a Government Sponsored Enterprise (GSE).

Prohibited Transactions

- Direct short sales of individual securities (the Investment Manager may buy commingled funds that employ short sale techniques).
- Direct margin purchases (see glossary for a definition. The Investment Manager may buy commingled funds that employ margin).
- Direct investment in commodities futures contracts (the Investment Manager may buy commingled funds that use futures contracts).
- Direct investments in real estate or direct real estate lending.
- Hedge funds (see glossary for a definition).

The District's assets will be invested in investment securities noted above. All the investment funds generally will be fully invested. The invested funds of any single issuer will be less than 5% of the total assets of the overall fund, with the exception of the pooled-investment vehicles, U.S. government, U.S. government agency, and supranational obligation.

IV. PERFORMANCE STANDARDS

The primary performance goal is to earn the long-term actuarial investment return rate of 6.75%. The Investment Manager will make time-weighted rate of return measurements at quarterly intervals for the portfolio as a whole and for each separate asset class in compliance with GIPS® (Global Investment Performance Standards).

Performance will be measured against an appropriate blended benchmark, which is consistent with the portfolio's policy target. Emphasis will be placed on performance over a market cycle.

SECTION 3 - RANCHO CALIFORNIA WATER DISTRICT SECTION 115 PENSION TRUST

ADOPTED JUNE 14, 2018

I. PURPOSE

Rancho California Water District (hereinafter referred to as "District") has established the Rancho California Water District Section 115 Trust ("Trust"). This Trust is intended to provide funding for the District's retirement benefits provided through the California Public Employees' Retirement System ("CalPERS") for those eligible employees that meet any specified age, service, and other requirements. The District hereby adopts this Funding Policy Statement ("Policy Statement") for the purposes set forth herein.

The purpose of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the District's stated objectives for the Trust to fund the District's Pension Obligations, as defined under the Rancho California Water District Section 115 Trust Agreement ("Trust Agreement").

The purpose of this Policy Statement is to establish clear guidelines on how the returns achieved from the investment of the Trust assets will be applied.

The District has separately established investment policies that meet its current investment goals. Refer to the most current Investment Policy for more detailed information regarding the investment standards and procedures applicable to the Trust.

II. SCOPE

This Policy Statement applies exclusively to the Trust.

III. OBJECTIVES

Consistent with the main objective for the Trust, it is the District's intent and determination that the corpus of the Trust shall remain intact unless otherwise determined by the District's Board of Directors (Board). Such intent is for the purpose of ensuring that the District has the necessary funds to meet its Pension Obligations irrespective of the economic conditions at any given time.

The annual earnings achieved from the investment of the Trust's assets, determined as of June 30 of each fiscal year, shall be allocated in accordance with the following guidelines, as determined by the District:

1. If the funded ratio of the District's CalPERS pension plan is below 70%, then 100% of the Trust's annual earnings will be paid directly to CalPERS as an additional payment towards the District's Unfunded Accrued Liability ("UAL").

2. If the funded ratio of the District's CalPERS pension plan is at least 70% but less than 80%, then the Trust's annual earnings will be applied as follows:

    a. 75% of the Trust's annual earnings will be paid directly to CalPERS as an additional payment towards the District's UAL.
    b. The remaining 25% of the Trust's annual earnings will be added to the Trust's corpus.

3. If the funded ratio of the District's CalPERS pension plan is at least 80% but less than 100%, then the Trust's annual earnings will be applied as follows:

    a. 50% of the Trust's annual earnings will be paid directly to CalPERS as an additional payment of the District's UAL.
    b. The remaining 50% of the Trust's annual earnings will be added to the Trust's corpus.

4. If the funded ratio of the District's CalPERS pension plan is at 100% but the annual earnings of the Trust are insufficient to reimburse 100% of the District's annual employer contributions to CalPERS, then the Trust's annual earnings will be applied as follows:

    a. 50% of the Trust's annual earnings will be used to reimburse to the District for its annual employer contributions.
    b. The remaining 50% of the Trust's annual earnings will be added to the Trust's corpus.

5. If the District's CalPERS pension plan is 100% funded and the annual earnings of the Trust are sufficient to reimburse 100% of District's annual employer contributions to CalPERS, then 100% of the District's annual employer contributions (for fiscal year June 30) are to be reimbursed provided that 50% of the annual earnings would be added to the Trust's corpus until the losses from previous years have been fully recovered. For this purpose, "losses" is defined as a reduction in the Trust's corpus as a result of negative investment returns.

For the purpose of applying this policy, the most recently available actuarial study, or other most recent District-specific communication from CalPERS, shall be the basis for determining the status of the District's funded ratio on its pension plan, and the amount of District-required employer contributions.

IV. INVESTMENT OBJECTIVES

The primary objectives for investment of the Rancho California Water District Section 115 Pension Trust are to help fund ongoing pension payments to meet the District's obligations. In order to achieve these objectives, the District has selected the following investment guidelines.

- Long-term Growth of Assets: The Trust's objective is to grow over time and increase its purchasing power by earning a total return equal to or in excess of the investment return goal of 7%. The Investment Manager will seek to minimize risk through diversification.

- Preservation of Capital: Another of the Trust's objectives is to protect principal. Exposing the Trust to undue risk is to be avoided; however, the assumption of an appropriate level of risk, commensurate with the growth objective, is warranted in pursuit of the investment goals. The investment manager and the Board further recognize that financial assets fluctuate in value and that near-term results can diverge from long-term stated goals. The investment manager will seek to minimize risk through diversification. The Investment Manager will advise the Board from time to time on the reasonableness of their objectives in light of capital market conditions.

- Liquidity: To provide sufficient liquidity for periodic withdrawals from the Trust as needed.

These objectives are to be considered in conjunction with guidelines and restrictions set forth in this Policy.

V. INVESTMENT GUIDELINES

The Investment Manager shall allocate Trust assets consistent with the stated investment objectives in Section I above and in accord with the asset allocation set forth in this section. The allocation of Trust assets shall be maintained within the "Policy Asset Class Ranges" noted in the table below. The Investment Manager will be responsible for determining the asset allocation within these bands and rebalancing as necessary.

ASSET CLASS	ACCEPTABLE RANGE
Equities	50% - 70%
Domestic	40% - 70%
International	0% - 35%
Real Estate	0% - 15%
Domestic	0% - 15%
International	0% - 5%
Commodities	0% - 5%
Bonds	30% - 50%
Domestic	20% - 50%
Investment Grade	20% - 50%
High Yield	0% – 15%
International	0% - 15%
Cash	0% - 5%

It is understood that deviations will occur as a result of market impact and cash flow. The actual asset allocation will be monitored by the District and Investment Manager. At least quarterly, the Investment Manager will rebalance portfolio allocations to assure the asset allocation proportions remain within the permitted range.

VI. ELIGIBLE INVESTMENTS AND DIVERSIFICATION

Investments may be placed in the following asset classes:

- Equity securities of U.S. and non-U.S. issuers.
- Fixed Income securities of U.S. and non-U.S. issuers.
- Real Estate Investment Trusts (REIT).
- Commodities (Investments must be made in a pooled-investment vehicle).

Investments may be placed in the following investment vehicles:

- Mutual Funds that invest in permitted asset classes.
- Exchange Traded Funds (ETF) that invest in permitted asset classes.
- Commingled funds that are consistent with the aforementioned asset classes.
- Individual Fixed Income Securities must meet the criteria defined below:
  - U.S. Dollar Denominated.
  - U.S. Treasury Securities or securities guaranteed by the full faith and credit of the U.S.
  - U.S. Agency Securities or Instruments of the U.S. Government. Examples of issuers include Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Government National Mortgage Association, and Tennessee Valley Authority.
  - Supranational obligations that are U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. The securities must be rated in a rating category of "AA" or its equivalent or better by a NRSRO.
  - Other non-U.S. governmental issuers of securities with a rating of at least AAA by a NRSRO.
  - Corporate securities rated investment grade by a NRSRO.
  - Banker's Acceptances Issued by Banks rated in the highest short-term category by a NRSRO.
  - Money market mutual funds with a minimum of $500 million in assets, which invest in permissible securities.
  - Mortgage Backed Securities (MBS), Collateralized Mortgage Obligations (CMO) and Asset Backed Securities (ABS) with a rating of at least "AAA" by a NRSRO or issued by a GSE.

Prohibited Transactions

- Direct short sales of individual securities (the Investment Manager may buy commingled funds that employ short sale techniques).
- Direct margin purchases (see glossary for a definition. The Investment Manager may buy commingled funds that employ margin).
- Direct investment in commodities futures contracts (the Investment Manager may buy commingled funds that use futures contracts).
- Direct investments in real estate or direct real estate lending (the Investment Manager may buy commingled funds that invests in real estate or engages in real estate lending).
- Hedge funds (see glossary for a definition).

The District's assets will be invested in the investment securities noted above. All the investment funds generally will be fully invested. The invested funds of any single issuer will be less than 7% of the total assets of the overall fund, with the exception of the pooled-

investment vehicles, U.S. government, U.S. government agency and supranational obligation and money market funds.

VII. PERFORMANCE STANDARDS

The primary performance goal is to earn the long-term actuarial investment return rate of 7%. The Investment Manager will make time-weighted rate of return measurements at quarterly intervals for the portfolio as a whole and for each separate asset class in compliance with GIPS® (Global Investment Performance Standards).

Performance will be measured against an appropriate blended benchmark, which is consistent with the portfolio's policy target. Emphasis will be placed on performance over a market cycle.

SECTION 4 - GLOSSARY OF INVESTMENT TERMS©

Agencies. Shorthand market terminology for any obligation issued by *a government-sponsored entity (GSE),* or a *federally related institution.* Most obligations of GSEs are not guaranteed by the full faith and credit of the U.S. Government. Examples are:

FDIC. The Federal Deposit Insurance Corporation provides insurance backed by the full faith and credit of the U.S. Government to certain bank deposits and debt obligations.

FFCBS. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.

FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.

FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "Freddie Mac" issues discount notes, bonds, and mortgage pass-through securities.

FNMA. Like FHLB and Freddie Mac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "Fannie Mae," issues discount notes, bonds, and mortgage pass-through securities.

GNMA. The Government National Mortgage Association, known as "Ginnie Mae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the U.S. Government.

PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the U.S. Government.

TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asked. The price at which a seller offers to sell a security.

Asset-Backed Securities. Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average life. In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker's acceptance. A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank, which "accepts" the obligation to pay the investor.

Benchmark. A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid. The price at which a buyer offers to buy a security.

Broker. A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Certificate of Deposit (CD). A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral. Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO). Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial paper. The short-term unsecured debt of corporations.

Commodity. A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

Cost yield. The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.

Coupon. The rate of return at which interest is paid on a bond.

Credit risk. The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current yield. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture. A bond secured only by the general credit of the issuer.

Delivery versus payment (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument of the value of which is totally or partially derived from the value of another instrument, interest rate or index.

Discount. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as **discount securities**. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Equity. Also referred to as stock or any other security representing an ownership interest.

Exchange-Traded Fund (ETF). A security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange.

Federal Funds Rate. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Guaranteed Investment Contract (GIC). Insurance contracts that guarantee the owner principal repayment and a fixed or floating interest rate for a predetermined period of time. Since the issuer guarantees of the contact it does have credit risk.

Haircut. The margin or difference between the actual market value of a security and the value assessed by the lending side of a transaction (i.e. a repo).

Hedge Fund. An aggressively managed portfolio of investments that uses advanced investment strategies such as leveraged, long, short, and derivative positions in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark). Legally, hedge funds are most often set up as private investment partnerships that are open to a limited number of investors and require a very large initial minimum investment. Investments in hedge funds are illiquid, as they often require investors keep their money in the fund for at least one year.

Investment Grade. A rating that indicates a municipal or corporate bond has a relatively low risk of default. Bond credit rating firms, such as Standard & Poor's, use different designations consisting of upper- and lower-case letters 'A' and 'B' to identify a bond's credit quality rating. 'AAA' and 'AA' (high credit quality) and 'A' and 'BBB' (medium credit quality) are considered investment grade. Credit ratings for bonds below these designations ('BB', 'B', 'CCC', etc.) are considered low credit quality and are commonly referred to as "high yield bonds."

Joint powers authority (JPA). An entity created by two or more public agencies that share a common goal in order to jointly exercise powers common to all members through a joint powers agreement or contract.

Leverage. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

Liquidity. The speed and ease with which an asset can be converted to cash.

Margin. The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value. The price at which a security can be traded.

Marking to Market. The process of posting current market values for securities in a portfolio.

Maturity. The final date upon which the principal of a security becomes due and payable.

Medium Term Notes. Unsecured, investment-grade senior debt securities of major corporations, which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration. The percent change in price for a 100-basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market. The market in which short-term debt instruments (T-Bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities. Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Fund. An entity that pools the funds of investors and invests those funds in a set of securities, which is specifically defined in the fund's prospectus. Mutual funds can be invested in

various types of domestic and/or international stocks, bonds and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Ratings Organization (NRSRO). The formal term to describe credit rating agencies that provide credit ratings that are used by the U.S. government in several regulatory areas. Ratings provided by NRSRO are used frequently by investors and are used as benchmarks by federal and state agencies. Example are Moody's, Standard and Poor's and Fitch credit ratings services.

Negotiable CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Placement service deposits. A private service that allows local agencies to invest in FDIC-insured deposits with one or more banks, savings and loans, and credit unions located in the United States. IntraFi (formerly known as CDARS) is an example of an entity that provides this service.
Premium. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed. A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary Dealer. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule. A standard of responsibility that applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Real Estate Investment Trust (REIT). A security that sells like a stock on the major exchanges and invests in real estate directly, either through properties or through mortgages.

Realized Yield. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional Dealer. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement (RP, Repo). Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a **reverse repurchase agreement**.

Safekeeping. A service to bank customers whereby securities are held by the bank in the customer's name.

Structured Note. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

Supranational. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Total Rate of Return. A measure of a portfolio' performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-Bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

Treasury Notes. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

Treasury Bonds. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity. The annualized internal rate of return on an investment, which equates the expected cash, flows from the investment to its cost.

1.C

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.C: **Review of Treasurer's Report, Certification of Cash Sufficiency, and Related Investment Activity Data, as of July 31, 2026**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Kathy Naylor, Chief Financial Officer/Treasurer

RECOMMENDATIONS:

Staff requests the Finance and Audit Committee (Committee) recommend the Board of Directors' acceptance and approval of the treasurer's report, as presented.

DISCUSSION:

The subject treasurer's report and related investment activity detail provided by staff in conjunction with Chandler Asset Management, Inc. (Chandler) are attached for the Committee's review. Per Government Code Section 5346 and Rancho California Water District's Investment Policy, the Certification of Cash Sufficiency documenting its ability to meet cash flows for the next six-month period is included herewith.

ALTERNATIVES:

Take no action

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Treasurer's Report
2. Certification of Cash Sufficiency
3. Cash Reserve Report
4. Project Status Report 2026A Construction Funds
5. Statement of Compliance
6. Chandler Newsletter - August 2026

TREASURER'S REPORT

July 31, 2026

	THIS MONTH	LAST MONTH	CHANGE
Pooled Cash			
L.A.I.F.	$ 41,949,263	$ 60,479,369	$ (18,530,105)
Riverside Co. Treasurer's Investment Pool	130,844	130,298	546
Money Market Fund	401,874	87,843	314,031
TOTAL POOLED CASH	42,481,981	60,697,510	(18,215,529)
Pooled Investments			
Federal Agencies	24,577,310	24,875,816	(298,506)
U.S. Treasury Notes	89,609,416	89,609,416	-
U.S. Corporate Notes	67,833,783	71,170,388	(3,336,606)
Collateralized Mortgage Obligations	45,238,013	45,240,070	(2,058)
Municipal Bonds	20,518,943	20,518,943	-
Asset Backed Securities	18,927,601	14,953,412	3,974,189
TOTAL POOLED INVESTMENTS	266,705,066	266,368,046	337,020
TOTAL POOLED CASH & INVESTMENTS	309,187,047	327,065,556	(17,878,509)
Operating Cash Accounts			
Checking	1,305,651	2,863,906	(1,558,255)
Payroll	-	-	-
TOTAL OPERATING CASH	1,305,651	2,863,906	(1,558,255)
Market Valuation at June 30, 2025	(2,492,867)	(2,543,946)	51,079
SUB-TOTAL	307,999,830	327,385,515	(19,385,685)
Cash Held in Trust			
Bank of New York	66,392,003	16,272	66,375,731
Pension Trust Sect 115	11,009,044	10,986,007	23,037
TOTAL CASH HELD IN TRUST	77,401,047	11,002,280	66,398,768
TOTAL CASH & INVESTMENTS	**$ 385,400,878**	**$ 338,387,795**	**$ 47,013,083**
Classification			
Current Cash & Investments	51,961,807	65,030,424	(13,068,617)
Restricted Cash & Investments	353,818,932	293,748,249	60,070,683
Less: Deferred Compensation	(20,379,861)	(20,390,878)	11,017
TOTAL CASH & INVESTMENTS	**$ 385,400,878**	**$ 338,387,795**	**$ 47,013,083**
Market Value July 31, 2026	**$ 383,506,355**	**$ 338,387,795**	**$ 45,118,560**
Unrealized Gain/(Loss) July 31, 2026	**$ (1,894,523)**	**$ (0)**	**$ (1,894,523)**

CERTIFICATION OF CASH SUFFICIENCY
FOR THE NEXT SIX MONTHS
July 31, 2026

Current Cash Balance		
Checking	$	1,305,651
Money Market Fund		401,874
Riverside Co. Treasurer's Investment Pool		130,844
L.A.I.F.		41,949,263
TOTAL		43,787,632
Source of Funds		
Operations		50,145,440
Assessments		31,875,608
Maturities		1,771,741
Other		4,593,392
TOTAL		88,386,182
Use of Funds		
Operations		47,174,417
Capital Projects		11,518,887
Payroll		12,468,883
Debt Service		14,332,129
TOTAL		85,494,315
Net Source/(Use) of Funds		2,891,867
Projected Cash Balance @ 1/31/2027	**$**	**46,679,498**

The above Certification of Cash Sufficiency is being submitted in accordance with Government Code Section 53646 to document the District's ability to meet cash flows for the next six-month period. All investments identified within the Treasurer's Report are within the policy and guidelines of the Rancho California Water District's Investment Policy currently in effect and as adopted by the Board of Directors on August 14, 2025.

Kathleen Naylor

Kathleen Naylor
CFO/Treasurer

CASH RESERVE REPORT

As of July 31, 2026

		RANCHO	FUNDED %	SANTA ROSA	FUNDED %	SRWRF	FUNDED %	TOTAL
Operating Reserve Targets	(1)							
Working Capital	(2)	$ 20,886,123		$ 13,496,425		$ 1,061,158		$ 35,443,706
Drought Reserve	(3)	3,185,550		3,185,550		-		6,371,100
Rate Stabilization	(4)	10,443,062		6,748,213		530,579		17,721,853
TOTAL OPERATING TARGET		34,514,734		23,430,188		1,591,737		59,536,659
General Fund Balance		30,539,836	*88%*	19,926,992	*85%*	1,572,469	*99%*	52,039,296
Over / (Under) Reserve Target		*(3,974,899)*		*(3,503,196)*		*(19,268)*		*(7,497,363)*
Non-Operating Reserves Targets								
Debt Service	(5)	9,409,338		13,590,164		3,176,729		26,176,231
Capital Project Reserve	(6)	45,507,650		13,526,480		605,939		59,640,069
Risk Management	(7)	6,058,397		3,497,922		862,472		10,418,791
Pension Trust Reserves		5,561,587		3,433,789		2,013,668		11,009,044
Bond Trust Reserves		19,882,958		46,115,090		393,955		66,392,003
TOTAL NON-OPERATING TARGET		86,419,930		80,163,445		7,052,763		173,636,138
Non-Operating Fund Balance		*273,955,374*		*53,755,691*		*8,143,383*		*335,854,448*
Over/(Under) Non-Operating Reserve Target	(8)	*187,535,444*		*(26,407,754)*		*1,090,620*		*162,218,310*
Unrealized Market Value Adjustment		(3,050,298)		310,773		246,657		(2,492,867)
TOTAL OPERATING & NON-OPERATING FUNDS		**$ 301,444,912**		**$ 73,993,455**		**$ 9,962,510**		**$ 385,400,877**
Balance Sheet Cash & Investments								
Current		30,187,171		20,115,029		1,659,607		51,961,807
Restricted		281,447,672		64,068,357		8,302,903		353,818,932
Less: Deferred Comp		(10,189,930)		(10,189,930)		-		(20,379,861)
TOTAL CASH & INVESTMENTS		**$ 301,444,912**		**$ 73,993,455**		**$ 9,962,510**		**$ 385,400,877**

Notes:

(1) Operating Reserve Targets listed in funding priority.

(2) Working Capital Reserve to be equivalent to a minimum of four (4) months of the total operating budget.

(3) Drought Reserve is equal to potential loss of local supplies of $6,371,100 (2,500 AF x $1,274.22). First priority for Drought Penalties Reserves.

(4) Rate Stabilization Fund has a funding goal of two (2) months of the budgeted operating costs.

(5) Annual debt service based on five (5) year average.

(6) Annual pay-go for capital projects based on five (5) year average.

(7) Risk Reserve is set to $500,000 for liability, $250,000 for property (split by water division), and 1% of historical utility plant costs at end of previous fiscal year.

(8) Reserves above minimum target used to fund future construction projects. Five (5) Year CIP totals $334,890,000

Project Status Report 2026A Construction Funds
July 31, 2026

	2026A Bonded Project[1]	July 2026 Requisition Amount	Requisition To Date	Remaining Bond Project Funds
Santa Rosa Division				
Carancho Pump Station Expansion	$3,750,000	$0	$0	$3,750,000
Joaquin Ranch Pump Station Disinfection	$3,215,403	$0	$0	$3,215,403
Total Santa Rosa Division	$6,965,403	$0	$0	$6,965,403
Resource Division				
Regional VDC Expansion	$29,090,000	$0	$0	$29,090,000
Mid-Valley Recharge Basins	$2,840,609	$0	$0	$2,840,609
Pauba Valley Well No. 178	$1,928,542	$0	$0	$1,928,542
Pauba Valley Well No. 179	$1,928,542	$0	$0	$1,928,542
Pauba Valley Well No. 180	$1,928,542	$0	$0	$1,928,542
Pauba Valley Well No. 181	$1,928,542	$0	$0	$1,928,542
UVDC Well No. 172	$2,110,948	$0	$0	$2,110,948
UVDC Well No. 173	$308,579	$0	$0	$308,579
UVDC Well No. 175	$699,758	$0	$0	$699,758
PFAS Treatment Facility	$3,550,000	$0	$0	$3,550,000
Total Resource Division	$46,314,060	$0	$0	$46,314,060
Total All Divisions	$53,279,463	$0	$0	$53,279,463

[1] **Additional project costs, exceeding the bond-funded budget portions, are reimbursed by DSCI funds.**

STATEMENT OF COMPLIANCE

Rancho California Water District Operating Reserve | Account #30 | As of July 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
AGENCY MORTGAGE SECURITIES				
Max % (MV)	100.0	16.9	Compliant	
Max % Issuer (MV)	30.0	16.9	Compliant	
Max Maturity (Years)	30.0	7.1	Compliant	
ASSET-BACKED SECURITIES (ABS)				
Max % (MV)	20.0	7.2	Compliant	
Max % Issuer (MV)	5.0	1.5	Compliant	
Max Maturity (Years)	5	4	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
BANKERS' ACCEPTANCES				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	180	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CERTIFICATE OF DEPOSIT PLACEMENT SERVICE (CDARS)				
Max % (MV)	30.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COLLATERALIZED BANK DEPOSITS				
Max % (MV)	100.0	0.0	Compliant	
COLLATERALIZED TIME DEPOSITS (NON-NEGOTIABLE CD/TD)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
COMMERCIAL PAPER				
Max % (MV)	40.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Days)	270	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1)	0.0	0.0	Compliant	
CORPORATE MEDIUM TERM NOTES				
Max % (MV)	30.0	25.8	Compliant	
Max % Issuer (MV)	5.0	1.1	Compliant	
Max Maturity (Years)	5	4	Compliant	

The Statement of Compliance reflects Chandler's assessment of compliance with the applicable investment policy for the assets Chandler directly manages. The report may also present assets reported to Chandler by clients, custodians, or other third parties. Chandler includes those assets in the assessment but has no discretionary authority over them, does not independently verify the information provided, and assumes no responsibility for the accuracy or completeness of that information. Questions regarding this report should be directed to the designated investment professional.

STATEMENT OF COMPLIANCE

Rancho California Water District Operating Reserve | Account #30 | As of July 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Min Rating (A- by 1)	0.0	0.0	Compliant	
FDIC INSURED TIME DEPOSITS (NON-NEGOTIABLE CD/ TD)				
Max % (MV)	20.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
FEDERAL AGENCIES				
Max % (MV)	100.0	8.9	Compliant	
Max % Issuer (MV)	30.0	4.8	Compliant	
Max Maturity (Years)	30	4	Compliant	
LOCAL AGENCY INVESTMENT FUND (LAIF)				
Max Concentration (MV)	75.0	0.0	Compliant	
LOCAL GOVERNMENT INVESTMENT POOL (LGIP)				
Max Concentration (MV)	37.0	0.0	Compliant	
MONEY MARKET MUTUAL FUNDS				
Max % (MV)	20.0	0.1	Compliant	
Max % Issuer (MV)	10.0	0.1	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
MORTGAGE-BACKED SECURITIES (NON-AGENCY)				
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5.0	0.0	Compliant	
Min Rating (AA by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, LOCAL AGENCY)				
Max % (MV)	20.0	3.2	Compliant	
Max % Issuer (MV)	5.0	2.4	Compliant	
Max Maturity (Years)	30	6	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUNICIPAL SECURITIES (CA, OTHER STATES)				
Max % (MV)	20.0	4.6	Compliant	
Max % Issuer (MV)	5.0	1.9	Compliant	
Max Maturity (Years)	30	7	Compliant	
Min Rating (A- by 1)	0.0	0.0	Compliant	
MUTUAL FUNDS				

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STATEMENT OF COMPLIANCE

Rancho California Water District Operating Reserve | Account #30 | As of July 31, 2026

Rules Name	Limit	Actual	Compliance Status	Notes
Max % (MV)	20.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Min Rating (AAA by 2)	0.0	0.0	Compliant	
NEGOTIABLE CERTIFICATES OF DEPOSIT (NCD)				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	5.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (A-1 by 1 or A- by 1 if > FDIC Limit)	0.0	0.0	Compliant	
REPURCHASE AGREEMENTS				
Max Maturity (Years)	1.0	0.0	Compliant	
SUPRANATIONAL OBLIGATIONS				
Max % (MV)	30.0	0.0	Compliant	
Max % Issuer (MV)	10.0	0.0	Compliant	
Max Maturity (Years)	5	0.0	Compliant	
Min Rating (AA- by 1)	0.0	0.0	Compliant	
U.S. TREASURIES				
Max % (MV)	100.0	33.2	Compliant	
Max Maturity (Years)	30	7	Compliant	

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August 2026

Bond Market Review

Market Summary

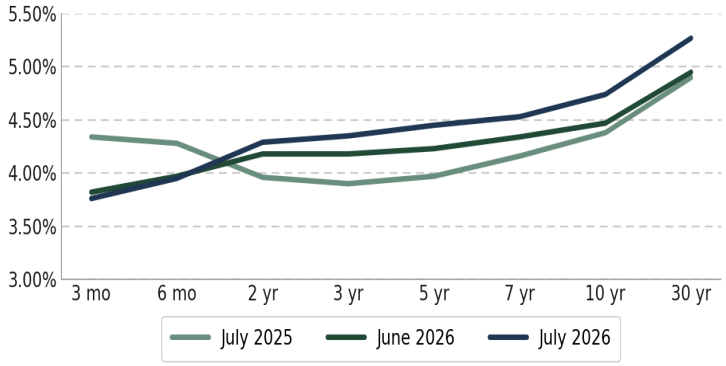
Renewed hostilities between the United States and Iran unsettled energy markets in July, even as domestic data painted a more encouraging picture of the economy. Crude prices retreated from their near-term peak after diplomatic overtures eased fears of a prolonged closure of the Strait of Hormuz, though the conflict continues to fuel market volatility. Inflation cooled meaningfully in June after the recent run-up tied to tariffs and conflict-related uncertainty. Growth slowed from the first quarter's pace, while hiring continued at a moderated clip. The Chandler team continues to expect the Federal Reserve to hold the federal funds rate steady through the remainder of 2026, provided actual and market-based measures of inflation remain contained.

The Federal Open Market Committee held the federal funds rate at 3.50% to 3.75% during its July 28 to 29 meeting, extending its policy pause into a fifth consecutive gathering. Three regional Reserve Bank presidents, Cleveland's Beth Hammack, Minneapolis's Neel Kashkari, and Dallas's Lorie Logan, dissented in favor of raising rates by a quarter point, citing inflation that has stayed above target for more than five years. Chair Kevin Warsh, in his second meeting leading the Committee, again declined to offer explicit forward guidance, preferring instead to let incoming data dictate the timing of any future move. The balance sheet runoff continued without modification. Officials next convene September 15 to 16.

Treasury yields advanced across the curve in July, with the two-year note ending the month at 4.29%, the five-year at 4.45%, and the ten-year at 4.74%. The two-year to ten-year spread narrowed to 45 basis points from 69 basis points at year end, while the three-month bill to ten-year spread widened to roughly 97 basis points. Because the two-year yield rose more than the ten-year yield over the year to date, the curve has flattened rather than steepened, a shift driven by growing expectations that the Federal Reserve may need to raise rates rather than cut before year end. The two-year to ten-year spread has averaged near 95 basis points since 2005, underscoring how compressed the relationship between short and long maturities remains relative to that longer run norm.

The Treasury curve remained positively sloped across its full tenor range through the end of July. The spread between the three-month bill and the 10-year note widened to 97 basis points, while the closely watched two-year/10-year spread widened to 45 basis points after reaching a June low of 24 basis points. That divergence suggests the recent rise in yields has been concentrated in the short and intermediate maturities rather than lifting the curve uniformly. The curve's overall shape continues to signal that markets view a near-term recession as unlikely, even as uncertainty around the Fed's next move has increased since the July meeting. Bond market volatility also rose steadily throughout the month, with the MOVE index ending July at its highest level since the May spike. Higher volatility may persist under Chair Warsh until investors gain greater clarity on the Fed's reaction function under his leadership.

U.S. Treasury Yields



Source: Bloomberg

Credit Spreads

Credit spreads were wider in July

	Spread to Treasuries	One Month Ago	Change
3-month top rated commercial paper	(0.08)	(0.10)	0.02
2-year A corporate note	0.23	0.20	0.03
5-year A corporate note	0.50	0.49	0.01
5-year Agency note	0.01	0.02	(0.01)

Source: Bloomberg; data as of 7/31/2026

Treasury Yields

Treasury Curve Steepens;
Shorter - Dated Yields Rise, Volatility Picks Up

Treasury Yields	Trend	7/31/2026	6/30/2026	Change
3 month	▼	3.76	3.82	(0.06)
2 year	▲	4.29	4.18	0.11
3 year	▲	4.35	4.18	0.17
5 year	▲	4.45	4.23	0.22
7 year	▲	4.53	4.34	0.19
10 year	▲	4.74	4.47	0.27
30 year	▲	5.27	4.95	0.32

Source: Bloomberg

CHANDLER ASSET MANAGEMENT

Market Data

Data as of 7/31/2026

	1-Mo Chg	% Chg
S&P 500		
7,489.72	(9.64)	(0.13%)
NASDAQ		
25,373.85	(839.87)	(3.20%)
Dow Jones		
52,485.03	165.83	0.32%
FTSE (UK)		
10,868.05	370.93	3.53%
DAX (Germany)		
25,623.24	627.43	2.51%
Hang Seng (Hong Kong)		
25,884.43	3,003.41	13.13%
Nikkei (Japan)		
64,362.02	(5,700.30)	(8.14%)

World Stock Market Index Descriptions

S&P 500–The S&P 500 is a market value-weighted index of 500 large-capitalization stocks. The 500 companies included in the index capture approximately 80% of available US market capitalization. NASDAQ–The NASDAQ Composite Index is the market capitalization-weighted index of over 3.300 common stocks listed on the NASDAQ stock exchange. Dow Jones–The Dow Jones Industrial Average is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange and the NASDAQ. The Financial Times Stock Exchange Group (FTSE)–The FTSE is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalization. DAX–The Deutscher Aktienindex (DAX) is a blue chip stock market index consisting of the 30 major German companies trading on the Frankfurt Stock Exchange. Hang Seng–The Hang Seng Index is a freefloat-adjusted market-capitalization- weighted stock market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of overall market performance in Hong Kong. Nikkei–Japan's Nikkei 225 Stock Average is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

Economic Roundup

Equities

Equity indices closed out July on a firm note: the S&P 500 gained 0.7% in the final session to finish at 7,489.72, while the Dow Jones Industrial Average added 0.53% to 52,485.03 and the Nasdaq Composite advanced 1.0% to 25,373.85, leaving the three indices up roughly 9.4%, 9.2%, and 9.2% for the year, respectively. Second quarter earnings season has been unusually strong on the surface, with a blended growth rate near 47%, though that figure is heavily skewed by one-time accounting gains at Alphabet and Amazon; excluding those two companies, blended growth runs closer to 29%, still the second consecutive quarter above 20%. Roughly 88% of reporting companies have topped earnings estimates, comfortably ahead of the five-year average of 78%.

Consumer Prices

Inflation decelerated sharply in June, with the Consumer Price Index (CPI) falling 0.4% on the month – its largest decline since the onset of the pandemic in 2020 – and bringing the annual rate down to 3.5% from 4.2% in May. Core CPI (excluding food and energy) was flat on the month and rose 2.6% year over year, both coming in softer than expected after energy-driven pressures pushed inflation to a three-year high earlier in the quarter. The CPI report suggests at least a near-term reprieve in inflation. The Personal Consumption Expenditures Index (PCE), the Fed's preferred gauge, told a similar story: headline PCE fell 0.1% and decelerated to 3.7% annually, while core PCE rose 0.1% and cooled to 3.3% from a year earlier. Both measures remain well above the central bank's longstanding target, and officials have signaled they are unwilling to declare victory given how quickly the disinflationary trend could reverse if oil prices resume climbing.

Retail Sales

Households grew less optimistic in July even as they kept spending: the Conference Board's Consumer Confidence Index retreated 1.4 points to 90.8, extending a downward trajectory that has persisted since late 2021 amid elevated grocery and fuel costs. Retail sales, by contrast, advanced 0.2% in June and 6.7% year over year, a fifth consecutive month of growth even as gas station receipts fell 5.3% alongside softer pump prices. The divergence between softening sentiment and resilient spending illustrates a familiar pattern this cycle, with consumers still opening their wallets despite voicing unease about the broader economy. A labor market that remains robust, even as hiring decelerates, appears to be underpinning this spending for now.

Labor Market

Nonfarm payrolls increased by just 57,000 in June, well below the 113,000 consensus and marking a sharp slowdown from May's pace. The unemployment rate edged down to 4.2%, though the decline was driven by a drop in labor force participation to 61.5%, its lowest level since March 2021. Revisions further weakened the report's signal. April payrolls were revised down by 31,000 to 148,000, while May was lowered by 43,000 to 129,000, resulting in a combined two-month downward revision of 74,000.

Housing Starts

Home price growth showed further signs of firming, as the S&P CoreLogic Case-Shiller 20-City Composite rose 1.6% year over year in May, marking its second consecutive month of acceleration after an upwardly revised 1.2% increase in April. Housing starts also rebounded in June, rising to a seasonally adjusted annual rate of 1.427 million, a 19% increase from an upwardly revised 1.199 million in May. The gain was driven primarily by multifamily construction, with starts surging more than 76% month over month to 532,000 units, while single-family starts edged down slightly to 895,000. Freddie Mac's average 30-year fixed mortgage rate rose to 6.49% in late June from 6.44% in May, continuing to weigh on affordability for prospective buyers.

Economic Indicator	Current Release	Prior Release	One Year Ago
Trade Balance	(73.26) $B Jun. 30	(77.65) $B May 29	(58.70) $B Jun. 30
Gross Domestic Product	1.50% Jun. 30	2.10% Mar. 31	3.80% Jun. 30
Unemployment Rate	4.20% Jul. 31	4.20% Jun. 30	4.30% Jul. 31
Prime Rate	6.75% Jul. 31	6.75% Jun. 30	7.50% Jul. 31
Refinitiv/CoreCommodity CRB Index	385.10 Jul. 31	353.61 Jun. 30	299.78 Jul. 31
Oil (West Texas Int.)	$84.67 Jul. 31	$69.50 Jun. 30	$69.26 Jul. 31
Consumer Price Index (YoY)	3.40% Jul. 31	3.50% Jun. 30	2.70% Jul. 31
Producer Price Index (YoY)	5.50% Jul. 31	6.60% Jun. 30	1.90% Jul. 31
Euro/Dollar	1.15 Jul. 31	1.14 Jun. 30	1.14 Jul. 31

Source: Bloomberg

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1.D

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.D: **Review and Consider Approval of a Progressive Design-Build Contract with Steve P. Rados, Inc. in the Amount of $4,574,491 for Phase 1 Design and Preconstruction Services for the Mid-Pauba Groundwater Banking Project [Project No. D2263]**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Dan Ruiz, Assistant General Manager-Engineering and Operations

RECOMMENDATIONS:

Staff requests the Finance and Audit Committee (Committee) recommend the Board of Directors (Board) approve a Progressive Design-Build contract with Steve P. Rados, Inc. (Rados) in the amount of $4,574,491 for the Phase 1 Design and Preconstruction Services for the Mid-Pauba Groundwater Banking Project [Project No. D2263].

DISCUSSION:

In August 2024, Rancho California Water District (District) received an $8.9 million grant from the U.S. Bureau of Reclamation (USBR) for the approximately $43.9 million Mid-Pauba Groundwater Banking Project (Project). The Project is intended to expand the District's groundwater recharge, storage, and extraction capabilities. The USBR grant will reimburse the District for up to 25 percent of eligible Project costs. To maximize available grant funding, the District must complete eligible work within the deadlines established by the grant agreement or obtain approved time extensions.

The Project will create a more integrated groundwater banking system by combining new recharge and production facilities with existing District infrastructure. The Phase 1 work scope generally consists of the following elements:

- Design of groundwater recharge basins and two (2) production wells: Well 178 (offsite) and Well 179 (onsite) at Rancho Water's 17-acre Belle Chaine property
- Design of associated conveyance piping and disinfection facilities housed within a masonry building
- Design of two (2) additional production wells and associated piping at the existing Upper Valle de Los Caballos (UVDC) Pond No. 3 to convey extracted raw water to the new Chlorine Contact Tank and/or the Vail Lake Pump Station
- Review of utilizing the existing Vail Lake Pump Station and pipeline to convey raw water to Vail Lake for above-ground storage
- Investigation of alternatives and costs to rehabilitate an existing 24-inch-diameter gravity drain line to convey water from Vail Lake to the Mid-Pauba recharge basins

- Preconstruction services, including development of a Guaranteed Maximum Price (GMP) for the construction of these facilities as part of Phase 2 (future request)

Given the Project scope and the schedule requirements associated with the USBR grant, staff evaluated an alternative project delivery method and recommended the use of Progressive Design-Build (PDB) for design and construction. Under PDB, the District selects a single design-build entity that works collaboratively with District staff to develop the design, construction approach, schedule, and cost during Phase 1. Construction packages may be advanced as individual portions of the design reach an appropriate level of completion, rather than waiting for the entire Project design to be completed before bidding and construction can begin (Phase 2). Phase 2 services for construction will be requested separately in the future if the District, at its sole discretion, agrees to continue working with the Rados team. Benefits of using the PDB delivery method include:

Single point of responsibility. A single design-builder will coordinate the multiple design and construction activities occurring within the same physical areas, including recharge basins, wells, conveyance pipelines, and supporting facilities. This integrated approach reduces the potential for conflicts between separate designers and contractors and simplifies overall Project coordination.
Approximately 12 months of schedule advancement. Based on a comparative schedule analysis, PDB is anticipated to advance construction of the recharge basin and well facilities by approximately 12 months compared with a traditional Design-Bid-Build approach.
Earlier water banking benefits. Completing the Project approximately one (1) year sooner would allow the District to begin recharging, storing, and recovering water earlier, providing water supply resiliency benefits sooner.
Reduced exposure to cost escalation. Advancing construction reduces exposure to future escalation in major Project components, including steel, piping, electrical equipment, and other construction materials.
Streamlined oversight and cost transparency. The PDB process provides collaborative design development and open-book cost estimating, allowing District staff to participate in design decisions, evaluate constructability and cost as the design progresses, and maintain transparency regarding Project pricing before authorizing Phase 2 construction.

Staff initiated a competitive procurement process to select a qualified PDB team for the Project. The District issued a Request for Proposals for Progressive Design-Build Services on March 4, 2026. As part of the procurement process, staff conducted six (6) confidential meetings between March 24 and March 31, 2026, to provide prospective teams an opportunity to discuss the Project, delivery approach, and procurement requirements with the District.

On May 8, 2026, the District received four (4) proposals from Ames Construction, Filanc, J.F. Shea Construction (J.F. Shea), and Steve P. Rados, Inc. (Rados). Following evaluation of the proposals, staff shortlisted J.F. Shea and Rados for interviews, which were conducted on June 10, 2026.

Based on the proposal evaluations and interview process, staff selected the Rados/Stantec team as the highest-ranked PDB team and initiated contract negotiations. Negotiations with Rados, including refinement of the scope of services, contract terms, and fee for Phase 1 services have been concluded. Note that Rados' original proposed fee was $5,146,430 compared to the

negotiated fee of $4,574,491.

ALTERNATIVES:

Utilize the traditional Design Bid-Build approach and procure a consulting firm for design services only. Prepare and issue separate contracts for construction of the recharge basins, wells, and piping. This delivery method will require additional time and effort to manage and is not recommended.

FISCAL ANALYSIS:

The Board has previously approved Capital Improvement budgets for the associated projects as follows:

- Mid-Valley Recharge Basins (D2263) - $11,000,000
- Pauba Wells 178 and 179 Property Acquisition (D2255) - $2,000,000
- Well 178 (D2507) - $6,500,000
- Well 179 (D2508) - $6,500,000

As a result, there is sufficient budget to accommodate Rados' proposed Phase 1 fee of $4,574,491, which will be allocated as appropriate to the various capital improvement projects noted above.

ENVIRONMENTAL REQUIREMENTS:

Award of a Progressive Design-Build contract for the Mid-Pauba Groundwater Banking Project is not a project as defined by the District's Local Guidelines for Implementing the California Environmental Quality Act and an environmental review is not required for Board approval. The environmental review process for the Project is currently underway and will be completed by the District's Program Manager at a later date for the Board's review and consideration.

EXHIBITS/ATTACHMENTS:

1. Request for Proposals
2. Scope of Work
3. Fee Matrix
4. Draft PDB Contract

Request for Proposals

Progressive Design Build

Mid-Pauba Groundwater Banking [Project No. D2263]

March 4, 2026

https://vendors.planetbids.com/portal/39498/bo/bo-detail/138907

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42135 Winchester Road, Temecula, CA 92590
951.296.6900 | RanchoWater.com

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Acronyms and Abbreviations

Acronym	Description
AACE	AACE International
AF	Acre-Foot (Feet)
APN	Assessor Parcel Number
Board	Rancho California Water District Board of Directors
CEQA	California Environmental Quality Act
CMAR	Construction Manager at Risk
DB	Design-Build
E&O	Engineering and Operations Committee
EMR	Experience Modification Rate
FSR	A.M. Best Company Financial Strength Rating
GMP	Guaranteed Maximum Price
IS/MND	Initial Study and Mitigated Negative Declaration
LLC	Limited Liability Company
NTP	Notice to Proceed
O&M	Operations and Maintenance
Owner or District	Rancho California Water District
PDB	Progressive Design-Build
PDF	Portable Document Format
PDR	Preliminary Design Report
PDT	Pacific Daylight Time

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Acronym	Description
Project	Mid-Pauba Groundwater Banking Project
QC	Quality Control
RaMP Program	Rancho Water Mid-Pauba Groundwater Banking and Water Resources Program
RFP	Request for Proposals
U.S.	United States
USBR	U.S. Bureau of Reclamation
UVDC	Upper Valle de los Caballos

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1. Background

Rancho California Water District (Rancho Water/District/Owner) has issued this one-step solicitation for the Mid-Pauba Groundwater Banking [Project No. D2263] (Project) and invites responses from interested parties to this Request for Proposals (RFP). The Project is part of the Rancho Mid-Pauba Groundwater Banking and Water Resources Program (RaMP Program/Program).

The District has elected to pursue the Progressive Design-Build (PDB) delivery method for this Project. The Design-Builder will engage in the Project at the ten percent (10%) design stage. The goal is to create a collaborative Project Team with the Owner, Jacobs Engineering Group, Inc. (Jacobs/Owner Advisor), and Design-Builder to work seamlessly to successfully design and construct the proposed Project.

1.1 Introduction

Firms interested in providing PDB services for the Project should submit their Proposal according to the requirements set forth in this RFP, including the format and content guidelines in Section 5. Proposals will be reviewed, evaluated, and ranked using a qualifications-based and best-value selection process, as described in Section 6, for award of the PDB Contract, which is provided as Attachment C, Draft PDB Contract.

The capitalized terms in this RFP have the meanings as first used in the text of this RFP or as defined in Attachment A, Definition of Terms.

The Project is to be designed and constructed in two phases using the PDB delivery method:

- Phase 1 Design and Preconstruction Services: Submit updates to the Preliminary Design Report (PDR), prepare thirty percent (30%) and sixty percent (60%) design packages, conduct preconstruction services, and prepare a Phase 2 Proposal. Phase 1 is completed when there is agreement on the Project schedule and price as a guaranteed maximum price (GMP). After the contract is executed for Phase 1, but before a contract price agreement and execution of the Phase 2 agreement, the Owner also has the option to use the "Off-Ramp" and not have the Design-Builder construct the Project. Should the Owner choose the Off-Ramp, it will have the exclusive right to require the Design-Builder to complete the design and then proceed as with a traditional design-bid-build procurement.

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- Phase 2 Services: Complete the following activities:
    - One hundred percent (100%) design package
    - Procurement of subcontractors and vendors
    - Self-performance of certain elements of the construction (where permitted and at the Owner's discretion)
    - Full construction and commissioning

In no event will the Owner be liable for any costs incurred by any Proposer or any other party in developing or submitting a Proposal.

1.2 Owner's Objectives

By selecting the PDB delivery method for this Project, the Owner is committed to working in close collaboration with the Design-Builder during Phase 1 to develop a design that achieves the Owner's objectives at a mutually agreeable GMP or lump-sum price for delivery of the Project. The Owner also expects the Design-Builder to construct the Project, as designed, within the agreed-upon price and schedule, through commissioning and startup.

The following Project-specific objectives are provided to give Proposers a better understanding of the Project and the work to be performed:

- Restore groundwater levels in the Pauba Valley to pre-drought conditions
- Bank approximately 10,000 acre-feet (AF) of groundwater annually
- Increase and manage groundwater production as groundwater levels rise
- Treat raw imported water (for Quagga mussel) and convey to Vail Lake for storage, utilizing a combination of existing and new infrastructure
- Explore and develop the ability to convey Vail Lake water into Mid-Pauba recharge basins using an existing gravity drain line

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2. Project Overview

This section provides a Project overview.

2.1 Project Site and Location

The Project is part of the Rancho Water's RaMP Program. The Project includes the design and construction of recharge basins, production wells, and associated pipelines on newly acquired land in Riverside County near the city of Temecula. This will allow the Owner to optimize the recharge, banking, and extraction of water from the Pauba Valley groundwater basin.

The general location of the proposed facilities will be within the boundary of the Pauba Valley aquifer downgradient from the Owner's Upper Valle de Los Caballos (UVDC) Recharge and Recovery Facility near De Portola Road in unincorporated Riverside County. Two properties [Assessor Parcel Number (APN) 927-690-014 and APN 927-690-015] have been acquired by the Owner as recharge sites.

The Owner owns two (2) additional parcels that will be used for the Project:

1. A parcel adjacent to the recharge site (APN 927-690-001), which is the existing site for Well No. 125, which will be connected in the future to disinfection facilities

2. A parcel to the south (APN 927-690-004), which will be the site for a new production well

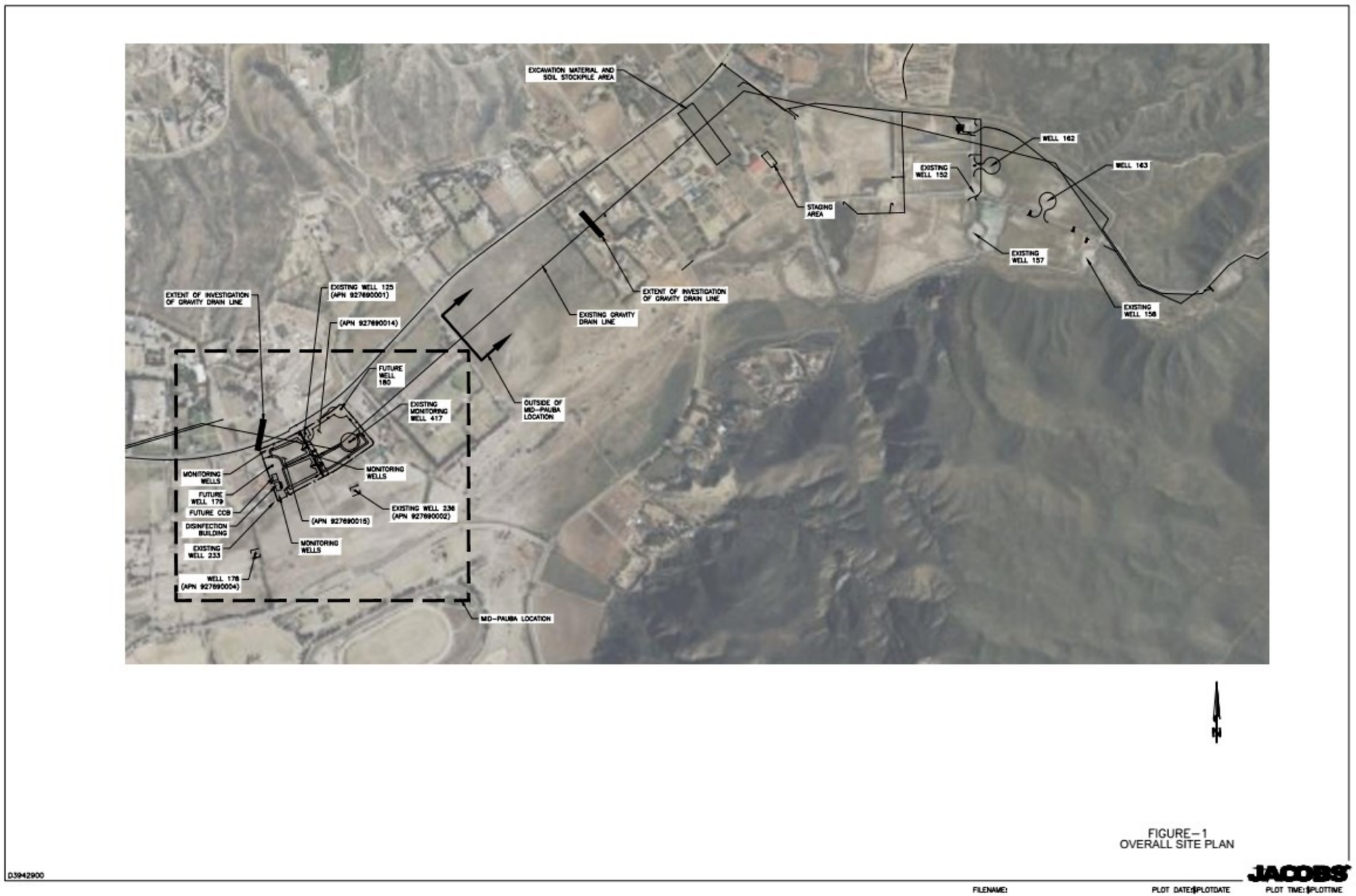
Figure 1 includes maps that show the locations of these properties.

The Project also includes repurposing existing UVDC Pond 3 to recharge untreated imported water, adding new wells to extract recharged water, and modifying an existing pump station at the UVDC to send extracted water to Vail Lake for additional above-ground storage.

The Project is partially funded by a grant from the United States Bureau of Reclamation (USBR) for the Pauba Valley Groundwater Banking Project under agreement number R24AP00282. Work by the PDB must comply with the requirements in the grant agreement.

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Figure 1. Project elements at Mid-Pauba and outside of the Mid-Pauba location



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2.2 Project Scope

The Project includes the following elements:

2.2.1 At the Mid-Pauba Location:

The following Phase 1 design and Phase 2 construction activities at the Mid-Pauba location include the following:

- Prepare design documents for the construction of the following infrastructure on parcels APN 927-690-015 and APN 927-690-014 (Figure 1):

  1. Recharge basins.

     - The recharge basins will be designed to a shallow depth and maximize the wetted area for recharge, given the land available, similar to the design of the Owner's UVDC facility. The layout of the basins will need to consider the locations and access for two production wells that will be constructed on these parcels in the future, and must leave space around an existing reference monitoring well. The design and construction of the future onsite wells are not included in the PDB scope, but the recharge basin and site layout must accommodate them.

  2. Monitoring wells.

     - Design and construction of six monitoring wells at three locations at the site of the new Mid-Pauba recharge basins.

  3. Off-site well.

     - Well completion design and well construction design, construction, and equipping of one off-site new potable supply well at parcel APN 927-690-004.

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4. Disinfection facility.

    - Design and construction of a new disinfection facility. The centralized chloramine disinfection system will be capable of processing supply from the new production well and existing Well Nos. 223 and 236, and will be located on the Mid-Pauba property. The disinfection facility should include accommodations for a future phase that will include additional treatment for flows from two new on-site wells and existing Well No. 125.

5. Supply and system connections.

    - Connection to the existing 48-inch diameter Metropolitan Water District raw water supply line. The basins will recharge imported raw water, and the supply connection will occur from a tee to be installed on the raw water supply line (in the 1470 pressure zone) located in De Portola Road.

    - System connections, including:

        – Connection to the existing 1305 pressure zone distribution system

        – Supply conveyance between the wells and the disinfection system

        – Pump-to-waste conveyance between the new well and the recharge basin

2.2.2 Outside of the Mid-Pauba location

The following Phase 1 design activities outside of the Mid-Pauba location include the following:

Conduct the following assessments:

1. Optimization Study

    - Evaluation of existing and new infrastructure needed to optimize the extraction and conveyance of recharged water to Vail Lake.

        a. Condition Assessment for the Vail Lake Gravity Drain.

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- One of the District's objectives is to increase the District's resiliency and flexibility of recharge operations by allowing for Quagga mussel treatment, conveyance, and storage of raw imported water behind Vail Lake Dam. Use of the Vail Lake pump station pipeline and Gravity Drain may provide a cost-effective approach to achieve this objective.

The Vail Lake Gravity Drain was installed approximately 80 years ago and is constructed of 24-inch-diameter reinforced-concrete pipe. The condition of the drain line between the UVDC facility and an access point near Pauba Road was assessed in 2008 and 2020 (Rancho Water 2020). For this Project, the condition of the drain line between its intersection with De Portola Road and the western end of the previous condition assessment (approximately 5,000 linear feet) will be assessed (Figure 1). The combined results of the two assessments will be used to determine the repairs needed to put the drain line into service and the associated costs. The findings will be summarized in an alternatives analysis to evaluate the feasibility and cost for repair and improvements of the drain line to allow the draft of water from Vail Lake via gravity to supply the Mid-Pauba recharge basins.

Prepare design documents for the construction and/or rehabilitation of the following infrastructure:

2. New Production Wells

   - Well completion design and well construction design of two new production wells in the UVDC Pond 3 vicinity, or as determined in the Optimization Study. New production wells will allow the District to extract recharged raw imported water from Pond 3.

3. New discharge piping

   - Design of new discharge piping to connect the two new wells to the Vail Lake Pump Station and also to the new chlorine contact tank at the UVDC, and new piping for pump-to-waste to the recharge basin. Also design additional improvements based on the results of the Optimization Study.

4. Raw water turnouts

   - Design of new raw water turnouts: two to UVDC Pond 3 and one to UVDC Pond 1.

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5. Vail Lake Pump Station Modification

    - Design of modification of the existing Vail Lake pump station at UVDC Pond 3.

Phase 2 design activities include the one hundred percent (100%) design of the facilities outside of the Mid-Pauba location. Phase 2 construction activities outside of the Mid-Pauba location may be authorized contingent on Owner approval.

Additional information specific to the Project scope, design standards, and technical requirements is described in more detail in Attachment D, Index of Project Background Documents, and Attachment E, Preliminary Owner Requirements.

Certain Project background documents are being made available to Proposers through an electronic reference library (Attachment D, Index of Project Background Documents) to illustrate the scope and scale of the Project based on its current definition. The Owner is providing these documents only for the purpose of informing Proposal development and does not confer a license or grant for any other use.

2.3 Project Budget and Funding

The total cost for PDB services (Phase 1 and Phase 2) at the Mid-Pauba location is currently budgeted at **$43 million**. This figure does not include Owner's other Project costs, such as:

- Professional advisory services
- Property or access rights
- Site investigations
- Environmental studies
- Certain governmental approvals
- Proposed facilities at the UVDC outside of the Mid-Pauba location

As described, funding for Phase 1 and Phase 2 is available for the facilities at the Mid-Pauba location. Funding for Phase 1 is available for the facilities outside of the Mid-Pauba location; however, for Phase 2, the Owner is seeking separate grants and funding for those facilities. The PDB is required to develop the GMP for facilities outside of the Mid-Pauba location for consideration. The PDB will also complete the one hundred percent (100%) design for these facilities. The PDB GMP proposal shall be presented separately for Mid-Pauba and outside of the Mid-Pauba location.

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A detailed Project cost estimate is included in the electronic reference library (Attachment D, Index of Project Background Documents), along with the current design documents that serve as the basis for the estimate. The Owner intends to use a combination of federal grant funds and capital funds to provide the capital funding needed for the Project.

The Project is partially funded by a grant from USBR for the Pauba Valley Groundwater Banking Project under agreement number R24AP00282. All work must comply with the grant funding requirements.

2.4 Project Permits and Approvals

Table 1 identifies the anticipated permits and approvals required for the Project, as well as the respective responsibilities of the Owner and Design-Builder in obtaining them. Jacobs Engineering Group (Jacobs) is currently serving as the Program Manager / Owner Advisor (PM/OA) for the Project. The selected Design-Builder will lead PDB Phases 1 and 2.

Table 1. Anticipated Permits and Approvals

Permit	Issuing Agency	Description	Responsibility for Obtaining or Supporting the Permit Application Process
Construction General Permit	State Water Resources Control Board (online)	Complete SWPPP and file all required information (SMARTS database) prior to construction	Design-Builder
Discharge Permit	Santa Ana Regional Water Quality Control Board	Low threat discharge to land associated with well development and other pre-operational testing	Design-Builder

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Permit	Issuing Agency	Description	Responsibility for Obtaining or Supporting the Permit Application Process
Domestic Water Supply Permit (Amendment)	State Water Resources Control Board – Division of Drinking Water (District 20)	Routine communications with DDW district engineer to ensure the public water system is in good standing	Owner
Dust Control Plan	South Coast Air Quality Management District	Follow Rule 403 requirements, which may include preparing a formal dust control plan	Design-Builder
Encroachment Permit and Easements	Riverside County – Transportation Department	Needed for connections to existing lines within public roads	Design-Builder
Power Request (New Service)	Southern California Edison	Not a permit, but an important predecessor to operating new facilities	Owner
Well Completion Report	California Department of Water Resources	Submit report to DWR's online database (OSWCR)	Design-Builder
Well Drilling Permit	Riverside County – Department of Environmental Health	Complete water well application, including plot plan and stormwater controls	Design-Builder

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Permit	Issuing Agency	Description	Responsibility for Obtaining or Supporting the Permit Application Process
Quitclaim of onsite easements	Southern California Edison	Quitclaim of onsite easements	Owner, with supporting information from Design-Builder

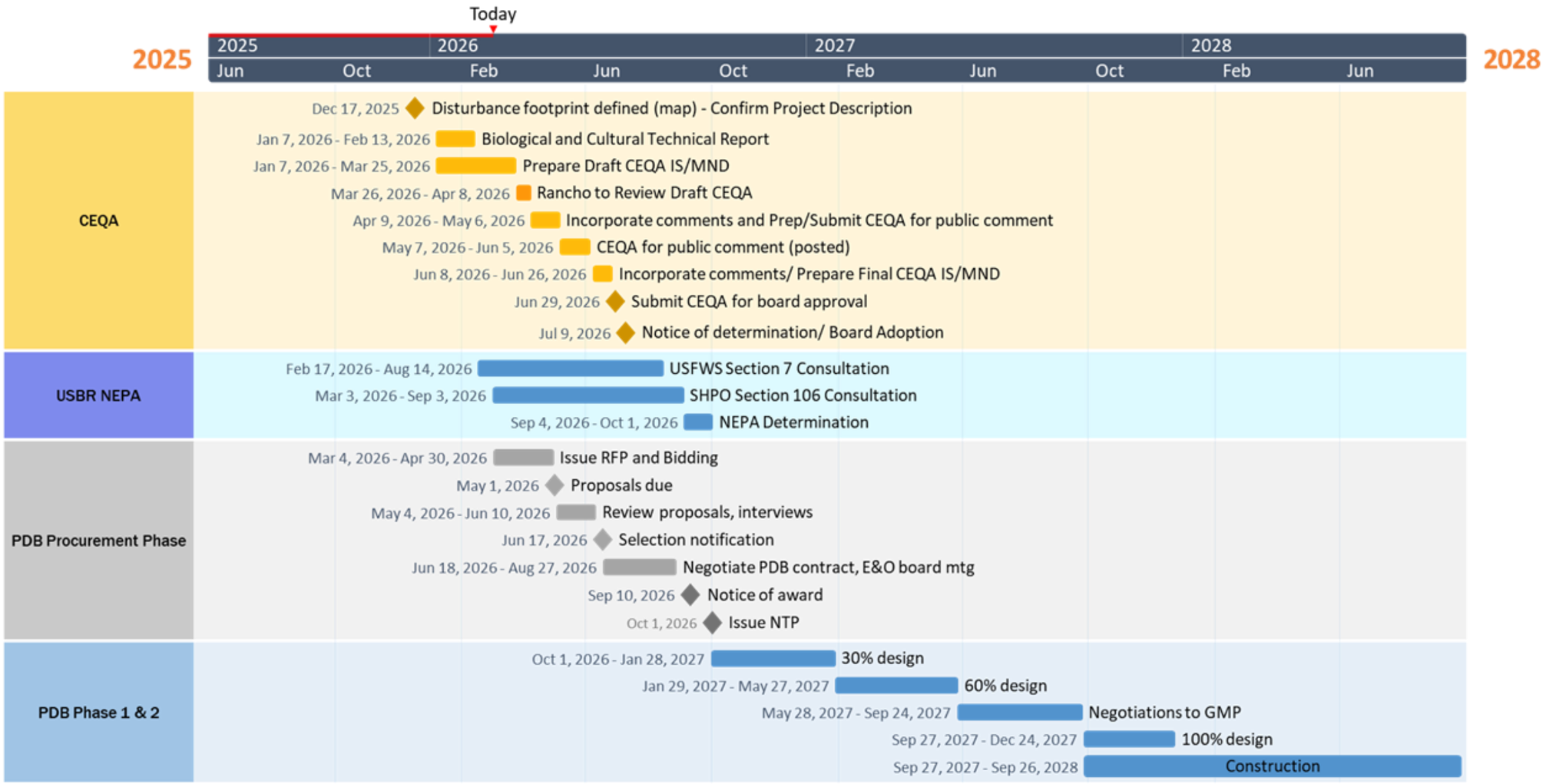
Jacobs conducted biological and cultural surveys and is preparing environmental documentation for the Project to comply with California Environmental Quality Act (CEQA) requirements, as a basis for the development of documentation to comply with National Environmental Protection Act (NEPA). Determination for CEQA and NEPA is expected in Summer 2026 (Figure 2).

2.5 Project Schedule

Figure 2 illustrates the current anticipated Project schedule and compliance deadlines.

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Figure 2. Current Anticipated Project Schedule



Board = Rancho California Water District Board of Directors
CEQA = California Environmental Quality Act
E&O = Engineering and Operations Committee
IS/MND = Initial Study and Mitigated Negative Declaration
NTP = Notice to Proceed
PDR = Preliminary Design Report
QC = quality control

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3. Progressive Design-Build Services

This section provides information about the PDB services required for the Project.

3.1 General

As noted in Section 1 and more fully described in Attachment C, Draft PDB Contract, the Design-Builder will provide services in two distinct phases, subject to successful negotiation of a GMP for Phase 2. Attachment B, Scope of PDB Services, includes detailed definitions of the Phase 1 scope of PDB services.

The scope of PDB services is the basis for Phase 1 pricing, which will be submitted in accordance with Section 5.3.11 of this RFP and Attachment G, Pricing Information Form.

3.2 Roles and Responsibilities

Table 2 delineates the roles and responsibilities of the Owner and Design-Builder to achieve a successful Project.

Table 2. Owner and Design-Builder Roles and Responsibilities

Role	Owner	Design-Builder
Project Management	▪ Make day-to-day decisions. ▪ Approve design and construction plans. ▪ Manage contracts with Owner Advisor and Design-Builder. ▪ Provide Project funding. ▪ Approve scope changes. ▪ Coordinate with Owner operations.	▪ Serve as the single point of contact with the Owner's Project Manager for construction-related items. ▪ Develop and implement Project management and quality management plans. ▪ Perform risk management and mitigation activities. ▪ Establish and maintain a change order management plan. ▪ Develop and implement Project health and safety practices. ▪ Facilitate resolution of Project issues and challenges.

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Role	Owner	Design-Builder
Design Management	▪ Review design deliverables. ▪ Participate in design development workshops. ▪ Provide input into design. ▪ Participate in technology decisions. ▪ Participate in design development decisions that impact O&M activities.	▪ Lead engineering and design team resources. ▪ Develop design deliverables. ▪ Recommend process and design technology solutions. ▪ Facilitate review of construction submittals and verify design intent is being met during construction.
Preconstruction Services	▪ Review Phase 1 deliverables and submissions. ▪ Furnish existing studies and data, including record drawings and preliminary studies. ▪ Provide access to site and easements. ▪ Obtain government approvals and permits the Owner is responsible for. ▪ Review Phase 2 Proposal; negotiate Phase 2 Contract Price Amendment in good faith.	▪ Manage interface between design and construction team members. ▪ Prepare and maintain a Project cost model and Project schedule. ▪ Provide constructability input during Phase 1. ▪ Prepare an equipment and subcontract procurement plan. ▪ Develop Phase 2 Proposal; negotiate Phase 2 Contract Price Amendment in good faith. ▪ Provide additional Owner-requested, Project-specific services necessary for Project success.

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Role	Owner	Design-Builder
Construction Services	▪ Participate in construction Project meetings. ▪ Monitor construction activities.	▪ Deliver constructed work. ▪ Manage self-performing and subcontracted work. ▪ Manage craft labor. ▪ Maintain site safety and security. ▪ Perform engineering services during construction. ▪ Obtain government approvals and permits the Design-Builder is responsible for. ▪ Provide warranty coverage for constructed work.
Commissioning and Startup	▪ Participate in the early development of the facility commissioning plan. ▪ Engage meaningfully in commissioning, startup, and training activities, and prepare for handoff from the Design-Builder.	▪ Coordinate construction activities with and lead assigned testing, commissioning, startup, and training activities, coordinating with Owner's O&M staff to minimize impacts. ▪ Provide timely and complete submission of manufacturer's equipment O&M materials. ▪ Prepare facility O&M manual.

O&M = operations and maintenance

Roles and responsibilities are more fully described in Attachment B, Scope of PDB Services, and Attachment C, Draft PDB Contract.

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4. Procurement Process

This section describes the anticipated Project procurement process.

4.1 Acknowledgment of Request for Proposals and Proposer Representative

Each potential Proposer should provide the Owner, within fourteen (14) calendar days of receipt of this RFP with an acknowledgment that they have received the RFP and are a potential Proposer. Such acknowledgment will identify and provide full contact information (name, title, company, email address, phone number) for the Proposer representative, who will be the Proposer's single point of contact for the receipt of any future documents, notices, and addenda associated with this RFP. Such acknowledgment must be sent in writing and a copy electronically transmitted to the Owner contact identified in Section 4.2.

4.2 Communications and Owner Contact

On behalf of the Owner, Dan Ruiz, Assistant General Manager-Engineering and Operations, will act as the Owner contact for this RFP and will administer the RFP process. All communications, questions, or comments will be submitted through PlanetBids, https://vendors.planetbids.com/portal/39498/bo/bo-detail/138907. Owner contact is as follows:

Dan Ruiz

Assistant General Manager-Engineering and Operations

Rancho Water

42135 Winchester Road, Temecula, California 92590, United States

No other communications (such as oral or email) from the Owner contact or other individuals are binding. No contact with Owner staff or any public officials concerning the Project during the procurement process outside of the meetings described in Section 4.4 is allowed. A violation of this provision may result in disqualification of the Proposer.

Jacobs serves as the Owner's Advisor of this Project; however, all questions or comments on the RFP should be directed to the Owner Contact.

4.3 Procurement Schedule

Table 3 shows the current procurement schedule.

Table 3. Project Procurement Schedule

Activity	Date
Issue RFP	March 4, 2026
Pre-Proposal Meeting	March 19, 2026
Confidential Meetings	March 23-31, 2026
Deadline for Questions	April 2, 2026
Final Addendum	April 16, 2026
Submit Proposal	May 1, 2026
Notice of selection for interviews	May 13, 2026
Interviews	June 3-10, 2026
Selection Notification	June 17, 2026
Contract negotiations	June 18 through August 7, 2026
Notice of Award	September 10, 2026
Notice to Proceed	October 1, 2026

4.4 Pre-Proposal Meeting and Site Tour

The Owner will conduct a Pre-Proposal meeting and provide access to the site for interested Proposers. The Non-Mandatory Pre-Proposal meeting and site tour will be held at the Owner's headquarters located at 35820 Belle Chaine Loop, Temecula, California 95290 on March 19, 2026, starting at 10:00 AM. The purpose of the Pre-Proposal meeting is to describe the Project, respond to questions, and identify any issues that warrant an addendum to the RFP. Parking is limited, so carpooling is highly encouraged.

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Additionally, attendees will have the opportunity to tour the Project site immediately after the Pre-Proposal meeting to familiarize themselves with site conditions and constraints. Closed-toed shoes are required.

Proposers will advise the Owner's sole point of contact via email at engineeringemail@ranchowater.com by Monday, March 16, 2026, of the names of individuals who will attend the site tour. Due to space constraints, each Proposer is limited to three (3) attendees.

4.5 Confidential Meetings

The Owner will conduct confidential or proprietary meetings with each Proposer. The meetings will be held between March 23 and March 31, 2026, and will be scheduled for two (2) hours for each Proposer. After a brief orientation provided by the Owner, Proposers will lead a question-and-answer session. Meetings are available on a first-come, first-served basis, with the following times available:

- Monday, March 23 – 1:30 PM – 3:30 PM
- Tuesday, March 24 – 8:00 AM – 10:00 AM
- Tuesday, March 24 – 1:00 PM – 3:00 PM
- Wednesday, March 25 – 8:00 AM – 10:00 AM
- Wednesday, March 25 – 1:00 PM – 3:00 PM
- Thursday, March 26 – 1:00 PM – 3:00 PM
- Friday, March 27 – 8:00 AM – 10:00 AM
- Friday, March 27 – 1:00 PM – 3:00 PM
- Monday, March 30 – 1:00 PM – 3:00 PM
- Tuesday, March 31 – 9:00 AM – 11:00 AM

Proposers will advise the Owner's sole point of contact by March 12, 2026, of the names of individuals who will attend the confidential meeting and preferred times for the meeting, and provide an agenda for the meeting that includes a list of discussion items, inquiries, and questions. Due to space constraints, each Proposer is limited to six (6) attendees at the meeting. Agendas should be provided to the Owner at least one (1) week in advance.

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Information discussed in these meetings will be preliminary and nonbinding until formally offered in writing in the Proposal. The Owner will keep discussions and content from these meetings confidential unless the information discussed merits changes to the RFP or Draft PDB Contract (including all exhibits); in which case, the Owner will issue an addendum.

No photos or recordings of the session will be permitted, and no formal written notes will be taken; however, attendees may opt to take their own written notes. If a Proposer provides printed information for use in the discussion, the Owner will return this information to the Proposer at the meeting's conclusion.

The Owner, at its sole discretion, may change, update, or refine the requirements of the RFP and the Draft PDB Contract following these meetings.

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5. Proposal Submission Requirements

This section describes the requirements for submitting a proposal.

5.1 Submittal Place and Deadline

Proposal must be received no later than April 24, 2026, at 4:00 PM Pacific daylight time (PDT) addressed to:

Dan Ruiz

Assistant General Manager-Engineering and Operations

Rancho Water

42135 Winchester Road, Temecula, California 92590, United States

Provide one (1) electronic version of the Proposal [not including (Appendix B or Appendices B and E)] in Portable Document Format (PDF) on PlanetBids, https://vendors.planetbids.com/portal/39498/bo/bo-detail/138907. Submit one (1) electronic version of Appendix B, Supporting Financial and Company Documentation, and one (1) electronic version of Appendix E, Pricing Information, in PDF format electronically by email to engineerinemail@ranchowater.com under separate cover.

Each Proposer assumes full responsibility for the timely delivery of its Proposal at the required location. **Any Proposal received after the submittal deadline will be deemed nonresponsive and returned unopened.**

5.2 Submission Format

- **Page limit:** The Proposal must not exceed **35 total pages**, excluding the following pages:
  - Transmittal letter
  - Index or table of contents
  - Front and back covers
  - Title pages
  - Appendices
- **PDF:** The submitted PDF must contain bookmarks for each section listed in Section 5.3.

- **Front Cover:** Proposal front cover will be labeled with the following information:
    - Proposer Name
    - Mid-Pauba Groundwater Banking Project [Project No. D2263]
    - Date of submittal

5.3 Submission Content

The content requirements set forth in this RFP represent the minimum content requirements for the Proposal. It is the Proposer's responsibility to include information in its Proposal to present all relevant qualifications and other materials. However, the Proposal should not contain standard marketing or other general materials. It is the Design-Builder's responsibility to modify such materials so that only directly relevant information is included in the Proposal.

The Proposal must include the following information in the following order:

- Transmittal Letter
- Part 1, Executive Summary
- Part 2, Design-Builder Profile and Key Firms
- Part 3, Project Team Structure and Key Personnel
- Part 4, Relevant Project Experience
- Part 5, Project Approach
- Appendix A, Forms for Affirmation of Compliance
- Appendix B, Supporting Financial and Company Documentation (submit under separate cover)
- Appendix C, Resumes
- Appendix D, Draft PDB Contract Comments (optional)
- Appendix E, Pricing Information (submit under separate cover)

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5.3.1 Transmittal Letter

Proposers must submit a transmittal letter (maximum 2 pages) on the Proposer's letterhead. It must be signed by a representative of the Proposer who is authorized to sign such material and to commit the Proposer to the obligations contained in the Proposal. The transmittal letter must include the name, address, phone number, and email address for the Proposer's contact and must specify the Design-Builder's signatory on any contract documents executed with the Owner. The transmittal letter may include other information deemed relevant by the Proposer.

The transmittal letter must affirm compliance with the forms included in Appendix A, Forms for Affirmation of Compliance, based on the forms in Attachment F, Forms for Affirmation of Compliance, and confirm receipt of all addenda.

5.3.2 Part 1, Executive Summary

The executive summary (maximum 3 pages) must provide a concise overview of the main elements of the Proposal. The executive summary will not be used to convey additional information not found elsewhere in the Proposal.

5.3.3 Part 2, Design-Builder Profile and Key Firms

A detailed and complete description of the Design-Builder and Key Firms must be provided in Part 2 of the Proposal.

5.3.3.1 Design-Builder Profile

Required information applies to the Design-Builder, not to Key Firms (subconsultants or subcontractors). In the case of a joint venture, both parties must provide the requested information. The Design-Builder profile must include the following information:

- **General Information:** Provide general information about the Design-Builder, such as:
    - Lines of business and service offerings
    - Locations of home and other offices
    - Number of employees (professional and nonprofessional)
    - Years in business

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- Evidence of required licenses; provide licenses in Appendix B, Supporting Financial and Company Documentation, of the Proposal.

- **Design-Builder Legal Structure:** Identify whether the Design-Builder is organized as one of the following:

  - Corporation
  - Limited Liability Company (LLC)
  - General Partnership
  - Joint Venture
  - Limited Partnership
  - Other form of legal entity

- Describe how the Design-Builder has used this structure, or a similar structure, to deliver similar projects. As applicable, identify the owners of the Design-Builder (for example, shareholders, members, partners, and the like) who hold an interest of ten percent (10%) or more in Appendix B, Supporting Financial and Company Documentation.

- **Project Office Location:** Identify where the Design-Builder intends to maintain its Project office and the location where the construction management work will be performed.

- **Safety:** Provide a summary description of the Design-Builder's corporate safety program, and include safety statistics or records indicating categories of accidents and their incidence or frequency rates for the past three (3) years. The following safety records must be provided for the Design-Builder for the current and past three (3) years:

  - **The experience modification rate (EMR) calculated by the National Council on Compensation Insurance or similar rating bureau.** The EMR is also referred to as the experience modification rating, experience modification factor, experience modifier, or X-mod. Where this value is greater than the industry average of 1.0, the Proposer may provide mitigating information to explain the reasons for the EMR rating in Appendix B, Supporting Financial and Company Documentation.

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- **The days-away-from-work injury incidence rate.** A day-away-from-work injury is an injury that prevents an employee from returning to their next regularly scheduled shift. The incidence rate is calculated by multiplying the number of days-away-from-work injuries for the particular year by 200,000 and then dividing the product by the person-hours worked for that year.

The Proposal must provide the following additional information pertaining to factors or events that have the potential to adversely impact the Design-Builder's ability to perform its contractual commitments. If any of the following questions are answered indicating that any of these unfavorable factors or events are present, it is the Proposer's responsibility to (1) describe in detail the unfavorable factor or event, and (2) provide enough information to demonstrate that the unfavorable factor or event will not adversely impact the Proposer's ability to perform its contractual commitments. Include the following information in Appendix B, Supporting Financial and Company Documentation:

- **Financial Condition:** Provide financial statements for the Design-Builder for the past three (3) years and quarterly financial statements, certified by the Chief Financial Officer, for the current year. For publicly traded companies, reference to U.S. Securities and Exchange Commission 10-K filings and any recent 10-Q findings are adequate. For entities that are not publicly traded, provide audited financial statements for the same period. If the Design-Builder is a joint venture, LLC, or partnership, financial statements must be provided for each partner or member.

- **Payment and Performance Bonds:** Provide a letter issued by the Design-Builder's surety company to verify the availability of a bond of at least $45 million for this Project. The surety must be authorized by law to do business in California and must have an A.M. Best Company Financial Strength Rating (FSR) of no less than A:VII. The surety company must be listed in the U.S. Department of Treasury's Circular 570, Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies.

- **Insurance:** Provide a letter from the Design-Builder's insurance company or broker stating its ability to acquire and provide the minimum limits for the required insurance provided in Attachment C, Draft PDB Contract. The required insurance must be obtained and maintained from insurance companies that have an A.M. Best Rating of no less than A:VII and are duly licensed or authorized in California.

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- **Legal Proceedings and Judgments:** List and briefly describe any pending or past (within 5 years) legal proceedings and judgments, or any contingent liability that could adversely affect the financial position or ability to perform contractual commitments for the Owner. If no such proceedings or judgments are listed, provide a sworn statement to that effect from the Design-Builder's General Counsel.

- **Completion of Contracts:** Has the Design-Builder failed to complete any contract, or has any contract been terminated due to alleged poor performance or default within the past ten years? If so, describe the circumstances.

- **Debarred from Bidding:** Has the Design-Builder been debarred within the past ten years, or is it currently under consideration for debarment, on public contracts by the federal government or by any state? If so, describe the circumstances.

5.3.3.2 Key Firms

Identify and provide general information for any Key Firms (such as subcontractors and subconsultants) included on the Project Team. Include EMR safety records for the current and past three (3) years for each Key Firm anticipated to be responsible for construction activities.

5.3.4 Part 3, Project Team Structure and Key Personnel

Describe the structure and management of the Project Team. Note that any change in the Key Firms or Key Personnel included in the Proposal is subject to the provisions outlined in Section 7.6, Obligation to Keep Project Team Intact, which requires Owner approval of such changes.

5.3.4.1 Project Team Structure

Describe the scope of the Design-Builder's and each Key Firm's services and responsibilities. Include organizational charts showing reporting relationships and responsibilities of the Design-Builder and Key Firms during Phases 1 and 2.

5.3.4.2 Key Personnel Experience and Qualifications

The Proposal should provide the following information about Key Personnel:

- Include organizational charts identifying all Key Personnel (and their firm affiliations) and showing reporting relationships of all Key Personnel (along with their firm affiliations) during Phases 1 and 2. Minimum Key Personnel includes:
    - Principal in Charge
    - Project Manager
    - Engineering Manager
    - Technical Lead
    - Preconstruction Manager
    - Construction Manager
    - Commissioning and Start-up manager
    - Proposers may identify up to three (3) additional Key Personnel they deem to be critical to Project success.
- Describe Key Personnel's individual qualifications and experience, and how they align with their proposed role. Specifically discuss the Project Manager's experience leading similar teams.
- Provide resumes for all Key Personnel in Appendix C, Resumes. Resumes must be limited to 2 pages per individual and include:
    - Academic and professional qualifications
    - Professional registrations, as applicable
    - Tenure with the organization and industry
    - Experience as it relates to the Project and to the individual's specified role on the Project

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- Describe how the Project Manager will ensure ongoing integration of Design-Builder personnel with the Owner through both Phases 1 and 2. Describe how the team will interact with each other and the Owner during both Phases 1 and 2, highlighting differences between phases.

- Describe how the Project Team's qualifications and experience are of unique benefit to the Project, considering the Proposer's Project approach described in Part 5.

5.3.5 Part 4, Relevant Project Experience

The Proposal should provide the following information about relevant project experience:

- Describe the performance history and experience of the Project Team on similar projects, including a description of past working relationships.

- The Proposer will submit a minimum of three and up to five reference project descriptions to demonstrate relevant experience with projects of similar scope and scale for municipal clients in the United States (U.S.), completed in the last ten (10) years, with a preference for collaborative delivery projects. Each project description will contain at least the following information:

    - Project name and location

    - Name of owner

    - Owner reference and contact information

    - Delivery method (such as design-build [DB], PDB, construction manager at risk [CMAR], or other methods)

    - Role of the Proposer and Key Firms

    - Initial and final contract value and reason for change

    - Scheduled and actual completion dates

    - Description of the project, showing relevance to this Project

    - Names of Key Personnel who participated in the project and are included in this Proposal, along with a clear description of the roles and responsibilities of each

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- Provide a 1-page summary table to cross-reference the Project Team (Design-Builder, Key Firms, and Key Personnel) with participation in the reference projects.

5.3.6 Part 5, Project Approach

Provide a conceptual description of the Design-Builder's approach for managing and performing its services during both Phases 1 and 2. Specifically, address the following:

- Define the main issues and challenges critical to the Project's success and your approach to managing these elements and mitigating risks for Project success.

- Identify innovative or alternative concepts that may enhance the ability to meet Project objectives, especially the schedule, and innovative ideas for maximizing the recharge area with the limitations identified in Figure 1. Include ideas for beneficial reuse of the existing manufactured home located on APN 927690015.

- Discuss your approach to completing the Project in a timely manner, highlighting critical path activities. Identify opportunities to optimize the Project schedule with appropriate phasing, early-out equipment, or construction packages, or some combination of these, and any other methods.

- Describe your approach to cost estimating during Phase 1 to provide early cost certainty and support design-to-budget goals.

- Discuss your risk management process and approach to contingency development throughout Phase 1.

- Describe the process for developing the Phase 2 price proposal. Include your approach to open-book pricing and contingency development.

5.3.7 Appendix A, Forms for Affirmation of Compliance

Appendix A must include executed forms, affirming that the Proposer is in compliance with the required policies, based on the forms in Attachment F, Forms for Affirmation of Compliance.

5.3.8 Appendix B, Supporting Financial and Company Documentation (submit under separate cover)

Appendix B must include all information required in Section 5.3.3 and must be submitted under separate cover.

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5.3.9 Appendix C, Resumes

Appendix C must include resumes for all Key Personnel in the Proposal, per requirements of Section 5.3.4.

5.3.10 Appendix D Draft Progressive Design-Build Contract Comments (optional)

Proposers may include in Appendix D a detailed markup of the Draft PDB Contract (including its exhibits) included in Attachment C, setting forth all revisions requested by the Proposer. Such comments may take any form that is convenient to the Proposer, including a tracked-changes markup of the draft RFP in Attachment C.

Appendix D (if included) must explain the rationale for proposed revisions and the associated benefits to the Owner. Proposers are encouraged to suggest revisions that would more efficiently allocate risk, improve the parties' understanding of risk allocation, and improve the clarity of any terms of the Draft PDB Contract where ambiguities or uncertainties may arise in their application or interpretation.

The Owner is not obligated to accept any of the requested exceptions, modifications, or additions submitted by the Proposer when negotiating and finalizing the PDB Contract. Furthermore, the Owner may request additional revisions during negotiations and before finalizing the PDB Contract. Although the Owner will undertake negotiations of the PDB Contract, the PDB Contract will be treated as a de facto offer that the Owner can accept as is, which would result in a binding contract between the Design-Builder and Owner without further negotiations or revision.

5.3.11 Appendix E, Pricing Information (submit under separate cover)

The Proposer must complete Attachment G, Pricing Information Form—with all required pricing information—and include it in a separate, sealed envelope as Appendix E, Pricing Information. The scope of PDB services for which pricing is required is defined in Attachment B, Scope of PDB Services. The cost information provided in the Pricing Information Form will be based upon an assumed Project cost and schedule as defined in Section 2 of this RFP.

In scoring the pricing information, the Owner will consider the Phase 1 not-to-exceed price, Rates for Phase 2 Services and Construction General Conditions Costs, and the Design-Builder Fee. Rates for Phase 2 Services and Construction General Conditions Costs are nonbinding and will serve as the basis for negotiation between the Owner and Design-Builder during Phase 1 and before the Owner's acceptance of the Phase 2 Construction Price Proposal.

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Please be advised that the Owner is not interested in proposed fees or rates that provide excessive discounts from the Design-Builder's actual costs for the requested services. If the Owner determines (at its sole discretion) that the fees and rates included in a Proposal are unacceptably less than industry norms or that a Proposer's fees and rates are substantially or unacceptably less than other Proposals, the Owner may (at its sole discretion) either declare that Proposal to be nonresponsive or seek additional detailed information from that Proposer concerning the cost basis for its pricing information, before rendering a decision on the Proposal's responsiveness.

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6. Proposal Evaluation and Selection

This section describes how proposals will be evaluated and selected.

6.1 General

The Proposals will be reviewed and evaluated by the Owner's selection committee (with assistance provided by outside advisors, if desired by the Owner) according to the requirements and criteria provided in this Section 6. During the Proposal evaluation process, written questions or requests for clarification may be submitted to one or more Proposers regarding their Proposal or related matters. Failure to respond in a timely manner to any such questions or requests may be grounds for elimination of the Proposer from further consideration. In addition, the Owner may require that all or a limited number of Proposers participate in interviews.

6.2 Responsiveness

Each Proposal will be reviewed to determine whether it is responsive to the RFP. Failure to comply with the requirements of this RFP may result in a Proposal being rejected as nonresponsive. At its sole discretion, however, the selection committee may waive any such failure to meet a requirement of this RFP and may request clarification or additional information to remedy a deficiency.

6.3 Minimum Requirements (Pass or Fail)

Each responsive Proposal will be reviewed to determine whether it meets the minimum requirements described in this subsection. At its sole discretion, the selection committee may waive any failure to satisfy such requirements and may request clarification or additional information to address any questions that may arise in this regard. Any Proposal that does not satisfy all of the following minimum requirements may be rejected:

- Financial condition of the Design-Builder
- Ability of the Design-Builder to demonstrate it has bonding capacity in the amount of $45 million
- Ability of the Design-Builder to demonstrate it can provide the required insurance coverage
- Legal proceedings and judgments against the Design-Builder

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- Satisfactory references and completion of contracts
- Debarment status of the Design-Builder
- Licensing and registration Design-Builder; the Design-Builder and other Key Firms included in the Proposal must be licensed in California for the type of work to be performed

6.4 Interviews

The three (3) highest-scoring Proposers will be provided the opportunity to present their Project approach during formal interviews. Interviews are intended to allow the Proposers to further explain their written Proposal.

Interviews will be limited to sixty (60) minutes, providing twenty-five (25) minutes for the Proposers to discuss their Project approach and how the Proposer's creativity and innovation will be beneficial to reducing Project cost and risk. The presentation will be followed by up to thirty-five (35) minutes of questions posed by selection committee members. Interview attendees are limited to eight of the Proposer's Key Personnel identified in the Proposer's Proposal.

6.5 Evaluation Criteria

The selection committee will evaluate and rank the responsive Proposals by applying the weighted comparative evaluation criteria set forth in Table 4. Proposers will also be required to demonstrate they meet certain minimum qualifications indicated as pass or fail elements.

Table 4. Evaluation Criteria

Transmittal Letter	Not Scored
Part 1, Executive Summary	Not Scored
Part 2, Design-Builder Profile and Key Firms Scored Criteria: ▪ Design-Builder Profile: - General Information - Design-Builder Legal Structure - Project Office Location - Safety	5%
▪ Key Firms: - General Information - Safety	Pass or Fail

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▪ Pass or Fail Criteria: - Financial Condition - Performance and Payment Bonds - Insurance - Legal Proceedings and Judgments - Completion of Contracts - Debarment - Licenses	Pass or Fail
Part 3, Project Team Structure and Key Personnel ▪ Project Team Structure ▪ Key Personnel Experience and Qualifications	20%
Part 4, Relevant Project Experience ▪ Performance History and Experience ▪ Relevant Project Experience	20%
Part 5, Project Approach ▪ Main issues and challenges ▪ Innovative or alternative concepts ▪ Approach to schedule ▪ Approach to cost estimating ▪ Risk management approach ▪ Process for Phase 2 price proposal	20%
Appendix A, Forms for Affirmation of Compliance	Evaluated for Compliance
Appendix B, Supporting Financial and Company Documentation	Scored as part of Part 2
Appendix C, Resumes	Scored as part of Part 3
Appendix D, Draft PDB Contract Comments (optional)	Not Scored
Appendix E, Pricing Information ▪ Phase 1 NTE ▪ Phase 2 multipliers ▪ Phase 2 Design-builders fee	10%
Interview	25%

In ranking the Proposals and interview, the selection committee will use a 100-point scale, whereby the maximum points awarded for each of the evaluation criteria will be based on the percentage weight set forth in Table Y.

The selection committee will consider the non-price evaluation and complete its awarding of the non-price criteria points before opening and evaluating the pricing information.

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6.6 Selection

After the evaluation process is complete, the Owner will notify Proposers of the rankings. The top-ranked Proposer will be either selected for contract award based on its Draft PDB Contract comments or offered the opportunity to negotiate the final terms of the PDB Contract.

If negotiations with the top-ranked Proposer are not successful, the Owner may either select or negotiate with the second-highest-ranked Proposer (and so on for lower-ranked Proposers until either a contract is reached or negotiations with all ranked Proposers end).

After the contract is executed for Phase 1, but before a contract price agreement and execution of the Phase 2 agreement, the Owner also has the option to use the "Off-Ramp" and not have the Design-Builder construct the Project. Should the Owner choose the Off-Ramp, it will have the exclusive right to require the Design-Builder to complete the design and then proceed as with a traditional design-bid-build procurement.

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7. Conditions for Proposers

This section describes general conditions for Proposers.

7.1 Owner Authority

The Owner is a water district, public agency, organized and operating under the California Water District Law, Water Code section 34000 et seq. The procurement process for this Project is authorized under California Government Code sections 54201, 54202, and 54204, per the Owner's Purchasing Policy.

7.2 Ineligible Firms and Individuals

The following firms and individuals are serving in an advisory capacity to the Owner for this Project; therefore, they are not eligible to assist or participate with any Proposer that submits a Proposal for the Project:

- Jacobs

7.3 Conflict of Interest

The following laws mandate the public disclosure of certain information concerning persons doing business or seeking to do business with the Owner, including affiliations and business and financial relationships such persons may have with Owner officers.

Government Code section 1090

7.4 Proprietary Information

All materials submitted to the Owner become public property and are subject to Public Records Act requests. If the Proposal contains proprietary information that the Proposer does not want disclosed, each page containing such information must be identified and marked "PROPRIETARY" at the time of submittal. The Owner will, to the extent provided by law, endeavor to protect such information from disclosure. Failure to identify proprietary information will result in all unmarked sections being deemed nonproprietary and available upon public request. Proposers will not be permitted to mark the entire Proposal as proprietary.

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7.5 Rights of the Owner

In connection with this procurement process, including the receipt and evaluation of Proposals and award of the PDB Contract, the Owner reserves to itself (at its sole discretion) all rights available to it under applicable law, including without limitation, with or without cause, and with or without notice, the right to:

- Cancel, withdraw, postpone, or extend this RFP, in whole or in part, at any time before the execution of the PDB Contract, without incurring any obligations or liabilities.
- Modify the procurement schedule.
- Waive deficiencies, informalities, and irregularities in a Proposal, and accept and review a nonconforming Proposal.
- Suspend and terminate the procurement process or terminate evaluations of Proposals received.
- Permit corrections to data submitted with any Proposal.
- Hold meetings and interviews, and conduct discussions and correspondence with one or more of the Proposers to seek an improved understanding of any information contained in a Proposal.
- Seek or obtain, from any source, data that has the potential to improve the understanding and evaluation of the Proposals.
- Seek clarification from any Proposer to fully understand information provided in the Proposal and to help evaluate and rank the Proposers.
- Reject a Proposal containing exceptions, additions, qualifications, or conditions not called for in the RFP or otherwise not acceptable to the Owner.
- Conduct an independent investigation of any information, including experience, included in a Proposal by contacting Project references, accessing public information, contacting independent parties, or any other means.
- Request additional information from a Proposer during the evaluation of its Proposal.

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7.6 Obligation to Keep Project Team Intact

The Owner expects all Key Firms and Key Personnel proposed to be available to provide services for this Project. Proposers are advised that all Key Firms and Key Personnel identified in the Proposal will remain on the Project Team for the duration of the procurement process and execution of the Project.

The anticipated dates for award of the PDB Contract and for completion of the Project are set forth in Section 2.5 of this RFP. Key Personnel is committed to the Project for the Project duration, and changes may not be accepted unless they no longer work for the specific firm or the Owner otherwise agrees that a change is appropriate.

If extraordinary circumstances require a change, a request must be submitted in writing to the Owner contact, who, at their sole discretion, will determine whether to authorize a change, recognizing that certain circumstances (such as termination of employment) may occur that are beyond the Design-Builder's control.

7.7 Addenda

If any revisions to the RFP or procurement process become necessary or desirable (at the Owner's sole discretion), the Owner may issue written addenda. The Owner will issue any such addenda via PlanetBids. **It is each Proposer's responsibility to monitor PlanetBids and obtain all addenda before submitting its Proposal.**

An addendum is expected during the week of March 9, 2026, which will include a final version of the Mid-Pauba Groundwater Banking Project Preliminary Design Report (Attachment D, Document 1 of the RFP).

7.8 Protests

Any protest to an Owner's action in connection with this procurement must be filed in writing no later than five business days following such action and must be in strict accordance with the Owner's applicable procedures and with applicable law.

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Attachment A
Definition of Terms

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Attachment A. Definition of Terms

This attachment provides the definitions of some of the terms used in this Request for Proposal (RFP).

Design-Builder: The entity that will enter into the Progressive Design-Build (PDB) Contract with the Owner and that will be the single point of accountability to the Owner for delivering the services and the Project. The term *Design-Builder* can refer to either a single entity or a joint venture.

Draft PDB Contract: The draft contract, including all of its exhibits, presented as RFP Attachment C, Draft PDB Contract.

Key Firms: Firms fulfilling the main roles that must be identified in the Proposer's Proposal and are committed to work on the Project if the Proposer is selected as the Design-Builder.

Key Personnel: The individuals employed by the Design-Builder or Key Firms included on the Project Team, who would fill certain important roles in delivery of the Project and related services, including the positions described in the RFP.

Minimum Requirements: The requirements set forth in Section 6.3 of this RFP that, at a minimum, must be satisfied (or waived by the Owner) for the Proposal to be evaluated and ranked according to the comparative evaluation criteria.

Owner: Rancho Water

Owner Advisor: Jacobs

Project: Mid-Pauba Groundwater Banking Project [Project No. D2263]

Project Team: The Design-Builder, Key Firms (such as subcontractors and subconsultants), and Key Personnel identified in the Proposer's Proposal.

Proposal: A response to this RFP, submitted by a Proposer for the Project.

Proposer: The Design-Build entity responding to this RFP by submitting a Proposal.

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Attachment B
Scope of Progressive Design-Build Services

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Acronyms and Abbreviations

Acronym	Description
AACE	AACE International
AHJ	authority having jurisdiction
APN	Assessor Parcel Number
BIM	building information modeling
CCTV	closed-circuit television
CPM	critical path method
DDW	Division of Drinking Water
gpm	gallon(s) per minute
I&C	Instrumentation and Control
NTP	Notice to Proceed
Owner or District	Rancho California Water District
PDB	progressive design-build
PDR	Preliminary Design Report
Project	Mid-Pauba Groundwater Banking Project
RFP	request for proposals
RWQCB	Regional Water Quality Control Board
SCAQMD	South Coast Air Quality Management District
SWRCB	State Water Resources Control Board
TM	technical memorandum
UVDC	Upper Valle de los Caballos
WBS	work breakdown structure

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I. Phase 1 Services

Rancho California Water District (Owner) has elected to pursue the progressive design-build (PDB) delivery method for this Project. The Design-Builder will engage in the Project at the 10% design stage. The goal is to create a collaborative Project Team with the Owner, Jacobs (Owner Advisor), and Design-Builder to work seamlessly to successfully design and construct the proposed Project.

The purpose of this coordinated approach is to:

- Identify and mitigate risks
- Increase efficiency in the Project schedule and sequencing
- Enhance constructability and cost estimating
- Encourage creative solutions
- Streamline Project execution
- Maintain adequate operations during construction
- Achieve a high level of quality and cost control throughout the process

Phase 1 services include:

- Task 1, Project Management
- Task 2, Alternative Analysis, Optimization Study, and Technical Workshops
- Task 3, Permitting and Approvals
- Task 4, Survey and Field Investigations
- Task 5, Engineering Design Development
- Task 6, Preconstruction Services
- Task 7, Phase 2 Price Proposal Development
- Task 8, Design Contingency
- Task 9, Owner's Allowance

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II. Project Scope

The Project includes the following elements:

At the Mid-Pauba Location:

Prepare design documents for the construction of the following infrastructure on parcels APN 927-690-015 and APN 924-690-014:

Recharge basins.

Groundwater recharge basins on two adjacent parcels within an approximate 17-acre area. The selected firm will perform an analysis to maximize groundwater recharge, banking, and extraction operations and prepare design documents for the construction of the following infrastructure on Assessor Parcel Number (APN) 927-690-015 and APN 927-690-014 (Figure 1 in the request for proposals [RFP]):

- Recharge basins
- A disinfection facility
- Siting of two future production wells
- Supply connections
- Associated infrastructure

The recharge basins will be designed to a shallow depth and maximize the wetted area for recharge, given the land available, similar to the design of the Owner's Upper Valle De Los Caballos (UVDC) facility. The layout of the basins will need to consider the locations and access for two production wells that will be constructed in the future and must leave space around an existing reference monitoring well to minimize direct influence of recharge operations.

Monitoring wells.

- Design and construction of six monitoring wells at three locations at the site of the new Mid-Pauba recharge basins

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Offsite well.

- Design of well completion and associated facilities, construction, and equipping for one offsite new potable supply Well No. 178 at parcel APN 927-690-004. New piping from the new offsite well will connect to the new disinfection facility. The design of the new well is anticipated to be similar to nearby Well No. 223, which is approximately 300 feet deep, screened from 100 to 280 feet, and constructed with stainless steel casing and screen. Based on existing well yields in the vicinity, the Owner expects that a well yield of approximately 1,500 gallons per minute (gpm) is achievable for the new production well. PDB will finalize the design of the well and facilities based results of testing conducted during well construction and testing.

- Two future wells will be located on the same site as the recharge basins. The design and construction of the two onsite wells is not included in this Project, but the recharge basin and associated infrastructure design must account for their future construction. The design and construction of the future onsite wells are not included in the PDB scope.

Disinfection facility.

- Design and construction of a new disinfection facility. The centralized chloramine disinfection system will be capable of treating flow from the new production well and existing wells 223 and 236, and will be located on the Mid-Pauba property.

- The Owner expects that the Division of Drinking Water (DDW) will classify groundwater produced from these wells as groundwater; therefore, the disinfection system will be designed to achieve DDW disinfection requirements for potable supply from groundwater sources.

- The disinfection facility should include accommodation for a future phase that will include additional treatment for flows from two new onsite wells and existing Well 125, as well as space for a chlorine contact basin, if needed in the future.

Supply and system connections.

- Connection to the existing 48-inch diameter Metropolitan Water District raw water supply line located in De Portola Road along the Project frontage , with the following considerations:

- The new basins will recharge imported raw water from this connection.

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- Design and construct a connection to the raw water supply line for the 1470 pressure zone located in De Portola Road.
- Connection to the existing distribution system
- Supply conveyance between the wells and disinfection system
- Pump-to-waste conveyance between the new well and the recharge basins

Outside of the Mid-Pauba location:

- Conduct the following assessments.
- Optimization Study
- One of the District's objectives is to increase the District's reliability and flexibility of recharge operations by allowing for Quagga mussel treatment, conveyance, and storage of raw imported water impounded behind Vail Lake Dam. Use of the Vail Lake Gravity Drain may provide a cost-effective approach to achieve this objective. The Vail Lake Gravity Drain was installed approximately 80 years ago and is constructed of 24-inch-diameter reinforced-concrete pipe. The condition of the drain line between the UVDC facility and an access point near Pauba Road was assessed in 2008 and 2020. For this project, the condition of the drain line between its intersection with Del Portola Road and the western end of the previous condition assessment (approximately 5,000 linear feet) will be assessed. The combined results of the two assessments will be used to determine the repairs needed to put the drain line into service and the associated costs.
- Evaluation of existing and new infrastructure needed to optimize extraction and conveyance of recharged water to Vail Lake. The analysis will be conducted to evaluate feasibility and cost for connecting the drain line to pipelines associated with the Vail Lake Pump Station, which will allow the draft of water from Vail Lake via gravity into the drain line, and the improvements needed to use these flows to supply the Mid-Pauba recharge basins.
- As part of the Optimization Study, develop a plan to test the Vail lake Pump Station and its ability to operate over the range of proposed design points for review and approval by Rancho Water. If approved, Rancho Water will conduct the testing using the approved test plan.
- Based on the evaluation and Vail Lake PS testing, propose recommendations for any improvements needed for the PS to meet proposed design points.

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- Prepare design documents for the construction and/or rehabilitation of the following infrastructure:

New production wells.

- Design of well completion and associated facilities for two new production wells in the UVDC Pond 3 vicinity. New production wells will allow the District to extract recharged, untreated imported water from Pond 3.

System connections

- Design of new discharge piping to connect the two new wells to the Vail Lake Pump Station and also to the new chlorine contact tank at the UVDC, and new piping for pump-to-waste to the recharge basin. Design the connection of discharge piping from existing Well Nos. 152, 157, and 158 to the Vail Lake Pump Station. Design additional improvements based on the results of the Optimization Study.
- Design of new raw water turnouts: two to UVDC Pond 3 and one to UVDC Pond 1.
- Rehabilitation and modification of the existing Vail Lake pump station at UVDC Pond 3, including recommendations from the Optimization Study.

Phase 2 design activities include the 100% design of the facilities outside of the Mid-Pauba location. Phase 2 construction activities outside of the Mid-Pauba location may be authorized contingent on Owner approval.

1. Task 1, Project Management

The Design-Builder will:

1. Participate in a 4-hour Phase 1 Project kickoff meeting. Participants will include Key Personnel from the Owner, Owner Advisor, and Design-Builder teams.

2. Participate in an 8-hour partnering workshop with Owner and Design-Builder Key Personnel. Participants will include Key Personnel from the Owner, Owner Advisor, and Design-Builder teams.

3. Within 30 days of the Phase 1 Notice to Proceed (NTP), provide a Draft Project Management Plan that describes the PDB approach to Phase 1 services for review and comment. The format and level of detail for all documents, tools, and processes will be acceptable to the Owner. The plan will specifically address:

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- Team organization necessary to deliver Phase 1 services
- Communication protocols, document management and control, decision process, and dispute resolution matrix
- Proposed Cost Model format and organization; the agreed-upon Cost Model format and organization will be used as the basis for the following:
- Baseline Cost Model
- Interim updates
- Updates at each defined design milestone
- The Phase 2 Price Proposal
- Phase 1 schedule
- Proposed Project schedule format and structure
- Proposed format and process for the risk management risk register and process
- Proposed format and structure for the design, cost, and schedule trend management process for the Owner to provide input during Phase 1
- Building information modeling (BIM) and technology standards and processes for collaborating
- Minority business participation plan and approach **(if required, align language with Owner program requirements), including:**
- The Design-Builder will be required to comply with all applicable federal and state requirements associated with any grants or loans obtained from those sources
- The Design-Builder will be required to comply with applicable USBR grant requirements.
- Table of Contents for all plans defined in subsequent tasks, including:
- Procurement Plan
- Permitting and Approvals Plan
- Quality Management Plan
- Field Investigation Plan

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- Environmental Management Plan (Phase 2)
- Site Logistics Plan (Phase 2)
- Construction Emergency Response Plan and Site Safety Plan (Phase 2)

4. Based on Owner review and feedback, submit a Final Project Management Plan within 2 weeks of receiving Owner comments.
5. Participate in weekly 1-hour progress meetings to review Project status.
6. Submit monthly invoices; report Phase 1 planned against actual progress monthly.

1.1 Task 1 Deliverables:

- Draft and Final Project Management Plan
- Progress Meeting Minutes
- Monthly Invoices and Progress Reports

1.2 Task 1 Assumptions:

- 12-month Phase 1 duration
- Kickoff Meeting and Partnering Workshop are assumed to be in person and conducted at District Headquarters

All progress and coordination meetings are assumed to be a hybrid format, with a virtual option provided through Microsoft Teams, with the following assumptions:

- 12 monthly technical coordination meetings
- 52 weekly progress meetings
- 8 staff from the Design-Builder Team will attend each meeting, unless otherwise approved by Owner.

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2. Task 2, Alternative Analyses and Technical Workshops

The Design-Builder will perform an Optimization Study of various technical alternatives to allow the Owner to make decisions necessary to refine the scope of the Project before engineering design development. The Optimization Study will include:

- Gravity line rehabilitation alternatives. This analysis includes closed-circuit television (CCTV) inspection of approximately 6,400 feet of drain line and development of alternatives for rehabilitation of the existing gravity line, such as slip-lining or demolishing and replacing within the existing 10-foot wide easement. The alternatives will be considered for incorporation into the final design and inclusion in the Phase 2 scope of work.
- Design-Builder shall analyze anticipated groundwater recharge rates, estimated well extraction rates, groundwater levels, flow rates to Vail Dam, and capacity of the existing distribution system to optimize the proposed infrastructure to meet the Owner's expectations. The Design-Builder may propose additional analyses in their Proposal.
- As part of the Optimization Study, develop a plan to test the Vail lake Pump Station and its ability to operate over the range of proposed design points for review and approval by Rancho Water. If approved, Rancho Water will conduct the testing using the approved test plan.

The Design-Builder will schedule, prepare for, and conduct up to eight 4-hour technical workshops and meetings with the Owner throughout Phase 1. These technical meetings and workshops are in addition to the progress meetings required under Task 1. The scheduling and discussion topics for these workshops will be jointly agreed upon between the Owner and the Design-Builder and will be intended to facilitate and support Owner decision-making with respect to the Project configuration and design, permitting, and construction planning progression.

2.1 Task 2 Deliverables:

Deliverables for the Optimization Study should be aligned with the Owner review and decision-making requirements and may include:

- Optimization Study after and final, including Gravity line inspection results and gravity line rehabilitation alternatives draft and final technical memorandum

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- Recommendations for number of new wells based on estimated recharge rates, groundwater levels, capacity of distribution system, and conveyance of flows to Vail Lake for storage.
- Identification of any constraints with the joint operation of the UVDC recharge facility and the proposed Mid-Pauba recharge facility.
- Vail Lake Pump Station draft and final Pump Test Plan
- Technical workshop agendas and meeting minutes, including presentation materials

2.2 Task 2 Assumptions:

- Complete gravity pipeline inspection within 4 months of NTP and Optimization Study within 6 months of NTP.
- The Owner's review period is 15 working days.
- All technical workshops and meetings will be conducted in person at District headquarters. Assume eight staff from the Design-Builder team will attend each 4-hour technical workshop.

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3. Task 3, Permitting and Approvals

A preliminary Permitting and Approvals Plan is provided in the RFP, which identifies permits and approvals required in Phase 1.

3.1 Task 3.1, Permitting and Approvals Plan

The Design-Builder will identify, consult with, and analyze requirements of government authorities having jurisdiction (AHJs) to approve the portions of the Project described by the Design-Builder, including the following AHJs:

- County of Riverside
- South Coast Air Quality Management District (SCAQMD)
- State Water Resources Control Board (SWRCB)
- Utility agencies and others with easement rights on the two Mid-Pauba parcels

The Design-Builder will develop a draft Project Permitting and Approvals Plan consistent with Table 1 and including any other permits or approvals identified by the Design-Builder. The plan will identify and address all permits and approvals, including those being obtained by the Owner. The plan will include the following schedule details:

- When permits and approvals will be obtained during Phases 1 and 2
- When the Design-Builder will provide timely input and deliverables for the permits being obtained by the Owner
- When the Design-Builder will obtain permits for the Owner

For each identified permit and approval, the plan will include the following information:

- The name of the permit or approval
- Name and contact information for the AHJ responsible for issuing the permit or approval
- Name and contact information for individuals responsibilities (individuals) for developing the permit application and supporting technical information
- A summary of application and supporting technical requirements for each permit or approval

- A description of linkages to other permits or approvals and to decisions by the Owner and Design-Builder
- Expected AHJ review and approval durations and integration with the Project schedule, with identification of critical path reviews
- Permit and approval tracking procedures and responsibilities
- Protocols for incorporating permit and approval conditions into design and construction

The plan will also include the following schedule details:

- When permits and approvals will be obtained during Phases 1 and 2
- When the Design-Builder will provide timely input and deliverables for the permits being obtained by the Owner
- When the Design-Builder will obtain permits for the Owner
- Table 1. Anticipated Permits and Approvals

Permit	Issuing Agency	Description	Responsibility for Obtaining or Supporting the Permit Application Process
Construction General Permit	State Water Resources Control Board (online)	Complete SWPPP and file all required information (SMARTS database) prior to construction	PDB
Discharge Permit	Santa Ana Regional Water Quality Control Board	Low threat discharge to land associated with well development and other pre-operational testing	PDB
Domestic Water Supply Permit (Amendment)	State Water Resources Control Board – Division of Drinking Water (District 20)	Routine communications with DDW district engineer to ensure the public water system is in good standing	Owner
Dust Control Plan	South Coast Air Quality Management District	Follow Rule 403 requirements, which may include preparing	PDB

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Permit	Issuing Agency	Description	Responsibility for Obtaining or Supporting the Permit Application Process
		a formal dust control plan	
Encroachment Permit and Easements	Riverside County – Transportation Department	Needed for connections to existing lines within public roads	PDB
Power Request (New Service)	Southern California Edison	Not a permit but an important predecessor to operating new facilities	Owner
Well Completion Report	California Department of Water Resources	Submit report to DWR's online database (OSWCR)	PDB
Well Drilling Permit	Riverside County – Department of Environmental Health	Complete water well application, including plot plan and stormwater controls	PDB
Quitclaim of onsite easements	Southern California Edison	Quitclaim of onsite easements	Owner, with supporting information from PDB

A quitclaim easement template is provided in Attachment D of the RFP. The Design-Builder is expected to prepare the work, including legal descriptions, plats, and supporting documentation for this quitclaim easement form for the Owner to execute.

The Design-Builder must comply with all mitigation measures and reporting requirements per California Environmental Quality Act and National Environmental Policy Act environmental documentation.

The Design-Builder will provide the draft plan to the Owner for review and will submit it within 90 calendar days of the NTP. Within 15 working days following the receipt of Owner comments, the Design-Builder will revise the plan to address Owner comments.

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The Design-Builder will update the plan as Project development activities progress if such progression results in identifying additional permits or changes to the permitting requirements and durations. In addition, an updated Permitting and Approvals Plan will be provided to the Owner, along with the following documents:

- 30% Design Package
- 60% Design Package
- Phase 2 Price Proposal

3.2 Task 3.2, Secure Permits and Approvals Before Contract Price Amendment Issued

The Design-Builder will obtain, or support the Owner in obtaining, all permits and approvals required before the Contract Price Amendment is issued to support Project progression. The Design-Builder will:

- Actively monitor the status of permit and approval processing, and respond to requests for clarification, additional information, and application revisions by the approving entities.
- Attend meetings with the approving entities to expedite permit processing. Notify the Owner in advance of such meetings for possible Owner attendance.
- Attend meetings with regulatory agencies for ongoing coordination, including meetings with the SWRCB, DDW, and the Regional Water Quality Control Board (RWQCB).
- Report to the Owner once permits or approvals have been obtained.

3.3 Task 3 Deliverables

- Final Permitting and Approvals Plan
- Permitting Meeting Minutes
- Support Owner completion of permit applications
- Support Owner issuing draft and final permits

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3.4 Task 3 Assumptions

- Twelve 1-hour permitting coordination meetings will be conducted virtually using Microsoft Teams.
- Four staff from the Design-Builder Team will attend each meeting.
- Owner will pay all permit fees.

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4. Task 4, Survey and Field Investigations

The Design-Builder shall review the Owner-provided existing site data provided in Attachment D of the RFP. The Design-Builder may not rely on any historical engineering interpretations, opinions, or recommendations from the existing site information provided. The Design-Builder will identify, plan, and perform additional potholing, hydrogeologic investigations, survey, geotechnical and other field investigations needed to complete the following tasks:

- Support design development of the recharge basins and wells
- Validate existing site conditions and estimated recharge rates
- Support permit applications
- Identify subsurface conditions
- Quit-claim of unnecessary utility easements
- Assess the condition of existing facilities

The Design-Builder will develop and submit a proposed Survey and Field Investigation Plan, which will be reviewed and approved by the Owner before it is implemented.

4.1 Task 4 Deliverables

- Proposed Survey and Field Investigation Plan
- Topographic survey of the Project site, including survey services to support a parcel merger of the Owner's properties (APN 927690014 and APN 927690015) and to support a quitclaim deed for the Southern California Edison and other easements
- Aerial imagery
- Geotechnical Data Report
- Geotechnical Baseline Report
- Estimated recharge rates and well flow rates
- Schedule and documentation of additional site activities
- Potholing

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4.2 Task 4 Assumptions

- [To be completed by the Design-Builder]

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5. Task 5, Engineering Design Development

This section describes the subtasks that make up Task 5.

5.1 Task 5.1, Preliminary Design Report Updates and 30% Design Package

The Design-Builder will:

1. Review the Project requirements and consult with the Owner, as appropriate, to further clarify requirements for the Project, including the Owner's budget, the Owner's Project criteria, and available Owner-furnished information.

2. Evaluate the Project reference documents, including the Owner's Project criteria; and after consultation with the Owner, recommend to the Owner any modifications that, in the Design-Builder's judgment, would benefit the Project.

3. Prepare and submit a Draft Updates to Preliminary Design Report (PDR) Deliverable . The PDR Updates TM will include:

    - Updated Owner's Project criteria from the Owner-provided PDR and 10% design
    - Schematic layouts, sketches, and appropriate exhibits indicating the applicable requirements
    - Process flow diagrams, a hydraulic profile, and a description of the hydraulic analyses conducted
    - Recommended alternate solutions to optimize groundwater recharge, extraction of water, and conveyance of flows to Vail Lake without affecting operations at the UVDC recharge facility
    - Proposed procurement approach for long-lead equipment
    - Updated design criteria for all engineering disciplines, including:
    - Civil
    - Landscape
    - Geotechnical
    - Architectural
    - Structural

- Process Mechanical
- Building Mechanical
- Fire Protection
- Electrical
- Instrumentation and Control (I&C)
- Security

4. For the PDR Update TM and 30% Design Deliverable Package, the Design-Builder will:

   - Submit the draft for review
   - Schedule and facilitate a review meeting with the Owner to present the package and an overview of the initial cost model and Project schedule
   - Respond to Owner review comments

5. The Design-Builder will maintain and update the PDR Updates TM as necessary through 60% design. The Design-Builder will submit a final Basis of Design Report Package with the 60% Design Package, as described in Task 5.2.

6. Submit PDR Update TM and 30% Design, including:

   - PDR Update TM
   - Topographic survey and mapping of the entire Project site
   - Preliminary geotechnical information
   - 30% Drawings
   - 30% Specifications Table of Contents
   - 30% Design-Build Cost Model
   - 30% Design-Build Schedule
   - 30% Constructability Review Report
   - 30% Procurement and Buyout Plan
   - Updated Risk Register for Phases 1 and 2

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5.2 Task 5.2, 60% Design Package

After completion of the PDR Updates TM and 30% Design Package, the Design-Builder will proceed with further development and refinement of the design, including development and submittal of a 60% Design Package to the Owner for review and comment. The 60% Design Package will include all documents, drawings, and specifications required under this task or identified as being submitted along with the 60% design under other tasks. At a minimum, the 60% Design Package will include:

- Proposed revisions to the Owner's Project criteria
- Final adjudicated and accepted responses to the Owner's 30% review comments
- Final PDR Updates TM
- 60% Drawings
- 60% Specifications
- Draft Phase 2 Construction Emergency Response Plan and Site Safety Plan
- Draft Phase 2 Quality Management Plan
- Draft Preliminary Commissioning and Startup Plan
- Draft Preliminary Acceptance Test Plan, which will identify any proposed changes to the Project performance standards included in Attachment E of the RFP template
- Draft Maintenance of Plant Operations Plan.
- Draft Preliminary Operations and Maintenance Staff Training Plan
- Permit Logs
- 60% Design-Build Cost Model, including drawdown schedule
- Design-Builder Proposed Contingency Justification, based on the updated construction risk register
- 60% Design-Build Schedule
- 60% Constructability Review Report
- 60% Procurement and Buyout Plan

5.3 Task 5.3, Baseline Document Design Package

For each Phase 2 Contract Price Amendment, the Design-Builder will assemble the applicable design drawings, specifications, and other information necessary to document the basis of the Phase 2 Contract Price Amendment. The Baseline Document Design Package will incorporate the adjudicated Owner review comments from all earlier Design Package submissions.

5.4 Task 5.4 - Coordination Plan

Additional infrastructure will be delivered by Rancho Water as part of the Vail Dam Replacement Project and will interface directly with the Project. This document shall include analyzing upcoming construction activities at the UVDC property from the Vail Dam Rehabilitation Project.

The Design-Builder will develop a Coordination Plan and will work closely with the Owner and the Designers and Contractors of the other project to coordinate the following:

- Sequence of construction and tie-in points
- Design and construction schedule coordination
- Haul locations and sequencing
- Laydown areas

The Coordination Plan will also include construction considerations for the Mid-Pauba site, including:

- Sequence of construction and tie-in points for the 48” raw water line and existing wells
- Design and construction schedule coordination
- Testing and commissioning plans, requirements, and schedules
- Temporary bypasses, structures, piping, and pumping to route water during testing and commissioning
- Electrical power supply and distribution
- Ancillary process support systems
- Contractor access, office trailers, and laydown areas

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- Site access, traffic flow, and parking

5.5 Task 5 Deliverables

- Draft PDR Updated TM and 30% Design Package
- 60% Design Package
- Final PDR Updates TM
- Baseline Document Design Package
- Coordination Plan

5.6 Task 5 Assumptions

- PDR Updates and 30% Design Package, 60% Design Package, and Baseline Document Design Package review meetings (in addition to Task 1 and Task 3 meetings) are assumed to be 8 hours in duration and conducted in person at the Owner's Headquarters.
- Twelve staff from the Design-Builder Team will attend each meeting.
- The Owner review period for Task 5 deliverables is 20 working days.

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6. Task 6, Preconstruction Services

This section describes the tasks that make up Task 6.

6.1 Task 6.1, Cost Estimating

Throughout Phase 1, the Design-Builder will develop and maintain the Project Cost Model using industry standard cost-estimating software. As part of this task, the Design-Builder will complete the following:

1. Develop and submit a Baseline Project Cost Model based on the PDR Updates TM and 30% design documents. The Baseline Project Cost Model will identify all Project tasks and include a preliminary work breakdown structure (WBS) needed to complete the Project and estimate the costs, duration, and sequence of tasks to the Project Team. The Cost Model will be based on a detailed labor and material type cost estimate, consistent with AACE International (AACE) practices. The Design-Builder should include the following with the Baseline Project Cost Model package:

    - Baseline Project Cost Model
    - Baseline Schedule
    - Draft Site Logistics Plan
    - Draft Construction Emergency Response Plan and Site Safety Plan
    - Draft Quality Management Plan that conforms to the Contract Documents
    - Draft Environmental Management Plan detailing programs for a Stormwater Pollution Prevention Plan and handling other environmental issues, such as dust or onsite chemicals and fuel, if required to comply with permits and regulations applicable to the Project

2. After submission of the Baseline Cost Model, hold monthly review workshops with the Owner to review the Design-Builder's observations and recommendations. Attendees include, at a minimum:

    - Project Manager
    - Engineering Manager
    - Preconstruction Manager
    - Lead Estimator

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- Construction Manager
- Other necessary personnel

3. In conjunction with the Owner's initial risk register, develop and maintain a Project risk register during Phase 1. Lead monthly 1-hour meetings with the Owner to update risks, mitigation activities, and potential cost and schedule impacts. The risk register will be used to inform and develop appropriate and Project-specific contingency values throughout Phase 1 development.

4. Develop and submit an updated Cost Model at design milestones for the Owner's formal evaluation and review, as follows:

   - 30% Design-Build Cost Model: Based on 30% design, including identification of construction phasing concepts that would result in schedule savings. Identify material or equipment prepurchases and their costs. Identify risks and benefits associated with construction phasing concepts.
   - 60% Design-Build Cost Model: Based on 60% design, including identification of construction phasing concepts that would result in schedule savings. Identify material or equipment prepurchases and their costs. Identify risks and benefits associated with construction phasing concepts.

5. Develop and maintain a Design Trend Log and Cost Trend Log. These logs may be separate or combined with other decision logs based on the needs of the Project Team. These logs will track the following items:

   - Potential cost-saving proposals
   - Value engineering concepts
   - Risk mitigation concepts
   - Owner-approved changes ultimately approved by the Owner
   - All major changes from the Baseline Cost Model that arise as part of the design evolution process

For each item, the Design-Builder will identify options for resolving the change and, in a timely fashion, estimate the cost and schedule impact associated with adopting the change to support evaluation of the change. The log will allow for consistent tracking of deviations from the Project baseline cost and schedule. Items will be reviewed with the Owner monthly during design. Promptly advise the Owner through the Cost Trend Log when the Cost Model is trending greater than the Owner's available funding limit.

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6. After each formal Cost Model submission, work with the Owner to review and reconcile comments, and identify and update Project risk allocations and usage.

6.2 Task 6.2, Design-Build Schedule

The Design-Builder will:

1. Develop and submit a baseline Design-Build schedule. Incorporate permit application submittals, issuance, and compliance into the baseline schedule to be submitted within 45 days of NTP. The baseline design-build schedule will be a critical path method (CPM) schedule and will identify all critical path activities, including long-lead equipment procurement items, if any, and provide recommendations to the Owner to optimize the schedule and prevent or minimize Project delivery impacts, including consideration of multiple work packages, early equipment procurement, and other cost and schedule mitigation approaches, if required by the Project schedule. The Design-Builder will demonstrate and justify the basis for all work packages or phased construction price proposals.

2. Submit the updated CPM schedule at the following design milestones for formal evaluation and review by the Owner:

   - 30%
   - 60%
   - Phase 2 Contract Price Amendment

6.3 Task 6.3, Constructability Reviews

The Design-Builder will provide constructability reviews of the design as it progresses and at the 30% and 60% design submittal milestones. As part of design review meetings, the Design-Builder will highlight the following information:

- Potential constructability issues
- Cost- and schedule-saving alternatives
- Design-Builder's recommendations

Follow-up activities will be conducted, as needed, to resolve issues.

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The Design-Builder will provide formal value engineering and constructability reviews at the 60% design milestone. The Design-Builder will also compile comments in a tabular format acceptable to the Owner with supporting documentation necessary to convey intent, including:

- Descriptions
- Sketches
- Drawings
- PDF markup
- Microsoft PowerPoint presentation

6.4 Task 6.4, Procurement Plan

The Design-Builder will:

1. Submit a Draft Procurement and Buyout Plan within 30 days of issuance of the 30% design deliverable, addressing the following:
    - Approach for packaging the work and identification of the work that the Design-Builder intends to self-perform. Identify and recommend which work, if any, should be procured through value-based competitive selections instead of low-bid selection.
    - Approach to engage and encourage participation from minority certified or local firms.
    - The criteria (qualifications and price) that will be used to analyze competitive bids for each element of the work.
    - All procurement procedures, which will be in compliance with Owner procurement rules, as defined in the contract.
2. Update the plan with each design deliverable.
3. Develop bid packages that align with the proposed sequence of work for efficient implementation and to encourage market interest.
4. This includes evaluation and consideration of multiple Phase 2 Contract Price Amendments and early procurement or work packages, if required by the Project schedule.

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5. Actively "premarket" the Project with local trade subcontractors, equipment vendors, and material suppliers to increase awareness and interest in submitting competitive bids and quotes. Conduct prequalification activities, as appropriate.

6. The Owner will provide input and feedback on each iteration of the Draft Procurement and Buyout Plans.

6.5 Task 6 Deliverables

- Baseline Project Cost Model Package
- Design and Cost Trend Logs
- Draft Procurement and Buyout Plans

6.6 Task 6 Assumptions

- PDR Updates TM and 30% Design Package, 60% Design Package, and Baseline Document Design Package constructability review meetings (in addition to previously identified meetings) are assumed to be 4 hours in duration and conducted in person at District Headquarters.
- Eight staff from the Design-Builder Team will attend each meeting.

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7. Task 7, Phase 2 Price Proposal Development

The Design-Builder will:

1. Prepare a detailed Phase 2 Price Proposal, meeting the requirements described in Article 6 – Cost of Construction Work of the PDB Contract, with the following information:

    - An open-book line-item cost breakdown on subcontracted and self-performed work
    - Contingency (with its basis)
    - Any clarifications, assumptions, or qualifiers based on the 60% design milestones

2. Lead collaborative review of the Phase 2 Price Proposal. Assume two 4-hour workshops with the Owner to review details of the Proposal, including:

    - Results of procurement activities
    - Differences from previous Cost Models
    - Work approaches that serve as the basis for production rates and activity durations
    - Basis for proposed contingency

Assume participation by the Design-Builder's major subcontractors (if part of the Project Team), as appropriate.

7.1 Task 7 Deliverables

- Phase 2 Price Proposal

7.2 Task 7 Assumptions

- Workshops (in addition to previously identified meetings) are assumed to be 4 hours in duration and conducted in person at the District Headquarters.
- Eight staff from the Design-Builder Team will attend each workshop.

8. Task 8, Design Contingency

A design contingency is allowed and will be used to cover unknown conditions such as design changes in scope or due to errors and omissions; or necessary construction changes that are realized on-site during construction. The Design-Builder shall clearly itemize design contingency for Phase 1 and Phase 2 in Price Proposals. Design Contingency shall be shown as a separate number outside the Phase 1 and Phase 2 Price Proposals. Any unused design contingency will be considered a shared savings and split evenly between the Owner and Design-Builder.

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9. Task 9, Owner Allowances

The Owner has set aside a project allowance to be managed by the Owner to cover project elements with unknown costs at this time. Items and costs covered under Owner Allowances will be finalized during negotiations. Owner will develop and track allowance usage on the Project. This includes regular updates on allowance remaining as well as the process and approvals required for using allowances.

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III. Phase 2 Services

Phase 2 services are anticipated to include the following:

10. Task 1, Project Management

The Design-Builder will:

1. Provide all Key Personnel identified in the RFP and other personnel necessary to fully meet the Design-Builder's obligations for construction services.

2. In conformance with the PDB Contract, obtain the necessary bonds and insurance.

3. Within 45 days after the Phase 2 NTP, update and implement required plans.

4. Convene and facilitate one Phase 2 kickoff meeting.

5. Obtain construction permits, and coordinate with various local and state agencies, as necessary.

6. Implement procedures for the tracking, review, and approval of the following deliverables:

    - Submittals
    - Shop drawings
    - Pay requests
    - Change orders
    - Requests for information

7. Manage shop drawing preparation for permanent equipment and materials to be incorporated into the Project.

8. Continue development of the CPM Project schedule, adding levels of detail to properly manage the work and to record actual construction progress. Monitor and update the construction schedule weekly; prepare 3-week look-ahead work schedules consistent with the overall schedule.

9. Review and process all pay applications from subcontractors.

10. Conduct monthly progress meetings to be attended by the Owner, onsite subcontract trade forepersons, or superintendents.

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11. Develop and implement an approach to managing and tracking contingency and allowance usage on the Project. This includes regular updates on levels of contingency and allowances remaining, as well as the process and approvals required for using contingency or allowances.

12. Prepare and submit timely monthly progress reports and invoices with current cost and schedule information.

11. Task 2, Design Completion

The Design-Builder will advance the design to 100% completion, considering all comments and revisions required by permitting agencies and as suitable for construction. The number of packages will depend on the phasing plan accepted by the Owner. The 100% Design Package will include:

- Final plans and specifications consistent with a typical 100% design milestone, stamped and signed by the Engineer of Record, registered in the state of California

Phase 2 construction activities outside of the Mid-Pauba location may be authorized contingent on Owner approval.

12. Task 3, Construction

The Design-Builder will:

1. Perform construction in strict accordance with the PDB Contract and design documents.

2. Set and maintain the site safety standards, policies, and procedures starting in construction and carrying through commissioning and startup.

3. Provide engineering oversight to affirm construction in accordance with design documents.

4. Maintain the Project site, including:

    - Controlling stormwater runoff
    - Controlling dust
    - Removing refuse
    - Providing temporary utilities

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5. Participate in public outreach meetings throughout the project duration. Assume participation in six outreach meetings.

6. Establish and implement procedures to track, expedite, and process all submittals, change orders, and requests for information.

7. Develop, review, and process shop drawings and other documents.

8. Procure material and equipment to support construction activities and trade subcontractors.

9. Coordinate and manage all construction for all required facilities, appurtenances, site improvements, and other associated work in accordance with the contract documents without exceeding the guaranteed maximum price and the specified contract time.

10. Coordinate regular inspections of all construction work performed by the Design-Builder and its subcontractors to conform with the contract documents and Quality Management Plan.

11. Coordinate work efforts with the Vail Dam contractor to avoid construction and scheduling conflicts.

12. Maintain current copies of Project record drawings at the Project site, including all subcontracted work.

13. Prepare and coordinate maintenance of plant operations plans with the Owner during construction.

13. Task 4, Testing, Commissioning, and Startup

The Design-Builder will:

1. Expedite and coordinate delivery, storage, security, and installation of Owner-procured material and equipment, as applicable.

2. Develop, coordinate, and manage a commissioning, startup, and testing plan, as necessary, for the Owner to accept the Project as completed and ready to use.

3. Lead commissioning and process startup.

4. Develop operations and maintenance manuals for improvements.

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5. Train Owner staff and develop standard operating procedures and maintenance requirements.

6. In collaboration with the Owner, provide the appropriate information to update and maintain the Owner's asset management system, if required.

7. Complete all Phase 2 work, including testing, commissioning, and acceptance testing as defined by the PDB Contract.

14. Task 5, Warranty and Closeout

The Design-Builder will:

1. Supervise and manage the warranties provided to the Owner for the equipment and construction work.

2. Gather warranty work items from the subcontractors and vendors, and provide these to the Owner upon final completion of the Project.

3. Close out construction permits issued to the Design-Builder.

4. Conduct a walk-through with the Owner to make sure that the Owner and Design-Builder agree that Phase 2 work is substantially complete before the warranty period defined in the PDB Contract goes into effect.

5. Implement closeout procedures necessary for the Owner to accept the Project as being finally complete; provide lien waivers from the Design-Builder and its subcontractors and material suppliers.

6. Complete any warranty work during the specified warranty period.

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Attachment C
Draft Progressive Design-Build Contract

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Attachment C. Draft Progressive Design-Build Contract

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[INSERT AGENCY NAME]

PROGRESSIVE DESIGN-BUILD CONTRACT DOCUMENTS FOR

[INSERT NAME] PROJECT

Contract No. _____

[*INSERT AGENCY NAME***]**
[*INSERT ADDRESS***]**

Template

WARNING:

THIS IS A TEMPLATE ONLY.

FOR EACH PROJECT, THE CONTRACT MUST BE REVIEWED AND REVISED TO CONFORM WITH, AMONG OTHER THINGS, PROJECT REQUIREMENTS, LOCAL PROCUREMENT RULES, FEDERAL AND STATE FUNDING SOURCES, AND PREFERENCES OF THE LOCAL AGENCY

Template

PROGRESSIVE DESIGN-BUILD CONTRACT
BETWEEN [INSERT AGENCY NAME] AND [INSERT DESIGN-BUILDER NAME] FOR THE [INSERT]PROJECT

This Progressive Design-Build Contract ("Contract") is made and entered into this ___ day of _____, 202_ ("Effective Date") by and between the [***INSERT AGENCY NAME***] (hereinafter referred to as "Agency") and [***INSERT DESIGN-BUILDER NAME***] (hereinafter collectively referred to as "Design-Builder"). Agency and Design-Builder are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

A. Agency is a public agency of the State of California and is in need of design and construction for the [***INSERT NAME OF PROJECT***] ("Project"), which will include two phases: (1) preconstruction design phase services ("Phase 1"); and (2) final design services and construction services to complete the Project ("Phase 2"), each of which are more fully described in the Contract Documents (collectively, "Services" or "Work").

B. Agency is authorized by Public Contract Code section 22185 *et seq*. to use progressive design-build contracting on the Project and issued a request for qualifications ("RFQ") to interested and qualified teams to submit statements of qualifications ("SOQs").

C. Agency determined that Design-Builder's SOQ provided the best value to Agency and the Agency Board has awarded the Contract to Design-Builder.

D. During Phase 1, Design-Builder shall perform Phase 1 Services consistent with the requirements of the Contract Documents, during or after which Design-Builder shall prepare and propose to Agency on an Open Book Basis a Guaranteed Maximum Price ("GMP") to complete Phase 2 Services and, if accepted by Agency, the Parties shall enter into an amendment to the Contract for Design-Builder's performance of Phase 2.

E. In entering into the Contract, the Parties expressly agree that Agency is under no obligation to proceed with Phase 2.

F. Design-Builder warrants and represents that it is duly licensed in the State of California and is able and qualified to perform the Services for the Project.

G. The Parties desire to enter into the Contract for the purpose of setting forth the terms and conditions upon which Design-Builder will complete the Project.

TERMS

1. CONTRACT DOCUMENTS.

1.1 Incorporation of Recitals; Contract Documents.

(a) The above referenced recitals are true and correct and are incorporated into the Contract by this reference. This Contract includes and hereby incorporates in full by

Template

reference the following documents which are the "Contract Documents", including all exhibits, drawings, specifications and documents therein, and attachments and addenda thereto:

[***INSERT ADDITIONAL DOCUMENTS OR REMOVE DOCUMENTS LISTED IF NOT APPLICABLE TO THIS CONTRACT; THEN REMOVE THIS***]

(i) Progressive Design-Build Contract

(ii) General Conditions (**Attachment 1**)

(iii) Phase 1 Scope of Services (**Attachment 2**)

(iv) Special Conditions (**Attachment 3**)

(v) Design-Builder's Cost Proposal Form (**Attachment 4**)

(vi) Task Order for Phase 1 Services (**Attachment 5**)

(vii) Performance Bond (**Attachment 6**)

(viii) Payment Bond (**Attachment 7**)

(ix) GMP Amendment (**Attachment 8**)

(x) Design-Builder's SOQ

(xi) RFQ and all addenda, attachments and appendices

(xii) GMP Amendment

(xiii) Change Orders

(xiv) Permits

(xv) Construction Documents

1.2 Use of Defined Terms. Any capitalized term herein not defined in the Contract, or other Contract Documents, shall have the meaning set forth in the General Conditions.

1.3 Integration/Modification. The Contract Documents and any documents specifically incorporated by reference are completely integrated as the complete and exclusive statement of the terms of the Contract. This Contract supersedes all previous contracts, agreements, and/or communications, both oral and written, and constitutes the entire understanding of Agency and Design-Builder. No extrinsic evidence whatsoever shall be admissible or used to explain or supplement the terms of the Contract, Contract Documents, or any items incorporated by reference.

2. DESIGN-BUILDER'S SERVICES AND RESPONSIBILITIES.

2.1 Phase 1.

[***THIS PROCESS CAN BE MODIFIED TO REMOVE THE USE OF TASK ORDERS***]

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(a) Phase 1 Services. Design-Builder promises and agrees to furnish to Agency all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately perform Phase 1 and complete Phase 1 Services consistent with the requirements in the Contract Documents. The Phase 1 Services are more particularly in the Contract Documents, including, without limitation, Attachment 2.

(b) Phase 1 Task Orders. Phase 1 Services shall be performed pursuant to Task Orders issued in a form substantially similar to the sample Task Order form attached hereto and shall be subject to all terms and conditions of the Contract Documents. No compensation shall be provided for any Phase 1 Services unless authorized by a fully executed Task Order.

(c) Phase 1 Commencement. Design-Builder shall commence the performance of Phase 1 Services upon Agency's issuance of a Task Order to complete certain Phase 1 Services in accordance with the Contract Documents. Agency has no obligation to issue a Task Order for Phase 1 Services. All Phase 1 Services performed by Design-Builder prior to Agency's issuance of a Task Order shall be at Design-Builder's sole risk.

(d) Phase 1 Term. Design-Builder shall commence the performance of Phase 1 upon Agency's issuance of a Notice to Proceed and shall complete the Phase 1 Work within [***INSERT CALENDAR DAYS***] Days of Agency's issuance of the Notice to Proceed. Design-Builder shall not be entitled to any costs due to any impacts, disruption, or delays occurring during performance of Phase 1 Services. If Agency or any other party exceeds or fails to meet any time limit provided in the Contract Documents for performance of any action during Phase 1 Services, Design-Builder's sole remedy shall be an adjustment of the time period for performance of Phase 1 Services. Any delay that occurs during Phase 1 shall have no impact on Agency's right to terminate Phase 1 at any time as provided in the General Conditions.

(e) Early Purchase Items; Early Construction Packages. The Parties may agree to have Design-Builder procure Early Purchase Items and perform Early Construction Packages prior to commencing Phase 2.

2.2 Phase 2.

(a) Guaranteed Completion Date. Design-Builder shall complete Phase 2 within the Guaranteed Completion Date. As of the Effective Date, the Guaranteed Completion Date has not been agreed to by the Parties. The Guaranteed Completion Date will be established in a GMP Amendment and it shall run from the Notice to Proceed for Phase 2 even if issued prior to completion of the 100% Construction Documents.

(b) Commencement of Phase 2. Design-Builder shall not commence Work for Phase 2 until Agency executes a GMP Amendment and issues a Notice to Proceed for Phase 2. Design-Builder may request a Notice to Proceed with Construction Work prior to completion of the 100% Construction Documents, and Agency may issue same, provided that Design-Builder shall not construct any portion of the Project until the design of such portion has been issued for construction.

(c) Work Packages. Agency and Design-Builder may agree to complete the Construction Work in multiple stages with individual Work Packages. Each Work Package would be a discrete and defined portion of the Project that includes its own GMP and Milestone Date, agreed to by the Parties in a GMP Amendment. Agency may issue Work Packages that Design-Builder can perform concurrently.

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3. DESIGN-BUILDER'S COMPENSATION.

[***THIS PROCESS CAN BE MODIFIED ON A PROJECT BY PROJECT BASIS. FOR EXAMPLE, THE WORK MAY OCCUR IN PHASES, REQUIRING PHASED PRICING. OR, THE COMPONENTS OF THE PHASE 1 COMPENSATION CAN BE REVISED. THE DEFAULT IS LUMP SUM PRICING***]

3.1 Phase 1 Compensation.

(a) Agency shall pay Design-Builder a lump sum amount of **[***INSERT AMOUNT***] Dollars($_____)** for performance of the Phase 1 Services based on the Work satisfactorily performed and accepted by Agency pursuant to the Contract Documents, subject to any additions or deductions as provided in the Contract Documents ("Phase 1 Fee"). The Phase 1 Fee includes any and all costs and expenses required to provide the Phase 1 Services. Agency shall not be liable to Design-Builder for any other costs or expenses paid or incurred by Design-Builder in performing Phase 1 Services, except as expressly provided for in the Contract.

[***IF PAYMENT FOR PHASE 1 IS BASED ON TIME AND MATERIALS, REMOVE SECTION 3.1(a) ABOVE AND REPLACE WITH THE FOLLOWING, OTHERWISE REMOVE THIS AND THE BELOW:

(a) Agency shall pay Design-Builder a total not to exceed amount of **[***INSERT AMOUNT***] Dollars($_____)** for performance of the Phase 1 Services based on the work satisfactorily performed and approved by Agency pursuant to the Contract Documents and at the rates and manner set forth in Design-Builder's Cost Proposal Form, subject to any additions or deductions as provided in the Contract Documents ("Phase 1 Fee"). For the purposes of the Contract, the billing rates will remain effective through the entire term of the Contract. Design-Builder will be reimbursed for hours worked at the hourly rates specified in Design-Builder's Cost Proposal Form. Design-Builder will be reimbursed for direct costs not covered by the billing rates. The reimbursable direct costs are identified in Design-Builder's Cost Proposal Form. The Phase 1 Fee includes all costs and expenses for all time and materials required and expended to provide the Phase 1 Services. Agency shall not be liable to Design-Builder for any costs or expenses paid or incurred by Design-Builder in performing Phase 1 Services, except as expressly provided for in the Contract.

(b) There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized for Phase 1 Services. Each Task Order shall include a not to exceed amount for that Task Order and the final Phase 1 Fee shall be comprised of the aggregate amounts of each Task Order.

3.2 Phase 2 Compensation.

(a) Construction Phase Compensation. Design-Builder's compensation for Phase 2 Services shall be the Phase 2 Price as further described, and subject to, the limitations set forth below and as indicated in the Contract Documents. Design-Builder expressly agrees and acknowledges that, as of the Effective Date, Design-Builder is not entitled to any compensation for Phase 2 Services, and shall only be entitled to such compensation if: (1) Agency accepts the Design-Builder's GMP Proposal; (2) the Parties execute, and the Agency Board approves, a GMP Amendment; and (3) Agency issues a Notice to Proceed for Phase 2.

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4. DESIGN-BUILDER'S CONTRACTOR'S LICENSE AND REGISTRATION.

Design-Builder shall have only appropriately licensed contractors performing work on the Project as required by the Business and Professions Code. Design-Builder (License No. CA#_____) shall act as the licensed contractor for the Project. Design-Builder shall perform all services required under the Contract Documents in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals qualified to perform such services in the same discipline in the State of California, and the Design-Builder shall be fully responsible to Agency for any damages and/or delays to the Project as specified in the Contract. The licensed contractor shall be registered with the Department of Industrial Relations to perform public work (DIR Registration No. _____).

5. DESIGN-BUILDER'S DESIGN PROFESSIONAL.

Design-Builder shall name a specific person to act as the Design Professional as described in the General Conditions, subject to the approval of Agency. Design-Builder hereby designates [***INSERT NAME***] **(License No.: CA#_____)** to act as the Design Professional for the Project. Design-Builder's Design Professional shall perform all Design Work required under the Contract Documents in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals qualified to perform such services in the same discipline in the State of California, and Design-Builder shall be fully responsible to Agency for any damages and/or delays to the Project as specified in the indemnification provisions of the Contract. Any change in the Design Professional shall be subject to Agency's prior written approval, which approval shall not be unreasonably withheld. The new Design Professional shall be of at least equal competence as the prior Design Professional. In the event that Agency and Design-Builder cannot agree as to the substitution of a new Design Professional, Agency shall be entitled to terminate the Contract as described in the General Conditions.

6. AUTHORITY OF SIGNATORIES.

The persons executing the Contract on behalf of their respective Parties represent and warrant that they have the authority to do so under law and from their respective Parties.

[SIGNATURES ON NEXT PAGE]

Template

SIGNATURE PAGE TO PROGRESSIVE DESIGN BUILD CONTRACT BETWEEN THE [*INSERT AGENCY NAME***] AND [***INSERT DESIGN-BUILDER NAME***]**

IN WITNESS WHEREOF, the Parties hereby execute this Progressive Design-Build Contract as of the Effective Date.

[***INSERT AGENCY NAME***]

By: _____
[INSERT NAME]
[INSERT TITLE]

ATTEST:

By: _____
[INSERT NAME]

APPROVED AS TO FORM:

By: _____
[INSERT NAME]

[***INSERT NAME OF DESIGN-BUILDER***]

[IF CORPORATION, TWO SIGNATURES, PRESIDENT **OR** VICE PRESIDENT **AND** SECRETARY **OR** TREASURER **REQUIRED**]

By: _____

Its: _____

Printed Name: _____

[DELETE THE FOLLOWING SIGNATURE LINE IF NOT **REQUIRED**]
By: _____

Its: _____

Printed Name: _____

_____
Contractor's License Number

_____
DIR Registration Number

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ATTACHMENT 1
GENERAL CONDITIONS

Template

ARTICLE 1 - DEFINITIONS; TERMINOLOGY

1.1 Applicability.

A. These General Conditions govern Phase 1, Phase 2, and completion of the Project by Design-Builder.

1.2 Defined Terms.

A. Wherever used in the Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined below, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.

1. Act of God – Act of God is an earthquake of magnitude 3.5 or higher on the Richter Scale or a tidal wave.

2. Additional Work – New or unforeseen work when Agency's Representative determines that it is not covered by the Contract Documents.

3. Agency Board – The board of directors that govern the Agency.

4. Agency's Representative – The person designed by Agency to act as its representative during the performance of the Contract, and identified in the Special Conditions, or other person authorized to act for and on behalf of Agency, acting either directly or through properly authorized agents, such agents acting severally within the scope of the particular duties entrusted to them.

5. Allowance – A sum used by Agency for categories of Construction Work that cannot be established at the time of a GMP Amendment.

6. Applicable Laws – The laws, statutes, ordinances, rules, codes, regulations, permits, and licenses of any kind, issued by local, state or federal governmental authorities, or private authorities with jurisdiction (including utilities), to the extent they apply to the Project.

7. Background Documents – Key documents provided to Design-Builder prior to the commencement of Phase 1 to further understand the requirements of the Project. Background Documents are not a Contract Document.

8. Certificate of Final Completion – A certificate issued by Agency that the Work is entirely complete and in all respects is in compliance with the Contract Documents, including, but not limited, to the Punch List for the Work, as further described in the Contract Documents.

9. Change Order – A document that authorizes an addition, deletion, or revision in the Work or an adjustment in the Phase 1 Fee, GMP, Phase 2 Price or the Contract Time in accordance with the Contract Documents and in the form contained in the Contract Documents.

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10. Change Order Request – A request made by Design-Builder for an adjustment in the Phase 1 Fee, GMP, Phase 2 Price or Contract Time as the result of a Design-Builder-claimed change to the Work.

11. Claim – A demand or assertion by Agency or Design-Builder seeking an adjustment of the Phase 1 Fee, GMP, Phase 2 Price, Contract Time, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.

12. Concurrent Delay – When the Agency-caused delay to the Critical Path occurs simultaneously with a Design-Builder caused delay to the Critical Path.

13. Construction Documents – The Drawings and Technical Specifications prepared by Design-Builder for the Project and accepted by Agency. The Construction Documents shall set forth in detail all items necessary to complete the construction (other than such details customarily provided by others during construction) of the Project in accordance with the Contract Documents. Following commencement of Phase 2, Construction Documents become part of the Contract Documents upon their completion and acceptance by Agency. All amendments and modifications to the Construction Documents must be approved by Agency in writing.

14. Construction Work – That portion of the Work on the Project consisting of the provision of labor, materials, furnishings, equipment and services in connection with the construction of the Project as set forth in the Contract Documents.

15. Contract – The entire integrated written agreement between Agency and Design-Builder concerning the Work. "Contract" may be used interchangeably with "Agreement" in the Contract Documents.

16. Contract Price – The sum total of all compensation due to Design Builder for all Phase 1 Services and Phase 2 Services under the Contract.

17. Contract Time – The number of days or the dates stated in the Contract Documents or GMP Amendment to achieve defined Milestone Dates, if any, and to complete the Work by the Guaranteed Completion Date.

18. Critical Path – A sequence of logically tied activities that represents the longest path within a project, which determines the shortest possible duration. Any delay of activity completion along this path will proportionately affect the completion date of the project.

19. CPM Schedule – A scheduling method that uses a network diagram to depict the sequences of tasks required to complete the Project, or a portion thereof, which are known as paths. Once the paths are defined, the duration of each path is calculated by an algorithm to identify the Critical Path, which determines the total duration of the Project, or a portion thereof.

20. Critical Supply Shortage – An unusual shortage in materials that is (a) supported by documented proof that Design-Builder made every effort to obtain such materials from all available sources; (b) such shortage is due to the fact that such materials are not physically available from single or multiple sources or could have

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been obtained only at exorbitant prices entirely inconsistent with current and standard rates taking into account the quantities involved and the usual industry practices in obtaining such quantities; and (c) such shortages and the difficulties in obtaining alternate sources of materials could not have been known or anticipated by Design-Builder at the time it entered a GMP Amendment. Market fluctuations in prices of materials, whether or not resulting from a Force Majeure Event, does not constitute a Critical Supply Shortage.

21. Day – A calendar day of 24 hours measured from midnight to the next midnight.

22. Defective Work – Work that is unsatisfactory, faulty, or deficient; or that does not conform to the Contract Documents; or that does not meet the requirements of any inspection, reference standard, test, or approval referenced in the Contract Documents.

23. Design-Builder – The individual or entity with which Agency has contracted for performance of the Work.

24. Design-Builder Contingency – An amount approved by Agency and part of a GMP that Design-Builder may use with the written approval of Agency for unanticipated work as further described in the Contract Documents.

25. Design-Builder Representative – The person or firm identified as the primary contact person and representative of Design-Builder as designated in the Contract and who shall not be changed without prior written consent of Agency.

26. Design-Builder Self-Performance Fee – Design-Builder's fee for its home office overhead and profit applied to Design-Builder's Direct Cost and Indirect Cost, as further described in the Contract Documents.

27. Design-Builder's SOQ – The statement of qualifications submitted by Design-Builder in response to the RFQ.

28. Design-Builder Subcontractor Fee – Design-Builder's fee for its home office overhead and profit applied to Subcontractor Construction Cost, as further described in the Contract Documents.

29. Designer of Record – The individual, partnership, corporation, joint venture, or other legal entity completing the Design Work on the Project and who provides the Design Professional for the Project.

30. Design Professional – The individual named in the Contract who will provide the required architectural, engineering, and other professional services required for the coordinated design of the Project and the administration of construction.

31. Design Work – The portion of the Work on the Project consisting of the design services and design deliverables required to be provided in connection with the design of the Project as set forth in the Contract Documents.

32. Differing Site Conditions – Concealed or latent physical conditions or subsurface conditions at the Site that: (i) Design-Builder believes may be hazardous waste, as

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defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (ii) materially differ from those indicated in the Background Documents; or (iii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work. The term Differing Site Conditions does not include, among other things, conditions of which Design-Builder had knowledge of as of the applicable GMP Amendment date, including conditions that could reasonably have been known, discovered or revealed as a result of the examinations, investigations, explorations, tests or studies of the Site required to be performed by Design-Builder as part of Design Work, including, but not limited to, the Design-Builder's analysis and validation of the Background Documents, or that Design-Builder could have reasonably inferred based on its experience and expertise.

33. Direct Cost – Verifiable cost necessarily incurred in the performance of Construction Work and more particularly described in the General Conditions.

34. Drawings – The graphic and pictorial portions of the Contract Documents showing the design, location, and dimensions of the Work to be done on the Project, generally including plans, elevations, sections, details, schedules, and diagrams prepared as part of the Construction Documents.

35. Early Construction Package – Construction Work negotiated separately from Phase 2 to commence demolition, grading, site preparation, utility work, mobilization or other work prior to the start of Phase 2. Design-Builder shall perform an Early Construction Package subject to the requirements of the Contract Documents for Construction Work.

36. Early Construction Package Amendment – An approved amendment to the Contract authorizing Design-Builder to perform an Early Construction Package subject to the requirements of the Contract Documents for Construction Work.

37. Early Purchase Item – Long lead procurement items (manufactured/fabricated items, equipment, materials and supplies) for the Project.

38. Early Purchase Item Amendment – An approved amendment to the Contract authorizing Design-Builder to commence procurement of an Early Purchase Item.

39. Effective Date of the Contract – The date indicated in the Contract on which it becomes effective, but if no such date is indicated, it means the date on which the Contract is signed and delivered by the last of the two parties to sign and deliver.

40. Final Completion – The time at which Work has been entirely completed by Design-Builder, and Agency has accepted Work, at the sole discretion of Agency, as further described in the Contract Documents.

41. Force Majeure Event – An event that materially affects a party's performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the Site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required

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for the Work); (4) pandemics, epidemics or quarantine restrictions; (5) strikes and other organized labor action occurring at the Site and the effects thereof on the Work, only to the extent such strikes and other organized labor action are beyond the control of Design-Builder and its Subcontractors, of every Tier, and to the extent the effects thereof cannot be avoided by use of replacement workers; and (6) a Critical Supply Shortage. For purposes of this section, "orders of governmental authorities," includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety, and other actions of Agency in its capacity as a municipal authority.

42. General Conditions Cost – The costs for activities, facilities, and services required to support the Construction Work and manage the Project site, without mark-up, which shall include, without limitation, those items listed in a GMP Amendment as further described in the Contract Documents.

43. General Contractor – The individual, partnership, corporation, joint venture, or other legal entity that is licensed as a California general contractor and is the prime contractor on the Project.

44. Governmental Approvals – Any permit, license, authorization, consent, certification, exemption, grant, waiver, ruling, entitlement, variance or other approval, and any revision, modification, amendment, supplement, renewal or extension of any of the foregoing, issued by a Governmental Body of whatever kind and however described, which is required under Applicable Law to be obtained or maintained by any person with respect to the Project.

45. Governmental Body – Any federal, state, regional or local legislative, executive, judicial or other governmental board, department, agency, authority, commission, administration, court or other body, or any official thereof, other than the Agency Board, having jurisdiction in any way over or in respect of any aspect of the performance of the Contract or the Project.

46. Guaranteed Completion Date – The time within in which Design-Builder must achieve Final Completion of the Project.

47. Guaranteed Maximum Price or GMP – The maximum possible compensation paid by Agency to Design-Builder for the performance and completion of the Phase 2 Work, subject to any additions or deductions as provided in the Contract Documents. There may be more than one GMP on the Project, which may be specific to a particular Stage.

48. GMP Amendment – A written amendment duly executed by the Parties resulting from Design-Builder submitting a GMP Proposal and the Parties agreeing to a mutually acceptable GMP. There may be more than one GMP Amendment on the Project, which may be specific to a particular Stage.

49. GMP Proposal – Design-Builder's proposal to Agency to complete Phase 2, or a portion thereof, and further described in the Contact Documents.

50. Hazardous Waste – Any substance: the presence of which requires investigation or remediation under any federal, state or local law, statute, regulation, ordinance,

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order, action, policy, or common law; which is or becomes defined as a "hazardous waste," "hazardous substance," pollutant, or contaminant under any federal, state or local law, statute, regulation, rule or ordinance, or amendments thereto, including, without limitations, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"), as amended, or the Resource, Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq. ("RCRA"); which is petroleum, including crude oil or any fraction thereof not otherwise designated as a "hazardous substance" under CERCLA including, without limitation, gasoline, diesel fuel, or other petroleum hydrocarbons; which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any regulatory agency or instrumentality or the United States; the presence of which on the Site causes or threatens to cause a nuisance upon the Site or to the adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Site; the presence of which on adjacent properties could constitute a trespass by Design-Builder or Agency; or as defined in the California Health and Safety Code. For the purposes of the Contract, "Hazardous Waste" shall also include, but are not limited to, "Underground Storage Tanks." "Underground Storage Tank" shall have the definition assigned to that term by Section 9001 of RCRA, 42 U.S.C. Section 6991, and also shall include: any tank of one thousand one hundred (1,100) gallons or less capacity used for storing motor fuel; any tank used for storing heating oil for consumption on the premises where stored; any septic tank; and any pipes connected to the above items.

51. Holidays – Holidays occur on:

    New Year's Day - January 1
    Martin Luther King Jr. Day – Third Monday of January
    President's Day – Third Monday of February
    Memorial Day - Last Monday in May
    Independence Day - July 4
    Labor Day - First Monday in September
    Veteran's Day - November 11
    Thanksgiving Day - Fourth Thursday in November
    Friday after Thanksgiving
    Christmas Day - December 25
    New Years' Eve December 31

    If any Holiday listed above falls on a Saturday, Saturday and the preceding Friday are both Holidays. If the Holiday should fall on a Sunday, Sunday and the following Monday are both Holidays.

52. Key Personnel – Design-Builder's personnel identified as key to the overall success of the Project, and, at a minimum, including those positions defined as Key Personnel in Design-Builder's SOQ. Key Personnel are specifically identified in the Special Conditions.

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53. Key Subcontractor – A Subcontractor identified in Design Builder's SOQ that Design Builder contracts with to fulfill a key role in Design Builder completing the Project. If any, Key Subcontractors are identified in the Special Conditions.

54. Key Subcontractor Fee – A Key Subcontractor's fee for its home office overhead and profit applied to a Key Subcontractor's Direct Cost and Indirect Cost, as further described in the Contract Documents. If any, Key Subcontractor Fee is identified in the Special Conditions.

55. Liens – Charges, security interests, or encumbrances upon Project funds, or personal property, including without limitation Stop Payment Notices.

56. Lump Sum Price – If allowed by Agency as a substitute for a GMP, the maximum possible compensation paid by Agency to Design-Builder for the performance and completion of Work, subject to any additions or deductions as provided in the Contract Documents. There may be more than one Lump Sum Price on the Project, which may be specific to a particular Stage.

57. Milestone Date – The date upon which Design-Builder is required to complete an Early Construction Package, Work, Work Package, Stage, or particular element or component of the Project. A Milestone Date may be defined as a date certain or as a number of calendar days or working days from a Notice to Proceed or other event.

58. Notice to Proceed – A written notice given by Agency to Design-Builder fixing the date on which Design-Builder may proceed with a Phase, Early Construction Package, Early Purchase Item, GMP, Work, Work Package, Stage, or a particular element or component of the Project, and when the Contract Time will commence to run.

59. Open Book Basis – Design-Builder's provided information, including estimates and pricing, that shows all assumptions, data, and other substantiation supporting the information presented and that allows Agency to check and verify the accuracy of the material presented. This entails all information Design-Builder used to develop the cost under consideration, including labor, fringe, benefits, equipment, materials, productivity, estimating factors, allowances, risk, contingency, indirect costs, discount rates, interest rates, inflation, insurance, bonding, fees, overhead, profit, and other items that comprise the cost.

60. Payment Bond – The labor and materials payment bond provided by Design-Builder's surety to secure the payment obligations of Design-Builder for Work, as described in and maintained pursuant to the Contract and in the form set forth in the Contract Documents.

61. Performance Bond – The performance bond provided by Design-Builder's surety to secure performance of Work, as described in and maintained pursuant to the Contract and in the form set forth in the Contract Documents.

62. Phase – Either Phase 1 or Phase 2.

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63. Phase 1 – The first phase of the Project requiring Design-Builder to perform Design Work as further described in the Phase 1 Scope of Services.

64. Phase 1 CPM Schedule – A CPM Schedule to complete the Phase 1 Services within the Contract Time. The detailed requirements for the Phase 1 CPM Schedule are described in the Contract Documents.

65. Phase 1 Fee – The amount to be paid by Agency to Design-Builder as full compensation for performance of Phase 1 Services and completion of the Phase 1 Services, subject to any additions or deductions as provided in the Contract Documents.

66. Phase 2 – The second phase of the Project requiring Design-Builder to complete the Design Work, commence the Construction Work, and complete the Project, as further described in the Contract Documents.

67. Phase 2 CPM Schedule – A CPM Schedule to complete the Phase 2 Work on the Project within the Contract Time. The detailed requirements for the Phase 2 CPM Schedule are stated in the Contract Documents.

68. Phase 2 Price – The total price established by the Parties for Design Builder's performance of Phase 2 Work and completion of the Phase 2 Work, in accordance with the Contract Documents and as reflected in a GMP Amendment, subject to any additions or deductions as provide in the Contract Documents. There may be more than one GMP Amendment that is part of the Phase 2 Price.

69. Project – The total design, construction, and performance of the Work and all other requirements of the Contract Documents.

70. Project Warranty – A written guarantee provided to Agency by Design-Builder that Work remain free of defects and suitable for its intended use for the period required by the Contract Documents or the longest period permitted by the law of this State, whichever is longer, as further described in the Contract Documents.

71. Punch List – A list of items for the Project, prepared by the Agency, which remain to be replaced or completed in accordance with the requirements for Final Completion of Work.

72. Record Drawings – The record set of as-builts prepared by Design-Builder during the Project that reflect all changes made in the Construction Documents during Phase 2, and show the exact dimensions, geometry, and location (including alignment points) of all elements of the Work completed under the Contract Documents.

73. Request for Information or RFI – Design-Builder's written request to Agency for clarification about a Project condition.

74. Request for Qualifications or RFQ – The request for qualifications issued by Agency for the Project and includes all documents, exhibits, attachments, and addenda thereto.

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75. Safety Plan – Design-Builder's plan for health and safety in implementing the Construction Work, to be developed as part of Phase 1 Services in accordance with the Contract Documents.

76. Samples – Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

77. Schedule of Submittals – A schedule, prepared and maintained by Design-Builder, of required submittals and the time requirements to facilitate scheduled performance of related construction activities.

78. Security Plan – Design-Builder's plan for security at the Site in implementing the Construction Work, to be developed as part of Phase 1 in accordance with the Contract Documents.

79. Self-Performed Construction Work – Construction Work performed by Design-Builder with its own forces in accordance with the Contract Documents.

80. Separate Contractor – A person, or firm, under separate contract with Agency performing other work at the Project site which may affect the Work.

81. Shop Drawings – All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Design-Builder and submitted by Design-Builder to illustrate some portion of the Work.

82. Site – Lands or areas indicated in the Contract Documents as being furnished by Agency upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by Agency which are designated for the use of Design-Builder.

83. Stage – A discrete and defined portion of the Project that requires its own GMP and Milestone Date.

84. Stop Payment Notice – A written notice as defined in Civil Code section 8044.

85. Subcontractor Construction Cost – Any and all costs by a Subcontractor with a direct contract with Design-Builder to perform Construction Work. What constitutes Subcontractor Construction Cost is further defined in the General Conditions.

86. Subcontracted Construction Work – Construction Work performed by a Subcontractors, but not Key Subcontractors or Design-Builder, with their own forces in accordance with the Contract Documents.

87. Subcontractor – An individual or entity that has a contract with Design-Builder for performance of any portion of Work and, where applicable, any lower Tier subcontractors performing Services.

88. Submittal - Written or graphic information and physical samples prepared and supplied by Design-Builder demonstrating various portions of the Work.

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89. Supplier – A manufacturer, fabricator, supplier, distributor, material man, or vendor having a direct contract with Design-Builder or with any Subcontractor to furnish materials or equipment used in the performance of the Work or to be incorporated in the Work.

90. Task Order – An order issued by Agency that authorizes Design-Builder to proceed with certain Design Work during Phase 1.

91. Technical Specifications – That part of the Construction Documents consisting of written requirements for materials, equipment, systems, standards and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.

92. Tier – The contractual level of a Subcontractor or supplier or consultant with respect to Design-Builder. For example, a first tier Subcontractor is under subcontract with Design-Builder, a second tier Subcontractor is under subcontract with a first tier Subcontractor, and so forth.

93. Underground Facilities – All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.

94. Work – The entire design and construction, or the various separately identifiable parts thereof, required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such design and construction, and furnishing, installing, and incorporating all materials and equipment into such design and construction, all as required by the Contract Documents.

95. Work Package – A package of Work for specific scopes of the Project developed by Designer of Record as part of the Construction Documents that are self-performed by Design-Builder or awarded to a Subcontractor. A Work Package may be a discrete and defined portion of the Project that contains (or will contain) its own GMP and Contract Time for completion.

96. Work Product – All papers, maps, models, estimates, plans, specifications, calculations, designs, studies, surveys, reports, data, notes, computer files, documents, drawings and other work product developed by Design-Builder pursuant to the Contract Documents, including, but not limited to, the Construction Documents.

1.3 Terminology.

A. The words and terms below are not defined but, when used in the Contract Documents, have the indicated meaning.

1. The word “furnish,” when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or

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equipment to the Project site (or some other specified location) ready for use or installation and in usable or operable condition.

2. The word “install,” when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.

3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.

4. Regardless of whether “furnish,” “install,” “perform,” or “provide” is used in connection with services, materials, or equipment, an obligation of Design-Builder is implied.

B. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

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ARTICLE 2 - CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

2.1 Intent of Contract Documents.

A. Complementary. The Contract Documents are complementary; what is required by one is as binding as if required by all. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be designed and constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that reasonably may be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the indicated result will be provided whether or not specifically called for, at no additional cost to Agency.

B. Completion of Work. Design-Builder shall furnish, unless otherwise provided in the Contract Documents, all materials, implements, machinery, equipment, tools, supplies and labor necessary to the prosecution and completion of the Project. If utilities to equipment or fixtures are not shown but are necessary to operate the equipment or fixtures, the utilities service installation is considered to be part of the Work. The implied Work will conform to the appropriate sections of the Contract Documents. Organization of the Contract Documents into divisions, sections, and articles, and arrangement of drawings shall not control Design-Builder in dividing Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

2.2 Reference Standards; Interpretation of Contract Documents.

A. Standards, Specifications, Codes, Laws, and Regulations. Reference to federal specifications, federal standards, state standards, other standards, specifications, manuals, or codes of any technical society, organization, or association, or to Applicable Laws, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Applicable Laws in effect at the time of the Effective Date, and in case of Work during Phase 2, when the Parties executed a GMP Amendment, except as may be otherwise specifically stated in the Contract Documents.

B. Responsibilities. No provision of any such standard, specification, manual, or code, or any instruction of a Supplier, shall be effective to change the duties or responsibilities of Agency, Design-Builder, or any of their Subcontractors, consultants, agents, or employees, from those set forth in the Contract Documents. No such provision or instruction shall be effective to assign to Agency, or any of their officers, directors, members, partners, employees, agents, consultants, or Subcontractors, any duty or authority to supervise or direct the performance of Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

C. Provisions Required by Law. Each and every provision of law required by law to be inserted in the Contract Documents shall be deemed to be inserted herein, and the Contract Documents shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party the Contract shall be amended in writing to make such insertion or correction.

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D. Interpretation of Contract Documents. Unless otherwise stated in the Contract Documents, technical words and abbreviations contained in the Contract Documents are used in accordance with commonly understood design professional and construction industry meanings; nontechnical words and abbreviations are used in accordance with their commonly understood meanings. The Contract Documents may omit modifying words such as "all" and "any," and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement. The use of the word "including," when following any general statement, shall not be construed to limit such statement to specific items or matters set forth immediately following such word or to similar items or matters, whether or not non limiting language (such as "without limitation," "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement. Whenever the context so requires, the use of the singular number shall be deemed to include the plural and vice versa. Each gender shall be deemed to include any other gender, and each shall include a corporation, partnership, trust, or other legal entity, whenever the context so requires. The captions and headings of the various subdivisions of the Contract Documents are intended only for reference and convenience and in no way define, limit, or prescribe the scope or intent of the Contract Documents or any subdivision thereof.

2.3 Order of Precedence.

A. Conflicts. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and the provisions of any standard, specification, manual, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference in the Contract Documents); or the provisions of any Applicable Laws (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Applicable Law).

B. Resolving Conflicts. In resolving conflicts among any of the Contract Documents, the order of precedence shall be as follows:

[INSERT ADDITIONAL DOCUMENTS OR REMOVE DOCUMENTS LISTED IF NOT APPLICABLE TO THIS CONTRACT PRIOR TO EXECUTION OF CONTRACT]

1. Permits from other agencies as may be required by law;
2. Change Orders, most recent first;
3. GMP Amendment, most recent first;
4. Progressive Design-Build Contract;
5. Special Conditions;
6. Construction Documents, as follows:
    a. Technical Specifications

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b. Drawings, which shall also be interpreted as follows:

(i) Figures govern over scaled dimensions

(ii) Detail drawings govern over general drawings

(iii) Drawings govern over standard drawings

7. Drawings govern over Shop Drawings

8. Task Order;

9. Phase 1 Scope of Services;

10. General Conditions;

11. RFQ and all addenda, attachments and appendices;

12. Design-Builder's SOQ;

13. To the extent applicable, in the following order:

a. Local agency standards and specifications

b. Standard drawings

c. Reference documents

C. Notwithstanding the orders of precedence established above, in the event of conflicts, the higher standard, higher quality and most expensive shall always apply.

2.4 Amending and Supplementing Contract Documents.

A. The Contract Documents may be amended to provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof only by a Change Order.

B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized at no cost to Agency, by one or more of the following ways:

1. Agency's Representative's review of a Submittal, Shop Drawing, Sample or substitution request without exception (subject to the provisions of the Contract Documents); or

2. Agency's Representative's issuance of a response to an RFI.

C. However, no review or RFI response will reduce or modify Design-Builder's obligation to fully satisfy and comply with the requirements of the Contract Documents.

2.5 Examining Contract Documents, Project Site.

A. Confirming Contract Documents. Agency and Design-Builder acknowledge that the Contract Documents may differ in some respect(s) from the other documents included

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in the RFQ upon which Design-Builder based its SOQ. Prior to the commencement of design and construction on the Project, the Parties shall confirm, in writing, the final form of the Contract Documents that are to be utilized. Specifically, once approved by Agency, the Construction Documents become a part of the Contract Documents and define the entire scope of Work, so long as such documents incorporate all minimum requirements of the Background Documents. Design-Builder shall certify that the Construction Documents are in full compliance with the Contract Documents, except as noted.

B. Examining Contract Documents. Before commencing any Work on the Project, Design-Builder shall carefully examine the Contract, the Contract Documents, the Background Documents and other information given to Design-Builder as to Project requirements. Design-Builder shall immediately notify Agency's Representative of any perceived or alleged error, inconsistency, ambiguity, or lack of detail or explanation in such documents in writing. Neither Design-Builder nor any Subcontractor shall take advantage of any apparent error or omission which may be found in the Contract, the Contract Documents, the Background Documents or other information given to Design-Builder. If Design-Builder or its Subcontractors, material or equipment suppliers, or any of their officers, agents, and employees performs, permits, or causes the performance of any Work under the Contract, which it knows or should have known to be in error, inconsistent, or ambiguous, or not sufficiently detailed or explained, Design-Builder shall bear any and all costs arising therefrom including, without limitation, the cost of correction thereof without increase or adjustment to the Contract Price or the Contract Time. In no case shall any Subcontractor proceed with Work if uncertain without Design-Builder's written direction and/or approval.

C. Contract Document Conformance with Laws. Before commencing any Work on the Project, Design-Builder shall check and review the Contract Documents, including the Construction Documents, for conformance and compliance with all laws, ordinances, codes, rules and regulations of all governmental authorities and public utilities affecting the construction and operation of the physical plant of the Project, all quasi-governmental and other regulations affecting the construction and operation of the physical plant of the Project, and other special requirements, if any, designated in the Contract. In the event Design-Builder observes any violation of any law, ordinance, code, rule or regulation, or inconsistency with any such restrictions or special requirements of the Contract, Design-Builder shall immediately notify Agency's Representative in writing of the same and shall cause to be corrected any such violation or inconsistency in the manner provided hereunder. Design-Builder shall be solely liable for any such violation, inconsistency or special requirement, if Design-Builder fails to conduct such review or notification to Agency.

D. Examination of Project Site. As part of Phase 1 and prior to a GMP Amendment, Design-Builder shall inspect and become familiar with the Site, its physical condition relevant to the obligations of Design-Builder pursuant to the Contract, including surface and subsurface conditions, normal and usual soil conditions, roads, Underground Facilities, topographical conditions and air and water quality conditions and shall, among other things, review the Contract Documents, including, but not limited to, the Background Documents, relative to the Site. Design-Builder shall be familiar with all local and other conditions which may be material to Design-Builder's performance of the Work (including transportation; seasons and climate; access,

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availability, disposal, handling and storage of materials and equipment; and availability and quality of labor); Design-Builder shall have received and reviewed all information regarding the Site provided to or developed by it in connection with the Work pursuant to the Contract; and Design-Builder shall have made all other Site investigations that it deems necessary to make a determination as to the suitability of the Site and to submit a Phase 1 Proposal to Agency in accordance with the Contract Documents. Design-Builder's Phase 1 Proposal shall serve as a representation by Design-Builder that, based on the foregoing, that the Site constitutes an acceptable and suitable site for the Work and that the Work can be performed on the Site within the Contract Price and in accordance with the Contract Documents, including the schedule requirements of the Contract.

E. Reporting and Resolving Discrepancies. The Contract Documents are intended to be fully cooperative and complementary. Before undertaking each part of the Work, Design-Builder shall carefully study and compare the Contract Documents and check and verify pertinent figures therein and all applicable field measurements. Design-Builder shall promptly report in writing to Agency any conflict, error, ambiguity, or discrepancy which Design-Builder discovers, should have discovered, or has actual knowledge of, and shall obtain a written interpretation or clarification from Agency before proceeding with any Work affected thereby. If, during the performance of the Work, Design-Builder discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (i) any Applicable Law, (ii) any standard, specification, manual, or code, or (iii) any instruction of any Supplier, Design-Builder shall promptly submit a written RFI to Agency. Design-Builder shall not proceed with the Work affected thereby (except in an emergency) until an amendment or supplement to the Contract Documents has been issued by one of the methods indicated in the Contract Documents, and any Work performed by Design-Builder before receipt of an amendment or supplement shall be at Design-Builder's own risk.

F. Responsibility for Review of Contract Documents. Design-Builder shall be solely responsible for any errors, inconsistencies or omissions in the Contract Documents if Design-Builder fails to perform such review and examination or fails to report such errors, inconsistencies or omissions to Agency in writing.

2.6 Reuse of Documents.

A. Design-Builder and any Subcontractor shall not have or acquire any title to or ownership rights in any of the Construction Documents or other documents (or copies of any thereof) prepared by or bearing the seal of the Designer of Record or its consultants, including electronic media editions; or reuse of any such Construction Documents, other documents, or copies thereof on extensions of the Project or any other project without written consent of Agency. The prohibitions of this Article will survive final payment, or termination of the Contract. Nothing herein shall preclude Design-Builder from retaining copies of the Contract Documents for record purposes.

2.7 Ownership and Use of Construction Documents.

A. Ownership and Use. The Construction Documents, and all copies thereof, furnished to, or provided by, Design-Builder are the property of Agency. Design-Builder hereby

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assigns to Agency all right, title, and interest, including any copyrights, patents, or any other intellectual property rights in all Work Product and all ideas, methods or information specifically developed as Work Product. Design-Builder will take such steps as are necessary to perfect or protect the ownership interest of Agency in such Work Product. Upon completion, expiration or termination of the Contract, Design-Builder shall turn over to Agency all such original Work Product in Design-Builder's possession or control. Agency shall have unlimited rights, for the benefit of Agency, in all Work Product and other Work developed in the performance of the Contract for the Project, including the right to re-use details of the Construction Documents on any other Agency work at no additional cost to Agency. Design-Builder, for a period up to five (5) years from the date of completion of the Project, agrees to furnish and to provide access to the originals or copies of all such materials immediately upon the written request of Agency. Any use or reuse by Agency of the Construction Documents on any project other than this Project without employing the services of Design-Builder shall be at Agency's own risk with respect to third parties. If Agency uses or re-uses the Construction Documents on any project other than this Project, it shall remove the Designer of Record's seal from the Construction Documents and hold harmless Design-Builder, Designer of Record, and their officers, directors, agents and employees from claims arising out of the use or re-use of the Construction Documents on such other project. Upon completion, expiration or termination of the Contract, Design-Builder shall turn over to Agency all such original Work Product in Design-Builder's possession or control.

B. Design Subcontractors. To the extent Design-Builder does not directly perform Design Work, Design-Builder shall acquire a license meeting the requirements of this Article 2.7 from each of its designers in order to convey the rights to Agency. Further, in the event that a Subcontractor to Design-Builder, or any other party that is not in privity with Agency under the Contract, maintains any right to a copyright or other intellectual property right in any portion of the Work Product, Design-Builder shall obtain from that party a grant of a non-exclusive and perpetual license in favor of Agency as described in Article 2.7(A) above. Design-Builder shall deliver said license to Agency prior to the Subcontractor or other design entity performing any work on the Project. Agency's obligation to compensate Design-Builder shall not commence until the license is delivered.

C. Use of Design. In accordance with Public Contract Code section 22185.5(c)(2), design professionals responsible for performing Design Work on behalf of Design-Builder shall have sole liability for their design errors and omissions, provided Agency elects to use their complete and stamped designs with subsequent design-build entities or licensed contractors.

2.8 Confidential Information.

A. No Unauthorized Disclosure. All information gained or Work Product produced by Design-Builder in the performance of the Contract will be considered confidential, unless such information is in the public domain. Design-Builder shall not release or disclose any such information or Work Product to persons or entities other than Agency without the prior written consent of Agency, except as otherwise required by law. Design-Builder shall promptly notify Agency should Design-Builder, or its representatives, be served summons, complaint, subpoena, notice of deposition,

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request for documents, interrogatories, requests for admissions or other discovery request or court order from any third party regarding the Contract and the Services performed under the Contract.

B. Media. Design-Builder shall not comment publicly to the press or any other media or issue any news release or public relations item of any nature whatsoever regarding the Contract without prior review of the contents thereof by Agency and receipt of Agency's written permission.

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ARTICLE 3 - INDEMNIFICATION; INSURANCE; BONDS

3.1 Indemnification.

A. General Indemnification. To the fullest extent permitted by law, Design-Builder shall immediately defend (with counsel of Agency's choosing), indemnify and hold harmless Agency, its officials, officers, employees, agents, and authorized volunteers, and each of them from and against:

1. Any and all claims, demands, causes of action, costs, expenses, injuries, losses or liabilities, in law or in equity, of every kind or nature whatsoever, but not limited to, injury to or death, including wrongful death, of any person, and damages to or destruction of property of any person, arising out of, related to, or in any manner directly or indirectly connected with Phase 1, Phase 2, Work or the Contract, including claims made by Subcontractors for nonpayment, including without limitation the payment of all consequential damages and attorney's fees and other related costs and expenses, however caused, regardless of whether the allegations are false, fraudulent, or groundless, and regardless of any negligence of Agency or its officials, officers, employees, agents, or authorized volunteers (including passive negligence), except such loss or damages caused by the sole negligence or willful misconduct or active negligence of Agency or its officials, officers, employees, or authorized volunteers.

2. Any and all actions, proceedings, damages, costs, expenses, fines, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any Applicable Law, compliance with which is the responsibility of Design-Builder.

3. Any and all losses, expenses, damages (including damages to the Project itself), attorney's fees, and other costs, including all costs of defense which any of them may incur with respect to the failure, neglect, or refusal of Design-Builder to faithfully perform the Work and all of Design-Builder's obligations under Contract. Such costs, expenses, and damages shall include all costs, including attorney's fees, incurred by the indemnified parties in any lawsuit to which they are a party.

4. Design-Builder's defense and indemnity obligation herein includes, but is not limited to damages, fines, penalties, attorney's fees and costs arising from claims under the Americans with Disabilities Act (ADA) or other federal or state disability access or discrimination laws arising from Design-Builder's Work during the course of construction of the improvements or after the Project is complete, as the result of defects or negligence in Design-Builder's construction of the Work.

B. Design Professional Indemnification. Design-Builder's obligation to defend, indemnify, and/or hold harmless arises out of Design-Builder's performance as a "design professional" (as that term is defined under Civil Code Section 2782.8), then, and only to the extent required under Civil Code Section 2782.8, which is fully incorporated herein, Design-Builder's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Design-Builder, and, upon Design-Builder obtaining a final adjudication by a court of competent jurisdiction, Design-Builder's liability for such claim, including the cost to defend, shall not exceed Design-Builder's proportionate percentage of fault.

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C. Defense. Design-Builder shall immediately defend, at Design-Builder's own cost, expense and risk, with the counsel of Agency choosing, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against Agency or its officials, officers, employees, agents, or authorized volunteers. Design-Builder shall pay and satisfy any judgment, award or decree that may be rendered against Agency or its officials, officers, employees, agents, or authorized volunteers, in any such suit, action or other legal proceeding. Design-Builder shall reimburse Agency and its officials, officers, employees, agents, and authorized volunteers for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code section 2782.

D. Survival, Insurance. The provisions of this Article shall survive the termination of the Contract howsoever caused, and no payment, partial payment, or acceptance of occupancy in whole or part of the Work shall waive or release any of the provisions of this Article. Design-Builder's obligation to indemnify and defend Agency shall not be restricted to insurance proceeds, if any, received by Agency and its officials, officers, employees, agents, and authorized volunteers.

3.2 Insurance.

A. Time for Compliance. Design-Builder shall not commence Work under the Contract until it has provided evidence to Agency that it has secured all insurance required under this Article. Design-Builder shall require and verify that all Subcontractors maintain insurance meeting all the requirements stated herein. Design-Builder shall not allow any Subcontractor to commence work on any subcontract until it has provided evidence to Agency that Subcontractor has secured all insurance required under this Article.

B. Minimum Requirements. Design-Builder shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise out of or result from the performance of the Work and Design-Builder's other obligations under the Contract Documents whether by Design-Builder, its agents, representatives, employees or subcontractors. Design-Builder shall also require all of its Subcontractors to procure and maintain the same insurance for the duration of the Contract and verify the Subcontractor's compliance. Design-Builder's and Subcontractor's insurance shall meet at least the minimum levels of coverage set forth in this Article:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) Automobile Liability: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto) or if Design-Builder has no owned autos, non-owned, leased or hired autos Code 8 (hired) and Code 9 (non-owned); (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; (4) Installation Floater/Builder's Risk: "All Risk All Perils" form; and (5) Professional Liability/Errors and Omissions. The policies shall not contain any exclusion contrary to the Contract, including but not limited to endorsements or provisions

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limiting coverage for (1) contractual liability or (2) cross liability for claims or suits by one insured against another.

2. Minimum Limits of Insurance. Design-Builder shall maintain limits no less than:

   a. For Commercial General Liability, Design-Builder shall have limits of at least the amount that corresponds to the Contract Price in the following table:

Contract Price	**Amount of Liability Insurance** (per occurrence)
Up to $2 million	$2 million
$2 million - $5 million	$3 million
$5 million - $10 million	$5 million
$10 million- $20 million	$10 million
Over $20 million	$15 million

If Commercial General Liability Insurance or other form with general aggregate limit is used including, but not limited to, form CG 25 03, either the general aggregate limit shall apply separately to the Project or the general aggregate limit shall be twice the required occurrence limit. Should any of the Work involve aircraft (fixed wing or helicopter) owned or operated by Design-Builder, liability insurance with limits of not less than $5,000,000 per occurrence for bodily injury and property damage is required. Should any of the Work involve watercraft owned or operated by Design-Builder, liability insurance with limits of not less than $5,000,000 per occurrence for bodily injury and property damage is required.

   b. Automobile Liability: $1 million per accident for bodily injury and property damage.

   c. Workers' Compensation and Employer's Liability:

      (i) Workers' Compensation: statutory limits.

      (ii) Employer's Liability limits of $1 million per accident for bodily injury or disease.

      (iii) Should any of the Work be upon or contiguous to navigable bodies of water, Design-Builder shall carry insurance covering its employees for benefits available under the Federal Longshoremen's and Harbor Worker's Act to the extent required by law;

   d. Excess/Umbrella Liability Policy may be provided to insure the total limits required for Commercial General Liability and Automobile Liability and must apply to all primary coverage afforded, including but not limited to general liability, owned and non-owned automobiles, leased and hired cars.

   e. Professional Liability/Errors and Omissions: $2,000,000 per claim.

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3. Notices; Cancellation or Reduction of Coverage. At least fifteen (15) Days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with Agency. If such coverage is cancelled or materially reduced, Design-Builder shall, within ten (10) Days after receipt of written notice of such cancellation or reduction of coverage, file with Agency evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under the Contract does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Agency will be promptly reimbursed by Design-Builder or Agency may withhold amounts sufficient to pay premium from Design-Builder payments. In the alternative, Agency may suspend or terminate the Contract.

C. Insurance Endorsements. The insurance policies shall contain the following provisions, or Design-Builder shall provide endorsements on forms approved by Agency to add the following provisions to the insurance policies:

1. General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37 (including completed operations), or endorsements providing the exact same coverage, Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions shall be covered as additional insureds with respect to the Work or ongoing and completed operations performed by or on behalf of Design-Builder, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions, or if excess, shall stand in an unbroken chain of coverage excess of Design-Builder's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of Agency, before Agency's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions shall be excess of Design-Builder's insurance and shall not be called upon to contribute with it in any way.

2. Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Design-Builder or for which Design-Builder is responsible; and (2) the insurance coverage shall be primary insurance as respects Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions,

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or if excess, shall stand in an unbroken chain of coverage excess of Design-Builder's scheduled underlying coverage. Any insurance or self-insurance maintained by Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions shall be excess of Design-Builder's insurance and shall not be called upon to contribute with it in any way.

3. Workers' Compensation and Employer's Liability Coverage. The insurer shall agree, using WC 00 03 13 or the exact equivalent, to waive all rights of subrogation against Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions for losses paid under the terms of the insurance policy.

4. Professional Liability/Errors and Omissions. Professional Liability Insurance insuring the Design-Builder, Designer of Record, their officers, directors, stockholders, employees, agents, or partner, and all other persons for whose acts the Design-Builder or Designer of Record may be liable, against any and all liabilities arising out of or in connection with the negligent acts, errors or omissions of any of the foregoing in connection with the carrying out of their professional responsibilities described in the Contract. Professional Liability Insurance shall remain in full force and effect, and shall be so certified to Agency by the insurer, for a period of five (5) years after the completion of all of Design-Builder's services hereunder and Agency's acceptance of the Project. All Subcontractors performing professional services shall have professional liability insurance with the same limits (additional requirements for Professional Liability/Errors and Omissions Insurance written on a "claims made" basis are set forth below).

5. All Coverages. Each insurance policy required by the Contract shall be endorsed to include the following provisions:

   a. coverage shall not be suspended, voided, reduced or canceled except after thirty (30) Days (10 Days for nonpayment of premium) prior written notice by mail has been given to Agency and all additional insureds.

   b. any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to Agency and any other additional insureds.

   c. standard separation of insureds provisions.

   d. no special limitations on the scope of protection afforded to Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions.

   e. waiver of any right of subrogation of the insurer against Agency, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Design-Builder or others providing insurance in compliance with these specifications to waive their right of recovery prior to a loss. By signing this agreement, Design-Builder hereby waives its own right of recovery against Agency or any other additional

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insureds, and shall require similar written express waivers and insurance clauses from each of its Subcontractors.

D. Builder's Risk ["All Risk"]

1. It is Design-Builder's responsibility to maintain or cause to be maintained Builder's Risk ["All Risk"] extended coverage insurance on all work, material, equipment, appliances, tools, and structures that are or will become part of the Work and subject to loss or damage by fire, and vandalism and malicious mischief, in an amount to cover 100% of the replacement cost. Agency accepts no responsibility for the Work until the Work is formally accepted by Agency. Design-Builder shall provide a certificate evidencing this coverage before commencing performance of the Work.

2. The named insureds shall be Design-Builder, all Subcontractors of any Tier (excluding those solely responsible for Design Work), suppliers, and Agency, its elected officials, officers, employees, agents and authorized volunteers, as their interests may appear. Design-Builder shall not be required to maintain property insurance for any portion of the Work following acceptance by Agency.

3. Policy shall be provided for replacement value on an "all risk" basis. There shall be no coinsurance penalty provision in any such policy. Policy must include: (1) coverage for any ensuing loss from faulty workmanship, nonconforming work, omission or deficiency in design or specifications; (2) coverage against machinery accidents and operational testing; (3) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (4) transit coverage, including ocean marine coverage (unless insured by the supplier), with sub-limits sufficient to insure the full replacement value of any key equipment item; and (5) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Site. Such insurance shall be on a form acceptable to Agency to ensure adequacy and sublimit.

4. In addition, the policy shall meet the following requirements:

   a. Insurance policies shall be so conditioned as to cover the performance of any extra work performed under the Contract.

   b. Coverage shall include all materials stored on site and in transit.

   c. Coverage shall include Design-Builder's tools and equipment.

   d. Insurance shall include boiler, machinery and material hoist coverage.

   e. Agency shall be named loss payee.

E. Pollution Liability Insurance. Pollution Liability Insurance is required should any of the Project involve pollutants. Liability coverage shall include coverage for the environmental risk associated with the project and expenses related to such, including

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bodily injury, property damage, on and off site clean-up, transporting, carrying, or storing pollutants, coverage for non-owned disposal site in an amount not less than that set forth in the Special Conditions. Pollutants include, but are not limited to, asbestos, mold, microbial matter, solid, liquid, gaseous or thermal irritants or contaminants, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

F. Receipt and Application of Insurance Proceeds. Any insured loss under the policies of insurance required herein will be adjusted with Agency and made payable to Agency as fiduciary for the loss payees, as their interests may appear, subject to the requirements of any applicable mortgage clause and of the provisions herein. Agency shall deposit in a separate account any money so received and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof, and the Project and the cost thereof covered by an appropriate Change Order. Agency as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing to Agency's exercise of this power within fifteen (15) Days after the occurrence of loss. If such objection be made, Agency as fiduciary shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach. If no such agreement among the parties in interest is reached, Agency as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, Agency as fiduciary shall give bond for the proper performance of such duties.

G. Partial Utilization, Acknowledgement of Property Insurer. If Agency finds it necessary to occupy or use a portion or portions of the Project prior to Completion of all the Work, no such use or occupancy shall commence before the insurers providing the property insurance have acknowledged notice thereof and in writing effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy.

H. Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by Agency. Design-Builder shall guarantee that, at the option of Agency, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions; or (2) Design-Builder shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

I. Claims Made Policies. Claims made policies are not acceptable other than for Professional Liability. In addition to the requirements above, for any claims made policy: The Retroactive Date must be shown and must be before the date of the Contract or the beginning of contract work; Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after Agency's acceptance of the Work; and If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, Design-Builder must purchase "extended reporting" coverage for a minimum of five (5) years after Agency's acceptance of the Work.

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J. Subcontractor Insurance Requirements. Design-Builder shall not allow any Subcontractors to commence work on any subcontract relating to the Work until Design-Builder has verified that all Subcontractors maintain insurance meeting all requirements under this Section and has provided evidence to Agency of such insurance. For Commercial General Liability coverage Subcontractors shall provide coverage naming Agency, its officials, officers, employees, agents, and volunteers with a format at least as broad as CG 20 38 04 13. If requested by Design-Builder, Agency may approve different scopes or minimum limits of insurance for particular Subcontractors. Design-Builder shall confirm that Agency shall be named as additional insureds on all Subcontractors' policies of Commercial General Liability Insurance and Commercial Automobile Insurance.

K. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to Agency.

L. Verification of Coverage. Design-Builder shall furnish Agency with original certificates of insurance and endorsements effecting coverage required by the Contract on forms satisfactory to Agency. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by Agency before work commences. Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

M. Reservation of Rights. Agency reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

3.3 Performance Bond and Payment Bond.

A. Generally. Prior to Design-Builder's commencement of Phase 2 Services, Design-Builder shall submit a Performance Bond and a Payment Bond on the forms provided with the Contract Documents, duly executed by a responsible corporate surety admitted to transact surety business in the State of California, as defined in Code of Civil Procedure section 995.120, and listed in the United States Department of the Treasury circular entitled "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies," authorized to do business in the State of California and acceptable to Agency conditioned upon the faithful performance by Design-Builder of all requirements of the Contract Documents. The obligations of the Performance Bond surety shall continue so long as any obligation of Design-Builder remains. Nothing herein shall limit Agency's rights or Design-Builder's or surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

B. Amount of Bonds. The Performance Bond and Payment Bond shall be in a sum no less than one hundred percent (100%) of the Contract Price. No payment will be made to Design-Builder until the bonds have been approved by Agency. The bonds shall provide that no change or alteration of the Contract (including, without limitation, an increase in the Contract Price), extensions of time, or modifications of the time, terms,

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or conditions of payment to Design-Builder will release the surety. If Design-Builder fails to furnish any required bond, Agency may terminate the Contract for cause.

C. Monitoring of Sureties. Design-Builder shall be responsible throughout the Project for monitoring the financial condition of any surety issuing bonds under the Contract and for making inquiries no less often than annually to confirm that each such surety complies with the qualification requirements specified in this Article. In the event any surety is declared bankrupt or becomes insolvent or has the rights to do business in the state terminated, Design-Builder shall promptly notify Agency of such event and shall promptly take steps to ensure continued compliance with this Article by furnishing or arranging for the furnishing of a substitute or additional bond of a surety whose qualifications satisfy all above requirements.

D. Insufficient Bonds. Should, in Agency's sole opinion, any bond become insufficient or surety found to be unsatisfactory, Design-Builder shall renew or replace the effected bond within 10 Days of receiving notice from Agency. In the event the surety or Design-Builder intends to reduce or cancel any required bonds, at least thirty (30) Days prior written notice shall be given to Agency, and Design-Builder shall post acceptable replacement bonds at least ten (10) Days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under the Contract until any replacement bonds required by this Article are accepted by Agency.

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ARTICLE 4 - AGENCY RESPONSIBILITIES

4.1 Availability of Site.

A. Agency shall furnish the Project site. Agency shall notify Design-Builder of any encumbrances or restrictions not of general application but specifically related to use of the Project site with which Design-Builder must comply in performing the Work. Agency will obtain in a timely manner and pay for easements for permanent structures or permanent changes in existing facilities. Design-Builder shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment at no additional cost to Agency.

4.2 Administration of the Contract by Agency.

A. Generally. Agency's Representative shall have the right to review Design-Builder's Work at such intervals as deemed appropriate by Agency's Representative. No actions taken during such review or site visit by Agency's Representative shall relieve Design-Builder of any of its obligations of single point responsibility for the design and construction of this Project. Agency's Representative will not have control over, will not be in charge of, and will not be responsible for design or construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work on the Project, these are solely Design-Builder's responsibility.

B. Communication. Except as otherwise provided in the Contract Documents or when direct communications have been specifically authorized, Agency and Design-Builder shall communicate through Agency's Representative. Communications by Design-Builder with Agency's consultants and Agency's Representative's consultants shall be through Agency's Representative. Communications by Agency and Agency's Representative with Subcontractors will be through Design-Builder. Communications by Design-Builder and Subcontractors with Separate Contractors shall be through Agency's Representative. Design-Builder shall not rely on oral or other non-written communications.

C. Authority. Agency's Representative will have the authority to reject Work on the Project, or any portion thereof, which does not conform to the Contract Documents. Agency's Representative will have the authority to stop Work on the Project, or any portion thereof. Whenever Agency's Representative considers it necessary, or advisable, for implementation of the intent of the Contract Documents, Agency's Representative will have the authority to require additional inspection or testing of the Work on the Project in accordance with the Contract Documents, whether or not such Work is fabricated, installed, or completed. Agency's Representative will have the authority to conduct inspections in connection with beneficial occupancy and to determine the dates of Project completion; and will receive for review and approval any records, written warranties, and related documents required by the Contract Documents and assembled by Design-Builder. However, no authority of Agency's Representative conferred by the Contract Documents nor any decision made in good faith either to exercise, or to not exercise such authority, will give rise to a duty or responsibility of Agency or Agency's Representative to Design-Builder, or any person or entity claiming under, or through, Design-Builder.

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D. Interpretation. Agency's Representative will be, in the first instance, the interpreter of the requirements of the Contract Documents and the judge of performance thereunder by Design-Builder. Should Design-Builder discover any conflicts, omissions, or errors in the Construction Documents or the Contract Documents; have any questions about the interpretation or clarification of the Contract Documents; question whether Work is within the scope of the Contract Documents; then, before proceeding with the Work affected, Design-Builder shall notify Agency's Representative in writing and request interpretation, or clarification. Agency's Representative's response to questions and requests for interpretations, clarifications, instructions, or decisions will be made with reasonable promptness. Should Design-Builder proceed with the Work affected before receipt of a response from Agency's Representative, any portion of the Work on the Project which is not done in accordance with Agency's Representative's interpretations, clarifications, instructions, or decisions shall be removed or replaced and Design-Builder shall be responsible for all resultant losses.

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ARTICLE 5 - DESIGN-BUILDER'S RESPONSIBILITIES

5.1 General Responsibilities.

A. Generally. Design-Builder agrees that it has single point responsibility for the design and construction of this Project, and agrees to utilize the highest standard of excellent design, engineering and construction practices. Unless otherwise provided in the Contract Documents, Design-Builder shall provide and pay for all professional design/engineering services, services, labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work on the Project, whether temporary or permanent and whether or not incorporated or to be incorporated in Work on the Project. Design-Builder shall supervise, coordinate, and direct all Work on the Project using Design-Builder's best skill and attention and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Design-Builder shall be solely responsible for, and have control over, the entire design effort, construction means, methods, techniques, sequences, procedures, and the coordination of all portions of Work on the Project. Design-Builder shall be responsible to Agency for acts and omissions of Design-Builder, its agents, employees, and Subcontractors, and their respective agents and employees. Design-Builder has the duty to act in Agency's best interests at all times throughout the course and performance of the Contract. If Design-Builder performs any design and/or construction activity which it knows, or should know, involves an error, inconsistency, or omission, without notifying and obtaining the written consent of Agency's Representative, Design-Builder shall be responsible for the resultant losses, including, without limitation, the costs of correcting Defective Work.

B. Applicable Laws. Design-Builder shall give all notices required by and shall comply with all Applicable Laws applicable to the performance of the Work. Except where otherwise expressly required by Applicable Laws, neither Agency nor the Agency's Representative shall be responsible for monitoring Design-Builder's compliance with any Applicable Laws. If Design-Builder performs any Work knowing or having reason to know that it is contrary to Applicable Laws, Design-Builder shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work.

C. Governmental Approvals. Agency will not be liable for Design-Builder's failure to obtain, maintain, and comply with all Governmental Approvals. All fines and fees assessed by Governmental Bodies as a result of said failures shall be Design-Builder's responsibility. In the event Agency is assessed with any fines or fees related to Design-Builder's failure to comply with the requirements set forth in this Article, the amount of fees or fines will be deducted from the Contract Price.

D. Standard of Care. Design-Builder's performance shall be consistent with the standards set forth in the Contract and the General Conditions. Design-Builder represents that it is fully experienced and properly qualified to perform the class of Work provided for in the Contract and that it is properly licensed, equipped, organized, and financed to perform Work on the Project. Design-Builder warrants to Agency that all Work shall be

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performed in accordance with the highest professional standards and degree of care applicable to those design and construction professionals who specialize in designing and providing services for projects of the type, scope, quality and complexity of the Project utilizing the progressive design-build contracting mode. Design-Builder shall perform the Services using its best professional skill and judgment, acting with due care and in accordance with professional standards of care, the terms hereof and applicable law, code, rule or regulation. Design-Builder warrants that the Services and Work will be of the highest quality and free from defects and that all Work will conform with the requirements of the Contract Documents. Design-Builder shall be solely responsible for the means, methods, techniques, sequences, and procedures of design and construction of the Project. Design-Builder shall supervise, inspect, and direct the Services and Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Project in accordance with the Contract Documents. Design-Builder shall perform, at its own cost and expense and without reimbursement from Agency, any services necessary to correct errors or omissions which are caused by Design-Builder's failure to comply with the standard of care provided for herein.

E. Best Efforts. Design-Builder recognizes the relations of trust and confidence that are established by the Contract, and covenants with Agency to furnish Design-Builder's best skill and judgment, and to actively cooperate and assist in furthering the best interests of Agency in all matters pertaining to the Project. Design-Builder agrees to furnish efficient business administration and capable supervision, and to use every effort to keep upon the work an adequate supply of workmen and materials in order to secure its execution in the most expeditious and economical manner consistent with Agency's best interests. Design-Builder's employees assigned to the Project shall at all times be reasonably satisfactory to Agency.

F. Independent Contractor. Design-Builder shall be responsible to Agency for acts and omissions of Design-Builder, their employees, Subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of Work on the Project under direct or indirect contract with Design-Builder or any of its Subcontractors. Design-Builder in the performance of the Contract shall be and act as an independent contractor. Design-Builder understands and agrees that it and all of its employees shall not be considered officers, employees, agents, partner, or joint venture of Agency, and are not entitled to benefits of any kind or nature normally provided employees of Agency or to which Agency's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Design-Builder shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to Design-Builder's employees. In the performance of the Services, Design-Builder is an independent contractor or business entity, with the sole authority for controlling and directing the performance of the details of Design-Builder's Services, Agency being interested only in the results obtained.

G. Progress Meetings. Design-Builder shall schedule and hold regular progress meetings at least weekly and at other times as requested by Agency's Representative or as required by progress of the Work. Design-Builder and Agency shall attend each meeting. Design-Builder may at its discretion request attendance by representatives

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of its Subcontractors, Suppliers, or manufacturers. Agency's Representative will preside at the progress meetings and will arrange for keeping and distributing the minutes. The purpose of the meetings is to review the progress of the Work, maintain coordination of efforts, discuss changes in scheduling, and resolve other issues which may develop. During each meeting, Design-Builder shall present any issues which may impact its progress with a view to resolve these issues expeditiously.

H. Permits and Licenses. Agency will apply and pay for the review of necessary encroachment permits for Work within the public rights-of-way. All other necessary permits and licenses necessary for prosecution of the Work shall be secured and paid for by Design-Builder, including, but not limited to, permits, licenses and fees required by a Governmental Body, unless otherwise expressly provided by the Contract Documents. Design-Builder shall arrange and pay for all off-site inspection of the Work related to permits and licenses, including certification, required by the Contract Documents or by Governmental Bodies, except for such off-site inspections delineated as Agency's responsibility pursuant to the Contract Documents. Before completion of the Project, Design-Builder shall submit all licenses, permits, certificates of inspection and required approvals to Agency.

I. Taxes. Design-Builder shall pay all sales, consumer, use, and other similar taxes required to be paid in accordance with the Applicable Laws of the place of the Project which are applicable during the performance of the Work. In accordance with Revenue and Taxation Code section 107.6, the Contract Documents may create a possessory interest subject to personal property taxation for which Design-Builder will be responsible. Without limiting any of the foregoing, in the event Agency seeks to obtain any available exemption under Applicable Law from sales, consumer, use, and similar taxes for the Project, Design-Builder will cooperate with Agency in seeking such an exemption, and will utilize (and cause its Subcontractors to utilize) any such exemption to the extent available in performance of the Work.

J. Patent Fees and Royalties. Design-Builder shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. To the fullest extent permitted by Applicable Laws, Design-Builder shall indemnify, defend, and hold harmless Agency and Agency's Representative, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents or specified in the Contract Documents and identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.

5.2 Design Work.

A. Generally. Design-Builder is responsible for the design and construction of the Project and shall use the highest design and engineering standards of care applicable to

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projects, buildings or work of similar size, complexity, quality and scope in performing Work on the Project. Design-Builder shall be solely responsible for any and all design errors including, but without limitation, errors, inconsistencies or omissions in the Construction Documents. Design-Builder shall take field measurements, verify field conditions, and carefully compare with the Contract Documents such field measurements, conditions, and other information known to Design-Builder before commencing Work on the Project. Errors, inconsistencies, or omissions discovered at any time shall be promptly reported in writing to Agency's Representative.

B. Construction Documents.

1. Generally. Design-Builder shall furnish design, architectural and engineering services for the preparation of Construction Documents necessary to complete the Project in accordance with the requirements of the Contract Documents. The Designer of Record shall design the Project and prepare the Construction Documents. The Construction Documents shall provide information customarily necessary in documents for projects of similar size, complexity, and quality. The Construction Documents shall include all information required to complete the construction of the Project, other than such details customarily developed by others during construction. Design-Builder is required to deliver to Agency, if requested, any and all Construction Documents and Work Product including, but not limited to, calculations, preliminary drawings, construction drawings, shop drawings, electronic media data, tenant improvement documents, sketches, illustrations, specifications, descriptions, models, mock ups, and other information developed, prepared, furnished, or delivered in the prosecution of the Design Work.

2. Submittal and Review of Construction Documents. Design-Builder shall submit completed packages of the Construction Documents for review by Agency at the times indicated on the Phase 1 CPM Schedule and as defined in the Phase 1 Scope of Services. Meetings between Design-Builder and Agency to review the Construction Document packages, shall be scheduled at least every two weeks, or as otherwise agreed to by the parties, and held so as not to delay Work on the Project. Design-Builder will conduct these design meetings with Agency in accordance with the schedule approved by Agency. Design-Builder will be responsible for preparing and circulating for the parties review, design meeting minutes from all such meetings. Agency's review of the Construction Documents shall be conducted in accordance with the approved Phase 1 CPM Schedule and with procedures set forth in the Contract Documents. Such review shall not relieve Design-Builder from its responsibilities under the Contract. Such review shall not be deemed an approval or waiver by Agency of any deviation from, or of Design-Builder's failure to comply with, any provision or requirement of the Contract Documents, unless such deviation or failure has been identified as such in writing in the document submitted by Design-Builder and approved by Agency. The production and review of Construction Documents may be a continuing process with portions thereof completed at different times. The Phase 1 CPM Schedule shall indicate the times for Agency to review the completion of each such portion of the Construction Documents and a reasonable time for review of same.

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C. Field Engineering. Design-Builder shall retain and pay expenses of a civil engineer or land surveyor to establish on the Project site the required reference points and benchmarks, establish building lines and elevations, check for building framing, plumbness, and establish on building frame the required basic grid lines. The engineer or land surveyor shall be properly licensed in the State of California. Design-Builder shall locate and protect control points prior to starting Work on the Project site and preserve permanent reference points during construction, and shall require the engineer or surveyor to replace control points which become lost or destroyed.

D. Information and Documents. Agency will make the Background Documents related to the Project available to the Design-Builder, including but not limited to any preliminary surveys, geotechnical information, and other information that describe the Site. The Background Documents are provided for information only and will not be included as part of the Contract Documents. Design-Builder shall perform its own independent site investigations in accordance with the requirements of the Contract Documents. Design-Builder's reliance on any reference documents shall not be a basis for increases to the Contract Price or Contract Time, nor shall it result in any Claims against Agency.

E. Geotechnical and Survey. Agency may provide a geotechnical report to Design-Builder that shall not be considered a part of the Contract Documents and shall be informational only and may not be relied upon by Design-Builder to form its basis of design. Design-Builder shall be responsible for obtaining its own geotechnical report which includes supporting data, findings and recommendations; and also with a legal description and a project survey, as necessary, which shall become a part of the Contract Documents. The Design Work shall be consistent with both the findings and recommendations of Design-Builder's geotechnical report and legal description and Project survey, or such other geotechnical recommendations obtained by Design-Builder at its sole cost and expense. Design-Builder shall verify the location and depth (elevation) of all existing utilities and services before performing any excavation work. Any additional tests, borings, etc. necessary to support the Construction Documents shall be the responsibility of Design-Builder.

5.3 Staffing of Project.

A. Generally. Design-Builder and each Subcontractor shall: furnish a competent and adequate staff as necessary for the proper administration, coordination, supervision, and superintendence of its portion of the Work on the Project; organize the procurement of all materials and equipment so that the materials and equipment will be available at the time they are needed for the Work; and keep an adequate force of skilled and fit workers on the job to complete all Work on the Project in accordance with all requirements of the Contract.

B. Employment of Workers. Design-Builder shall comply with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all Subcontractors and consultants to comply with the same. Each person executing the Contract on behalf of Design-Builder verifies that he or she is a duly authorized officer of Design-Builder and that any of the following shall be grounds for Agency to terminate the Contract for

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cause: (1) failure of Design-Builder or its Subcontractors or consultants to meet any of the requirements provided for in this Article; (2) any misrepresentation or material omission concerning compliance with such requirements; or (3) failure to immediately remove from the Work any person found not to be in compliance with such requirements.

C. Competent Workers. Design-Builder shall at all times enforce strict discipline and good order among its employees. Design-Builder shall not employ on the Project any unfit person or any one not skilled in the services assigned to him or her. Any person in the employ of Design-Builder whom Agency may deem incompetent or unfit, at its sole discretion, shall be dismissed from performing services and shall not be employed on the Project.

D. Supervision. Design-Builder shall continuously keep at the Project site, a competent and experienced full-time Project superintendent acceptable to Agency. Superintendent must be able to proficiently speak, read and write in English and shall have the authority to make decisions on behalf of Design-Builder. Design-Builder shall continuously provide efficient supervision of the Project.

5.4 Subcontractors.

A. Subcontracting Generally.

1. Licenses. Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. All Subcontractors performing Construction Work shall possess a valid contractor license as required by Applicable Law for the classification required for the work to be performed by Subcontractors at the commencement of the Construction Work and throughout the duration of the Work.

2. Responsibility for Subcontractors. All subcontracted Work shall be performed under written subcontracts. Design-Builder agrees to bind every Subcontractor to the terms of the Contract Documents as far as such terms are applicable to Subcontractor's portion of the Services. Design-Builder shall be as fully responsible to Agency for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by its Subcontractors, as Design-Builder is for acts and omissions of persons directly employed by Design-Builder. Nothing contained in these Contract Documents shall create any contractual relationship between any Subcontractor and Agency. Agency reserves the right to accept all Subcontractors. Agency's acceptance of any Subcontractor under the Contract shall not in any way relieve Design-Builder of its obligations in the Contract Documents. Subcontracts entered into by Agency for the performance of the Work shall neither supersede nor abrogate any of the terms or provisions of the Contract.

3. Claims. Design-Builder shall be responsible for settling and resolving all claims with Subcontractors. Design-Builder shall provide to Agency, promptly following the receipt thereof, copies of any notice of default, breach or non-compliance received under or in connection with any subcontract that may have a material and

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adverse effect on performance by Design-Builder of its obligations under the Contract Documents.

4. Payment. Design-Builder shall pay or cause to be paid to all Subcontractors all amounts due in accordance with their respective subcontracts and the requirements of this Article and Applicable Law. No Subcontractor shall have any right or claim against Agency for labor, services, materials or equipment furnished for the Project. Design-Builder acknowledges that its indemnity obligations under the Contract shall extend to all claims for payment or damages by any Subcontractor who furnishes or claims to have furnished any labor, services, materials or equipment in connection with the Project. Design-Builder shall, at Agency's request, furnish satisfactory evidence that all obligations of the nature designated above in this Article have been paid, discharged or waived. If Design-Builder fails to do so Agency may, after having notified Design-Builder, withhold from Design-Builder's unpaid compensation a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged whereupon payment to the Design-Builder will be resumed in accordance with the terms of the Contract, but in no event shall the provisions of this sentence be construed to impose any obligations upon Agency to either Design-Builder, the surety or any third party.

5. Assignment. Each subcontract agreement shall include a provision that allows for an irrevocable assignment of the subcontract to Agency, solely at Agency's election and without cost or penalty. The provision shall indicate that Agency's acceptance of the assignment shall not affect any obligations of the Subcontractor's performance or payment bond surety. Agency may accept the assignment by delivering written notice to Design-Builder and Subcontractor.

B. Subcontracting Design Work.

1. Identified in SOQ. Design-Builder shall perform the Design Work with resources available within its own organization and no portion of the Design Work shall be subcontracted without written authorization by Agency, except that which is expressly identified in Design-Builder's SOQ.

2. Agency Approval. Design-builder may request to have a design professional perform Design Work that is not expressly identified in the SOQ by requesting written approval from Agency. The request shall include, among other things, the scope of Design Work performed by the design professional and the design professionals qualifications. Agency may accept the request or may reject any proposed Subcontractor as unsuitable, unqualified, not responsible, having a conflict of interest, or that Agency otherwise object to performing Design Work on the Project.

C. Substitution of Subcontractors.

1. Subcontractors Performing Design Work. Design-Builder shall not substitute a Subcontractor performing Design Work except with Agency's express written authorization.

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2. Subcontractors Performing Construction Work. Subcontractors performing Construction Work shall be afforded the protections of the Subletting and Subcontracting Fair Practices Act (Public Contract Code sections 4100 *et seq*.). Design-Builder shall not substitute Subcontractors that are awarded a contract pursuant to the above process, except in accordance with the Subletting and Subcontracting Fair Practices Act. Design-Builder may substitute a Subcontractor without following the Subletting and Subcontracting Fair Practices Act that Design-Builder procures through a noncompetitive procurement. Design-Builder shall not substitute in a Subcontractor for Self-Performed Construction Work except with Agency's express written authorization.

3. All Subcontractor Substitution. Agency will not grant an increase to a GMP or grant an extension of Contract Time in the event of a substitution of any Subcontractor.

D. Dismissal of Subcontractors.

1. Subcontractor. Agency reserves the right to order Design-Builder to dismiss any Subcontractor and to terminate any subcontract if, in Agency's opinion, the Subcontractor fails to comply with the requirements of the Contract Documents insofar as the same may be applicable to the Subcontractor's Work. Nothing herein contained shall create any contractual relation between any Subcontractor and Agency or relieve Design-Builder of any liability or obligation hereunder for, among other things, its Subcontractor's Work.

2. Staff Member of Subcontractor. If at any time during the Project, Agency reasonably determines that the performance of any member of Subcontractor's staff performing Work is unsatisfactory, Agency may require Design-Builder to remove such staff member immediately and replace the staff member at no cost or penalty to Agency.

3. No Increase in Price, Time. Agency will not grant an increase to a GMP or grant an extension of the Contract Time in the event of a dismissal of any Subcontractor.

5.5 Safety Requirements.

A. General Safety Requirements. Design-Builder shall be solely responsible for all safety precautions and programs in connection with the Project. Design-Builder shall comply with all Applicable Laws relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Design-Builder shall take all reasonable precautions for the health and safety of, and shall provide all reasonable protection to prevent damage, injury or loss to all employees on the Site and all other persons who may be affected thereby. Design-Builder shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Applicable Laws. Design-Builder shall notify owners of adjacent property and utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property. Design-Builder shall maintain emergency first aid treatment for its employees which complies with the Federal

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Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 *et seq*.), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4. Design-Builder shall ensure the availability of emergency medical services for its employees in accordance with California Code of Regulations, Title 8, Section 1512.

B. Safety Manager. Design-Builder assumes responsibility for implementing and monitoring all health and safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing Work, designate an individual with the qualifications and experience necessary to supervise the implementation and monitoring of all health and safety precautions and programs related to the Work. The health and safety manager shall be an individual stationed full time at the Site and who shall have no other responsibilities with respect to the Project other than supervising the implementation and monitoring of all health and safety precautions and programs related to the Work.

C. Safety Inspections and Meetings. Design-Builder is solely responsible to inspect, survey, and assess the Site and identify the existence of all permit-required confined spaces and non-permit confined spaces and comply with applicable OSHA regulations and standards. Design-Builder's Site assessment shall begin upon the initiation of Work and continue throughout the duration of the Project. The health and safety manager shall make routine daily inspections of the Site and shall hold weekly health and safety meetings with Design-Builder's personnel, Subcontractors and others, as applicable.

D. Safety Plan. Design-Builder shall submit a Safety Plan that includes, among other things, an illness and injury prevention program and a Site specific safety program to Agency prior to beginning Work. The Safety Plan shall include, but not be limited to, worker safety, electrical safety, lock-out/tag-out, arc flash safety personal protection equipment while working in vicinity of energized electrical equipment, hazard communication, fire protection plan, emergency access plan, health and safety inspections of mechanized equipment, machinery, hoists, cranes, scaffolding, excavations, shoring, and related items. Design-Builder shall maintain a confined space program that meets or exceeds Applicable Law. Design-Builder needs to make themselves aware of Agency's safety policies and procedures, and shall meet or exceed all Agency standards in areas where Agency must enter to perform inspections.

E. Safety Compliance Requirements. Design-Builder shall, and shall cause all Subcontractors to, comply with: (1) all Applicable Law relating to safety; (2) the Safety Plan; and (3) any Agency health and safety requirements. Design-Builder shall immediately report (no later than within 12 hours after its occurrence), in writing, any health and safety-related injury, loss, damage, accident or near miss arising from the Work to the Agency's Representative and, to the extent mandated by Applicable Law, to any Governmental Body having jurisdiction over health and safety-related matters involving the Project. Agency shall have the right to suspend any or all Work if Design-Builder fails to comply with its obligations hereunder without any requirements of increasing a GMP or Contract Time.

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F. Emergencies. Design-Builder shall develop an emergency response plan in accordance with the Contract Documents. The emergency response plan shall establish the protocols for Design-Builder in dealing with emergencies impacting the performance of the Work and ensure there is sufficient response to any medical or fire emergency, such as injury to an employee or a wildfire at the Site. The emergency response plan shall be subject to the approval of Agency. In case of an emergency which threatens immediate loss or damage to property or health and safety of life, Design-Builder shall act immediately to prevent threatened loss, damage, injury or death. Design-Builder shall notify Agency's Representative of the situation and all actions taken immediately thereafter. Prior to commencing Construction Work and at all times during the performance of the Work, Design-Builder shall provide Agency with 24-hour emergency phone numbers where its representatives can be contacted. When Agency has been notified of emergency situations requiring, in Agency's reasonable opinion, immediate attention and rectification, Agency will so notify Design-Builder. In the event Design-Builder fails to commence actions to prevent threatened loss, damage, injury or death immediately after notification from Agency, Agency may take all appropriate rectification actions and deduct the costs thereof from monies owed to Design-Builder.

5.6 Security.

A. Security Generally. Design-Builder shall be responsible for the security and protection of the Project and the Site, including any security requirements set forth in the Contract Documents. Design-Builder shall guard against all damage or injury to such properties caused by trespass, negligence, vandalism or malicious mischief of third parties, and shall operate, maintain, repair and replace all surveillance and other security equipment and assets constituting fixtures of the Project in accordance with the Contract Documents. Design-Builder shall comply with, and cause all Subcontractors to comply with, all terms and conditions related to security.

B. Security Plan. Design-Builder shall provide, for Agency's review and comment, a Security Plan, prepared in accordance with the Contract Documents. Design-Builder shall not perform any Construction Work until the Agency has reviewed and commented on the Security Plan. Design-Builder shall provide a final Security Plan, having addressed any comments provided by Agency, as a pre-condition to Construction Work.

5.7 Hazardous Waste.

A. Hazardous Waste Introduced by Design-Builder. Agency shall not be responsible for any Hazardous Waste brought to the site by Design-Builder. If Design-Builder: (i) introduces and/or discharges a Hazardous Waste onto the Site in a manner not specified by the Contract Documents; and/or (ii) disturbs a Hazardous Waste identified in the Contract Documents, Design-Builder shall hire a qualified remediation contractor at Design-Builder's sole cost to eliminate the condition as soon as possible. Under no circumstance shall Design-Builder perform Work for which it is not qualified. Agency, in its sole discretion, may require Design-Builder to retain at Design-Builder's cost an independent testing laboratory.

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B. Encountering Hazardous Waste. If Design-Builder encounters Hazardous Waste which may cause foreseeable injury or damage, Design-Builder shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such material or substance (except in an emergency situation); and (iii) notify Agency (and promptly thereafter confirm such notice in writing). Design-Builder shall contract for any services required to directly remove and/or abate Hazardous Waste, if required. The Work in the affected area shall not thereafter be resumed except by written agreement of Agency and Design-Builder.

C. Hazardous Waste Indemnification. Design-Builder shall indemnify, defend, and hold harmless Agency from and against claims, damages, losses and expenses, arising from Hazardous Waste on the Site, if such Hazardous Waste was brought to the Site by Design-Builder. Nothing in this paragraph shall obligate Design-Builder to indemnify Agency in the event of the sole or active negligence or willful misconduct of Agency, its officers, agents, or employees.

5.8 Water Quality Management and Compliance.

A. Storm Water. Storm, surface, ground, nuisance, or other waters may be encountered at various times during construction of the Project. Design-Builder hereby acknowledges that it has investigated the risk arising from such waters, has prepared a GMP accordingly, and assumes any and all risks and liabilities arising therefrom.

B. Discharge of Storm Water. Design-Builder shall keep itself and all Subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions regulating discharges of storm water; the Federal Water Pollution Control Act (33 U.S.C. § 13000 *et seq*.); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); and any and all regulations, policies, or permits issued pursuant to any such authority.

C. Construction General Permit. Design-Builder shall comply with all conditions of the State Water Resources Control Board National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity ("Construction General Permit") for all construction activity which results in the disturbance of in excess of one acre of total land area or which is part of a larger common area of development or sale. Design-Builder shall comply with the lawful requirements of Agency, and any other applicable municipality, drainage district, or other local agency with jurisdiction over the location where the Work is to be conducted, regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

D. Violations. Failure to comply with the Construction General Permit, laws, regulations, and ordinances listed in this Article is a violation of federal and state law. Notwithstanding any other indemnity contained in these Contract Documents, Design-Builder agrees to indemnify and hold harmless Agency, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, fees, costs, expenses, or losses or liabilities of any kind or nature which Agency, its

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officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the Construction General Permit, laws, regulations, and ordinances listed above, arising out of or in connection with the Work, except for liability resulting from the sole established negligence, willful misconduct or active negligence of Agency, its officials, officers, agents, employees or authorized volunteers. Agency reserves the right to defend any enforcement action or civil action brought against Agency for Design-Builder's failure to comply with any applicable water quality law, regulation, or policy. Design-Builder hereby agrees to be bound by, and to reimburse Agency for the costs associated with, any settlement reached between Agency and any relevant enforcement entity.

5.9 Environmental Requirements.

A. Environmental Quality Protection.

1. Environmental Regulations. Agency operates under a number of environmental permits issued by various agencies. Design-Builder shall comply with all requirements of Applicable Law for environmental rules and regulations. Any infractions of Applicable Law by Design-Builder during the term of the Contract, which result in penalties, will be the responsibility of Design-Builder. If due to an action, inaction, or negligence by Design-Builder, Agency becomes subject to non-compliance penalties, the cost of such penalties shall be borne by Design-Builder.

2. Preservation of Site. Design-Builder shall exercise care to preserve the natural landscape and vegetation, and shall conduct operations so as to prevent unnecessary destruction, scarring, or defacing of the natural surroundings in the vicinity of the Work. Movement of crews and equipment within the rights-of-way and over routes provided for access to the Work shall be performed in a manner to prevent damage to property. When no longer required, construction roads shall be restored to original contours. Upon completion of the Project and following removal of construction facilities and required cleanup, land used for construction purposes and not required for the completed installation shall be scarified and regraded, as required, so that all surfaces are left in a condition that will facilitate natural revegetation, provide for proper drainage, and prevent erosion.

3. Endangered Plants and Animals. If, in the performance of the Work, evidence of the possible occurrence of any Federally listed threatened or endangered plant or animal is discovered, Design-Builder shall notify Agency's Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location and nature of the findings shall be forwarded to Agency's Representative within two (2) Days. Design-Builder shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the endangered plant or animal. If directed by Agency, Design-Builder will refrain from working in the immediate area, suspend the Work in its entirety, or alter its performance to ensure full compliance with all Applicable Laws. Any Agency directed changes to the Work as a result of a siting will be pursuant to the Contract Documents. Any costs or delays incurred by Agency or Design-Builder due to unreasonable or false notification of an endangered plant or animal will be borne by Design-Builder.

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4. Cultural Resources. If, in the performance of the Work, Design-Builder should unearth cultural resources (for example, human remains, animal bones, stone tools, artifacts and/or midden deposits) through excavation, grading, watering or other means, Design-Builder shall notify the Agency's Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location and nature of the findings shall be forwarded to Agency's Representative within two (2) Days. Design-Builder shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the cultural resource. If directed by Agency's Representative, Design-Builder will refrain from working in the immediate area, suspend the Work in its entirety, or re-sequence and/or alter its performance to ensure full compliance with all Applicable Laws. Should the presence of cultural resources be confirmed, Design-Builder will assist Agency's Representative in the preparation and implementation of a data recovery plan. Design-Builder shall provide such cooperation and assistance as may be necessary to preserve the cultural resources for removal or other disposition. Any Agency directed changes to the Work as a result of the cultural resource will be pursuant to the Contract Documents. Should Design-Builder, without permission, injure, destroy, excavate, appropriate, or remove any cultural resource on or adjacent to the Site, it will be subject to disciplinary action, arrest and penalty under Applicable Law. Design-Builder shall be principally responsible for all costs of mitigation and/or restoration of cultural resources related to the unauthorized actions identified above. Design-Builder shall be required to pay for unauthorized damage and mitigation costs to cultural resources (historical and archeological resources) as a result of unauthorized activities that damage cultural resources and shall indemnify Agency pursuant to the Contract Documents.

B. Noise Restrictions. Design-Builder shall use only such equipment on the Project and in such state of repair so that the emission of sound therefrom is within the noise tolerance level of that equipment as established by Cal/OSHA. Design-Builder shall comply with the most restrictive of the following: (1) local sound control and noise level rules, regulations and ordinances and (2) the requirements contained in these Contract Documents, including hours of operation requirements. No internal combustion engine shall be operated on the Project without a muffler of the type recommended by the manufacturer. Should any muffler or other control device sustain damage or be determined to be ineffective or defective, Design-Builder shall promptly remove the equipment and shall not return said equipment to Project until the device is repaired or replaced. Said noise and vibration level requirements shall apply to all equipment at the Site or related to the Project, including but not limited to, trucks, transit mixers or transit equipment that may or may not be owned by Design-Builder.

C. Diversion of Recyclable Waste Material. In compliance with the applicable Agency's waste reduction and recycling efforts, Design-Builder shall divert all recyclable waste materials to appropriate recycling centers as required for compliance with the local jurisdiction's waste diversion ordinances. Design-Builder will be required to submit weight tickets and written proof of diversion with its monthly progress payment requests. Design-Builder shall complete and execute any certification forms required by Agency or other applicable agencies to document Design-Builder's compliance with these diversion requirements.

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D. Air Pollution Control.

1. General. Design-Builder shall comply with all air pollution control rules, regulations, ordinances and statutes. All containers of paint, thinner, curing compound, solvent or liquid asphalt shall be labeled to indicate that the contents fully comply with the applicable material requirements.

2. Air Rules. Without limiting the foregoing, Design-Builder must fully comply with all Applicable Laws in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the Air Quality Management Agency with jurisdiction over the Project and/or California Air Resources Board ("CARB"). Design-Builder shall specifically be aware of the application of these limits and requirements to "portable equipment", which definition includes any item of equipment with a fuel-powered engine.

3. CARB Regulations. To the extent applicable, Design-Builder, shall comply, and shall ensure all Subcontractors comply, with all requirements of CARB including, without limitation, all applicable terms of Title 13, California Code of Regulations Division 3, Chapter 9 and all pending amendments ("CARB Regulation"). Throughout Project, and for three (3) years thereafter, Design-Builder shall make available for inspection and copying any and all documents or information associated with Design-Builder's and Subcontractors' fleet including, without limitation, the certificate of reported compliance, fuel/refueling records, maintenance records, emissions records, and any other information Design-Builder is required to produce, keep or maintain pursuant to the CARB Regulation upon two (2) calendar days' notice from Agency. Design-Builder shall be solely liable for any and all costs associated with complying with the CARB Regulation as well as for any and all penalties, fines, damages, or costs associated with any and all violations, or failures to comply with the CARB Regulation. Design-Builder shall defend, indemnify and hold harmless Agency, its officials, officers, employees and authorized volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the CARB Regulation.

E. Dust Control. Design-Builder, at its expense, shall maintain all excavations, embankments, haul roads, permanent access roads, plant sites, waste disposal areas, borrow areas, and all other work areas free from dust. Industry accepted methods of dust control suitable for the area involved, such as sprinkling, chemical treatment, light bituminous treatment or similar methods, will be permitted.

5.10 Labor Requirements.

A. Prevailing Rates of Wages.

1. Prevailing Wage Laws. Design-Builder is aware of the requirements of Labor Code sections 1720 *et seq.* and 1770 *et seq.*, as well as California Code of Regulations, Title 8, Section 16000 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing

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Wage Laws, and since the total compensation is $1,000 or more, Design-Builder agrees to fully comply with such Prevailing Wage Laws. Design-Builder shall obtain a copy of the prevailing rates of per diem wages at the commencement of the Contract from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations ("DIR") located at www.dir.ca.gov. In the alternative, Design-Builder may view a copy of the prevailing rate of per diem wages which are on file at Agency's office and shall be made available to interested parties upon request. Design-Builder shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at Design-Builder's principal place of business and at the Project site. Design-Builder shall post, at appropriate conspicuous points on the Site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned. Design-Builder shall defend, indemnify and hold Agency, its officials, officers, employees and authorized volunteers free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or allege failure to comply with the Prevailing Wage Laws.

2. Penalties. Design-Builder shall forfeit as a penalty to Agency not more than Two Hundred Dollars ($200.00), pursuant to Labor Code section 1775, for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate as determined by the director of the DIR for such work or craft in which such worker is employed for any public work done under the Contract by it or by any Subcontractor under it. The difference between such prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by Design-Builder.

3. Davis-Bacon. If the Contract is subject to the Davis-Bacon Act, the federal minimum wage rates for this Project are predetermined by the United States Secretary of Labor. These rates are available directly from the Department of Labor at http://www.wdol.gov and included in the Contract Documents. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the director of the DIR for similar classifications of labor, Design-Builder and its Subcontractors shall pay not less than the higher wage rate.

B. Public Works Contractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, Design-Builder and its Subcontractors must be registered with the DIR prior to the execution of a contract to perform public works. By entering into the Contract, Design-Builder represents that it is aware of the registration requirement and is currently registered with the DIR. Design-Builder shall maintain a current registration for the duration of the Project. Design-Builder shall further include the requirements of Labor Code sections 1725.5 and 1771.1 in any subcontract and ensure that all Subcontractors are registered at the time the subcontract is entered into and maintain registration for the duration of the Project.

C. Employment of Apprentices. Design-Builder and all Subcontractors shall comply with the requirements of Labor Code sections 1777.5 and 1777.6 in the employment of

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apprentices. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices. Knowing violations of Labor Code section 1777.5 will result in forfeiture not to exceed one hundred dollars ($100.00) for each calendar day of non-compliance pursuant to Labor Code section 1777.7.

D. Hours of Work. As provided in Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2 of the Labor Code, Design-Builder stipulates that eight (8) hours of labor shall constitute a legal day's work. The time of service of any worker employed at any time by Design-Builder or by any Subcontractor under the Contract upon the Work or upon any part of the Project contemplated by the Contract is limited and restricted to eight (8) hours during any one calendar day and 40 hours during any one calendar week, except as hereinafter provided. Notwithstanding the provisions herein above set forth, Services performed by employees of Design-Builder in excess of eight (8) hours per day, and 40 hours during any one week, shall be permitted upon this public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half times the basic rate of pay. Design-Builder and every Subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed in connection with the Services or any part of the Services contemplated by the Contract. The record shall be kept open at all reasonable hours to the inspection of Agency and to the Division of Labor Law Enforcement, Department of Industrial Relations of the State of California. Design-Builder shall pay to Agency a penalty of twenty-five dollars ($25.00) for each worker employed in the execution of the Contract by Design-Builder or by any Subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and 40 hours in any one calendar week in violation of the provisions of Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2 of the Labor Code.

E. Payroll Records; Labor Compliance.

1. Maintaining Records. Pursuant to Labor Code section 1776, Design-Builder and all Subcontractors shall maintain weekly certified payroll records, showing the names, addresses, Social Security numbers, work classifications, 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 them in connection with the Services under the Contract. Design-Builder shall certify under penalty of perjury that records maintained and submitted by Design-Builder are true and accurate. Design-Builder shall also require Subcontractor(s) to certify weekly payroll records under penalty of perjury.

2. Furnishing Records. In accordance with Labor Code section 1771.4, Design-Builder and each Subcontractor shall furnish the certified payroll records directly to the DIR on the specified interval and format prescribed by the DIR, which may include electronic submission. Design-Builder shall comply with all requirements and regulations from the DIR relating to labor compliance monitoring and enforcement.

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3. Stop Orders. Any stop orders issued by the DIR against Design-Builder or any Subcontractor that affect Design-Builder's performance of Services, including any delay, shall be Design-Builder's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Design-Builder caused delay subject to any applicable liquidated damages and shall not be compensable by Agency. Design-Builder shall defend, indemnify and hold Agency, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the DIR against Design-Builder or any Subcontractor.

4. Certifying Records. The payroll records described herein shall be certified and submitted by Design-Builder at a time designated by Agency. Design-Builder shall also provide the following:

    a. A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

    b. A certified copy of all payroll records described herein shall be made available for inspection or furnished upon request of the DIR.

5. Form of Records. Unless submitted electronically, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement ("DLSE") of the DIR or shall contain the same information as the forms provided by the DLSE.

6. Copies of Records. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency, Agency, the Division of Apprenticeship Standards or the DLSE shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of Design-Builder awarded the Contract or performing Services on the Contract shall not be marked or obliterated.

7. Noncompliance. In the event of noncompliance with the requirements of this Article, Design-Builder shall have ten (10) Days in which to comply subsequent to receipt of written notice specifying in what respects Design-Builder must comply with this Article. Should noncompliance still be evident after such 10-Day period, Design-Builder shall pay a penalty of one hundred dollars ($100.00) to Agency for each Day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the DLSE, such penalties shall be withheld from progress payment then due.

F. Nondiscrimination/Equal Employment Opportunity. Pursuant to Labor Code section 1735 and other Applicable Law, Design-Builder and its Subcontractors shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law on this Project. Design-Builder will take affirmative action to insure that employees are treated during employment or training without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law.

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G. Debarment of Contractors and Subcontractors. Contractors or Subcontractors may not perform work on a public works project who are ineligible to perform work pursuant to Labor Code section 1777.1 or 1777.7. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid, or may have been paid to a debarred Subcontractor by Design-Builder on the Project shall be returned to Agency. Design-Builder shall be responsible for the payment of wages to workers of a debarred Subcontractor who has been allowed to work on the Project.

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ARTICLE 6 - COST OF CONSTRUCTION WORK

6.1 Early Work and Purchases.

A. Generally.

1. Agency may direct, or the Parties may agree, that Design-Builder will procure an Early Purchase Item or perform an Early Construction Package. For purposes of interpretation, and unless otherwise stated, the terms of these General Conditions that apply to procurement of equipment and material or Construction Work shall apply to an Early Purchase Item or an Early Construction Package. This includes, but is not limited to, applicable procurement requirements and compensation for an Early Purchase Item or an Early Construction Package.

2. Approval by Agency of an Early Purchase Item or an Early Construction Package shall not prejudice any right of Agency with respect to Phase 2 or the remainder of the Construction Work, including Agency's right to terminate the Contract if the Parties cannot agree to a GMP Amendment and move to Phase 2. For the avoidance of doubt, in no event shall an Early Purchase Item or Early Construction Package be construed as a GMP Amendment or as a Notice to Proceed with Phase 2.

3. Design-Builder expressly agrees and acknowledges that this process for an Early Purchase Item or an Early Construction Package is a contractual mitigation measure to avoid increased costs and to avoid delay(s) to the construction of the Project. Agency's consent to this process hereunder shall in no way entitle Design-Builder to an increase in the Contract Price or an extension of the Contract Time after the issuance of the Notice to Proceed for Phase 2, unless otherwise permitted, and consistent with the requirements of, the Contract Documents.

B. Early Purchase Item.

1. Design-Builder shall procure Early Purchase Items on either a best value or low-bid basis, as allowed by Agency. In the event that a best value procurement is utilized, Design-Builder will obtain approval of the evaluation criteria from Agency and Agency has the right to review all proposals submitted. In the event that a low-bid procurement is utilized, Agency has the right to review and accept all bids submitted.

2. Each Early Purchase Item Amendment, if any, shall set forth all pricing, schedule, and other relevant commercial terms specific to the corresponding Early Purchase Item. Design-Builder shall obtain express written authorization from Agency prior to procurement of any equipment as part of an Early Purchase Item. Design-Builder may procure equipment at its own risk without obtaining Agency's prior approval.

3. Upon delivery of an Early Purchase Item to Design-Builder, whether at the Site or off-site, Design-Builder shall provide Agency with verifiable documentation of the receipt of any Early Purchase Item(s) including bill of lading and photographs specifically identifying:

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a. The Early Purchase Item;

b. The serial number of each Early Purchase Item; and/or

c. Other indicia authenticating the Early Purchase Item.

4. Design-Builder's obligations to store an Early Purchase Item shall comply with all requirements for storage of equipment and materials the Contract Documents and shall ensure that all policies of insurance protecting property shall cover the Early Purchase Item.

C. Early Construction Package.

1. If Agency chooses to authorize the preparation of a proposal for an Early Construction Package, the Parties will agree upon the specific process for doing so, with the understanding that the process is intended generally to follow the submittal and negotiation process set forth for a GMP Proposal. Design-Builder shall comply with all applicable procurement requirements required by the Contract Documents.

2. An Early Construction Package shall set forth the proposed scope of work under the Early Construction Package, the proposed timing, a procurement plan for the work and any other information necessary to approve and proceed with the Early Construction Package.

3. Each Early Construction Amendment, if any, shall set forth all pricing, schedule, and other relevant commercial terms specific to the corresponding Early Construction Package. If utilized, the form of the Early Construction Amendment shall be generally consistent with the form of a GMP Amendment.

4. Design-Builder shall not commence an Early Construction Package until Agency issues a Notice to Proceed for the Early Construction Package. Agency shall have no liability to Design-Builder with respect to an Early Construction Package unless and until Agency issues a Notice to Proceed for the Early Construction Package, and then only to the extent of the Early Construction Amendment for which Agency issued a Notice to Proceed.

5. All services performed pursuant to an Early Construction Amendment shall constitute Construction Work and shall be performed in accordance with the Contract Documents for Construction Work.

6.2 Guaranteed Maximum Price.

A. Design-Builder guarantees that the final cost to construct Work shall not exceed the GMP for the Work, subject to any additions or deductions as provided in the Contract Documents. Except as otherwise provided in the Contract Documents, Design-Builder shall assume the risk of all costs in excess of the GMP in the performance of Work and to provide a fully completed and successfully operational Project, complete in every detail according to the provisions of the Contract Documents and shall not be entitled to additional payments because of such excess costs. Should Design-Builder believe that it is entitled to additional compensation, whether money or time, it must

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request such compensation through a Change Order Request. If the final accounting of the costs for Work exceeds the GMP for the Work, including all adjustments to the GMP in accordance with the Contract Documents, Design-Builder shall be solely responsible for all costs exceeding such amount.

B. A GMP includes and assumes that from time to time, Design-Builder will encounter delays and difficult site conditions arising from limited access to work areas, other interference, or conditions at the Project site. Design-Builder assumes full responsibility for its examination, investigation and understanding of the difficulties which may be encountered, and has included in a GMP the cost of any Work associated with such difficulties.

6.3 Composition of Guaranteed Maximum Price.

A. GMP Elements. The GMP will be based on an Open Book Basis and comprised of the following elements:

1. Completion of Design Work for the Project, including any design support services during Phase 2.

2. Cost of Work, including:

    a. Direct Cost;

    b. General Conditions Cost; and

    c. Subcontractor Construction Cost.

3. Bond costs without markup.

4. Insurance costs without markup.

5. Design-Builder's Self-Performance Fee applied to Design-Builder's Direct Cost and General Conditions Cost.

6. Design-Builder's Subcontractor Fee applied to Subcontractor Construction Cost.

7. Design-Builder Contingency, if any.

8. Allowances, if any.

B. Design Work Services. Agency and Design-Builder will negotiate an amount for Design-Builder to complete Design Work for the Project and design support services in Phase 2. The amount will be based on pricing in Design-Builder's Cost Proposal Form and how the Phase 1 Fee is established.

C. Cost of Work Components.

1. Direct Cost. Direct Cost includes the actual and verifiable Direct Cost necessarily incurred and paid by Design-Builder in the proper performance of Construction Work. Direct Cost include, but are not limited to, the following:

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a. Field Labor Cost. The cost of field labor will be the actual cost for wages prevailing locally for each craft or type of worker at the time the Work is done, plus employer payments of payroll taxes and insurance, health and welfare, pension, vacation, apprenticeship funds, and other direct costs resulting from federal, state or local laws, as well as assessment or benefits required by lawful collective bargaining agreements. Agency shall not be responsible for any labor rates in excess of the prevailing wage rate unless specifically authorized by the Agency's Representative for individuals with special qualifications. Wages, burdens, and fringes will be paid at actual cost as verified as part of the labor compliance reporting process and are fully auditable. They shall include the following: actual wages paid to employees; labor burden, including charges for social security taxes, Medicare taxes, federal unemployment taxes, state unemployment taxes, and other taxes pertaining to labor; and employer payments to or on behalf of the workers for health, welfare, pension, vacation, apprenticeship funds and similar purposes, as well as assessments or benefits required by lawful collective bargaining agreements. Cost for supervision above the level of working foremen (such as general foremen, superintendent, project manager, etc.) is considered to be included in Indirect Cost. Premium and overtime rates shall not be paid by the Agency unless authorized or directed by the Agency in writing.

b. Materials, Equipment Cost. The cost of materials and equipment incorporated into the Project shall be actual costs, including purchase, transportation, inspection, testing, storage and handling costs. Cost of materials described in the preceding sentence in excess of those actually installed but required to provide reasonable allowance for waste and for spoilage, require written approval by Agency. Unused excess materials, if any, shall be turned over to Agency at the completion of the Project or, at Agency's option, shall be sold by Design-Builder; amounts realized, if any, from such sales shall be credited to Agency as a deduction from the Direct Cost. Agency reserves the right to furnish materials and equipment for the Project.

c. Construction Equipment Cost.

(i) Regardless of ownership, rates for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof, shall not exceed listed rates prevailing locally at equipment rental agencies, or distributors, at the time the Work is performed. Design-Builder shall furnish cost data supporting the establishment of the equipment rate. In the absence of a identified direct cost for the equipment, Design-Builder will be paid for the use of equipment at the rental rates identified for such equipment in the edition of the State of California Department of Transportation (Caltrans) publication "Labor Surcharge & Equipment Rental Rates" as supplemented by the Caltrans "Miscellaneous Equipment Rental Rates" publication in effect

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on the date the Work is performed. If that equipment is not listed in either Caltrans publication, the U.S. Army Corps of Engineers publication "Construction Equipment Ownership and Operating Expense Schedule" in effect on the date the Work is performed shall be used to determine the rental rate.

(ii) The equipment rates paid, as above provided, shall include the cost of fuel, oil, lubrication supplies, small tools, necessary attachments, repairs and maintenance of all kinds, depreciation, storage, insurance, and all incidentals. Rates and quantities of equipment rented will be subject to Agency's prior approval. The time to be paid for equipment shall be the time the equipment is in productive operation on the Work being performed. Charges for time will not be allowed while equipment is inoperative due to breakdowns. All equipment shall, in the opinion of Agency, be in good working condition and suitable for the purpose for which the equipment is to be used. When hourly rates are listed, any part of an hour less than 30 minutes of operation shall be considered to be 1/2-hour of operation, and any part of an hour greater than 30 minutes will be considered one hour of operation. When daily rates are listed, any part of a day less than 4 hours operation shall be considered to be 1/2-day of operation.

(iii) Individual pieces of equipment having a replacement value of five thousand dollars ($5,000.00) or less shall be considered to be small tools or small equipment and no payment will be made for them. Small tools are part of Indirect Cost.

d. Sales Tax. Design-Builder's charge for sales tax will be its actual, verified direct sales tax costs only.

e. Travel; Lodging Cost. The reasonable cost of travel, accommodations, and meals for Design-Builder's personnel directly involved in the performance of the Work, negotiated in a GMP.

f. Costs Not Considered Direct Cost. Direct Cost do not include the following: General Conditions Cost; Subcontractor Construction Cost; Design Work; Design-Builder's personnel primarily stationed at Design-Builder's principal or home offices; material or equipment provided by Agency; cost of Design-Builder's capital used in the performance of the Construction Work; cost that would cause the GMP to be exceeded; discounts and rebates and the salvage value of tools and equipment consumed in the Work charged by Design-Builder; cost incurred in performing call-back, repair and warranty work; cost due to the negligence, error, or omission of Design-Builder or to the failure of Design-Builder to fulfill a specific responsibility to Agency set forth in the Contract Document; cost incurred as a result of a delay which does not constitute compensable delay under the Contract Documents; cost incurred in the performance of Phase 1 Services; legal fees and costs related to or arising from disputes between the Parties, including, but not limited to, mediation and litigation fees; any cost not specifically and expressly described as a reimbursable cost; and cost Design-Builder is

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required to bear as a result of Design-Builder's failure to perform in accordance with the Contract Documents.

2. General Conditions Cost. General Conditions Cost will be negotiated between Agency and Design-Builder and established in a GMP Amendment. Design-Builder will be paid for its General Conditions Cost based on a fixed duration price (i.e. x amount per week or month) and not on the basis of actual verified costs, unless otherwise agreed to by the Parties. General Conditions Cost include Design-Builder's costs to manage and support the Construction Work for a GMP, including, but not limited to, the following:

    a. Design-Builder's staff at the Site, including the following:

        (i) Hourly costs of wages or salaries, including fringe benefits, of all Design-Builder's supervisory and administrative personnel engaged in the performance of Construction Work but only for that portion of their time required for Work covered by the GMP, including but not limited to the project manager, construction manager, superintendent(s), and those responsible for managing and implementing Design-Builder's general conditions, including, but not limited to, scheduling, cost control, billing, surveying, Security Plan, and Safety Plan.

        (ii) Hourly costs of wages or salaries, including fringe benefits, of the Design-Builder's supervisory and administrative personnel engaged off of the Site at suppliers, at workshops, or on the road, to assist in the coordination, production, or transportation of material or equipment for the Construction Work.

    b. Field office costs for Design-Builder staff, including the following:

        (i) Design-Builder field office mobilization and demobilization

        (ii) Office trailer rental

        (iii) Office furniture and equipment

        (iv) Office janitorial

        (v) Office supplies

        (vi) Office computers, software and maintenance

        (vii) Office telephones, telephone and internet services, and all job site communication for the Project

        (viii) Document reproduction services (off-site or custom)

        (ix) Copy machines, fax machines, printers, scanners, and paper shredders

        (x) Postage, courier, and express delivery

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(xi) Accounting and data processing costs

(xii) Jobsite radios/cellular phones

(xiii) Scheduling expenses

(xiv) Job meeting expenses

(xv) Employee identification system

(xvi) Record Drawings

(xvii) Project preconstruction and progress photos

(xviii) Job Site security

c. Temporary amenities and utilities (includes hookup, metering, and consumption costs) including the following:

(i) Drinking water

(ii) Temporary toilets

(iii) Temporary water distribution and meters

(iv) Temporary fire protection

(v) Temporary power

(vi) Temporary and emergency lighting

(vii) Temporary construction facilities and services

(viii) Temporary heat and ventilation

3. Subcontractor Construction Cost. Subcontractor Construction Cost includes payments made by Design-Builder to Subcontractors for the proper performance of Construction Work. Subcontractor Construction Cost include, but are not limited to, the following:

a. Payments made by Design-Builder to Subcontractors for any and all cost to perform Subcontracted Construction Work as part of the Work established in either a quote, proposal, or bid to Design-Builder, including, but not limited to, the Subcontractor's direct costs, indirect costs, field and office overhead, performance bonds, payment bonds, insurance, and profit.

D. Bond Costs. Design-Builder's charge for Performance Bond and Payment Bond costs shall be its actual, verified costs, without any markup, and identified in a GMP Amendment.

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E. Insurance Costs. Design-Builder's charge for insurance shall be its actual, verified costs, without any markup, and identified in a GMP Amendment.

F. Design-Builder's Self-Performance Fee. Design-Builder's Self-Performance Fee shall compensate Design-Builder for its home office overhead, profit, and other costs and expenses not specifically included in the Cost of Work. Design-Builder Self-Performance Fee percentage is identified in the Special Conditions and shall only be applied to Design-Builder's Direct Cost and Indirect Cost.

G. Design-Builder's Subcontractor Fee. Design-Builder's Subcontractor Fee shall compensate Design-Builder for its home office overhead and profit on Subcontractor Construction Cost. Design-Builder's Subcontractor Fee percentage is identified in the Special Conditions and shall only be applied to Subcontractor Construction Cost.

H. Design-Builder Contingency.

1. Contingency. Design-Builder may propose within a GMP a Design-Builder Contingency for items such as Construction Work that could not have been anticipated by Design-Builder on the effective date of the GMP Amendment. If agreed upon by Agency, the GMP Amendment shall describe when Design-Builder Contingency may be used by Design-Builder.

2. Request for Contingency. Prior to performing any Work that Design-Builder intends to be paid for out of any portion of Design-Builder Contingency, Design-Builder must submit to Agency a written request for Design-Builder's use of Design-Builder Contingency that shall include the same detail and requirements of a Change Order Request and substantiation enabling Agency to determine that the proposed use of the Design-Builder Contingency covers one of the contingency items identified in the GMP Amendment.

3. Contingency Use. Design-Builder Contingency is not a separate fund, but is tracked as a separate line item within the GMP and will be used as a cost management tool. When used, Design-Builder Contingency funds will be subtracted from the Design-Builder Contingency line item and applied to one or more line items in the GMP. If Design-Builder depletes any Design-Builder Contingency, any costs for items referenced by that Design-Builder Contingency shall be at Design-Builder's sole expense.

4. Reconciliation. The unused portion of Design-Builder Contingency shall be retained by Agency at the end of the Project and will be documented by Agency through any reasonable means, including, without limitation, a deductive Change Order.

I. Allowances.

1. Allowance. In developing the GMP Proposal, Design-Builder may propose including appropriate Allowances for defined items of Work that cannot be appropriately quantified and estimated at the time the GMP Amendment is established. Each such item of Work will be covered in a separate line item and have a clear description in the GMP Amendment of what is covered by the Allowance.

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2. Request for Allowance. Prior to performing any Work that Design-Builder intends to be paid for out of any portion of Allowances, Design-Builder must submit to Agency a written request for Design-Builder's use of Allowances that shall include the same detail and requirements of a Change Order Request and substantiation enabling Agency to determine that the proposed use of the Allowance covers one of the Allowance items identified in the GMP Amendment.

3. Allowance Use. Allowance items will be converted to, and included as, a line item within that GMP once conditions exist that allow them to be properly quantified and priced, only with specific written approval of Agency. Allowance items that cannot reasonably be quantified and estimated before the Allowance Work begins will be reconciled based on the actual cost of the Allowance Work. If the actual cost of the Work covered by an Allowance will be greater than the amount of the Allowance, Design-Builder will notify Agency and if Agency authorizes the Allowance Work in a Change Order, the GMP will be increased by the additional agreed upon amount.

4. Reconciliation. The unused portion of Allowances shall be retained by Agency at the end of the Project and will be documented by Agency through any reasonable means, including, without limitation, a deductive Change Order.

6.4 Convert GMP to Lump Sum Price.

A. At Agency's discretion, a GMP may be converted to a Lump Sum Price with a negotiated discount. To the extent that a GMP is converted to a Lump Sum Price, all references to GMP within the Contract Documents shall apply equally to the converted Lump Sum Price except as clearly and expressly indicated in any document effectuating the conversion.

6.5 Self-Performed Construction Work.

A. Self-Performed Construction Work Generally.

1. Amount of Construction Work Performed. The Special Conditions provide for the minimum and maximum amount of Construction Work required to be performed by Design-Builder on the Project.

2. Identification of Self-Performed Construction Work. Design-Builder is entitled to perform Self-Performed Construction Work, competitively bid against an independent cost estimate, in accordance with applicable law and written Agency approval. Design-Builder shall identify in Design-Builder's SOQ the Self-Performed Construction Work that Design-Builder proposes to perform. To perform Construction Work not identified in Design-Builder's SOQ, Design-Builder must submit a written request to Agency seeking approval, which is at Agency's sole discretion, prior to submitting a GMP Proposal. The written request shall explain why the Work cannot be subcontracted and how performing the Work by Design-Builder will be most advantageous to Agency. Agency agrees to consider approving such request if Design-Builder demonstrates to Agency's satisfaction that providing this Construction Work is in the best interest of the Project. If Agency approves the requests, Design-Builder still must follow the competitive procedures for Self-Performed Construction Work.

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B. Competitive Procedures for Self-Performed Construction Work.

1. Design-Builder must submit to Agency's Representative as part of the GMP Proposal and on an Open Book Basis, pricing for Self-Performed Construction Work that includes a detailed description of the scope of the Work. The bid format shall be consistent with cost modeling provided during Phase 1 Services.

2. Prior to providing Agency with pricing for Self-Performed Construction Work, Design-Builder shall provide Agency notice of when the pricing will be submitted and allow Agency a sufficient amount of time to engage an independent cost estimator to perform an independent cost estimate of the pricing.

3. Prior to receipt of Design-Builder's pricing for Self-Performed Construction Work, Agency will perform an independent cost estimate of the pricing using, among other things, current local construction market costs.

4. If Design-Builder's pricing is within X percent of Agency's independent cost estimate, Design-Builder will be allowed to perform the Self-Performed Construction Work.

5. If Design-Builder's pricing for Self-Performed Construction Work is more than X percent higher than Agency's independent cost estimate, the Parties shall meet and confer to compare pricing and attempt to reconcile any differences. If necessary, Design-Builder will submit revised pricing and an updated GMP Proposal following the meet and confer process.

6. The Special Conditions provide the value for X in the two foregoing paragraphs.

7. Design-Builder shall submit revised pricing for Self-Performed Construction Work and an updated GMP Proposal as may be necessary to continue negotiations for a GMP Amendment. The process shall continue until either:

    a. Agency agrees to the pricing for the Self-Performed Construction Work;

    b. If Agency's independent cost estimate cannot be reconciled with Design-Builder's pricing, Design-Builder agrees to perform the Self-Performed Construction Work at Agency's final independent cost estimate;

    c. At Agency's sole discretion, allow Design-Builder to subcontract the Self-Performed Construction Work pursuant to the subcontracting procedures for Subcontractors in these General Conditions. Design-Builder shall not be allowed to compete against bidders for the Construction Work. If Agency allows Design-Builder to subcontract the Self-Performed Construction Work, the minimum and maximum amount of Construction Work required to be performed by Design-Builder on the Project shall not change.

    d. At Agency's sole discretion, follow the procedures in these General Conditions for when the Parties are unable to execute a GMP Amendment.

8. Design-Builder shall not be entitled to an increase of the GMP or any extension of Contract Time related to the foregoing process.

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C. Costs to Price and Bid Self-Performed Construction Work.

1. Any and all costs expended by Design-Builder to price Self-Performed Construction Work shall be part of the Phase 1 Fee.

2. If Agency allows Design-Builder to subcontract the Self-Performed Construction Work after failing to agree to pricing with Design-Builder for Self-Performed Construction Work, Design-Builder shall be responsible for any and all costs related to subcontracting the Self-Performed Construction Work. This includes, but is not limited, costs to prepare Work Packages and following the competitive subcontractor procurement procedures.

6.6 Key Subcontractors.

A. If applicable, pricing for Key Subcontractors shall be determined by following the competitive procedures for Self-Performed Construction Work.

6.7 Subcontracted Construction Work.

A. Subcontracted Construction Work. Design-Builder shall develop and prepare separate and specific Work Packages for each category of Subcontracted Construction Work that clearly delineates the scope of subcontracted Work. Design-Builder shall be responsible for the assembly, reproduction and distribution of all documents defining the scope of work for each category of Subcontracted Construction Work.

B. Competitive Subcontractor Procurement.

1. Compliance with Law. Design-Builder shall procure Subcontractors through a competitive process that complies with Applicable Law, including, but not limited to, legislation that authorizes the Contract. Subcontractors shall be selected in accordance with protections provided by State law, including, but not limited to, the Subletting and Subcontracting Fair Practices Act (Public Contract Code sections 4100 *et seq*.). Exceptions to the competitive process shall only be authorized as set forth in the Contract Documents.

2. Prequalification. Design-Builder may, at its option, advertise for statements of qualifications in order to prequalify or shortlist interested subcontractors prior to soliciting bids or proposals.

3. Public Notice. Design-Builder shall provide notice of bidding for Subcontracted Construction Work in accordance with the publication requirements applicable to Agency's competitive bidding process including a fixed date and time on which qualification statements, bids, or proposals will be due. These posting requirements shall also apply to a request for qualifications.

4. Award Based on Best Value. Design-Builder shall award subcontracts to responsible subcontractors based on a best value basis. The solicitation shall identify all evaluation factors and their relative importance to determination of the award. Design-Builder shall develop a written method of determining the proposer who will provide the best value to the Project, which shall include consideration of

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price and other relevant factors. Design-Builder shall document its basis for making the award.

5. Agency Review of Bid Packages and Notice. At least fourteen (14) Days prior to the release of Subcontracted Construction Work for bidding, Design-Builder shall provide Agency with a copy of the written notice it will publish (including newspaper advertising) to solicit potential subcontractors and a copy of the Work Packages for the Subcontracted Construction Work. Agency reserves the right to request that Design-Builder reasonably revise its published notice or Work Package for Subcontracted Construction Work.

6. Bid/Proposal Opening. Design-Builder shall invite Agency to attend all bid and proposal opening(s) for Subcontracted Construction Work and shall within 48 hours of the bid or proposal opening(s) provide copies or access to all bid or proposal documents provided by all proposers or bidders.

7. Review of Bids, Proposals.

    a. Solicitations shall include a procedure, developed and administered by Design-Builder, for protesting a prequalification determination or contract award. Design-Builder shall notify Agency of any protest prior to responding to such protest. Design-Builder shall be solely responsible for determining any protests to any of its subcontract awards.

    b. Design-Builder may reject all bids or proposals and may waive any inconsequential irregularities in any bid or proposal. If Design-Builder rejects a bid or proposal as non-responsive, or otherwise determines the bidder or proposer is not eligible or qualified, Design-Builder shall document the basis for any rejection.

8. Contracts. Construction subcontracts shall be on a lump sum or unit price basis, and Design-Builder shall not award contracts to Subcontractors on a basis that uses a percentage of construction cost contracting.

9. Rights of Agency.

    a. Without limiting anything set forth herein, Design-Builder acknowledges and agrees that Agency shall have the right to: (a) review and comment on all procurement documents; (b) attend any bid or proposal openings; (c) attend any meetings with prospective subcontractors; (d) review all bids, proposals, and other information developed or otherwise resulting from any competitive procurement, including Design-Builder's tabulation, scoring or evaluation materials; and (e) otherwise participate in the contract award process. Design-Builder shall provide Agency sufficient time, but in no case less than 20 Days, to exercise its rights regarding the foregoing. Upon contract award, Design-Builder shall provide the Agency with a description of the competitive process undertaken in connection with such contract award, together with copies of all material documents used in connection therewith and agreements resulting therefrom.

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b. Agency, in its discretion, shall have the right to direct Design-Builder to reject any or all bids and proposals and re-solicit any Subcontracted Construction Work in accordance with the procurement requirements of this Article in the event Agency is not satisfied that the competitive process or pricing received is fair, reasonable and consistent with industry standards for similar services. Design-Builder shall not be entitled to an increase of the GMP or any extension of Contract Time if Agency requires Design-Builder to re-solicit any Subcontracted Construction Work due to Design-Builder failing to follow the Contract requirements for solicitation of Subcontracted Construction Work.

C. Noncompetitive Subcontractor Procurement.

1. Design-Builder may procure Subcontractors without following the above competitive procurement procedures only if:

a. The Phase 2 Price is less than $10,000,000; or

b. If the Phase 2 Price is equal to or greater than $10,000,000, the Subcontracted Construction Work is equal to or less than one-half of one percent (0.5%) of the Phase 2 Price.

2. If following Design-Builder's diligent and good faith solicitation of a number of sources, Design-Builder determines that competition is determined to be inadequate, Design-Builder may, with Agency's express written authorization, utilize a noncompetitive process or may self-perform the Subcontracted Construction Work by following the procurement procedures for Self-Performed Construction Work.

3. For a noncompetitive procurement, Design-Builder may obtain quotes, negotiate price or utilize any other selection method. Noncompetitively procured Subcontractors must still meet all other requirements of the Contract Documents, including but not limited to agreeing to being registered with the Department of Industrial Relations to perform public works and maintaining all appropriate licenses and qualifications to perform the respective Subcontracted Construction Work.

6.8 GMP Proposal.

A. Generally.

1. As part of Phase 1 Services, Design-Builder shall prepare a GMP Proposal as directed by Agency.

2. Prior to providing Agency a GMP Proposal, Design-Builder shall provide Agency notice of when the GMP Proposal will be submitted. Agency shall be provided a sufficient amount of time to review a GMP Proposal.

3. The GMP Proposal shall include and be based upon the Contract Documents and all other information, analysis, findings and reports provided to Design-Builder

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during the performance of Phase 1 Services, and shall be prepared in accordance with the Contract Documents, including the Phase 1 Scope of Services.

4. Design-Builder shall develop the GMP on an Open Book Basis, providing Agency with full access to all details that make up the GMP Proposal.

5. Each GMP Proposal shall include a detailed and comprehensive description of how the proposed GMP was derived and the material factors on which it was based, all in compliance with the contractual requirements for establishing the GMP, together with any other related information required pursuant to this Article. All costs, bids, quotes, estimates and other information supporting the GMP Proposal shall be made available to Agency.

6. Design-Builder shall not be entitled to an increase of the GMP or any extension of Contract Time related to the GMP Proposal process.

B. Components of GMP Proposal. Design-Builder shall include with the GMP Proposal a written statement of its basis for the GMP, which shall include the following:

1. A list of the Construction Documents, including, among other things, the Drawings and Technical Specifications used as the basis for the GMP;

2. A list of the assumptions, exceptions, and clarifications made by Design-Builder in the preparation of the GMP Proposal, which list is intended to supplement the information contained in the Construction Documents;

3. Design-Builder's proposed GMP on an Open Book Basis, including, but not limited to, the following:

    a. A proposed cost to complete the Design Work for the Project and providing design support services during Phase 2;

    b. A proposed Cost of Work with Design-Builder's Self-Performance Fee and Design-Builder's Subcontractor Fee;

    c. A proposed bond cost;

    d. A proposed insurance cost;

    e. A proposed Design-Builder Contingency, if any;

    f. A proposed Allowance, if any;

    g. A proposed schedule of values for the Work; and

    h. A proposed list of Subcontractors performing Subcontracted Construction Work, if known.

4. A proposed Phase 2 CPM Schedule.

5. A proposed Contract Time; and

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6. Any other information requested by Agency as necessary or appropriate to negotiate and execute the GMP Amendment.

C. Early Purchase Items; Early Construction Packages. In the event that an Early Purchase Item Amendment or Early Construction Package Amendment has been executed prior to submittal of the Phase 1 Proposal, a proposal as to the manner in which the technical, price, schedule and other terms and conditions contained in the Early Purchase Item Amendment or Early Construction Package Amendment will be incorporated and taken account of in the GMP Amendment, with the objective that the GMP Amendment will contain and supersede all of the terms and conditions of any Early Purchase Item Amendment or Early Construction Package Amendment.

6.9 GMP Amendment.

A. Obligations of Design-Builder.

1. Design-Builder shall be obligated (1) to make a complete bona fide GMP Proposal in accordance with this Article and the Contract Documents, and (2) to negotiate in good faith toward a GMP Amendment based on the GMP Proposal.

2. If the GMP Proposal does not comply with the requirements of the Contract, Agency's Representative shall provide written notice to Design-Builder of any additions, corrections or revisions required to achieve such compliance. In such event, Design-Builder, at its cost and expense and without any increase in the Phase 1 Fee, shall promptly take all necessary rectification action, making multiple re-submittals if required. The failure of Design-Builder to provide a GMP Proposal that complies with the requirements in the Contract Documents for a GMP Proposal shall be a material breach of the Contract.

B. Negotiation, Execution of GMP Amendment.

1. Agency and Design-Builder acknowledge and agree that each intends to negotiate and enter into a GMP Amendment mutually acceptable to the Parties for the performance of the Work based on the GMP Proposal.

2. The execution and delivery of the GMP Amendment shall establish the GMP and the Contract Time for Phase 2, along with other basic terms and conditions of the Contract which were not established at the Effective Date. Unless otherwise expressly stated by the Parties in the GMP Amendment, the GMP Amendment shall not modify any portion of the Contract Documents.

3. The execution of a GMP Amendment shall not prejudice any right of Agency with respect to the remainder of the Construction Work, including Agency's right to terminate the Contract and not construct Work Packages.

C. Representations in the GMP Amendment.

1. In the event the Parties execute a GMP Amendment, the GMP Amendment shall be deemed to constitute a representation by Design-Builder that:

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a. It has examined, carefully studied, and thoroughly understands the Contract Documents associated with the Project;

b. It has thoroughly reviewed and verified all information provided to or obtained by Design-Builder through the performance of Phase 1 Services, including reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site;

c. It has become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Project;

d. It is familiar with and is satisfied as to all Applicable Law that may affect cost, progress, and performance of the Project;

e. It has considered the information known to Design-Builder, including information commonly known to contractors doing business in the localities of the Site; information and observations obtained from visits to the Site; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on:

(i) The cost, progress, and performance of the Project; and

(ii) The means, methods, techniques, sequences, and procedures of construction to be employed by Design-Builder, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Contract Documents.

f. Based on all of the foregoing and the performance of Phase 1 Services, the Site constitutes an acceptable and suitable location for construction of the Project;

g. It does not consider that further examinations, investigations, explorations, tests, studies, or data are necessary for it to enter into the GMP Amendment for the completion of the Work for the GMP within the Contract Time, and in accordance with the other terms and conditions of the Contract;

h. The Contract Documents are sufficient to enable Design-Builder to determine the GMP and Contract Time; and

i. Subject to the terms and conditions of the Contract, the GMP can be completed in accordance with the Contract Documents for the GMP within the Contract Time.

D. Failure to Execute GMP Amendment.

1. If the Parties are unable to reach an agreement on Design-Builder's GMP Proposal and execute a GMP Amendment, Agency reserves the right, in its sole discretion, to, without limitation, do any of the following (or, a combination thereof):

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a. Allow the Design-Builder to complete Phase 1, if not yet completed. Agency shall pay Design-Builder only for the compensation agreed to for Phase 1. All deliverables including, but not limited to, Work Product and Construction Documents shall become the exclusive property of Agency.

b. Complete the Project as a traditional design-bid-build project and have the Design-Builder prepare of a fully biddable set of Drawings and Technical Specifications, provide bid phase support, and provide design support services during construction. Agency and Design-Builder shall negotiate compensation for Design-Builder to perform such services based on Design-Builder's Cost Proposal Form.

c. Terminate Design-Builder for convenience in accordance with the General Conditions and take possession of any Work Product Construction Documents, even if not complete.

d. Complete the Project by any other project delivery method, including, but not limited to, soliciting proposals to complete the Project from other firms that submitted SOQs in response to the RFQ for this Project, or seek approval from Agency's Board that it is in the best interest of Agency to formally solicit proposals from other design-build entities. Design-Builder shall not be entitled to bid or propose on any part of the Project.

2. Agency shall have the right at any time in its discretion to proceed to develop and implement Work Packages with other contractors. Agency may exercise such right during the performance of Phase 1 Services, upon termination of the Contract or upon any failure of the Parties to execute a GMP Amendment.

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ARTICLE 7 - SUBMITTALS; SHOP DRAWINGS

7.1 Submittals.

A. Schedule of Submittals. Within five (5) Days after the Notice to Proceed for Phase 2 or any GMP (unless otherwise specified in the Contract Documents), Design-Builder will prepare and deliver a Schedule of Submittals to Agency that has been fully integrated with the Phase 2 CPM Schedule and identifies each Submittal required by the Contract Documents as well as the date on which Design-Builder will deliver each Submittal to Agency. Each Submittal must be delivered to Agency at least thirty (30) Days prior to the date the material or equipment is scheduled to be incorporated into the Work. Design-Builder is responsible for any schedule delays resulting from the Submittal process.

B. Submittal Procedures.

1. Procedures. Except as otherwise specifically stated in the Contract Documents, Design-Builder will abide by the following procedures for each Submittal, Shop Drawing and Sample required by the Contract Documents:

a. Submittals must be transmitted electronically.

b. Transmittals will be sequentially numbered. Design-Builder to mark revised Submittals with original number and sequential alphabetic suffix.

c. Each Submittal will identify the Project, Design-Builder, Subcontractor and Supplier, pertinent Drawing and detail number, and Specification section number appropriate to Submittal.

d. By transmitting a Submittal, Design-Builder certifies it has reviewed and approved each Submittal, verified products required, field dimensions, adjacent construction work, and that coordination of information is according to requirements of the Work and Contract Documents.

e. Identify variations in Contract Documents and product or system limitations that may differ and/or be detrimental to successful performance of a completed Work.

f. When Submittal is returned to Design-Builder with comments for revision, Design-Builder shall promptly address the Agency's Representative's comments and resubmit. Design-Builder shall identify changes made since previous submission. Delays resulting from incorrect submittals are not the responsibility of Agency.

g. Agency's review of Shop Drawings shall not relieve Design-Builder from responsibility for deviations from the Contract Documents unless Design-Builder has, in writing, called Agency's attention to such deviations at time of submission and Agency has taken no exception to the deviation. Agency's review of Shop Drawings shall not relieve Design-Builder from responsibility for errors in Shop Drawings.

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h. Submittals not required by the Contract Documents or requested by Agency will not be acknowledged or processed.

i. Incomplete Submittals will not be reviewed by Agency and returned to Design-Builder. Delays resulting from incomplete Submittals are not the responsibility of Agency.

j. Design-Builder shall not be entitled to an increase of a GMP or any extension of the Contract Time as a result of the Submittal process.

k. Design-Builder shall allow a minimum of 20 Days for review of Submittals unless otherwise specified in the Contract Documents.

2. Early Work. Where a Submittal, Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Agency review and acceptance of the pertinent submittal will be performed at the risk and sole expense and responsibility of Design-Builder.

C. Schedule Milestone for Submittals. Design-Builder must submit all Submittals required by the Contract Documents in accordance with the Schedule of Submittals. If Design-Builder fails to submit the Submittals in accordance with the Schedule of Submittals, Design-Builder will be solely liable for any delays or impacts caused by the delayed Submittal, whether direct or indirect. Design-Builder will be liable for the time calculated from the date the Submittal is due until the date a compliant Submittal is made. A compliant Submittal will be one that is complete and satisfies the requirements of the Contract Documents.

7.2 Shop Drawings and Sample Submittal Procedures.

A. Prerequisites. Except as otherwise specifically stated in the Contract Documents, Design-Builder will abide by the following procedures for Shop Drawings and Samples. Before submitting each Shop Drawing or Sample, Design-Builder shall have:

1. Reviewed and coordinated each Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;

2. Determined and verified all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;

3. Determined and verified the suitability of all materials offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and

4. Determined and verified all information relative to Design-Builder's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto.

B. Variations. With each Submittal, Design-Builder shall give Agency specific written notice of any variations that the Shop Drawing or Sample may have from the

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requirements of the Contract Documents. This notice shall be both a written communication separate from the Shop Drawings or Sample Submittal and, in addition, a specific notation made on each Shop Drawing or Sample submitted to Agency for review and approval of each such variation.

C. Shop Drawings.

1. Data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Agency the services, materials, and equipment Design-Builder proposes to provide and to enable Agency to review the information for assessing conformance with information given and design concept expressed in Contract Documents.

2. When required by individual Specification sections, provide Shop Drawings signed and sealed by a professional engineer responsible for designing components shown on Shop Drawings. Shop Drawings must include signed and sealed calculations to support design in a form suitable for submission to and approval by Governmental Bodies having jurisdiction over the Project.

3. Shop Drawings for steel structures shall consist of shop details, erection and other working drawings showing details, dimensions, sizes of members and other information necessary for the complete fabrication and erection of the metal work.

4. Shop Drawings of concrete structures shall consist of such detailed drawings as may reasonably be required for the successful prosecution of the Work and which are not included in the Drawings. These may include drawings for false work, bracing, centering and form work, masonry layout diagrams, and diagrams for bent reinforcement.

5. Design-Builder shall make revisions and provide additional information when required by Governmental Bodies having jurisdiction over the Project.

D. Samples. Clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as required to enable Agency to review the submittal for assessing conformance with information given and design concept expressed in Contract Documents. Samples should be of appropriate size and detail to assess functional, aesthetic, color, texture, patterns and finish selection.

E. Agency's Review. Agency will review Shop Drawings and Samples in accordance with the Schedule of Submittals. Agency's review and acceptance will be only to determine if the items covered by the Submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Agency review and approval will not extend to means, methods, techniques, sequences, or procedures of construction (except where a particular means, method, technique, sequence, or procedure of construction is specifically and expressly called for by the Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. Agency's

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review and acceptance shall not relieve Design-Builder from responsibility for any variation from the requirements of the Contract Documents unless Agency has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample.

F. Resubmittal Procedures. Design-Builder shall make corrections required by Agency and shall return corrected Shop Drawings and submit, as required, new Samples for review and approval. Design-Builder shall direct specific attention in writing to revisions other than the corrections called for by Agency on previous Submittals.

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ARTICLE 8 - MATERIALS; EQUIPMENT

8.1 Materials, Equipment.

A. New Materials, Equipment. Unless otherwise specified, all materials, parts, and equipment furnished by Design-Builder in the Work shall be new, the best of their respective kinds and grades as noted and/or specified, and workmanship shall be of good quality. No materials, supplies, or equipment for Construction Work under the Contract shall be purchased subject to any chattel mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or Supplier. Design-Builder warrants good title to all material, supplies, and equipment installed or incorporated in the Work and agrees upon completion of all work to deliver the Project, to Agency free from any claims, Liens, or charges.

B. Necessary Materials, Equipment. Except as otherwise specifically stated in the Contract Documents, Design-Builder shall provide and pay for all materials, labor, tools, equipment, water, lights, power, transportation, superintendence, temporary constructions of every nature, and all other services and facilities whatsoever necessary to execute and complete this Project within the Contract Time. Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of the Construction Work and shall be stored properly and protected as required by the Contract Documents. Design-Builder shall be entirely responsible for damage or loss by weather or other causes to materials or Work. Materials shall be stored on the Site in such manner so as not to interfere with any operations of Agency or any Separate Contractor.

C. Verifications of Needed Materials, Equipment. Design-Builder shall verify all measurements, dimensions, elevations, and quantities before ordering any materials or equipment or performing any Work, and Agency shall not be liable for Design-Builder's failure to so. No additional compensation will be allowed because of differences between actual measurements, dimension, elevations and quantities and those indicated on the Construction Documents.

D. Materials and Equipment Provided by Agency. If applicable and upon written request of Design-Builder, any materials or equipment furnished by Agency shall be available to Design-Builder within a reasonable time at the points designated in the Contract Documents. The cost of handling, including loading and unloading, transport, storing, and placing all materials or equipment after they are made available to Design-Builder shall be considered as included in the GMP. Design-Builder shall be responsible for all material or equipment furnished to Design-Builder, and deductions will be made from any monies due to Design-Builder to make good any shortages, damages and deficiencies, from any cause whatsoever, which may occur after materials or equipment are provided.

E. Storage of Materials, Equipment. Design-Builder may request payment for materials and equipment not incorporated in the Work, but properly stored at the Site or at another location. Such request must be writing, accompanied by a bill of sale, paid invoice or other documentation warranting that Design-Builder has received the materials and equipment free and clear of all charges, security interests and encumbrances, and include evidence that the materials and equipment are covered

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by appropriate property insurance and other arrangements to protect Agency's interest therein, including security and transportation to the Site. Agency has the sole discretion whether or not to approves the request. If Agency approves the request, payment may be requested on the next application for payment. No payment will be made for perishable materials that could be rendered useless because of long storage periods.

8.2 Test and Inspections of Work.

A. Inspection of Work.

1. Inspection Notifications, Costs. If the Contract Documents, Agency's Representative, Applicable Law, or Governmental Body requires any part of the Work to be tested or approved by Agency, Design-Builder shall provide Agency's Representative at least two (2) Days' notice of its readiness for observation or inspection. If inspection is by a Governmental Body other than Agency, Design-Builder shall provide proper notice as required by the Governmental Body and promptly inform Agency of the date fixed for such inspection. Required certificates of inspection (or similar) shall be secured by Design-Builder. Costs for Agency testing and inspection shall be paid by Agency. Cost for any testing and inspection not performed by Agency shall be included in the GMP. Costs of tests for Work found not to be in compliance shall be paid by Design-Builder.

2. Inspection Hours. If Design-Builder gives notice of an inspection pursuant to the Contract Documents, Agency will provide inspection during normal working hours, Monday through Friday, between 7:00 a.m. and 5:00 p.m. For inspections on Saturdays, Sundays, or Holidays, Design-Builder shall first, pursuant to procedures in the Contract Documents, receive authorization in writing from Agency to work outside normal working hours.

3. Extra Costs. Design-Builder shall pay for the cost of any minimum "show up" costs of a materials testing technician that was called for by Design-Builder but ultimately the Work was not ready for the inspection. Any such costs shall be deducted from any amounts due to Design-Builder. If any Work is done or covered up without the required testing or approval, Design-Builder shall uncover or deconstruct the Work, and the Work shall be redone after completion of the testing at Design-Builder's cost in compliance with the Contract Documents.

4. Independent Laboratory. Where inspection or testing is conducted by an independent laboratory or agency, materials or samples of materials to be inspected or tested shall be selected by such laboratory or agency, or by Agency's Representative, and not by Design-Builder. Unless otherwise stated and as provided by the Contract Documents, Agency shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents. All tests or inspections of materials shall be made in accordance with the commonly recognized standards of national organizations.

5. Reexamination of Work. Reexamination of Work may be ordered by Agency. If so ordered, Work must be uncovered or deconstructed by Design-Builder. If Work is

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found to be in accordance with the Contract Documents, Agency shall pay the costs of reexamination and reconstruction. If such work is found not to be in accordance with the Contract Documents, Design-Builder shall pay all costs.

B. Testing of Materials.

1. Manufactured Materials. In advance of manufacture of materials to be supplied by Design-Builder which must be tested or inspected, Design-Builder shall notify Agency so that Agency may arrange for testing at the source of supply. Any materials which have not satisfactorily passed such testing and inspection shall not be incorporated into the Work. If the manufacture of materials to be inspected or tested will occur in a plant or location greater than sixty (60) miles from Agency, Design-Builder shall pay for and include in the GMP any excessive or unusual costs associated with such testing or inspection, including but not limited to excessive travel time, standby time and required lodging.

2. Testing. Unless otherwise specified in the Contract Documents, all initial testing and a reasonable amount of retesting will be performed under the direction of the Agency's Representative, and at no expense to Design-Builder. Design-Builder shall notify the Agency's Representative in writing, at least 15 Days in advance, of its intention to use materials for which tests are specified, to allow sufficient time to perform the tests. The notice shall name the proposed Supplier and source of material. If the notice of intent to use is sent before the materials are available for testing or inspection, or is sent so far in advance that the materials on hand at the time will not last but will be replaced by a new lot prior to use on the Work, it will be Design-Builder's responsibility to re-notify the Agency's Representative when samples which are representative may be obtained.

3. Certificate of Compliance. A certificate of compliance shall be furnished to Agency's Representative prior to the use of any material or assembled material for which these Contract Documents so require or if so required by Agency's Representative. Agency's Representative may waive the materials testing requirements and accept a certificate of compliance. Agency's Representative may require Design-Builder to include material test data with the Submittal. Materials used on the basis of a certificate of compliance may be sampled and tested at any time by Agency. The submission of a certificate of compliance shall not relieve Design-Builder of responsibility for incorporating material into the Work which conforms to the requirements of the Contract Documents, and any material not conforming to the requirements will be subject to rejection by Agency's Representative whether in place or not. Copies of mill certificates of composition and quality of all component materials (e.g., reinforcing steel, structural steel, lumber, etc.) incorporated in the construction of the Work shall be provided to Agency at the time of delivery. Agency shall retain the right to reject any raw material not provided with a mill certificate at the time of delivery.

4. Unacceptable Material. If, after incorporating such materials into the Work, it is found that sources of supply that have been approved do not furnish a uniform product, or if the product from any source proves unacceptable at any time, Design-Builder shall remove such material and furnish approved material from other approved sources. If any product proves unacceptable after improper

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storage, handling or for any other reason it shall be rejected, not incorporated into the Work, and shall be removed from the Site all at Design-Builder's expense.

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ARTICLE 9 - PROJECT SITE

9.1 Use of Project Site.

A. Design-Builder Laydown Areas, Field Office. Laydown and staging areas for construction materials and equipment required for the Work and Design-Builder's field office shall be located on the Site or at other locations approved by Agency. The locations at the Site shall be identified in a GMP Amendment or the Construction Documents.

B. Agency Field Office. If specified in a GMP Amendment or the Construction Documents, Design-Builder shall provide and maintain an on-site field office and bathroom for the exclusive use of Agency. The field office shall be completely equipped, fully functional, and ready for use within ten (10) Days of the commencement date for Phase 2 stated in the Notice to Proceed and must be maintained for the duration of the entire Project. The locations at the Site shall be identified in a GMP Amendment or the Construction Documents.

C. Limitation of Use of Site and Other Areas. Rights-of-way, easements, or rights-of-entry for the Project will be provided as shown in the Contract Documents. Unless otherwise specified in the Contract Documents, Design-Builder shall make arrangements, pay for, and assume all responsibility for acquiring, using, and disposing of additional work areas and facilities temporarily required for the Project. Design-Builder shall indemnify, defend and hold Agency harmless from all claims for damages caused by such actions. Design-Builder shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Site and other areas permitted by Agency and Applicable Law, and shall not unreasonably encumber the Site and other areas with construction equipment or other materials or equipment. Design-Builder shall not use the Site for anything not directly related to constructing the Work, including, but not limited to, housing employees and other non-Work activities. Design-Builder shall assume full responsibility for any damage to any such land or area, or to Agency or occupant thereof, or of any adjacent land or areas resulting from the performance of the Work.

D. Sanitary Facilities. Design-Builder shall provide sanitary temporary toilet buildings and hand washing facilities for the use of all workers. All toilets and hand washing facilities shall comply with Applicable Laws. Toilets shall be placed inside sealed secondary containment devices installed on a flat, level surface. Accumulated liquids in the secondary containment devices shall be properly removed and legally disposed without spillage onto the ground. Toilets shall be kept supplied with toilet paper and shall have workable door fasteners. Toilets and hand washing facilities shall be serviced no less than once weekly and shall be present in a quantity of not less than 1 per 20 workers as required by Cal/OSHA regulations. The toilets and hand washing facilities shall be maintained in a sanitary condition at all times. Any other sanitary facilities required by Cal/OSHA shall be the responsibility of Design-Builder.

E. Utility Usage. All temporary utilities, including but not limited to electricity, water, gas, and telephone, used for the Project shall be furnished and paid for by Design-Builder. Design-Builder shall provide necessary temporary distribution systems, including meters, if necessary, from distribution points to points where the utility is needed. Upon

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completion of the Project, Design-Builder shall remove all temporary distribution systems. Design-Builder shall provide necessary and adequate utilities and pay all costs for water, electricity, gas, oil, and sewer charges required for completion of the Project, including but not limited to startup and testing required in the Contract Documents. All permanent meters installed shall be listed in Design-Builder's name until the Project is accepted. For Work to be performed in existing Agency facilities, Design-Builder may use Agency's existing utilities, provided such use is reasonable under the circumstances. If Design-Builder uses Agency utilities, it will not need to compensate Agency for reasonably consumption of utilities, but Design-Builder will be responsible for any excessive, unreasonable or wasteful utility usage.

F. Site Maintenance. During the progress of the Work, Design-Builder shall keep the Site and other areas free from accumulations of waste materials, rubbish, and other debris including without limitation before the end of each shift. Removal and disposal of such waste materials, rubbish, and other debris shall conform to Applicable Laws. Design-Builder shall furnish trash bins for all debris from construction. All debris shall be placed in trash bins daily. Forms and false-work that are to be re-used shall be stacked neatly concurrently with their removal. Forms and false-work that are not to be re-used shall be disposed of concurrently with their removal.

G. Cleaning. Prior to completion of the Project, Design-Builder shall clean the Site and make it ready for utilization by Agency. At the completion of the Project Design-Builder shall remove from the Site all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.

H. Work Hours. Work may be performed at the Site Monday through Friday, between 7:00 a.m. and 5:00 p.m. and shall be considered normal working hours. For Work performed on Saturdays, Sundays, or Holidays, Design-Builder shall request authorization in writing from Agency at least 72 hours prior to the requested date of work. Approval from Agency to work outside normal working hours shall be at its sole discretion.

I. Parking. Design-Builder shall be responsible for the parking of any and all vehicles belonging to its employees or employees of its Subcontractors in a legal manner at no additional expense or inconvenience to the Agency.

9.2 Preservation and Restoration of Property.

A. Document Site. With the latest technology and prior to Construction Work, Design-Builder shall digitally record video and take photographs of the Site and adjacent improvements in a manner and quality that clearly depicts the existing condition of the Site and adjacent improvements immediately prior to the start of work. Design-Builder shall submit the video and photos in a manner specified by Agency.

B. Responsible for Damage. Design-Builder shall be responsible for all damages to persons or property that occur as a result of the Work. Design-Builder shall be responsible for the proper care and protection of all materials delivered and Work performed until completion and final acceptance by Agency. All Work shall be solely at Design-Builder's risk. Design-Builder shall be responsible for the preservation of

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public and private property including along and adjacent to the Site. Design-Builder shall adequately protect adjacent property from settlement or loss of lateral support as necessary. Design-Builder shall take every precaution necessary to prevent damage to pipes, conduits, and other underground structures and shall protect carefully from disturbance or damage all land, survey monuments, and property markers. When or where any direct or indirect damage is done to Agency's, or adjacent, property by or on account of any act, omission, neglect, or misconduct in the performance of Work or in consequence of the non-performance thereof on the part of Design-Builder, Design-Builder shall restore, at Design-Builder's own expense, such property to a condition equal to that existing before such damage was done by repairing, rebuilding, or otherwise restoring same, or Design-Builder will make good such damage in an acceptable manner.

C. Protection of Site. Design-Builder shall comply with all Applicable Laws to prevent accidents or injury to persons on, about, or adjacent to the Project site where Work is being performed. Design-Builder shall erect and properly maintain at all times, as required by field conditions and progress of work, all necessary safeguards, signs, barriers, lights, and watchmen for protection of workers and the public, and shall post danger signs warning against hazards created in the course of construction. Design-Builder shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions. Design-Builder shall:

1. Enclose the working area with a substantial barricade, and arrange work to cause minimum amount of inconvenience and danger to the public.

2. Provide substantial barricades around any shrubs or trees indicated to be preserved.

3. Deliver materials to the Site over a route designated by Agency.

4. Confine Design-Builder's apparatus, the storage of materials, and the operations of its workers to limits required by law, ordinances, permits, or directions of Agency. Design-Builder shall not unreasonably encumber the Site with its materials.

5. Take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed by accident, they shall be replaced by a civil engineer or land surveyor acceptable to Agency, at no cost to Agency.

6. Ensure that existing facilities, fences and other structures are all adequately protected and that, upon completion of all Work, all facilities that may have been damaged are restored to a condition acceptable to Agency.

7. Preserve and protect from injury all buildings, pole lines and all directional, warning and mileage signs that have been placed within the right-of-way.

8. At the completion of work each day, leave the Work and the Site in a clean, safe condition.

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9. Comply with any stage construction and/or traffic handling plans. Access to residences and businesses shall be maintained at all times, except with Agency's written approval. Any request for approval to reduce or restrict access to residences and business must be submitted to Agency at least seven (7) Days in advance, and Agency may issue or withhold approval in its sole discretion.

D. Continuous Protection of Site. These precautionary measures will apply continuously and not be limited to normal working hours. Full compensation for the work involved in the protection and preservation of life, safety and property as above specified shall be considered as included in the GMP, and no additional allowance will be made therefor.

E. Notification of Damage. Should damage to persons or property occur as a result of the Work, Design-Builder shall promptly notify Agency in writing. Design-Builder shall be responsible for proper investigation and documentation, including video or photography, to adequately memorialize and make a record of what transpired. Agency shall be entitled to inspect and copy any such documentation, video, or photographs. If Design-Builder fails to respond to written demand for the repair of damage to property within twenty-four (24) hours of such notification, Agency reserves the right to repair the damage. Repairs made by Agency on Design-Builder's behalf shall be reimbursed by Design-Builder to Agency or said costs of repairs may be deducted from amounts owed to Design-Builder.

9.3 Conditions at Project Site.

A. Reports and Drawings. Agency has provided to Design-Builder those reports known to Agency of explorations and tests of subsurface conditions at or contiguous to the Site; and those drawings known to Agency of physical conditions relating to existing surface or subsurface structures at the Site, including, among other things, Underground Facilities.

B. Verification of Reports and Drawings. As part of Phase 1, Design-Builder shall independently verify and confirm the accuracy, completeness, and sufficiency of any documents furnished by Agency, and shall promptly report in writing to Agency any error, omission, or insufficiency in such documents that Design-Builder discovers.

C. Unverified Reports and Drawings. For "technical data" in reports and drawings provided to Design-Builder, but not verified during Phase 1, Design-Builder may rely upon the accuracy of the "technical data" contained in such reports and drawings, which were expressly not created or obtained to evaluate or assist in the evaluation of constructability, and are not Contract Documents.

D. Reports and Drawings. Design-Builder shall make its own interpretation of the "technical data" in the reports and drawings and shall be solely responsible for any such interpretations. Except for reliance on the accuracy of such "technical data," Design-Builder may not rely upon or make any claim against Agency, Agency's Representative, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. The completeness of such reports and drawings for Design-Builder's purposes, including without limitation any aspects of the means, methods, techniques,

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sequences, and procedures of construction to be employed by Design-Builder, and safety precautions and programs incident thereto;

2. Other data, interpretations, opinions, conclusions and information contained in such reports or shown or indicated in such drawings; or

3. Any Design-Builder interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

9.4 Ownership of Site Materials Found.

A. The title to water, soil, rock, gravel, sand, minerals, timber and any other materials developed or obtained in the excavation or other operations of Design-Builder or any of its Subcontractors in the performance of the Contract, and the right to use said items in carrying out the Contract, or to dispose of same, is hereby expressly reserved by Agency. Neither Design-Builder nor any of its Subcontractors nor any of their representatives or employees shall have any right, title, or interest in said materials, nor shall they assert or make any claim thereto. Except as otherwise specified in the Contract Documents, Design-Builder will, as determined by Agency, be permitted to use in the Work without charge, any such materials which meet the requirements of the Contract Documents, provided Agency shall have the right to use or consume these materials without payment to a third party.

9.5 Existence of Utilities at the Work Site.

A. Existing Utilities. The location of known existing utilities and pipelines are shown on the Construction Documents in their approximate locations. However, nothing herein shall be deemed to require Agency to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Site can be inferred from the presence of other visible facilities, such as buildings, cleanouts, meter and junction boxes, on or adjacent to the Site. Agency will assume the responsibility for the timely removal, relocation, or protection of existing main or trunk line utility facilities located on the Site if such utilities are not identified in the Contract Documents, cannot reasonably be inferred from the presence of other visible facilities, or could not have identified by Design-Builder in its performance of its Phase 1 Services or other contractual responsibilities.

B. Utility Location.

1. Location. It shall be Design-Builder's responsibility to determine the exact location and depth of all utilities, including service connections, which Design-Builder believes may affect or be affected by Design-Builder's operations, by taking all reasonable steps necessary including, but not limited to, calling Underground Service Alert to locate utilities in accordance with the procedures described in Government Code 4216 *et seq*. Design-Builder shall not be entitled to additional compensation nor time extensions for work necessary to avoid interferences nor for repair to damaged utilities if Design-Builder does not expose all such existing utilities as required by this Article. The locating of utilities shall be in conformance with Government Code section 4216 *et seq*. except for Agency's utilities located on Agency's property and not on public right-of-way.

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2. Notification. Pursuant to Government Code section 4216.2, Design-Builder shall contact the appropriate regional notification center at least two (2) working days but not more than 14 Days before performing any excavation. The date of the notification shall not count as part of the two-working-day notice. Before notifying the appropriate regional notification center, Design-Builder shall delineate the area to be excavated. Design-Builder shall request that the utility owners conduct a utility survey and mark or otherwise indicate the location of their service. Design-Builder shall furnish to the Agency's Representative written documentation of its contact(s) with the regional notification center prior to commencing excavation at such locations.

3. Potholing. After the utility survey is completed, Design-Builder shall commence "potholing" or hand digging to determine the actual location of the pipe, duct, or conduit and in accordance with Government Code section 4216.4 if the excavation within the "tolerance zone" of a subsurface installation. A "subsurface installation" is defined in Government Code section 4216 (s) as "any underground pipeline, conduit, duct, wire, or other structure, except nonpressurized sewer lines, nonpressurized storm drains, or other nonpressurized drain lines." The Agency's Representative shall be given notice prior to commencing potholing operations. Design-Builder shall uncover all piping and conduits, to a point one (1) foot below the pipe, where crossings, interferences, or connections are shown on the Construction Documents, prior to trenching or excavating for any pipe or structures, to determine actual elevations. New pipelines shall be laid to such grade as to clear all existing facilities, which are to remain in service for any period subsequent to the construction of the run of pipe involved.

4. High Priority Subsurface Installation. Design-Builder's attention is directed to the requirements of Government Code section 4216.2 (c) which provides: "When the excavation is proposed within 10 feet of a high priority subsurface installation, the operator of the high priority subsurface installation shall notify the excavator of the existence of the high priority subsurface installation to set up an onsite meeting prior to the legal excavation start date and time or at a mutually agreed upon time to determine actions or activities required to verify the location and prevent damage to the high priority subsurface installation. As part of the meeting, the excavator shall discuss with the operator the method and tools that will be used during the excavation and the information the operator will provide to assist in verifying the location of the subsurface installation. The excavator shall not begin excavating until after the completion of the onsite meeting." A "high priority subsurface installation" is defined in Government Code section 4216 (j) as "high-pressure natural gas pipelines with normal operating pressures greater than 415kPA gauge (60psig) or greater than six inches nominal pipe diameter, petroleum pipelines, pressurized sewage pipelines, high-voltage electric supply lines, conductors, or cables that have a potential to ground of greater than or equal to 60kv, or hazardous materials pipelines that are potentially hazardous to workers or the public if damaged." Design-Builder shall notify the Agency's Representative in advance of this meeting.

C. Utility Relocation and Repair. If interferences occur at locations other than those indicated in the Contract Documents with reasonable accuracy, Design-Builder shall notify the Agency's Representative in writing. The Agency's Representative will supply

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a method for correcting said interferences in accordance with the responsibilities of this Article and Government Code section 4215. Care shall be exercised by Design-Builder to prevent damage to adjacent existing facilities and public or private works; where equipment will pass over these obstructions, suitable planking shall be placed. If high priority subsurface installations are damaged and the operator cannot be contacted, Design-Builder shall call 911 emergency services. Temporary or permanent relocation or alteration of utilities desired by Design-Builder for its own convenience shall be Design-Builder's responsibility and it shall make arrangements and bear all costs for such work.

D. Construction at Existing Utilities. Where the Work to be performed crosses or otherwise interferes with water, sewer, gas, or oil pipelines; buried cable; or other public or private utilities, Design-Builder shall perform construction in such a manner so that no damage will result to either public or private utilities. It shall be the responsibility of Design-Builder to determine the actual locations of, and make accommodates to maintain, all utilities. Before any utility is taken out of service, permission shall be obtained by Design-Builder from the owner. The owner, any impacted resident or business owner and Agency will be advised of the nature and duration of the utility outage as well as Design-Builder's plan for providing temporary utilities if required by the owner. Design-Builder shall be liable for all damage which may result from its failure to maintain utilities during the progress of the Work, and Design-Builder shall indemnify Agency as required by the Contract Documents from all claims arising out of or connected with damage to utilities encountered during construction; damages resulting from disruption of service; and injury to persons or damage to property resulting from the negligent, accidental, or intentional breaching of utilities.

9.6 Trenches.

A. Trenches Five Feet or More in Depth. Design-Builder shall submit to Agency prior to Construction Work, a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from hazards of caving ground during the excavation of any trench or trenches five feet or more in depth. If such plan varies from shoring system standards established by the Construction Safety Orders of the California Code of Regulations, Department of Industrial Relations, the plan shall be prepared by a California registered civil or structural engineer. The plan shall not be less effective than the shoring, bracing, sloping, or other provisions of the Construction Safety Orders, as defined in the California Code of Regulations. Design-Builder shall designate in writing the "competent person" as defined in Title 8, California Code of Regulations, who shall be present at the Site each day that trenching and excavation is in progress. The "competent person" shall prepare and provide daily trenching and excavation inspection reports to the Agency's Representative. Design-Builder shall also submit a copy of its annual California Occupational Safety and Health Administration (Cal/OSHA) trench and excavation permit.

9.7 Differing Site Conditions.

A. Phase 1 Services. Design-Builder shall, during Phase 1, take all measures necessary to determine the conditions of the Site. Design-Builder shall be responsible for any

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Site conditions that are not as Design-Builder anticipated, and such conditions shall not be considered Differing Site Conditions.

B. Discovery of Differing Site Conditions.

1. If Design-Builder encounters a Differing Site Condition, Design-Builder shall within three (3) Days, and before the Differing Site Condition is further disturbed, notify Agency in writing of the Differing Site Condition.

2. The written notice from Design-Builder shall describe the specific Differing Site Condition encountered and demonstrate that a Differing Site Condition exists, why Design-Builder could not reasonably have worked around the Differing Site Condition, and how the Differing Site Condition adversely impacted the GMP or Contract Time.

3. Agency shall promptly investigate the conditions and, if it finds that there is a Differing Site Condition that causes an increase in the GMP or Contract Time, shall issue a Change Order under the procedures described in these General Conditions.

4. In the event that a dispute arises between Agency and Design-Builder as to whether there is a Differing Site Condition or whether it causes an increase in the GMP or Contract Time, Design-Builder shall not be excused from the GMP or Contract Time, but shall proceed with all Work to be performed under the Contract. Design-Builder shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the Parties.

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ARTICLE 10 - PROSECUTION OF THE WORK

10.1 Access to Work.

A. Agency, Designer of Record, Agency's Representative, their consultants and other representatives and personnel, independent testing laboratories, and Governmental Bodies with jurisdictional interests will have access to the Site and Project at reasonable times for their observation, inspection, and testing. Design-Builder shall provide them proper and safe conditions for such access and advise them of Design-Builder's safety procedures and programs.

10.2 Construction Quality Assurance, Quality Control.

A. Generally. Design-Builder shall have full responsibility for quality assurance and quality control for the Construction Work, including compliance with the Contract Documents. Without limiting any other requirement hereunder, Design-Builder shall perform quality control inspection and testing services to ensure compliance with the Contract Documents. Sampling and testing of materials, laboratory inspection of materials and processes for quality control purposes shall be performed in compliance with the Contract Documents.

B. Quality Control Plan. Design-Builder shall prepare and submit to Agency for review and approval a written Quality Control Plan that encompasses all requirements of the Contract Documents with regard to all quality control processes for the Construction Work. The Quality Control Plan shall identify Design-Builder's overall framework for implementation of its Quality Control programs across all aspects of the Work. Design-Builder shall submit the Quality Control Plan for Agency's approval. Agency's approval of the overall Quality Control Plan shall be a condition precedent to Design-Builder performing Construction Work. The Technical Specifications provide more detail on what shall be included in the Quality Control Plan.

C. Internal Quality Control Audits. Design-Builder shall establish and maintain documented procedures for planning and implementing internal quality audits to verify whether quality activities and related results comply with planned arrangements and to determine the effectiveness of the quality system. Audits shall be conducted on a planned and scheduled basis, consistent with the importance of the activities being performed. Design-Builder's management personnel responsible for the relevant area shall take timely corrective action on deficiencies found during the audit. Agency shall have the right to request and review the audit results. Follow-up audit activities shall verify and record the implementation and effectiveness of the corrective action taken. Agency may require Design-Builder to perform follow-up audits at Agency's sole discretion.

D. Review and Update of QC Plan. Design-Builder shall continuously review the performance of the Quality Control Plan to ensure its continuing suitability in satisfying the requirements of the Contract Documents. Design-Builder's reviews shall, at a minimum, review the results of internal audits, Agency audit results, corrective actions taken, trends in Defective Work, and time to resolution. Agency may, in its sole discretion, participate in Design-Builder's reviews and may request data from the

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reviews. Design-Builder shall incorporate the findings and quality improvement recommendations of Design-Builder reviews into the Quality Control Plan.

10.3 Design-Builder's Performance of Services.

A. Means and Methods. Design-Builder is solely responsible for the means and methods utilized to perform Work. Design-Builder shall perform all Work in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Design-Builder warrants that all employees and Subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Design-Builder represents that it, its employees and Subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Work, and that such licenses and approvals shall be maintained throughout the term of the Contract. Design-Builder shall perform the Work in full compliance with all Applicable Laws and to all Governmental Bodies having authority over the Project.

B. Design-Builder's Responsibility for Work. Responsibility for, and security of, all Work and materials related to Design-Builder's Work is the responsibility of Design-Builder until final acceptance of Design-Builder's Work by Agency. Agency shall not be held responsible for the care or protection of any material or parts of the Work prior to final acceptance. Design-Builder shall take every necessary precaution against injury or damage to any part thereof by the action of the elements or from any cause whether arising from the execution or non-execution of the Work and all loss or damage shall be borne by Design-Builder. Design-Builder shall rebuild, repair, restore and make good at its own expense all injuries or damages to any portion of the Work before its completion and acceptance. In the event of damage proximately caused by an Act of God, Agency will pay for repair or restoration to damaged Work in excess of 5% of the Contract Price unless Agency has required Design-Builder to obtain insurance to indemnify Agency for any damage to the Project caused by an Act of God.

C. Layout and Field Engineering. Design-Builder shall utilize a properly licensed surveyor to perform all layout surveys required for the control and completion of the Work and all necessary surveys to compute quantities of Work performed.

10.4 Related Projects; Cooperation.

A. Generally. Agency reserves the right to let other contracts in connection with this Work or at or adjacent to the Site. Design-Builder acknowledges that Agency will be undertaking several other projects at and in the vicinity of the Site and, without limiting any other obligation under the Contract, agrees to reasonably coordinate the Construction Work (including making reasonable adjustments to its construction schedule and activities) to minimize conflicts with the work associated with such other projects in accordance with the Contract Documents.

B. Cooperation. Design-Builder shall ascertain to its own satisfaction the scope of the Project and nature of any other contracts that have been or may be awarded by Agency in prosecution of the Project in the light of such other contracts, if any. Nothing herein contained shall be interpreted as granting to Design-Builder exclusive occupancy of the Site. Design-Builder shall not cause any unnecessary hindrance or

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delay to any other contractor working at the Site. Agency shall not be responsible for any damages suffered or for extra costs incurred by Design-Builder resulting directly or indirectly from award, performance, or attempted performance of any other contract or contracts on the Site.

C. Coordination Meetings. Agency intends to have coordination meetings among Agency, Design-Builder and the various Separate Contractors in an effort to manage the overall program associated with the work being performed at or in the vicinity of the Site and to avoid or mitigate cost and time impacts to the overall Project. Design-Builder agrees that it will attend and participate in these logistics meetings and shall cooperate with Agency and the Separate Contractors to the extent reasonably necessary for the performance by such Separate Contractors of their work.

D. Equipment and Materials Storage at Site. Design-Builder shall afford Agency and any Separate Contractors reasonable opportunity for the introduction and storage of their equipment and materials and the execution of their work at and in the vicinity of the Site. Design-Builder shall coordinate with Agency and any Separate Contractors to store apparatus, materials, supplies and equipment in such orderly fashion at the Site as will not unduly interfere with the progress of the Construction Work or the work of Agency or any Separate Contractor.

E. Interrelated Work. If part of the Work depends on proper execution of construction or operations by Agency or a Separate Contractor, Design-Builder shall, prior to proceeding with that portion of the Work, inspect the other work and promptly report to Agency any apparent discrepancies or defects in the other construction that would render it unsuitable for the proper execution of the Work. Failure of Design-Builder to report apparent discrepancies or defects in the other construction shall constitute acknowledgement that Agency's or the Separate Contractor's completed or partially completed construction is fit and proper to receive the Work.

F. Disputes Associated with Separate Work. If simultaneous execution of any contract for the Project is likely to cause interference with performance of some other contract or contracts, Agency shall decide which contractor shall cease work temporarily and which contractor shall continue or whether work can be coordinated so that contractors may proceed simultaneously.

10.5 Traffic Control.

A. Except for as otherwise provided for in the Contract Documents, traffic control plans, if required, shall be prepared by Design-Builder. Traffic control shall be performed by Design-Builder in accordance with the requirements of Agency or the Governmental Body with jurisdiction over traffic control. Costs for traffic control plans, implementation of traffic control, or traffic signal services required by Agency shall be included in the GMP. All warning signs and safety devices used by Design-Builder to perform the Work shall conform to the requirements contained in the State of California, Department of Transportation's current edition of "Manual of Traffic Controls for Construction and Maintenance Work Zones" and to the requirements of the Governmental Body with jurisdiction over traffic control. Design-Builder shall be responsible for all traffic control required by the Governmental Body having jurisdiction over the Project on the intersecting streets. Design-Builder must submit a traffic control

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plan to the Governmental Body having jurisdiction over the Project for approval prior to starting Work. Design-Builder's representative on the Site responsible for traffic control shall produce evidence that he or she has completed training acceptable to the California Department of Transportation for safety through construction zones. All of the streets in which the Work will occur shall remain open to traffic and one lane of traffic maintained at all times unless otherwise directed by the Governmental Body having jurisdiction. Businesses and residences adjacent to the Work shall be notified forty-eight (48) hours in advance of closing of driveways. Design-Builder shall make every effort to minimize the amount of public parking temporarily eliminated due to construction in areas fronting businesses. No stockpiles of material will be allowed in traveled rights-of-way after working hours unless otherwise approved by Agency.

10.6 Record Drawings.

A. Design-Builder shall maintain one record set of Construction Documents at the Site or digitally in an acceptable format to Agency. On these, it shall mark all Project conditions, locations, configurations, and any other changes or deviations which may vary from the information represented in the original Construction Documents, including buried or concealed construction and utility features which are revealed during the course of construction. Special attention shall be given to recording the horizontal and vertical location of all buried utilities that differ from the locations indicated, or which were not indicated on the Drawings. If Work involves the installation of pipelines, Design-Builder shall survey and record the top of the pipe at a minimum of every 100 linear feet, and at each bend, recording both the horizontal and vertical locations. Drawings shall be supplemented by any detailed sketches as necessary or directed to fully indicate the Work as actually constructed. Any required as-built drawings of civil engineering elements of the Work shall be prepared by a registered civil engineer. These master Record Drawings of the as-built conditions, including all revisions made necessary by Change Orders, shall be maintained up-to-date during the progress of the Project. Red ink shall be used for alterations and notes. Notes shall identify relevant Change Orders by number and date. Record Drawings shall be accessible to the Agency's Representative at all times during the construction period. Failure on Design-Builder's part to keep Record Drawings current could result in withholding partial payment to Design-Builder. As a condition of Final Completion, Design-Builder shall finalize and deliver a complete set of Record Drawings to Agency's Representative. The information submitted by Design-Builder will be assumed to be correct, and Design-Builder shall be responsible for, and liable to Agency, for the accuracy of such information, and for any errors or omissions which may or may not appear on the Record Drawings.

10.7 Defective Work.

A. Correction of Defective Work.

1. Failure to Correct. If Design-Builder fails to correct Defective Work, remove and replace rejected Work as required by Agency, or fails to perform the Work in accordance with the Contract Documents, Agency may, after seven (7) Days written notice to Design-Builder, correct, or remedy any such deficiency if Design-Builder has failed to schedule or commence correcting such deficient Work.

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2. Correction of Work by Agency. In connection with such corrective or remedial action, Agency may exclude Design-Builder from all or part of the Site, take possession of all or part of the Work and suspend Design-Builder's services related thereto, take possession of Design-Builder's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which Agency has paid Design-Builder but which are stored elsewhere. Design-Builder shall allow Agency, and the agents, employees, other contractors, and consultants of each of them, access to the Site to enable Agency to exercise the rights and remedies to correct the Defective Work.

3. Costs of Correcting Defective Work. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or other dispute resolution costs) incurred or sustained by Agency correcting the Defective Work will be charged against Design-Builder, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and Agency shall be entitled to reimbursement of the costs from Design-Builder. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Defective Work. If the Change Order is executed after all payments under the Contract have been paid by Agency and the Project retention is held in an escrow account as permitted by the Contract Documents, Design-Builder will promptly alert the escrow holder, in writing, of the amount of retention to be paid to Agency. Design-Builder shall not be allowed an extension of Contract Time because of any delay in the performance of the Work attributable to Agency correcting Defective Work.

B. Acceptance of Defective Work. If, instead of requiring correction or removal and replacement of Defective Work, Agency prefers to accept it, Agency may do so. Design-Builder shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or other dispute resolution costs) attributable to Agency's evaluation of and determination to accept Defective Work and for the diminished value of the Work. A Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and Agency shall be entitled to an appropriate decrease in the GMP, reflecting the diminished value of Work, and reimbursement of all costs incurred by Agency.

10.8 Partial Utilization.

A. Use by Agency, at Agency's option, of any part of the Project which (a) has specifically been identified in the Contract Documents or (b) constitutes a separately functioning and usable part of the Project that can be used by Agency for its intended purpose without significant interference with Design-Builder's performance of the remainder of the Work, may be accomplished prior to Final Completion. This use shall not relieve Design-Builder of its responsibilities under the Contract. Partial utilization of the Project shall not be deemed an acceptance of any Work not conforming to the requirements of the Contract Documents, unless specifically accepted in writing by Agency, and this use shall not relieve Design-Builder of its responsibilities under the Contract.

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ARTICLE 11 - SCHEDULE; CONTRACT TIME

11.1 Progress and Completion.

A. Design-Builder shall proceed expeditiously with adequate forces and shall achieve full completion of the Work within the Contract Time. If Agency's Representative determines and notifies Design-Builder that Design-Builder's progress is such that Design-Builder will not achieve full completion of the Work within the Contract Time, Design-Builder shall immediately and at no additional cost to Agency, take all measures necessary, including working such overtime, additional shifts, Sundays, or holidays as may be required to ensure that the entire Project is completed within the Contract Time. Upon receipt of such notice from Agency's representative, Design-Builder shall immediately notify Agency's Representative of all measures to be taken to ensure full completion of the Work within the Contract Time. Design-Builder shall reimburse Agency for any extra costs or expenses (including the reasonable value of any services provided by Agency's employees) incurred by Agency as the result of such measures.

11.2 Time for Completion.

A. Completing Work. Design-Builder shall complete all or any designated portion of the Work called for under the Contract in all parts and requirements within the Contract Time. If, at any time Design-Builder's Critical Path Work progress falls behind schedule, Agency reserves the right to require Design-Builder to work overtime to bring the Project back on schedule. Such overtime shall be at the Design-Builder's expense. Design-Builder shall furnish Agency's Representative a monthly statement showing the following:

1. Number of days originally specified for completion;
2. Number of days charged to date;
3. Number of days of time extensions approved;
4. Number of days remaining to completion; and
5. Revised date for completion.

B. Time for Completion. The Contract Time shall commence: (1) on the date stated in the Notice to Proceed, or (2) if the Notice to Proceed does not specify a commencement date, then on the date of the Notice to Proceed and, in both cases, shall be completed within the Contract Time. Agency is under no obligation to consider early completion of the Work and Contract Time shall not be amended by Agency's receipt or acceptance of Design-Builder's proposed earlier completion date. Any difference in time between Design-Builder's early completion and the Contract Time shall be considered a part of the Project float. Design-Builder shall not be entitled to compensation, and Agency will not compensate Design-Builder, for delays which impact early completion. Design-Builder shall not, under any circumstances, receive additional compensation from Agency (including but not limited to direct, indirect, general, administrative, or other forms of overhead costs) for the period between the time of earlier completion proposed by Design-Builder and the Contract Time.

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11.3 Extension of Time for Completion.

A. Procedure for Extension of Contract Time and Delay Damages. Design-Builder shall not be entitled to any extension of Contract Time or adjustment to the GMP for delay damages unless Design-Builder properly notices the delay and requests a Change Order in accordance with these General Conditions. Design-Builder's failure to timely and fully comply with the Change Order procedures in the Contract Documents shall constitute a waiver of Design-Builder's right to an extension of Contract Time or adjustment to the GMP for delay damages.

B. Extension of Time.

1. Agency-Caused Extension of Time. Design-Builder's entitlement to an extension of Contract Time for an Agency-caused delay shall only be allowed when, and then only to the extent that, the Agency-caused delay extends the Critical Path beyond the Contract Time. The delay to the Critical Path must be established by a proper time impact analysis. Agency shall ascertain the facts and extent of delay and grant extension of time for completing the Work when, in its judgment, the facts justify such an extension. Design-Builder shall not be entitled to an adjustment of Contract Time for delays within the control of Design-Builder. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Design-Builder. If approved, the increase in time required to complete Work shall be added to the Contract Time.

2. Concurrent Delay. In the event of Concurrent Delay, the Contract Time may be extended, as determined by Agency, however, such delay is non-compensable and the GMP shall not be adjusted.

3. Inclement Weather. Design-Builder shall abide by Agency's determination of what constitutes inclement weather. Time extensions for inclement weather shall only be granted when the Work stopped during inclement weather is on the Critical Path of the applicable CPM Schedule.

4. Utility-Related Delays. If a delay to the Critical Path results from acts of public utilities or delays caused by failure of a public agency or owner of a utility to provide for removal or relocation of existing main or trunkline utility facilities or other known utility facilities, Design-Builder will be entitled to a time extension, but will not receive an adjustment to the GMP or any other compensation.

5. Force Majeure. If a delay to the Critical Path results from a Force Majeure Event, Design-Builder will be entitled to a time extension, but will not receive an adjustment to the GMP or any other compensation. Such a non-compensable adjustment shall be Design-Builder's sole and exclusive remedy for a Force Majeure Event.

C. No Damages for Reasonable Delay.

1. Agency's liability to Design-Builder for delays for which Agency is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances. In no case shall Agency be liable for any costs which are

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borne by Design-Builder in the regular course of business, including, but not limited to, home office overhead and other ongoing costs.

2. Damages caused by unreasonable Agency delay shall be based on actual costs only, no proportions or formulas shall be used to calculate any delay damages. This includes the following allowable costs:

    a. Those actual necessary costs of idle time of construction equipment, idle time of workers, moving of construction equipment, and hauling of materials and equipment which are incurred solely by reason of the delay and which could not have been avoided by the judicious handling of forces, construction equipment and plant;

    b. General Conditions Cost that are incurred solely by reason of the delay and extension of the Critical Path; and

    c. Design-Builder's Self-Performance Fee and Design-Builder's Subcontractor Fee, as applicable, on the costs allowed above.

11.4 **Liquidated Damages.**

A. Liquidated Damages. Time is of the essence. If the Work is not completed within Contract Time, it is understood that Agency will suffer damage. In accordance with Government Code section 53069.85 and Public Contract Code section 7102, being impractical and infeasible to determine the amount of actual damage, it is agreed that Design-Builder shall pay to Agency as fixed and liquidated damages, and not as a penalty, the sum stipulated in the Contract or the GMP Amendment for each calendar day of delay until the Work is fully completed. Design-Builder and its surety shall be liable for any liquidated damages. Any money due or to become due Design-Builder may be retained to cover liquidated damages.

B. Guaranteed Completion Date. Design-Builder agrees that it shall be liable to Agency for liquidated damages in an amount determined in the GMP Amendment for each and every calendar day beyond the Guaranteed Completion Date that Final Completion has not been achieved for the Project.

C. Milestone Date. Design-Builder agrees that it shall be liable to Agency for liquidated damages in an amount determined in the GMP Amendment for each and every calendar day beyond a Milestone Date where Final Completion has not been achieved.

11.5 Schedule.

A. General Requirements. Except as otherwise specifically stated in the Contract Documents, this Article will apply to a CPM Schedule for the Work. The CPM Schedule shall be prepared in an electronic scheduling program acceptable to Agency and as specified in the Contract Documents. Design-Builder shall deliver the CPM Schedule and all updates to Agency in both paper and electronic form. The electronic versions shall be in the format, and include all data used, to prepare the CPM Schedule.

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B. Schedule. The receipt or approval of any CPM Schedule by Agency shall not in any way relieve Design-Builder of its obligations under the Contract Documents. Design-Builder is fully responsible to determine and provide for any and all staffing and resources at levels which allow for good quality and timely completion of the Project. Design-Builder's failure to incorporate all elements of Work required for the performance of the Contract or any inaccuracy in the CPM Schedule shall not excuse Design-Builder from performing Work required within the specified Contract Time. If the required CPM Schedule is not received by the time the first payment under the Contract is due, Design-Builder shall not be paid until the CPM Schedule is received, reviewed, and accepted by Agency.

C. Schedule Contents. The CPM Schedule shall indicate the beginning and completion dates of all phases of construction; critical path for all critical, sequential time related activities; and "float time" for all "slack" or "gaps" in the non-critical activities. The CPM Schedule shall include appropriate time allowances and constraints for Submittals, items of interface with Work performed by others, and specified construction, start-up and performance tests. All float shall be owned by the Project. CPM Schedules indicating early or late completion shall not modify or have any effect on the Contract Time, regardless of whether the schedules are reviewed and/or accepted by Agency.

D. Schedule Updates. Design-Builder shall continuously update its CPM Schedule. Design-Builder shall submit an updated and accurate CPM Schedule to Agency: (1) prior to the start of construction, if there are any changes to the initial schedule; (2) with each progress payment request; and (3) whenever requested to do so by Agency. Agency may withhold progress payments or other amounts due under the Contract Documents if Design-Builder fails to submit an updated and accurate CPM Schedule. Upon Agency's request, Design-Builder shall submit any schedules or updates to Agency in the native electronic format of the software used to create the CPM Schedule.

E. Three-Week Look-Ahead Schedules. Design-Builder shall submit a three-week detailed look-ahead schedule at weekly meetings conducted with Agency. The three-week look-ahead schedule shall clearly identify all staffing and other resources which in Design-Builder's judgment are needed to complete the Work within the Contract Time, and it shall clearly state the number of staff to be used on each daily segment of the Work.

F. Acceptance. Acceptance of the CPM Schedule by Agency will not impose on responsibility for accuracy, for sequencing, scheduling, or progress of the Work, or compliance with the Contract Documents. Acceptance will not interfere with or relieve Design-Builder from Design-Builder's full responsibility therefor.

ARTICLE 12 - CHANGE IN CONTRACT PRICE; CHANGE IN CONTRACT TIMES

12.1 Phase 1 Changes.

A. Additional Phase 1 Services. Agency may direct Design-Builder to perform additional Phase 1 Services that Agency determines to be necessary for the proper completion of Phase 1, which the Parties did not reasonably anticipate would be necessary at execution of the Contract. Additional Phase 1 Services will be compensated at the

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rates set forth in Design-Builder's Cost Proposal Form, subject to adjustment as allowed by the Contract Documents. Design-Builder shall not be entitled to a mark-up on the rates set forth in Design-Builder's Cost Proposal Form for additional Phase 1 Services. If rates (i.e. hourly or unit rates) for additional Phase 1 Services are not identified in Design-Builder's Cost Proposal Form, Agency will pay for additional Phase 1 Services at a mutually agreeable rate between the Parties based on current market rates.

B. Excusable Delay. Design-Builder may request additional time to complete a task or submittal milestone only in the event of an excusable delay. For purposes of this Article, an excusable delay is a delay only to the completion of a Phase 1 Service and caused by the following: (i) the actions of Agency or its employees; (ii) the actions of those in direct contractual relationship with Agency, except for Design-Builder; (iii) the actions of any Governmental Body having jurisdiction over the Project acting in their role as an authority having jurisdiction that Design-Builder had no control over; (iv) the actions of any parties not within the reasonable control of Design-Builder; or (v) a Force Majeure Event. Design-Builder shall not be entitled to any damages or costs resulting from an excusable delay.

C. Change Order Procedures.

1. An increase to the Phase 1 Fee and/or extensions of time for the performance of Phase 1 Services must be approved through a Change Order. If Design-Builder determines it is entitled to a Change Order, Design-Builder must request a Change Order within five (5) Days of a directive from Agency to perform additional Phase 1 Services or of the event otherwise giving rise to the change.

2. To increase the Phase 1 Fee, Design-Builder's request for a Change Order shall include documentation supporting the need for the request and a cost proposal for the additional Phase 1 that shows the applicable rates and provides a fair estimate of the amount of work needed to complete the additional Phase 1 Services. Agency may request that Design-Builder propose other options or efficiencies, including de-scoping a portion of the additional Phase 1 Services.

3. To receive an extension of time for the performance of Phase 1 Services, Design-Builder's request shall include documentation supporting the need for the request, and a time impact analysis showing the impact of the extension on completion of the Phase 1 Services, as well as the impact on potential Work and on the Work as a whole. The time impact analysis shall include options to mitigate the impact to the Critical Path of the Phase 1 Services, including the commencement of Phase 2. The request shall be limited to only the amount of time that is reasonably necessary for Design-Builder to complete the additional Phase 1 Services. An extension of time shall be a last resort, and shall only be granted if, and to the extent that, Design-Builder cannot reasonably complete the Phase 1 Services on time, including by expediting the Phase 1 Services, at no additional cost to Agency.

4. If additional Phase 1 Services also result in an excusable delay, Design-Builder shall request an increase to the Phase 1 Fee and an extension of time concurrently.

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D. Exclusions from Additional Phase 1 Services. Additional Phase 1 Services shall not include work or services necessary because of negligent errors, omissions or conflicts of any type in Design-Builder's performance of Phase 1 Services. This includes, but is not limited to, any redesign or revisions to Drawings, Technical Specifications or other documents required to complete the original scope of work that are: (i) an ordinary part of the design development and review process, including constructability and value engineering review, or (ii) necessary in order to bring such documents into compliance with Applicable Law of which Design-Builder was aware or should have been aware. All such work or services shall constitute Phase 1 Services and shall be performed at no cost to Agency.

E. Reduction of Phase 1 Services. Design-Builder shall have the right to reduce the scope of Phase 1 Services at any time by written notice to Design-Builder. Changes to Phase 1 Services that reduce the scope of Phase 1 Services shall be effective upon the delivery of the written notice by Agency pursuant to this Article. Any reduction in the scope of Phase 1 Services shall result in an appropriate reduction in the Phase 1 Fee, which shall be reflected in a Change Order.

12.2 Phase 2 Changes.

A. Change Orders Generally.

1. All changes to the Contract, including compensation increases and time extensions, shall be through a written Change Order in accordance with this Article. Agency, without invalidating the Contract, may order changes in the Work consisting of additions, deletions or other revisions, and Design-Builder's compensation and the time for completion shall be adjusted accordingly. Whenever any change is made as provided for herein, such change shall be considered and treated as though originally included in the Contract, and shall be subject to all terms, conditions, and provisions of the original Contract. Design-Builder shall not be entitled to a claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any item or portion of Work to be done. No dispute, disagreement, or failure of the parties to reach agreement on the terms of the Change Order shall relieve Design-Builder from the obligation to proceed with performance of the Work, including Additional Work, promptly and expeditiously. Any alterations, extensions of time, Additional Work, or any other changes may be made without securing consent of Design-Builder's surety or sureties.

2. Design-Builder agrees that one of the purposes of progressive design-build services is to minimize the risk for Change Orders and Change Orders shall be strictly limited. Change Order Requests shall be kept to a minimum. This Article shall continue to apply regardless of whether the Parties continue to utilize a GMP for Construction Work or agree to convert the GMP to a Lump Sum Price.

3. Subject to Agency approval, the GMP shall not be modified except in the event of the following circumstances: (a) Agency directs and authorizes a change which is related solely to discretionary changes by Agency (the foregoing excludes changes resulting from the acts, omissions or other conduct of Design-Builder); (b) Differing Site Conditions; (c) changes directed by a Governmental Body with jurisdiction

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over the Project, or portions thereof, which could not be reasonably foreseen or anticipated by Design-Builder at the execution of the GMP Amendment; (d) changes necessitated by amendment(s) to or enactment(s) of Applicable Laws which could not be reasonably anticipated or foreseen by Design-Builder at the at the execution of the GMP Amendment; (e) changes resulting from emergencies not caused, in whole or in part, by the acts, omissions or other conduct of Design-Builder or its Subcontractors, employees, agents or representatives; or (f) where expressly allowed by the Contract Documents.

4. Design-Builder has no right to a Change Order for a time extension, extra work, or other costs of any kind whatsoever (including, without limitation, direct and indirect costs, delay and disruption damages, overhead, profit or mark-up) resulting from issues related to, among other things, the following: costs that result from Phase 1 Services or that Design-Builder otherwise should have foreseen prior to proposing and agreeing to the GMP; design defects or ambiguities; Site conditions that Design-Builder could have foreseen or discovered prior to Construction Work; constructability issues, including but not limited to construction feasibility, schedule or cost; or where Design-Builder failed to recommend alternative solutions as part of their Phase 1 Services.

5. Design-Builder shall not be entitled to an increase to the GMP if it contains any Design-Builder Contingency or Allowances for the costs, which must be utilized and exhausted prior to requesting a Change Order. Design-Builder may only increase the GMP through a duly requested and approved Change Order.

B. Contract Change Order Procedures.

1. Agency Written Directive. Agency may direct changes in the Work by delivering a written directive. To the extent the written directive results in a change to compensation or time, Design-Builder must timely request a Change Order and comply with all Change Order procedures in accordance with this Article. Notwithstanding issuance of a written directive, Design-Builder's failure to timely request a Change Order shall constitute a waiver by Design-Builder of any adjustment to compensation or time extension for Work performed under the directive. Agency shall not be liable to Design-Builder for Work performed or omitted by Design-Builder in reliance on verbal orders. Agency shall have the right to order changes in the Work by a unilateral Change Order setting forth Agency's determination of the reasonable additions or savings in the GMP or Contract Time.

2. Design-Builder's Notice of Change or Delay.

a. If Design-Builder intends to initiate a Change Order Request, Design-Builder shall provide Agency with written notice of the underlying facts and circumstances that gave rise to the proposed change within the following times:

(i) If due to Differing Site Conditions, as soon as reasonably practicable under the conditions, which shall be no longer than three (3) Days from the discovery date or prior to the alterations of the conditions, whichever is earlier.

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(ii) If due to a Force Majeure Event, as soon as reasonably practicable under the conditions, but in no case longer than three (3) Days from the date Design-Builder discovers that the Force Majeure Event gives rise to a change, unless that the conditions are such that notice within three (3) Days is not possible or practicable.

(iii) If due to any other matter that may involve an adjustment to the GMP or Contract Time, as soon as reasonably practicable under the conditions, but in no case longer than seven (7) Days from the early of the discovery date of the matter or when the matter should have been discovered.

b. To be considered valid and complete, the notice of change or delay shall include a general statement of the circumstances giving rise to the notice of change/delay and a reasonable order of magnitude estimate of the additional costs or time. If the circumstances give rise to both a cost adjustment and time extension, Design-Builder shall submit the notice of change and notice of delay concurrently.

3. Change Order Request.

a. Design-Builder shall submit a Change Order Request for any adjustment to a GMP or Contract Time. The Change Order Request shall be made prior to incurring any expense related to the Change Order Request and within fourteen (14) Days from either Design-Builder's notice of change or delay or Agency's written directive ordering the change. For any costs or information that cannot be determined at the time Design-Builder submits a Change Order Request, Design-Builder shall submit to Agency notice of the costs or information and all supporting documentation within five (5) Days of when the costs or other information become subject to determination. The Change Order Request shall include all of the following information (unless inapplicable to the change or delay):

(i) A detailed description of the circumstances giving rise to the request;

(ii) A complete itemized cost proposal, including itemized pricing for Subcontractors;

(iii) Supporting documentation for all costs;

(iv) A time impact analysis showing the impact of the delay to the Critical Path of the Work;

(v) If any costs or information cannot be determined at the time of the Change Order Request, a rough order of magnitude of the Change Order costs and the reason the costs or information cannot be determined at the time; and

(vi) Certification to the accuracy of the Change Order Request under penalty of perjury

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b. The time impact analysis shall be in the Critical Path method format and shall show the sequencing of all critical and non-critical new activities and/or activity revisions affected by the delay, with logic ties to all affected existing activities noted on the schedule. Agency may demand, and Design-Builder shall provide, any additional information supporting the Change Order Request, including but not limited to native electronic format version of schedules and time impact analyses. Design-Builder shall provide the requested additional information within five (5) Days of the request.

4. Agency's Final Decision on Change Order; Ordered Changes. If Agency denies the Change Order Request or disagrees with the proposal submitted by Design-Builder, it will notify Design-Builder, and Agency will provide its opinion of the appropriate price or time extension. If no agreement can be reached, Agency shall have the right in its sole discretion to order the Work performed, to the extent permitted by law, on a time and materials basis or to issue a unilateral Change Order setting forth Agency's determination of the reasonable additions or savings in costs and time attributable to the extra or deleted work. Agency's determination shall become final and binding if Design-Builder fails to submit a claim in writing in accordance with the General Conditions to Agency within fourteen (14) Days of denying the Change Order Request, or for the issuance of a unilateral Change Order, disputing the terms of the unilateral Change Order and providing such supporting documentation for its position as Agency may reasonably require.

5. Design-Builder's Waiver of Further Relief.

   a. Design-Builder recognizes and acknowledges that timely submission of a formal written notice of change or delay and Change Order Request, whether or not the circumstances of the change may be known to Agency or available to Agency through other means, is not a mere formality but is of crucial importance to the ability of Agency to promptly identify, prioritize, evaluate and mitigate the potential effects of changes. Any form of informal notice, whether verbal or written (including, without limitation, statements in requests for information, statements in Submittals, statements at any job meeting or entries on monthly reports, daily logs or job meeting minutes), that does not strictly comply with the formal requirements of this Article, shall accordingly be insufficient.

   b. **DESIGN-BUILDER'S FAILURE TO PROVIDE A COMPLETE AND TIMELY NOTICE OF CHANGE OR DELAY, CHANGE ORDER REQUEST, NOTICE DISPUTING A UNILATERAL CHANGE ORDER, OR TO COMPLY WITH ANY OTHER REQUIREMENT OF THIS ARTICLE, SHALL CONSTITUTE A WAIVER BY DESIGN-BUILDER OF THE RIGHT TO A GMP ADJUSTMENT ON ACCOUNT OF SUCH CIRCUMSTANCES AND A WAIVER OF ANY RIGHT TO FURTHER RECOURSE OR RECOVERY BY REASON OF OR RELATED TO SUCH CHANGE BY MEANS OF THE CLAIMS DISPUTE RESOLUTION PROCESS OR BY ANY OTHER LEGAL PROCESS OTHERWISE PROVIDED FOR UNDER APPLICABLE LAWS.**

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C. Change Order Format. A Change Order signed by Design-Builder indicates Design-Builder's agreement therewith, including any adjustment in compensation or extension of time, and the full and final settlement of all costs (direct, indirect and overhead) related to the Work authorized by the Change Order. Agency may designate the forms to be used for notices, requests, and Change Orders. If so designated, Design-Builder may only use such forms. Design-Builder shall not reserve a right to assert impact costs, extended job site costs, extended overhead, constructive acceleration and/or actual acceleration beyond what is stated in the Change Order. No claims shall be allowed for impact, extended overhead costs, constructive acceleration and/or actual acceleration due to a multiplicity of changes and/or clarifications. Design-Builder may not change or modify Agency's Change Order form in an attempt to reserve additional rights.

D. Determining Adjustments to Compensation.

1. Pricing Generally. Design-Builder shall not be entitled to any compensation for Construction Work subject to a Change Order except as expressly set forth in this Article.

2. Unit Pricing. For the increasing or decreasing of Construction Work within a GMP that is paid for on an unit price basis, the Additional Work shall be paid for according to the unit price established for such Construction Work and the GMP will be adjusted accordingly. An adjustment in compensation will be made for changes which require increases or decreases in the quantity of any unit price item in such a manner as to materially increase or decrease its unit cost, as determined by Agency, or which for any other reason cannot in the judgment of Agency be equitably paid for at the unit price. Design-Builder's Self-Performance Fee or Design-Builder's Subcontractor Fee shall not be applied to the unit price if the unit price includes such fees.

3. Lump Sum Pricing. Compensation for lump sum Change Orders shall be limited to expenditures necessitated specifically by the Additional Work. A lump sum Change Order shall be determined on an Open Book Basis and by the same method as establishing a GMP. If the Additional Work is performed by a Subcontractor providing Subcontracted Construction Work, the Subcontractor's pricing for a lump sum Change Order shall be determined on an Open Book Basis and by the same method for determining pricing from Design-Builder when establishing a GMP. Subcontractors will be entitled to a markup for home office overhead and profit on Subcontractor's Cost of Work in an amount not to exceed 10%.

4. T&M Pricing.

a. T&M Pricing Generally.

(i) Agency may direct Design-Builder to proceed with Additional Work with payment to be made on the basis of the actual verified Cost of Work in the proper performance of the Additional Work, with Design-Builder's Self-Performance Fee applied to the Cost of Work. Design-Builder will be entitled any verified increased costs for insurance and bonds, which will not be subject to Design-Builder's Self-Performance Fee.

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(ii) If the Additional Work is performed by Subcontractors, payment will be made on the basis of the actual verified Subcontractor's Cost of Work in the proper performance of the Additional Work, with Design-Builder's Subcontractor Fee applied to the Cost of Work. Subcontractors will be entitled to a markup for home office overhead and profit on Subcontractor's Cost of Work in an amount not to exceed 10%. Design-Builder and Subcontractor will be entitled any verified increased costs for insurance and bonds, which will not be subject to Design-Builder's Subcontractor Fee or Subcontractor's markup for home office overhead and profit.

(iii) If the Project is federally funded, a time and materials Change Order shall only be issued after a determination that no other Change Order methodology is suitable and the Change Order shall include a ceiling price that Design-Builder exceeds at its own risk.

b. T&M Daily Sheets. Design-Builder must submit timesheets, materials invoices, records of equipment hours, and records of rental equipment hours to Agency's for an approval signature each day that Construction Work is performed on a time-and-material basis. The Agency's Representative's signature on time sheets only serves as verification that the Construction Work was performed and is not indicative of Agency's agreement to Design-Builder's entitlement to the cost.

c. T&M Summary Sheet. Design-Builder shall submit a T&M summary sheet, which shall include total actual costs, within five (5) Days following completion of Additional Work on a time-and-material basis. Design-Builder's total actual cost shall be presented in a summary table in an electronic spreadsheet file by labor, material, equipment, and any other costs, along with documentation supporting the costs. Design-Builder's failure to submit the T&M summary sheet within five (5) Days of completion of the Additional Work will result in Design-Builder's waiver for any reimbursement of any costs associated with the Additional Work.

12.3 Partnering.

A. Dispute Resolution Ladder. At the discretion of Agency, the Parties will partner to create a dispute resolution ladder to facilitate open communication and close cooperation that involves both Design-Builder and Agency personnel working together for the purpose of establishing a mutually beneficial, proactive, cooperative environment within which to achieve Project objectives, resolve issues, and implement actions as required. The dispute resolution ladder will provide the authority for both Design-Builder and Agency personnel at all levels with parameters and procedures for escalating disputes.

12.4 Procedure for Resolving Claims.

A. Prerequisites. Design-Builder shall timely comply with any and all requirement of the Contract Documents pertaining to notices and requests for changes to a GMP or Contract Time, including but not limited to all requirements for a Change Order, as a

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prerequisite to filing any claim governed by this Article. The failure to timely submit a notice of delay or notice of change, or to timely request a change to the time for completion or Design-Builder's compensation, or to timely provide any other notice or request required herein shall constitute a waiver of the right to further pursue the claim under the Contract or at law.

B. Intent. Effective January 1, 1991, Section 20104 *et seq*., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of $375,000 or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Article is to implement Sections 20104 *et seq*. and Section 9204 of the California Public Contract Code. This Article shall be construed to be consistent with all Applicable Law, including but not limited to these statutes.

C. Claims.

1. For purposes of this Article, "Claim" means a separate demand by Design-Builder for:

    a. An adjustment to the Contract Time including, without limitation, for relief from damages or penalties for delay assessed by Agency;

    b. Payment by Agency of money or damages arising from Services done by or on behalf of Design-Builder pursuant to the Contract, payment for which is not otherwise expressly provided or to which Design-Builder is not otherwise entitled; or

    c. An amount the payment of which is disputed by Agency.

2. A "Claim" does not include any demand for payment for which Design-Builder has failed to provide notice, submit a Change Order Request, or otherwise failed to follow any procedures contained in the Contract Documents.

D. Filing Claims. Claims governed by this Article may not be filed unless and until Design-Builder completes any and all requirements of the Contract Documents pertaining to notices and requests for changes to a GMP or Contract Time, and Design-Builder's Change Order Request has been denied in whole or in part. Claims governed by this Article must be filed no later than thirty (30) Days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to Agency and shall include on its first page the following words in 16 point capital font: "THIS IS A CLAIM." The Claim shall include all information and documents necessary to substantiate the Claim, including but not limited to those identified below. Nothing in this Article is intended to extend the time limit or supersede notice requirements otherwise provided by Contract Documents. Failure to follow such contractual requirements shall bar any Claims or subsequent proceedings for compensation or payment thereon.

E. Documentation. Design-Builder shall submit all Claims in the following format:

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1. Summary description of Claim including basis of entitlement, merit and amount of time or money requested, with specific reference to the Contract Document provisions pursuant to which the Claim is made

2. List of documents relating to Claim:

    a. Technical Specifications

    b. Drawings

    c. Clarifications (Requests for Information)

    d. Schedules

    e. Other

3. Chronology of events and correspondence

4. Narrative analysis of Claim merit

5. Analysis of Claim cost, including calculations and supporting documents

6. Time impact analysis in the form required by the Contract Documents or, if the Contract Documents do not require a particular format, CPM format, if an adjustment of Contract Time is requested

F. Agency's Response. Upon receipt of a Claim pursuant to this Article, Agency shall conduct a reasonable review of the Claim and, within a period not to exceed 45 Days, shall provide Design-Builder a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the Claim will be processed and made within 60 Days after Agency issues its written statement.

1. If Agency needs approval from the Agency Board to provide Design-Builder a written statement identifying the disputed portion and the undisputed portion of the Claim, and the Agency Board does not meet within the 45 Days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, Agency shall have up to three (3) Days following the next duly publicly noticed meeting of the Agency Board after the 45-Day period, or extension, expires to provide Design-Builder a written statement identifying the disputed portion and the undisputed portion.

2. Within 30 Days of receipt of a Claim, Agency may request in writing additional documentation supporting the Claim or relating to defenses or claims Agency may have against Design-Builder. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of Agency and Design-Builder. Design-Builder shall provide the requested documentation or information within 30 Days of the written request by Agency. Agency's written response to the Claim, as further documented, shall be submitted to Design-Builder within 30 Days (if the Claim is less than $50,000, within 15 Days) after receipt of the further documentation, or within a period of time no greater than

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that taken by Design-Builder in producing the additional information or requested documentation, whichever is greater.

G. Meet and Confer. If Design-Builder disputes Agency's written response, or Agency fails to respond within the time prescribed, Design-Builder may so notify Agency, in writing, either within 15 Days of receipt of Agency's response or within 15 Days of Agency's failure to respond within the time prescribed, respectively, and demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, Agency shall schedule a meet and confer conference within 30 Days for settlement of the dispute.

H. Mediation.

1. Within 10 business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, Agency shall provide Design-Builder a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 Days after Agency issues its written statement. Any disputed portion of the Claim, as identified by Design-Builder in writing, shall be submitted to nonbinding mediation, with Agency and Design-Builder sharing the associated costs equally. Agency and Design-Builder shall mutually agree to a mediator within 10 business days after the disputed portion of the Claim has been identified in writing, unless the parties agree to select a mediator at a later time.

2. If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3. For purposes of this Article, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this Article.

4. Unless otherwise agreed to by Agency and Design-Builder in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

5. The mediation shall be held no earlier than the date Design-Builder completes the applicable GMP Work Package or the date that Design-Builder last performs Work on the Project, whichever is earlier. All unresolved Claims shall be considered jointly in a single mediation, unless a new unrelated Claim arises after mediation is completed.

I. Procedures After Mediation. If following the mediation, the Claim or any portion remains in dispute, Design-Builder must file a California Government Code claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the California Government Code

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prior to initiating litigation. For purposes of those provisions, the running of the period of time within which a California Government Code claim must be filed shall be tolled from the time Design-Builder submits his or her written Claim pursuant to subdivision (a) until the time that mediation is completed.

J. Civil Actions. The following procedures are established for all civil actions filed to resolve Claims of $375,000 or less:

1. Within 60 Days, but no earlier than 30 Days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both Parties or unless mediation was held prior to commencement of the action in accordance with California Public Contract Code section 9204 and the terms of the Contract. The mediation process shall provide for the selection within 15 Days by both Parties of a disinterested third person as mediator, shall be commenced within 30 Days of the submittal, and shall be concluded within 15 Days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

2. If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the California Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the California Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the California Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

K. Government Code Claim Procedures.

1. This Article does not apply to tort claims and nothing in this Article is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.5 of Title 1 of the California Government Code.

2. In addition to any and all requirements of the Contract Documents pertaining to notices of and requests for adjustment to the Contract Time, GMP or compensation or payment for Additional Work, disputed Work, construction claims and/or changed conditions, Design-Builder must comply with the claim procedures set forth in California Government Code section 900, *et seq*. prior to filing any lawsuit against Agency.

3. Such California Government Code claims and any subsequent lawsuit based upon the California Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to adjustment of the Contract Time or GMP for Additional Work, disputed Work, construction claims, and/or

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changed conditions have been followed by Design-Builder. If Design-Builder does not comply with the California Government Code claim procedure or the prerequisite contractual requirements, Design-Builder may not file any action against Agency.

4. **A California Government Code claim shall be inclusive of all unresolved Claims known to Design-Builder or that should reasonably by known to Design-Builder excepting only new unrelated Claims that arise after the California Government Code claim is submitted.**

L. Non-Waiver. Agency's failure to respond to a Claim from Design-Builder within the time periods described in this Article or to otherwise meet the time requirements of this Article shall result in the Claim being deemed rejected in its entirety, and shall not constitute a waiver of any rights under this Article.

M. Litigation. Any claims, disputes, or controversies between the parties arising out of or related to the Contract, which have not been resolved in accordance with the procedures set forth herein shall be resolved in a court of competent jurisdiction.

N. Duty to Continue Performance. Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform Work, pending the final resolution of any dispute or disagreement between Design-Builder and Agency.

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ARTICLE 13 - COMPLETION; GUARANTEE OF WORK

13.1 Final Completion.

A. Conditions for Final Completion of Work. The following conditions shall be satisfied by Design-Builder to constitute Final Completion of Work, each of which must be satisfied in all material respects by Design-Builder to terminate the Contract Time:

1. Governmental Approvals. All Governmental Approvals required under Applicable Law and the Contract to be obtained by Design-Builder shall be in full force and effect for the Work, and certified copies of all such Governmental Approvals shall have been delivered to Agency;

2. Contract Documentation. Design-Builder has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, Record Drawings, and other documents required by the Contract Documents for the Project.

3. Conditions in Special Conditions or GMP Amendment. Any and all conditions required by the Special Conditions or the GMP Amendment have been satisfied by Design-Builder and approved by Agency; and

4. Certification of Final Completion. Agency has approved in writing a Certificate of Final Completion that the Work is entirely complete and in all respects is in compliance with the Contract Documents, including, but not limited, to the Punch List for the Work;

B. Certificate of Final Completion. The process for Agency issuing a Certificate of Final Completion consists of the following:

1. Design-Builder shall notify Agency in writing that Work is complete and request that Agency issue a Certificate of Final Completion.

2. Agency will inspect the Work and determine if the Work is complete in accordance with the Contract Documents and any and all conditions required by the Special Conditions or GMP Amendment.

3. If Agency determines that the Work is not complete, Agency will notify Design-Builder in writing of the Work to be completed and issue a Punch List.

4. Design-Builder shall complete the Punch List and re-submit the request for Final Completion. Should the Punch List items be found not in compliance with the requirements of the Contract Documents, Agency will notify Design-Builder in writing of items of noncompliance. Design-Builder shall take such measures as necessary to complete such items of noncompliance. Failure to include an item on the Punch List does not alter Design-Builder's responsibility to comply with the Contract Documents.

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5. If Agency determines that the Work is entirely complete, a Certificate of Final Completion will be issued by Agency. The certificate shall establish the date of Final Completion for the Work.

C. Certificate of Final Completion. Issuance of a Certificate of Final Completion shall not discharge the duty of Design-Builder to complete the Work in accordance with the Contract Documents and shall not constitute a waiver of defects or missing or incomplete Work, whether or not identified in the Punch List.

13.2 Guarantee of Work.

A. Project Warranty.

1. Design-Builder warrants and guarantees in its Project Warranty, without limitation, the following:

   a. Work shall: (i) be new, of recent manufacture and of good quality; (ii) conform to the requirements of the Contract Documents; and (iii) be free of material faults or defects.

   b. All items having a manufacturer's warranty installed under the Contract shall be installed by or under the directive of the manufacturer or his certified agent in order to conform with the manufacturer's warranty requirements. All Work, including any repairs or replacements, involving manufacturer's products shall be performed in accordance with manufacturer's recommendations in order to maintain all warranties.

   c. Neither final payment nor any provision in the Contract Documents shall relieve Design-Builder of responsibility for faulty materials or workmanship.

2. Design-Builder acknowledges and agrees that the Project Warranty is in addition to, and not in limitation of, any other warranties, rights and remedies available to Agency under the Contract or Applicable Law, and shall not limit Design-Builder's liability or responsibility imposed by the Contract or Applicable Law with respect to the Work, including to latent defects, gross mistakes, or fraud. Nothing in the Project Warranty or in the Contract Documents shall be construed to limit the rights and remedies available to Agency at law or in equity, including, but not limited to, Code of Civil Procedure section 337.15.

B. Project Warranty Period and Work.

1. Design-Builder hereby agrees to repair or replace, at the discretion of Agency, any or all Work that may prove to be defective in its workmanship, materials furnished, methods of installation, fail to conform to the Contract Document requirements or otherwise not in accordance with the requirements of the Project Warranty, together with any other Work which may be damaged or displaced by such defect(s) commencing on date of Final Completion for the Work and terminating after a period of one (1) year (or as otherwise indicated in the Contract Documents or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) without any

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expense whatever to Agency, ordinary wear and tear and unusual abuse and neglect excepted.

2. Design-Builder shall remedy at its sole expense any damage to Agency-owned or controlled real or personal property. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Design-Builder.

3. For any warranty Work so corrected, Design-Builder's obligation hereunder to correct the warranty Work shall be reinstated for a one (1) year period after the Work is corrected. This additional warranty period shall apply only to that portion of Work that was corrected. Design-Builder shall perform such tests as Agency may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract Documents.

4. In the event of Design-Builder's failure to comply with the above-mentioned conditions within ten (10) Days after being notified in writing of required repairs, to the reasonable satisfaction of Agency, Agency shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Design-Builder's sole expense. Design-Builder shall be obligated to fully reimburse Agency for any expenses incurred hereunder immediately upon demand.

5. In the event of any emergency constituting an immediate hazard to health, safety, property, or licensees, when caused by Work of Design-Builder not in accordance with the Contract requirements, Agency may undertake at Design-Builder's expense, and without prior notice, all Work necessary to correct such condition.

C. Manufacturer's Warranties. Without limiting the Project Warranty or any guarantees of Design-Builder in the Contract Documents or at law, Design-Builder shall obtain for Agency all warranties that would be given in normal commercial practice and assign to Agency any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Design-Builder and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the warranty period set forth in this Article. Assignments will not relieve Design-Builder of its responsibility in the case of a manufacturer's or installer's failure to fulfill guarantee or warranty provisions. Design-Builder shall furnish Agency with all warranty and guarantee documents prior to final acceptance of the Project by Agency as required. Nothing in these Contract Documents is intended to limit any third-party warranty that provides Agency with greater warranty rights than those provided under the Project Warranty, as set forth in the Contract.

D. Agency Furnished Materials and Equipment. When specifically indicated in the Contract Documents or when directed by Agency, Agency may furnish materials or equipment to Design-Builder for installation and incorporation into the Work. In the event any act or failure to act by Design-Builder shall cause a warranty applicable to any materials or products purchased by Agency for installation by Design-Builder to be voided or reduced, Design-Builder shall indemnify Agency from and against any

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cost, expense, or other liability arising therefrom, and shall be responsible to Agency for the cost of any repairs, replacement or other costs that would have been covered by the warranty but for such act or failure to act by Design-Builder.

E. No Limitation Period. Nothing contained in this Article shall be construed to establish a period of limitation with respect to other obligations that Design-Builder has under the Contract or under Applicable Law with respect to the Work, including warranties, guarantees, and obligations with respect to latent defects. The warranty period for the Project Warranty relates only to the specific obligations of Design-Builder to respond to notices from Agency under the Project Warranty, and have no relationship to the time within which the obligation of Design-Builder to comply with the Contract may be enforced, nor the time within which proceedings may be commenced to establish Design-Builder's liability with respect to its obligations under the Contract.

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ARTICLE 14 - TERMINATION; SUSPENSION

14.1 Termination of Phase 1 Services.

A. Termination Without Cause.

1. Agency may, at any time, with or without reason, terminate the Contract during Phase 1 and compensate Design-Builder only for the Phase 1 Services satisfactorily rendered to the date of termination. Written notice by Agency shall be sufficient to stop further performance of Phase 1 Services by Design-Builder. Notice shall be deemed given when received by Design-Builder or no later than three (3) Days after the day the notice was mailed, whichever is sooner. Design-Builder cannot terminate the Contract without cause.

2. All deliverables including, without limitation, Early Purchase Items, Early Construction Packages, Construction Documents, Work Product, drawings, documents, engineering, budget costs, preliminary design, schedule and data developed by Design-Builder during the Phase 1 shall become the exclusive property of Agency and shall be provided to Agency within ten (10) Days of Agency's notice to Design-Builder of termination.

B. Termination for Cause by Agency.

1. Agency may terminate the Contract during the Phase 1 upon giving of written notice of intention to terminate for cause. Cause shall include, without limitation, the following:

   a. material violation of the Contract by Design-Builder;

   b. any act by Design-Builder exposing Agency to liability to others for personal injury or property damage; or

   c. Design-Builder is adjudged to be bankrupt, Design-Builder makes a general assignment for the benefit of creditors or a receiver is appointed on account of Design-Builder's insolvency.

2. Written notice by Agency shall contain the reasons for such intention to terminate and unless within three (3) Days after that notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, the Contract shall upon the expiration of the three (3) Days cease and terminate. In the event of this termination, Agency may secure Phase 1 Services from another contractor. If the expense, fees, and/or costs to Agency exceeds the cost of providing Phase 1 Services pursuant to the Contract, Design-Builder shall immediately pay the excess expense, fees, and/or costs to Agency upon the receipt of Agency's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to Agency.

3. All deliverables including, without limitation, Early Purchase Items, Early Construction Packages, Work Product, documents, engineering support, budget costs, schedule and data developed by Design-Builder during the Preconstruction

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Phase shall become the exclusive property of Agency and shall be provided to Agency within ten (10) Days of Agency's notice to Design-Builder of termination.

14.2 Suspension of Phase 1 Services by Agency.

A. Agency may, for any reason through a written notice to Design-Builder, order Design-Builder to suspend performance of Phase 1 Services. Prior to any resumption of Phase 1 Services at Agency's direction, Design-Builder shall notify Agency of any additional costs Design-Builder believes it is entitled to within 30 Days of its receipt of the request to resume suspended Phase 1 Services, or such claim shall conclusively be deemed to have been waived. Agency shall not be liable for any additional costs, damages or anticipated profits incurred by Design-Builder or its Subcontractors and the Phase 1 Fee shall not be increased during the period of suspension, except the actual costs incurred by Design-Builder, excluding overhead and profit, for reasonable and unavoidable costs of suspending Phase 1 Services. If Design-Builder establishes that the suspension of Phase 1 Services had a material and adverse effect on Design-Builder's costs for the performance of Phase 1 Services, Design-Builder shall be entitled to cost relief, as appropriate and determined by Agency acting reasonably and subject to Design-Builder's duty to mitigate damages.

14.3 Suspension of Work by Agency.

A. Agency in its sole and absolute discretion for any reason or no reason whatsoever may at any time, with or without cause, suspend performance of all or any part of the Work by giving not less than five (5) Days written notice to Design-Builder. Such notice of suspension of Work will designate the amount and type of labor, material and equipment to be committed to the Project during the period of suspension. Design-Builder shall use its best efforts to utilize its labor, material, and equipment in such a manner as to minimize costs and/or Project schedule impacts associated with suspension.

B. Upon receipt of any such notice, Design-Builder shall, unless the notice requires otherwise, do the following: (1) immediately discontinue Work on the date and to the extent specified in the notice; (2) place no further orders or subcontracts for material, services, equipment or facilities with respect to suspended Work other than to the extent required in the notice; (3) promptly make every reasonable effort to obtain suspension upon terms satisfactory to Agency of all orders, subcontracts, and rental agreements to the extent they relate to performance of Work suspended; and (4) continue to protect and maintain the Project including those portions on which Work have been suspended.

C. Agency shall not be liable for any additional costs, damages or anticipated profits incurred by Design-Builder or its Subcontractors and the GMP shall not be increased during the period of suspension, except the actual costs incurred by Design-Builder, excluding overhead and profit, for (a) the purpose of safeguarding the Project and material and equipment in transit or at the Site during the period of suspension, (b) Design-Builder's or its Subcontractor's rented equipment which must maintained at the Site and to the extent costs cannot be mitigated by Design-Builder, or (c) other reasonable and unavoidable costs of shutting down the Project, or reassembling personnel and equipment resulting directly from such suspension. Design-Builder shall

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be granted an extension of the Contract Time equal to the number of days performance of Work are suspended; provided, however, that no actual costs or extension of Contract Time shall be granted if the suspension results from Design-Builder's non-compliance with the requirements of the Contract.

14.4 Termination of Work for Cause by Agency.

A. In the sole estimation of Agency, if Design-Builder refuses or fails to prosecute the Work or any separable part thereof with such diligence as will insure its completion within the time specified by the Contract Documents, or any extension thereof, or fails to complete Work within such time, or if Design-Builder should be adjudged a bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or Design-Builder or any of its Subcontractors should violate any of the provisions of the Contract, Agency may serve written notice upon Design-Builder and its surety of Agency's intention to terminate the Contract. This notice of intent to terminate shall contain the reasons for such intention to terminate the Contract, and a statement to the effect that Design-Builder's right to perform the Contract shall cease and terminate upon the expiration of ten (10) Days unless such violations have ceased and arrangements satisfactory to Agency have been made for correction of said violations.

B. After expiration of the ten (10) Day period, Agency may terminate the Contract by providing a notice of termination to Design-Builder. Agency may take over and complete the Work by any method it may deem appropriate, including enforcement of the Performance Bond. If Agency takes over the Work, Agency may, without liability for so doing, take possession of and utilize in completing the Work such materials, appliances, plant, and other property belonging to Design-Builder as may be on the Site.

C. Design-Builder shall not be entitled to receive any further payment hereunder as a result of such termination. Design-Builder and its surety shall be liable to Agency for any excess costs or other damages incurred by Agency to complete the Work, including professional services and expenses, reasonable overhead, profit, and attorneys' fees. This payment obligation shall survive completion of the Project and termination or expiration of the Contract.

14.5 Termination of Work for Convenience by Agency.

A. Agency may terminate performance of the Work in whole or, from time to time, in part, upon ten (10) Days written notice if Agency determines that termination is in Agency's interest. Design-Builder shall discontinue all or any part of the Work upon delivery to Design-Builder of a notice of termination specifying that the termination is for the convenience of Agency, the extent of termination, and the effective date of such termination.

B. After receipt of notice of termination, and except as directed by Agency, Design-Builder shall, regardless of any delay in determining or adjusting any amounts due under this termination for convenience clause, immediately proceed with the following obligations: (1) stop Work as specified in the notice of termination; (2) complete any Work specified in the notice of termination in a least cost/shortest time manner while

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still maintaining the quality called for under the Contract Documents; (3) leave the Site upon which Design-Builder was working in a safe and sanitary manner such that it does not pose any threat to the public health or safety; (4) terminate all subcontracts to the extent that they relate to the portions of the Work terminated; and (5) place no further subcontracts or orders, except as necessary to complete the continued portion of the Contract.

C. In case of such termination for Agency's convenience, Design-Builder shall be entitled to receive payment for Work actually completed by Design-Builder in conformity with the Contract prior to Design-Builder's receipt of Agency's notice of termination and costs incurred by reason of such termination. Any documentation substantiating costs incurred by Design-Builder solely as a result of Agency's exercise of its right to terminate the Contract pursuant to this clause, which costs Design-Builder is authorized under the Contract documents to incur, shall: (1) be submitted to and received by Agency no later than 30 Days after the effective date of the notice of termination; (2) describe the costs incurred with particularity; and (3) be conspicuously identified as "Termination Costs occasioned by Agency's Termination of Work for Convenience." If Agency rejects any costs, Design-Builder shall be deemed to waive the rejected costs unless Design-Builder files a claim within thirty (30) Days of the rejection pursuant to the dispute resolution procedures in these General Conditions.

D. Design-Builder shall be entitled to receive only the amounts payable under this Article, and Design-Builder specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits. The provisions in this Article are in addition to and not in limitation of any other rights or remedies available to Agency.

E. Termination of the Contract shall not relieve surety of its obligation for any just claims arising out of or relating to the Work performed.

F. Notwithstanding any other provision of this Article, when immediate action is necessary to protect life and safety or to reduce significant exposure or liability, Agency may immediately order Design-Builder to cease Work on the Project until such safety or liability issues are addressed to the satisfaction of Agency or the Contract is terminated.

G. If Agency terminates Design-Builder for cause, and it is later determined that the termination was wrongful, such default termination shall automatically be converted to and treated as a termination for convenience. In such event, Design-Builder shall be entitled to receive only the amounts payable under this Article, and Design-Builder specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits.

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ARTICLE 15 - MEASUREMENT; PAYMENT

15.1 Payment of Compensation for Phase 1 Services.

A. Phase 1 Fee. Agency shall pay Design-Builder the Phase 1 Fee in the manner and subject to the terms and conditions set forth in the Contract. Design-Builder agrees that the Phase 1 Fee, when earned, shall be Design-Builder's entire compensation and reimbursement for the performance of Phase 1 Services, inclusive of all costs, expenses and disbursements paid or incurred by Design-Builder, as well as all overhead, administration, risk and profit, subject to adjustment in the Contract Documents.

B. Invoicing. Design-Builder shall submit a monthly itemized statement of Phase 1 Services charges and expenses to Agency on the fifth (5th) day of each month. The itemized statement shall reflect the hours spent, or scope of work performed, by Design-Builder in performing its Phase 1 Services, and, if applicable, the statements shall reflect expenses and materials, and the hourly charges shall not exceed the rates set forth in the Contract Documents. The itemized statement shall show the days and hours worked each workday Design-Builder performs Phase 1 Services for the previous month.

C. Payment. Payment for the Phase 1 Services shall be made for all undisputed amounts in monthly installment payments within thirty (30) Days after Design-Builder submits an itemized statement to Agency for Phase 1 Services actually completed by Design-Builder. Payment shall not constitute acceptance of any Phase 1 Services completed by Design-Builder.

D. Payment Disputes. Nothing contained in the Contract shall require Agency to pay for any Phase 1 Services which are not performed in accordance with the terms and conditions of the Contract. If Agency disputes in good faith any payment request for Phase 1 Services, Agency shall pay all undisputed amounts when due but may withhold payment of the disputed amount, and shall provide Design-Builder with a written objection indicating the amount being disputed and the reasons then known to Agency for the dispute. In the event that Design-Builder disputes any amounts offset by Agency, it shall provide Agency with a written objection indicating the amount being disputed and the reasons then known to Design-Builder. If Design-Builder is unable to reach agreement with Agency as to the payment dispute, Design-Builder may elect to initiate dispute resolution procedures in accordance with the Contract Documents.

15.2 Payment of Compensation for Phase 2 Work.

A. Wavier and Releases. Each application for payment shall show each Subcontractor and Supplier participating in the Work completed during the previous progress period and the dollar amount of such participation. Each progress payment application shall be accompanied by:

1. A conditional waiver and release upon progress payment pursuant to Civil Code Section 8132 for each Subcontractor and Supplier participating in the Work completed during the previous progress period which shall be in an amount no less than the dollar amount of such participation; and

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2. A conditional waiver and release upon progress payment pursuant to Civil Code Section 8132 on behalf of Design-Builder which shall be in an amount no less than the dollar amount of the total requested in the payment application.

3. Completed progress payment form, supplied by Agency, which includes a payment certification by the Design-Builder certifying that the Work for which payment is requested has been accomplished.

Design-Builder shall thereafter, within twenty (20) Days of receipt of the payment from Agency, complete an unconditional waiver and release upon progress payment pursuant to Civil Code Section 8134 for each Subcontractor and Supplier participating in the Work completed during the previous progress period and an unconditional waiver and release upon progress payment pursuant to Civil Code Section 8134 on behalf of Design-Builder in an amount no less than the amount received from Agency, and submit the same with Design-Builder's subsequent application for payment.

B. Security for Money Withheld. Pursuant to Section 22300 of the California Public Contract Code, Design-Builder may request Agency to make retention payments directly to an escrow agent or may substitute securities for any money withheld by Agency to ensure performance under the Contract. At the request and expense of Design-Builder, securities equivalent to the amount withheld shall be deposited with Agency or with a state or federally chartered bank as the escrow agent who shall return such securities to Design-Builder upon satisfactory completion of the Contract. Deposit of securities with an escrow agent shall be subject to a written agreement substantially in the form provided in Section 22300 of the California Public Contract Code.

C. Cost Breakdown in Schedule of Values. Design-Builder shall furnish on forms approved by Agency within ten (10) Days of the Notice to Proceed for Phase 2 and prior to submitting its first application for payment, a schedule of values allocating the entire Phase 2 Price to the various portions of the Work and prepared in such a form and supported by such data to substantiate its accuracy as the Agency's Representative may require. This schedule of values, unless objected to by the Agency's Representative, shall be used as a basis for reviewing Design-Builder's applications for payment. Agency will not issue any payment until it receives and accepts the schedule of values.

D. Progress Estimates and Payment.

1. Application for Payment Submittal. By the tenth (10th) Day of the following calendar month, Design-Builder shall submit to Agency's Representative on forms approved by Agency a written payment request for payment of the Work, together with such supporting data as Agency may request, which shall set forth in detail the value of the Work done for the period beginning with the date Work was first commenced and ending on the end of the calendar month for which the payment request is prepared. Design-Builder shall include any amount earned for authorized Change Orders. Design-Builder shall certify under penalty of perjury, that all cost breakdowns and periodic estimates accurately reflect the Construction Work performed pursuant to the Contract Documents.

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2. Application for Payment Contents. Design-Builder shall submit with each application for payment:

    a. An invoice that includes, without limitation, the total GMP, total of additive and deductive Change Orders, total retention, and total Phase 2 Price;

    b. A current schedule of values;

    c. An updated Phase 2 CPM Schedule for the Work; and

    d. Conditional and unconditional release of liens from Subcontractors and Suppliers.

3. Schedule of Values. Each application for payment shall be based on the most recent schedule of values submitted by Design-Builder in accordance with the Contract Documents. Applications for payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the application for payment. The percentage of completion shall be the percentage of that portion of the Work which Design-Builder has actually been completed.

4. Open Book Basis. Design-Builder acknowledges that the GMP is to be administered on an Open Book Basis relative to the costs of the Construction Work. The payment request shall be supported by such data substantiating Design-Builder's right to payment as Agency may require including but not limited to payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, Subcontractor payment requests submitted to Design-Builder, documentation supporting the Subcontractor's payment requests, and any other evidence or documentation required by Agency.

5. Retention. From the total thus computed, a deduction shall be made in the amount of five percent (5%) for retention, except where Agency has adopted a finding that the Work done under the Contract is substantially complex, and then the amount withheld as retention shall be the percentage specified in the Special Conditions. The amount computed, less the amount withheld for retention and any amounts withheld as set forth below, shall be the amount of Design-Builder's payment request.

6. Withholdings. Agency may withhold a sufficient amount or amounts of any payment or payments otherwise due to Design-Builder, as in its judgment may be necessary to cover:

    a. Payments which may be past due and payable for just claims against Design-Builder or any Subcontractors for labor or materials furnished in and about the performance of Work on the Project under the Contract.

    b. Defective Work not remedied.

    c. Failure of Design-Builder to make proper payments to Subcontractors, Suppliers or for labor.

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d. Completion of the Work if there is a reasonable doubt that the Work can be completed for the balance then unpaid.

e. Damage to another contractor or a third party.

f. Amounts which may be due Agency for claims against Design-Builder.

g. Failure of Design-Builder to keep the Record Drawings up to date.

h. Failure to provide an updated CPM Schedule as required herein.

i. Site cleanup.

j. Failure to comply with Contract Documents.

k. Liquidated damages.

l. Legally permitted penalties.

7. Agency may apply such withheld amount or amounts to payment of such claims or obligations at its discretion with the exception of subsections (6)(a), (c), and (e) of this Article, which must be retained or applied in accordance with Applicable Law. In so doing, Agency shall be deemed the agent of Design-Builder and any payment so made by Agency shall be considered as a payment made under contract by Agency to Design-Builder and Agency shall not be liable to Design-Builder for such payments made in good faith. Such payments may be made without prior judicial determination of claim or obligations. Agency will render Design-Builder a proper accounting of such funds disbursed on behalf of Design-Builder.

8. Upon receipt of an application for payment from Design-Builder, Agency's Representative shall review the payment request to determine whether it is undisputed and suitable for payment. If the payment request is determined to be unsuitable for payment, it shall be returned to Design-Builder as soon as practicable but not later than seven (7) Days after receipt, accompanied by a document setting forth in writing the reasons why the payment request is not proper. Agency will make the progress payment within 30 Days after the receipt of an undisputed and properly submitted payment request from Design-Builder, provided that a release of liens and claims has been received from Design-Builder pursuant to Civil Code section 8132.

9. Design-Builder warrants and guarantees that title to all Work, materials, and equipment covered by any application for payment, whether incorporated in the Project or not, will pass to Agency no later than the time of payment free and clear of all Liens.

10. Agency shall have the right to adjust any estimate of quantity and to subsequently correct any error made in any estimate for payment.

15.3 Payments to Subcontractors.

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A. Design-Builder shall develop and implement procedures for submittal of applications for progress payments to Design-Builder by Subcontractors in accordance with these General Conditions and the review, processing and disbursement of progress payments to Subcontractors, along with associated forms and reporting systems. Design-Builder shall disburse progress payments due each Subcontractor within ten (10) Days of Design-Builder's receipt of payment from Agency, except to the extent that Design-Builder's payment of such amount or any portion thereof is subject to withholdings for a stop payment notice, prevailing wage rate violations or other withholdings of payment(s) due Subcontractors under the terms of the subcontracts or by operation of law. Design-Builder shall indemnify Agency against any and all claims arising from or related to the failure of Design-Builder to comply with the prompt payment requirements under the Public Contract Code.

15.4 Final Acceptance and Payment.

A. During Project close-out of the Project, but before Final Completion, Design-Builder shall submit to Agency a detailed Project accounting setting forth all additive Change Orders approved by Agency, and, if applicable, all savings generated by Design-Builder during the Project. Agency shall, within a reasonable amount of time after receipt, review the Project accounting to determine its accuracy and reconcile the any potential savings and approved and unapproved Change Orders to determine the final cost to complete Phase 2. If Agency determines that there are savings due to either Party, or if Agency determines that the GMP needs to be adjusted upward because of unapproved Change Orders, Agency may issue a unilateral additive or deductive Change Order (as applicable). Design-Builder's compliance with this Section is a material term of the Contract necessary for Final Completion of the Project, and Design-Builder acknowledges that Agency shall not be obligated to release retention until Design-Builder complies with this Section.

B. Unless Design-Builder advises Agency in writing prior to acceptance of the final five percent (5%) or the percentage specified in the Contract Documents where Agency has adopted a finding of completion, or the return of securities held as described herein, said acceptance shall operate as a release to Agency of all claims and all liability to Design-Builder for all things done or furnished in connection with this Work and for every act of negligence of Agency and for all other claims relating to or arising out of this Work. If Design-Builder advises Agency in writing prior to acceptance of final payment or return of the securities that there is a dispute regarding the amount due Design-Builder, Agency may pay the undisputed amount contingent upon Design-Builder furnishing a release of all undisputed claims against Agency with the disputed claims in stated amounts being specifically excluded by Design-Builder from the operation of the release. No payments, however, final or otherwise, shall operate to release Design-Builder or its sureties from the faithful Performance Bond, Payment Bond, or from any other obligation under the Contract.

C. In case of termination of the Contract any unpaid balance shall be and become the sole and absolute property of Agency to the extent necessary to repay Agency any excess in the cost of the Work above the GMP.

D. Final payment of the five percent (5%) retention shall be made no later than 60 Days after the date of Final Completion, provided that a release of liens and claims has been

Template

received from Design-Builder pursuant to Civil Code section 8136. In the event of a dispute between Agency and Design-Builder, Agency may withhold from the final payment an amount not to exceed 150% of the disputed amount.

E. Within ten (10) Days from the time that all or any portion of the retention proceeds are received by Design-Builder, Design-Builder shall pay each of its Subcontractors from whom retention has been withheld each Subcontractor's share of the retention received. However, if a retention payment received by Design-Builder is specifically designated for a particular Subcontractor, payment of the retention shall be made to the designated Subcontractor if the payment is consistent with the terms of the subcontract.

F. The making and acceptance of final payment will constitute a waiver of all Claims by Design-Builder against Agency other than those previously made in accordance with the requirements herein and expressly acknowledged by Agency in writing as still unsettled.

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ARTICLE 16 - MISCELLANEOUS CONTRACT PROVISIONS

16.1 Separate Contracts.

A. Design-Builder understands that this is not an exclusive contract and that Agency shall have the right to negotiate with and enter into separate contracts with others providing the same or similar services as those provided by Design-Builder as Agency desires.

16.2 Notice.

A. All notices shall be in writing and either served by personal delivery or mailed to the other Party. Written notice to Design-Builder shall be addressed to Design-Builder's principal place of business unless Design-Builder designates another address in writing for service of notice. Notice to Agency shall be addressed to Agency as designated in the Contract unless Agency designates another address in writing for service of notice. Notice shall be effective upon receipt or five (5) Days after being sent by first class mail, whichever is earlier. Notice given by facsimile shall not be effective unless acknowledged in writing by the receiving party.

16.3 Notice of Third Party Claims.

A. Pursuant to Public Contract Code section 9201, Agency shall provide Design-Builder with timely notification of the receipt of any third-party claims relating to the Contract. Agency is entitled to recover reasonable costs incurred in providing such notification.

16.4 Cumulative Remedies.

A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Applicable Laws, by special warranty or guarantee, or by other provisions of the Contract Documents. The provisions of this Article will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

16.5 Survival of Obligations.

A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Project or termination or completion of the Contract or termination of the services of Design-Builder.

16.6 Controlling Law.

A. Notwithstanding any subcontract or other contract with any Subcontractor, Supplier, or other person or organization performing any part of the Project, the Contract shall be governed by the law of the State of California excluding any choice of law provisions.

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16.7 Jurisdiction; Venue.

A. Design-Builder and any Subcontractor, supplier, or other person or organization performing any part of the Project agree that any action or suits at law or in equity arising out of or related to the proposal process, award, or performance of the Project shall be maintained in the Superior Court of [***INSERT NAME***] County, California, and expressly consent to the jurisdiction of said court, regardless of residence or domicile, and agree that said court shall be a proper venue for any such action.

16.8 Prohibited Interests.

A. No Agency official or representative who is authorized in such capacity and on behalf of Agency to negotiate, supervise, make, accept, or approve, or to take part in negotiating, supervising, making, accepting or approving any engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the Project, shall be or become directly or indirectly interested financially in the Contract. Design-Builder warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining the Contract.

16.9 Severability.

A. If any provision of the Contract is found by a court of competent jurisdiction to be void, invalid or unenforceable, then the Parties agree that such invalidity or unenforceability shall have no effect whatsoever on the balance of the Contract.

16.10 Headings.

A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

16.11 Agency's Right to Audit.

A. Design-Builder shall make available to Agency for auditing, all relevant accounting records and documents, and other financial data, and upon request, shall submit true copies of requested records to Agency. If Design-Builder submits a Change Order Request or a Claim to Agency, Agency shall have the right to audit Design-Builder's books, records, documents, and other evidence to the extent they are relevant.

B. The right to audit shall include the right to examine books, records, documents, and other evidence and accounting procedures and practices, sufficient to discover and verify all direct and indirect costs of whatever nature claimed to have been incurred or anticipated to be incurred and for which the claim has been submitted, including but not limited to job cost reports, estimates, proposals, bids, proposal papers, documents of other work administered by Design-Builder's home office, and any and all other documentation relied upon by Design-Builder to obtain the Contract. Agency shall have the right to make and take copies of any records examined.

C. The right to audit shall include the right to inspect Design-Builder's plans, or such parts thereof, as may be or have been engaged in the performance of the Project. Design-Builder further agrees that the right to audit encompasses all subcontracts and is

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binding upon Subcontractors. The right to audit provided herein shall be exercisable through such representatives as Agency deems desirable during Design-Builder's normal business hours at Design-Builder's office.

D. In accordance with Government Code Section 8546.7, records of both Agency and Design-Builder shall be subject to examination and audit by the State Auditor General for a period of three (3) years after final payment. Design-Builder shall make available to Agency any of Design-Builder's other documents related to the Project immediately upon request of Agency. In addition to the State Auditor's rights described above, Agency shall have the right to examine and audit all books, estimates, records, contracts, documents, Proposals, subcontracts, and other data of Design-Builder (including electronic records, computations and projections) related to negotiating, pricing, or performing the Project in order to evaluate the accuracy and completeness of the cost or pricing data, for a period of four (4) years after final payment.

16.12 Assignment.

A. Design-Builder shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or any part thereof including any claims, without prior written consent of Agency. Any assignment without the written consent of Agency shall be void. Any assignment of money due or to become due under the Contract shall be subject to a prior lien for services rendered or Material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering such services or supplying such Materials to the extent that claims are filed pursuant to the Civil Code, the Code of Civil Procedure or the Government Code.

16.13 Assignment of Antitrust Actions.

A. As set forth in Public Contract Code section 7103.5, in entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Agency tenders final payment to the Design-Builder, without further acknowledgment by the Parties.

16.14 State License Board Notice.

A. Contractors are required by law to be licensed and regulated by Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, the Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

16.15 Change In Name Or Nature of Design-Builder's Legal Entity.

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A. Should a change be contemplated in the name or nature of Design-Builder's legal entity, Design-Builder shall first notify Agency in order that proper steps may be taken to have the change reflected in the Contract Documents and all related documents. No change of Design-Builder's name or nature will affect Agency's rights under the Contract Documents, including but not limited to the bonds and insurance.

16.16 Other Legal Provisions.

A. Notices. Design-Builder shall give all notices and comply with Applicable Laws bearing on conduct of Work as indicated and specified by their terms. References to specific laws, rules or regulations in the Contract are for reference purposes only, and shall not limit or affect the applicability of provisions not specifically mentioned. If Design-Builder observes that Design Documents are at variance therewith, Design-Builder shall promptly notify Agency in writing and any necessary changes shall be adjusted as provided for in the Contract for changes in Work. If Design-Builder performs any Work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to Agency, Design-Builder shall bear all costs arising therefrom.

B. ADA. Design-Builder shall be responsible for familiarity with the Americans with Disabilities Act ("ADA") (42 U.S.C. § 12101 et seq.). The Work will be performed in compliance with ADA laws, rules and regulations. Design-Builder shall comply with the Historic Building Code, including, but not limited to, as it relates to the ADA, whenever applicable.

C. Mined Material. Design-Builder acknowledges and understands that, pursuant to Public Contract Code section 20676, sellers of "mined material" must be on an approved list of sellers published pursuant to Public Resources Code section 2717(b) in order to supply mined material for the Contract.

D. Other Laws. All provisions of law required to be inserted in the Contract or Contract Documents pursuant to any Applicable Laws shall be and are inserted herein. If through mistake, neglect, oversight, or otherwise, any such provision is not herein inserted or inserted in improper form, upon the application of either party, the Contract or Contract Documents shall be changed by Agency, at no increase in the GMP or extension of Contract Time, so as to strictly comply with the Applicable Laws and without prejudice to the rights of either party hereunder.

END OF GENERAL CONDITIONS

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ATTACHMENT 2
PHASE 1 SCOPE OF SERVICES

[INSERT SCOPE OF PHASE 1 SERVICES]

Template

ATTACHMENT 3
SPECIAL CONDITIONS

Template

ARTICLE 1 - DEFINITIONS; TERMINOLOGY

1.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

Template

ARTICLE 2 - CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

2.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

Template

ARTICLE 3 - INDEMNIFICATION; INSURANCE; BONDS

3.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 4 - AGENCY RESPONSIBILITIES GENERALLY

4.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 5 - DESIGN-BUILD ENTITY'S RESPONSIBILITIES

5.1 Staffing of Project.

A. Design-Builder's Representative.

1. Design-Builder hereby designates [INSERT NAME], or his or her designee, to act as Design-Builder's Representative. Design-Builder's Representative shall have full authority to represent and act on behalf of Design-Builder for all purposes under the Contract. Design-Builder's Representative shall supervise and direct all work on the Project, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work pursuant to the Contract. Design-Builder may designate new and/or different individuals to act as Design-Builder's Representative from time to time upon written notice to the Agency and the express written consent of Agency, which such consent may be withheld by Agency. If, for whatever reason, Design-Builder's Representative is replaced and this section is not revised, or no such representative is designated, Design-Builder's Representative shall be read as applying to Design-Builder.

B. Agency's Representative.

1. Agency hereby designates [INSERT NAME] or his or her designee, as the person to act as Agency's Representative. Agency's Representative shall be authorized to act as liaison between Agency and Design-Builder in the administration of the Contract and all work on the Project. Agency's Representative shall have the power to act on behalf of Agency for all purposes under the Contract. Agency may designate new and/or different individuals to act as Agency's Representative from time to time upon written notice to Design-Builder. If, for whatever reason, Agency's Representative is replaced and this section is not revised, or no such representative is designated, Agency's Representative shall be read as applying to Agency.

C. Designated Key Personnel.

1. Design-Builder has been selected to complete the Project in part because of the experience, expertise, training, education and skill of key individuals. The Key Personnel shall perform the roles and responsibilities of the applicable title. The following individuals are Design-Builder's Key Personnel, none of whom can be replaced unless approved by Agency as provided herein: [ADJUST AS NECESSARY CONSISTENT WITH KEY PERSONNEL REQUIRED IN THE RFQ OR SOQ]

Key Personnel Role	Key Personnel Name
Project Executive	
Project Manager	
Design Manager	
Superintendent	

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Cost Estimator	

D. Removal of Key Personnel.

1. Design-Builder acknowledges the quality and qualifications of the Key Personnel were important and material factors in Agency's selection of Design-Builder for the Project. Design-Builder and Agency agree that the services of the Key Personnel are a material term of the Contract Documents. Design-Builder will not remove any of its Key Personnel from their respective role on this Project without the express written consent of Agency. If, for any reason except for death, disability, or voluntary departure by person from employment, an individual identified as Key Personnel ceases to perform the duties of a Key Personnel, Agency may terminate the Contract for material breach by Design-Builder.

E. Replacing Key Personnel.

1. Any Key Personnel change shall be proposed to Agency with reasonable advance notice for its review and approval. Upon written notice by Agency to Design-Builder, Design-Builder shall replace Key Personnel within 60 Days if Key Personnel fails to perform to the sole satisfaction of Agency. Any replacement of Key Personnel shall meet the qualifications in the RFQ for the applicable role and Agency shall have the sole discretion to determine whether the Key Personnel replacement is qualified. If the Key Personnel replacement is not qualified, as determined in the sole discretion of Agency, Design-Builder shall propose a new Key Personnel replacement to Agency. Design-Builder shall be responsible for any and all costs related to replacing any Key Personnel, including any costs to acquaint themselves with the Project. Key Personnel for any Key Subcontractor are subject to all conditions in these Contract Documents.

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ARTICLE 6 - COST OF THE CONSTRUCTION WORK

6.1 [THIS CAN BE USED ON A PROJECT BY PROJECT BASIS]**Construction Work Performed by Design-Builder.**

A. Self-Perform Amount. Design-Builder shall perform Construction Work on the Project accounting to at least [INSERT PERCENTAGE AMOUNT] percent of the Construction Work in the Phase 2 Price, but not more than [INSERT PERCENTAGE AMOUNT] percent of the Construction Work in the Phase 2 Price.

6.2 Design-Builder's Fee.

A. Design-Builder's Self-Performance Fee. Design-Builder's Self-Performance Fee shall be [INSERT AMOUNT].

B. Design-Builder's Subcontractor Fee. Design-Builder's Subcontractor Fee shall be [INSERT AMOUNT].

6.3 Self-Performed Construction Work.

A. Independent Cost Estimate Percentage. The X value in Article 6.5(B) is [INSERT PERCENTAGE AMOUNT]

6.4 Subcontracted Construction Work.

A. Non-Competitive Subcontracted Procurement. Article 6.7(C)(1) is replaced with the following:

1. Design-Builder may procure Subcontractors without following the above competitive procurement procedures only if:

   a. The Phase 2 Price is less than [INSERT AMOUNT]; or

   b. If the Phase 2 Price is equal to or greater than [INSERT AMOUNT], the Subcontracted Construction Work is equal to or less than one-half of one percent (0.5%) of the Phase 2 Price.

6.5 [THIS CAN BE USED ON A PROJECT BY PROJECT BASIS AND CAN BE MODIFY FOR THE PROJECT. FOR EXAMPLE, THE SHARED COST SAVINGS COULD BE WITH CONTINGENCY]**Shared Cost Savings.**

A. If the final accounting of the GMP is less than the GMP as set forth in the GMP Amendment, including all adjustments to the GMP in accordance with the Contract Documents, the difference shall be considered "savings" and shall be shared as follows: fifty percent (50%) to Design-Builder and fifty percent (50%) to Agency. [OR] There shall be no cost savings sharing for this Project.

6.6 Escalation. [THIS SHOULD BE USED ONLY WHEN NECESSARY ON A PROJECT BY PROJECT BASIS]

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A. During Phase 1, Design-Builder shall identify materials and/or equipment incorporated into the Project that may be subject to significant price escalation during the Project and provide ways, such as Early Purchase Items, to mitigate such escalation. If Design-Builder identifies certain materials and/or equipment required for the Project that may be subject to significant price escalation during the work, Design-Builder may request a material escalation clause in a GMP. Agency will evaluate whether or not a material escalation clause is appropriate for a GMP by evaluating such things as the Contract Time for the Work, whether the market for the materials and/or equipment is historically volatile and subject to sudden price increases, and Agency's tolerance for taking on escalation risk for the identified materials and/or equipment. If Agency decides, in its sole discretion, that a material price escalation provision is appropriate for the Project, Agency and Design-Builder will negotiate such a provision as part of the GMP. The material price escalation provision will include certain conditions that Design-Builder would have to demonstrate to receive escalation costs from Agency.

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ARTICLE 7 - SUBMITTALS; SHOP DRAWINGS

7.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

Template

ARTICLE 8 - MATERIALS; EQUIPMENT

8.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

Template

ARTICLE 9 - PROJECT SITE

9.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 10 - PROSECUTION OF THE WORK

10.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

[THE GENERAL CONDITIONS ARE BASED ON ONE FINAL COMPLETION AND FINAL ACCEPTANCE WITH A 1 YEAR WARRANTY TO FOLLOW. THIS CAN BE UPDATED ON A PROJECT BY PROJECT BASIS WHERE THERE MAY MORE THAN ONE GMP AND A NEED FOR STAGGERED ACCEPTANCE OF THE GMP WORK. OTHER PROVISIONS OF THE GCS MAY NEED UPDATING, SUCH AS RELEASE OF RETENTION]

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ARTICLE 11 - SCHEDULE; CONTRACT TIME

11.1 [THIS CAN BE USED ON A PROJECT BY PROJECT BASIS]**Reverse Liquidated Damages**.

A. In compliance with the provisions of California Public Contract Code section 7102, Design-Builder will be compensated for damages incurred due to delays in completing the Work by the Guaranteed Completion Date due solely to the fault of Agency, where such delay to the critical path is unreasonable under the circumstances and not contemplated by the Parties. The Parties agree that determining Design-Builder's exact delay damages are and will continue to be impracticable and extremely difficult. As such, for each calendar day in excess of the Guaranteed Completion Date, Agency shall pay to Design-Builder a Daily Rate. The Daily Rate shall constitute the only payment allowed for any such Agency-caused unreasonable delays and shall necessarily include all overhead, all profits, all administrative costs, all bond costs, all labor, materials, equipment and rental costs, and any other costs, expenses, and fees incurred or sustained as a result of such delays. Design-Builder shall not be entitled to the Daily Rate for any change in the Work in which Design-Builder is compensated for overhead and profit through a Change Order resulting in a lump sum or allowed mark-up for Extra Work. The amount of the Daily Rate shall be reduced by Design-Builder's concurrent delays. Design-Builder expressly agrees to be limited solely to liquidated damages for all such delays as defined in this Article.

B. Daily Rate.

1. Daily Rate is defined as the daily amount due to Design-Builder as the result of Agency's unreasonable delay to the Critical Path of the Project that was not contemplated by the Parties.

2. The Daily Rate is [INSERT AMOUNT].

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ARTICLE 12 - CHANGE IN CONTRACT PRICE; CHANGE IN CONTRACT TIMES

12.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 13 - COMPLETION; GUARANTEE OF WORK

13.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

Template

ARTICLE 14 - TERMINATION; SUSPENSION

14.1 [INSERT SPECIAL CONDITION OR INSERT “NOT USED”]

Template

ARTICLE 15 - MEASUREMENT; PAYMENT

15.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ATTACHMENT 4
DESIGN BUILDER'S COST PROPOSAL FORM

[ATTACHED BEHIND]

Template

ATTACHMENT 5
SAMPLE TASK ORDER FOR PHASE 1 SERVICES

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TASK ORDER FOR PHASE 1 SERVICES

Task Order No. __

Project: [INSERT PROJECT] **Contract**: **[INSERT NAME]**	**Date of Contract**: **[INSERT DATE]** **Task Order Effective Date: [INSERT DATE]**

This Task Order is made in accordance with and subject to the terms and conditions set forth in the Contract entered into by and between the [INSERT AGENCY NAME] ("Agency") and [INSERT NAME] ("Design-Builder") for the Project. Capitalized terms not defined in this Task Order shall have meaning given to them in the Contract.

1. DESCRIPTION OF PRECONSTRUCTION SERVICES.

Design-Builder is hereby authorized to perform the Phase 1 Services, subject to the provisions of the Contract Documents and this Task Order, identified in Exhibit "A" to this Task Order and incorporated herein by reference (the "Task Order No. __ Services").

2. SCHEDULE OF SERVICES.

The Task Order No. __ Services are to be completed by [INSERT DATE], subject to an extension of time as provided in the Contract Documents.

3. COMPENSATION.

Agency shall pay Design-Builder a total not to exceed amount of [***INSERT AMOUNT***] for performance of the Task Order No. __ Services based on the work satisfactorily performed and approved by Agency pursuant to the Contract Documents ("Task Order No. __ Services Fee"). The basis for the Task Order No. __ Services Fee is further detailed in Exhibit "B" to this Task Order and incorporated herein by reference.

Design-Builder hereby agrees that it will provide all equipment, furnish all materials, and perform all services for the Task Order No. __ Services in accordance with the Contract Documents and will accept as full payment therefore the Task Order No. __ Services Fee.

4. INCORPORATION.

This Task Order is subject to all terms and conditions of the Contract Documents. This Task Order and the exhibits hereto are hereby incorporated into the Contract as though fully set forth therein.

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SIGNATURE PAGE TO TASK ORDER NO. __ BY AND BETWEEN [INSERT] AND [INSERT]

IN WITNESS WHEREOF, the Parties hereby execute this Task Order No. __ as of the Task Order Effective Date.

[INSERT NAME OF AGENCY]

By: _____
[INSERT NAME]
[INSERT TITLE]

ATTEST:

By: _____
[INSERT NAME]

APPROVED AS TO FORM:

By: _____
[INSERT NAME]

[INSERT NAME OF DESIGN-BUILDER]

[IF CORPORATION, TWO SIGNATURES, PRESIDENT **OR** VICE PRESIDENT **AND** SECRETARY **OR** TREASURER **REQUIRED**]

By: _____

Its: _____

Printed Name: _____

[DELETE THE FOLLOWING SIGNATURE LINE IF NOT **REQUIRED**]

By: _____

Its: _____

Printed Name: _____

Template

EXHIBIT "A"

TASK ORDER SCOPE OF PHASE 1 SERVICES

[INSERT]

Template

EXHIBIT "B"

TASK ORDER COMPENSATION

[INSERT]

Template

ATTACHMENT 6
PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, _____ ("Agency") has awarded to _____, ("Design-Builder") a contract ("Contract") for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Design-Builder is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, Design-Builder is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, Design-Builder and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto Agency in the sum of _____ dollars, ($_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if Design-Builder, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one (1) year guarantee of all materials and workmanship; and shall indemnify and save harmless Agency, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorney's fees, incurred by Agency in enforcing such obligation.

The obligations of Surety hereunder shall continue so long as any obligation of Design-Builder remains. Nothing herein shall limit Agency's rights or the Design-Builder or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

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Whenever Design-Builder shall be, and is declared by Agency to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at Agency's option:

(1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents.

(2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety and Agency of the bidder providing best value to Agency, arrange for a contract between such bidder, the Surety and Agency, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the Contract price, including other costs and damages for which Surety may be liable. The term "balance of the Contract price" as used in this paragraph shall mean the total amount payable to Design-Builder by Agency under the Contract and any modification thereto, less any amount previously paid by Agency to the Design-Builder and any other set offs pursuant to the Contract Documents.

(3) Permit Agency to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the Contract price, including other costs and damages for which Surety may be liable. The term "balance of the Contract price" as used in this paragraph shall mean the total amount payable to Design-Builder by Agency under the Contract and any modification thereto, less any amount previously paid by Agency to the Design-Builder and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that Agency may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Design-Builder.

Surety shall not utilize Design-Builder in completing the Project nor shall Surety accept a Bid from Design-Builder for completion of the Project if Agency, when declaring the Design-Builder in default, notifies Surety of Agency's objection to Design-Builder's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

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IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

_____
Design-Builder

By: _____

_____
Surety

By:_____
Attorney-in-Fact

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, $_____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

_____

_____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

_____

_____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

NOTE: A copy of the Power-of-Attorney to local representatives of the bonding company must be attached hereto.

Template

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____
On _____, 20___, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____
_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title or Type of Document

_____
Number of Pages

_____
Date of Document

_____
Signer(s) Other Than Named Above

Template

ATTACHMENT 7
PAYMENT BOND (LABOR AND MATERIALS)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, _____ ("Agency"), has awarded to _____, hereinafter designated as the "Principal," a contract ("Contract") for the work described as follows: _____ ("Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said Contract; providing that if said Principal or any of its subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto Agency in the penal sum of _____ dollars ($_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the Design-Builder and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by Agency in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such Contract or agreement or under the bond,

Template

nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of Contract between the owner or Agency and original Design-Builder or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of Sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the ___ day of _____ 20____ the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

(Corporate Seal of Principal, if corporation)

_____
Design-Builder

By: _____

(Seal of Surety)

_____
Surety

By:_____
Attorney-in-Fact

(Attached Attorney-In-Fact Certificate and Required Acknowledgements)

NOTE: A copy of the Power-of-Attorney to local representatives of the bonding company must be attached hereto.

Template

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____
On _____, 20___, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

☐ Individual
☐ Corporate Officer

_____
Title(s)

☐ Partner(s) ☐ Limited ☐ General
☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____

_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title or Type of Document

_____
Number of Pages

_____
Date of Document

_____
Signer(s) Other Than Named Above

Template

ATTACHMENT 8
SAMPLE GMP AMENDMENT FOR PHASE 2 SERVICES

[THIS IS A TEMPLATE ONLY. THE PROJECT MAY REQUIRE ADDITIONAL TERMS AND CONDITIONS TO EXECUTE A GMP AMENDMENT. THIS SHOULD BE A STARTING POINT THAT CAN BE TAILORED TO THE SPECIFIC GMP, INCLUDING IF THERE ARE MULTIPLE GMPS]

GMP AMENDMENT FOR PHASE 2 SERVICES

Project: [INSERT PROJECT] **Contract**: **[INSERT NAME]**	**Date of Contract**: **[INSERT DATE]** **GMP Effective Date: [INSERT DATE]**

This Guaranteed Maximum Price Amendment ("GMP Amendment") is made and entered into this ___ day of _____, 202_ ("GMP Effective Date"), in accordance with and subject to the terms and conditions set forth in the Progressive Design-Build Contract ("Contract") entered into by and between the [INSERT NAME] ("Agency") and [INSERT NAME] ("Design-Builder") for the Project. Capitalized terms not defined in this GMP Amendment shall have meanings given to them in the Contract.

RECITALS

WHEREAS, Agency and Design-Builder entered into the Contract with an Effective Date of [INSERT DATE] for the [INSERT NAME OF PROJECT] ("Project");

WHEREAS, the Contract permits Agency and Design-Builder to amend the Contract upon the mutual agreement of the Parties;

WHEREAS, Agency and Design-Builder now desire to amend the Contract to finalize and memorialize Phase 2 Work, a GMP for Phase 2, and other terms and conditions for Phase 2 of the Project as more particularly described herein; and

WHEREAS, amending the Contract pursuant to this GMP Amendment will allow the Project work described herein to commence in accordance with the terms and conditions the Parties have agreed to as set forth below.

AGREEMENT

NOW, THEREFORE, in good and valuable consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

5. CONTRACT DOCUMENTS FOR PHASE 2.

This GMP Amendment shall be a Contract Document and is subject to all terms and conditions of the Contract Documents. This GMP Amendment includes the following documents attached

Template

hereto and incorporated by this reference:

[INSERT ADDITIONAL DOCUMENTS OR REMOVE DOCUMENTS LISTED IF NOT APPLICABLE TO THIS CONTRACT; THEN REMOVE THIS]

- Exhibit "A" – Phase 2 Special Conditions
- Exhibit "B" – Phase 2 Scope of Work
- Exhibit "C" – Breakdown of Phase 2 GMP
- Exhibit "D" – GMP Schedule of Values
- Exhibit "E" – List of Allowances
- Exhibit "F" – Phase 2 CPM Schedule
- [INSERT ANY OTHER EXHIBITS AND DOCUMENTS]

6. PHASE 2 WORK AND GMP.

[IF THERE IS MORE THAN 1 GMP OR THIS GMP IS FOR ONLY A PORTION OF THE WORK, THIS PROVISION MAY NEED TO BE ADJUSTED]

Design-Builder promises and agrees to furnish to Agency all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete Phase 2 of the Project, and all portions thereof, as set forth in the Contract Documents and this GMP, including, but not limited to, Exhibit "B", for a GMP of [INSERT AMOUNT]. The components of the GMP are further described in Exhibit "C" of this GMP Amendment. Unless otherwise stated in the Contract Documents or any amendments thereto, including, but not limited, to Change Orders, the GMP shall pay for all costs and expenses required to design and construct Phase 2 of the Project.

The compensation to be paid shall be limited to the GMP established pursuant to this GMP Amendment, as the same may be adjusted under applicable provisions of the Contract Documents and this GMP Amendment. To the extent Design-Builder's cost to complete the Phase 2 Work exceeds the GMP, as modified, Design-Builder shall bear such costs in excess of the GMP without reimbursement or additional compensation from Agency.

7. SCHEDULE OF VALUES.

The GMP shall be broken out in the Schedule of Values, attached hereto as Exhibit "D", and shall reflect all requirements of the Contract Documents.

8. PHASE 2 SCHEDULE.

Design-builder has provided a Phase 2 CPM Schedule for Phase 2 of the Project, as accepted by Agency, which is attached hereto as Exhibit "F". A monthly updated schedule will be provided to Agency in accordance with the Contract Documents.

9. PERIOD OF PERFORMANCE AND LIQUIDATED DAMAGES.

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[THIS SECTION CAN BE MODIFIED TO ALSO ESTABLISH ANY MILESTONE DATES, IN ADDITION TO COMPLETION OF THE ENTIRE PROJECT]

Design-Builder guarantees that it shall perform and complete all work necessary for Final Completion of Phase 2 of the Project by the Guaranteed Completion Date of [INSERT DATE].

The Parties also agree that time is of the essence for all work Design-Builder must perform to complete Phase 2 of the Project by the Guaranteed Completion Date. It is hereby understood and agreed that Agency will suffer damages if the Work is not completed by the Guaranteed Completion Date. It is further agreed that it is and will be difficult and/or impossible to ascertain and determine the actual damage that Agency will sustain in the event of and by reason of Design-Builder's delay in completing the Work beyond the Guaranteed Completion Date. Accordingly, Design/Builder agrees that liquidated damages will apply in the amount of [INSERT AMOUNT] for each and every calendar day beyond the Guaranteed Completion Date that Final Completion of the Project has not been achieved. It is hereby understood and agreed that this amount is not a penalty. In the event any portion of the liquidated damages that may become due is not paid to Agency, Agency may deduct that amount from any money due or that may become due the Design-Builder under the Contract.

10. REQUIRED DOCUMENTATION FOR NOTICE TO PROCEED.

After the GMP Effective Date, Agency may issue a Notice to Proceed with the Phase 2 Work. Design-Builder shall provide all of the following prior to the issuance of such Notice to Proceed:

- If not already provided, fully executed Payment and Performance Bonds in the form required by the Contract.
- Evidence of Insurance for Construction Work as required by the Contract.
- Copies of all other certifications applicable to the Phase 2 Work as required by the Contract.

11. EFFECTIVENESS/COUNTERPARTS.

This GMP Amendment shall only be effective upon the execution by both Agency and Design-Builder. This GMP Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12. SCOPE OF GMP AMENDMENT.

This GMP Amendment shall affect only the items specifically set forth herein, and all other terms and conditions of the Contract, as written shall remain in full force and effect.

Template

SIGNATURE PAGE TO GMP AMENDMENT BY AND BETWEEN HARRIS COUNTY FLOOD CONTROL DISTRICT AND [INSERT]

IN WITNESS WHEREOF, the Parties hereby execute this GMP Amendment as of the GMP Effective Date.

HARRIS COUNTY FLOOD CONTROL DISTRICT

By: _____
[INSERT NAME]

[INSERT NAME OF DESIGN-BUILDER]

By: _____

Its: _____

Printed Name: _____

ATTEST:

By: _____
[INSERT NAME]

APPROVED AS TO FORM:

By: _____
[INSERT NAME]

Template

EXHIBIT "A"

PHASE 2 SPECIAL CONDITIONS

[INSERT ANY MODIFICATIONS TO THE CONTRACT INCLUDING TO THE GENERAL CONDITIONS]

Template

EXHIBIT "B"

PHASE 2 SCOPE OF WORK

[INSERT SCOPE OF WORK, INCLUDING LIST OF DRAWINGS AND SPECIFICATIONS]

Template

EXHIBIT "C"

BREAKDOWN OF PHASE 2 GMP

The GMP shall be calculated as follows, and shall include the following components, as further detailed below and in the Contract Documents:

[THIS IS A STARTING POINT ONLY]

DETAILED GMP TABLE			
Item	**Component**	**Percentage**	**Amount**
COSTS TO PERFORM WORK & GENERAL CONDITIONS			
(A)	**Completion of Design Work for Project**		
(B)	**Direct Costs**		
(C)	**General Conditions**		
(D)	**Subcontractor Construction Cost**		
(E)	**SUBTOTAL OF COSTS TO PERFORM WORK & GENERAL CONDITIONS**		
MARK-UPS			
(F)	**Bonds**		
(G)	**Insurance**		
(H)	**Design-Builder's Fee** (Proposed & agreed-upon percentage multiplied by amount from **(E)**)		
(I)	**TOTAL MARK-UPS**		
CONTINGENCY / ALLOWANCES			
(J)	**Contingency** (Only if agreed to and indicate as a set amount, not a percentage)		

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(K)	**Allowance(s)** (Only if agreed to and indicate as a set amount, not a percentage)	[redacted]	
(L)	**TOTAL CONTINGENCIES & ALLOWANCES**		
	TOTAL GMP(E) + (I) + (L)		

[INSERT SUMMARY OF COMPONENTS OF GMP FROM DESIGN-BUILDER'S GMP PROPOSAL SO IT IS CLEAR WHAT ALL MAKES UP THE GMP, INCLUDING, BUT NOT LIMITED TO, CONTINGENCY, ALLOWANCES, AND OTHER COSTS SPECIFIC TO THE PROJECT, AND HOW THESE WILL BE ALLOCATED AND RECONCILED]

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EXHIBIT "D"

GMP SCHEDULE OF VALUES

[INSERT GMP SCHEDULE OF VALUES]

Template

EXHIBIT "E"

LIST OF ALLOWANCES

[INSERT SPECIFIC LIST OF ALLOWANCES]

Template

EXHIBIT "F"

PHASE 2 CPM SCHEDULE

[INSERT]

Template

Attachment D
Index of Project Background Documents

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Attachment D. Index of Project Background Documents

Proposers will review the index of Project background documents to support Proposal development and Phase 1. The Owner may also update the index of Project background documents from time to time with new information through addenda to the RFP or during Phase 1.

Link to electronic reference library:
https://vendors.planetbids.com/portal/39498/bo/bo-detail/138907

Document Number	Document Title
1	Jacobs. 2026. Draft Mid-Pauba Groundwater Banking Project Preliminary Design Report
2	USBR, Grant Agreement R24AP00282 Pauba Valley Groundwater Banking
3	GEOSCIENCE Support Services, Inc. 2025. Groundwater Modeling of Mid-Pauba Valley Recharge Scenarios
4	Rancho Water. 2020. *CCTV Video Results*. Prepared by DownStream Services, Inc.
5	Title Report for APN 927-690-014
6	Plotted Easements for APN 927-690-014
7	Title Report APN for 927-690-015
8	Plotted Easements for APN 927-690-015
9	Quitclaim Deed Template
10	UVDC Basin Drawings
11	Vail Lake Pump Station Drawings

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Attachment E
Preliminary Owner Requirements

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Attachment E. Preliminary Owner Requirements

1. The following Preliminary Owner Requirements serve as the baseline technical requirements that the Design-Builder is anticipated to reasonably rely upon for development of the Phase 1 and Phase 2 services, as set forth in the Request for Proposals (RFP) Attachment B, Scope of Progressive Design-Build Services of the Agreement: Flow capacities for pumping, conveyance, recharge, and disinfection, as set forth in the *Mid-Pauba Groundwater Banking Project Preliminary Design Report* (Jacobs 2026)

2. Design guidelines and preferences, as referenced in the *Mid-Pauba Groundwater Banking Project Preliminary Design Report* (Jacobs 2026)

3. The Project is partially funded by a grant from the U.S. Bureau of Reclamation (USBR) for the Pauba Valley Groundwater Banking Project under agreement number R24AP00282. Work by the PDB must comply with the requirements in this grant agreement.

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Attachment F
Forms for Affirmation of Compliance

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Attachment F. Forms for Affirmation of Compliance

- Affirmation of Addenda Form
- Contractor's Certificate Regarding Workers' Compensation
- Public Works Contractor Registration Certification
- Iran Contracting Act Certification
- Compliance with Economic Sanctions in Response to Russia's Actions in Ukraine Certification
- Fleet Compliance Certification
- Anti-Lobbying Certification
- Certification of No Debarment Under Federal Law
- Non-Collusion Declaration
- Vendor Profile Form
- Form W-9, Request for Taxpayer Identification Number and Certification

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AFFIRMATION OF ADDENDA

The Contract duration shall commence on the date stated in the District's Notice to Proceed, and the Work shall be completed by the Contractor in the time specified in the Contract Documents. In no case shall the Contractor commence construction prior to the date stated in the District's Notice to Proceed.

Bidder certifies that it is licensed in accordance with the law providing for the registration of Contractors, License No. _____; Expiration Date _____; class of license _____. If the bidder is a joint venture, each member of the joint venture must include the above information.

The undersigned certifies that it shall self-perform at least thirty percent (30%) of the Work.

The undersigned acknowledges receipt, understanding, and full consideration of the following addenda to the Contract Documents:

Addendum No. _____

Addendum No. _____

Addendum No. _____

I hereby certify under penalty of perjury under the laws of the state of California that all of the information submitted in connection with this Bid and all of the representations made herein are true and correct.

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Dated: _____

CONTRACTOR'S CERTIFICATE REGARDING WORKERS' COMPENSATION

I am aware of the provisions of section 3700 of the Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Contract.

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Dated: _____

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PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations. See http://www.dir.ca.gov/Public-Works/PublicWorks.html for additional information. No bid or proposal will be accepted, nor any contract entered into, without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Respondent hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.

Name of Bidder/Respondent: _____

DIR Registration Number: _____

Respondent further acknowledges:

1. Respondent shall maintain a current DIR registration for the duration of the project or contract.

2. Respondent shall include the requirements of Labor Code sections 1725.5 and 1771.1 in any contract with subcontractors and ensure that all subcontractors are registered at the time of the proposal submittal and maintain registration status for the duration of the project or contract.

3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid/proposal is non-responsive.

Signature: _____

Name: _____

Title: _____

Dated: _____

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IRAN CONTRACTING ACT CERTIFICATION
(Public Contract Code sections 2202-2208)

Prior to bidding on, submitting a proposal, or executing a contract or renewal for a public entity contract for goods or services of $1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services ("**DGS**") pursuant to Public Contract Code section 2203(b) and is not a financial institution extending $20,000,000 or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d).

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete **one** of the options below. Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of $250,000 or twice the amount of the contract for which the false certification was made, contract termination, and three-year ineligibility to bid on contracts. (Pub. Cont. Code § 2205.)

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Vendor Name/Financial Institution (Printed)	*Federal ID Number (or n/a)*
By (Authorized Signature)	
Printed Name and Title of Person Signing	*Date Executed*

OPTION #2 – EXEMPTION

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

Vendor Name/Financial Institution (Printed)	*Federal ID Number (or n/a)*
By (Authorized Signature)	
Printed Name and Title of Person Signing	*Date Executed*

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Temecula, California
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COMPLIANCE WITH ECONOMIC SANCTIONS IN RESPONSE TO RUSSIA'S ACTIONS IN UKRAINE CERTIFICATION

Prior to bidding on, submitting a proposal, or executing a contract, a party/contractor must certify: 1) it is not a target of economic sanctions and 2) in compliance with economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any requirements related to the Russian sanctions imposed by the California Governor's Executive Order N-6-22 issued on March 4, 2022, and under state law, if any.

To comply with this requirement, please insert the party/contractor name and Federal ID Number (if available), complete the information described below, and execute by an authorized representative of the contractor.

CERTIFICATION

I, the authorized representative for the contractor named below, certify I am duly authorized to execute this certification on behalf of the contractor below, and the contractor identified below has conducted a good faith review of existing contracts. I attest that the contractor is not a target of economic sanctions, and that contractor is in compliance with the economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any requirements related to the Russian sanctions imposed by the California Governor's Executive Order N-6-22 issued on March 4, 2022, and under state law, if any.

Party/Contractor Name (Printed)	*Federal ID Number (or n/a)*
By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date	

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FLEET COMPLIANCE CERTIFICATION

Bidder hereby acknowledges that it has reviewed the California Air Resources Board's policies, rules, and regulations and is familiar with the requirements of Title 13, California Code of Regulations, Division 3, Chapter 9, effective on January 1, 2024 (Regulation). Bidder hereby certifies, under penalty of perjury, that the option checked below relating to the Bidder's fleet, and/or that of its subcontractor(s), is true and correct:

- ☐ The Fleet is subject to the requirements of the Regulation, and the appropriate Certificate(s) of Reported Compliance have been attached hereto.

- ☐ The Fleet is exempt from the Regulation under section 2449.1(f)(2), and a signed description of the subject vehicles, and reasoning for exemption has been attached hereto.

- ☐ Bidder and/or its subcontractor is unable to procure R99 or R100 renewable diesel fuel as defined in the Regulation pursuant to section 2449.1(f)(3). Bidder shall keep detailed records describing the normal refueling methods, its attempts to procure renewable diesel fuel, and proof that shows it was not able to procure renewable diesel (i.e., third-party correspondence or vendor bids).

- ☐ The Fleet is exempt from the requirements of the Regulation pursuant to section 2449(i)(4) because this Project has been deemed an emergency, as defined under section 2449(c)(18). Bidder shall only operate the exempted vehicles in the noted emergency operations, and records of the exempted vehicles must be maintained, pursuant to section 2449(i)(4).

- ☐ The Fleet does not fall under the Regulation or is otherwise exempted, and a detailed reasoning is attached hereto.

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Dated: _____

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92590-4800

ANTI-LOBBYING CERTIFICATION

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of the fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The Contractor, _____, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap.38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Dated: _____

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Temecula, California
92590-4800

CERTIFICATION OF NO DEBARMENT UNDER FEDERAL LAW

Contractor hereby certifies that it and its principal(s):

i. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency.

ii. Have not within a three-year period preceding this bid been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

iii. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with the commission of any of the offenses enumerated in paragraph (ii) above.

iv. Have not within a three-year period preceding this bid had one or more public transactions (federal, state, or local) terminated for cause or default.

v. Have not knowingly entered into a contract with anyone who is ineligible under 40 CFR Part 32 to participate in the Project.

Failure to submit this form or any violations of the above representations will result in a finding that the bid is non-responsive.

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Dated: _____

Rancho Water

42135 Winchester Road
Temecula, California
92590-4800

NON-COLLUSION DECLARATION
(TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID)

The undersigned declares:

I am the _____ of _____, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or a sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct and that this declaration is executed on _____[date], at _____[city], _____[state].

Name of Bidder: _____

Signature: _____

Name: _____

Title: _____

Dated: _____

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

VENDOR PROFILE FORM

Rancho Water

42135 Winchester Road
Temecula, California
92590-4800

VENDOR PROFILE FORM

Please complete this form and return to:

EMAIL - procurement@ranchowater.com

RANCHO CALIFORNIA WATER DISTRICT
Attn: Purchasing Department
42135 Winchester Road
Temecula, CA 92590

Name of Firm:		DBA:	
Tax ID No.:		Remit Payments To: (leave blank if same)	
Mailing Address:			
Post Office Box/Street Address:		Post Office Box/Street Address:	
City:		City:	
State:	Zip Code:	State:	Zip Code:
Telephone Number: ( )	FAX Number: ( )	Telephone Number: ( )	FAX Number: ( )
Company Website:			

AR Contact:	Email:	
Sales Contact:	Email:	
Form Completed By:	Title:	Date:

For RCWD Use Only

Purchasing	Initials:		Finance	Initials:	
Account Code: ☐ 15 ☐ 13 ☐ Both ☐ Engineering					Handling Code:
Income Code (Select Code): Not Applicable					Payment Terms: Net 30 Days
Professional Service: ☐ Yes ☐ No					
W-9 Attached ☐		TIN Confirmed ☐			
Business Classification Type (Tax Class): Individual/Sole Proprietor or Single-Member LLC					
Vendor Number:					Not Accepted: ☐
Date:					

FORM W-9
REQUEST FOR TAXPAYER
IDENTIFICATION NUMBER AND CERTIFICATION

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See ***Specific Instructions*** on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☐ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . .

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions)

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . . ☐

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any)

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any)

(Applies to accounts maintained outside the United States.)

5 Address (number, street, and apt. or suite no.). See instructions.

Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			–		–				

or

Employer identification number

		–							

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	**Signature of U.S. person**	**Date**

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

must obtain your correct taxpayer identification number (TIN), which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

• Form 1099-INT (interest earned or paid).

• Form 1099-DIV (dividends, including those from stocks or mutual funds).

• Form 1099-MISC (various types of income, prizes, awards, or gross proceeds).

• Form 1099-NEC (nonemployee compensation).

• Form 1099-B (stock or mutual fund sales and certain other transactions by brokers).

• Form 1099-S (proceeds from real estate transactions).

• Form 1099-K (merchant card and third-party network transactions).

• Form 1098 (home mortgage interest), 1098-E (student loan interest), and 1098-T (tuition).

• Form 1099-C (canceled debt).

• Form 1099-A (acquisition or abandonment of secured property).

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

Caution: If you don't return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued);

2. Certify that you are not subject to backup withholding; or

3. Claim exemption from backup withholding if you are a U.S. exempt payee; and

4. Certify to your non-foreign status for purposes of withholding under chapter 3 or 4 of the Code (if applicable); and

5. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting is correct. See *What Is FATCA Reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

• An individual who is a U.S. citizen or U.S. resident alien;

• A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;

• An estate (other than a foreign estate); or

• A domestic trust (as defined in Regulations section 301.7701-7).

Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding. Payments made to foreign persons, including certain distributions, allocations of income, or transfers of sales proceeds, may be subject to withholding under chapter 3 or chapter 4 of the Code (sections 1441–1474). Under those rules, if a Form W-9 or other certification of non-foreign status has not been received, a withholding agent, transferee, or partnership (payor) generally applies presumption rules that may require the payor to withhold applicable tax from the recipient, owner, transferor, or partner (payee). See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities.

The following persons must provide Form W-9 to the payor for purposes of establishing its non-foreign status.

• In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the disregarded entity.

• In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the grantor trust.

• In the case of a U.S. trust (other than a grantor trust), the U.S. trust and not the beneficiaries of the trust.

See Pub. 515 for more information on providing a Form W-9 or a certification of non-foreign status to avoid withholding.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person (under Regulations section 1.1441-1(b)(2)(iv) or other applicable section for chapter 3 or 4 purposes), do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515). If you are a qualified foreign pension fund under Regulations section 1.897(l)-1(d), or a partnership that is wholly owned by qualified foreign pension funds, that is treated as a non-foreign person for purposes of section 1445 withholding, do not use Form W-9. Instead, use Form W-8EXP (or other certification of non-foreign status).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a saving clause. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if their stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first Protocol) and is relying on this exception to claim an exemption from tax on their scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include, but are not limited to, interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;

2. You do not certify your TIN when required (see the instructions for Part II for details);

3. The IRS tells the requester that you furnished an incorrect TIN;

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only); or

5. You do not certify to the requester that you are not subject to backup withholding, as described in item 4 under "*By signing the filled-out form*" above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier.

What Is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all U.S. account holders that are specified U.S. persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you are no longer tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

• **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note for ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040 you filed with your application.

• **Sole proprietor.** Enter your individual name as shown on your Form 1040 on line 1. Enter your business, trade, or "doing business as" (DBA) name on line 2.

• **Partnership, C corporation, S corporation, or LLC, other than a disregarded entity.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

• **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. Enter any business, trade, or DBA name on line 2.

• **Disregarded entity.** In general, a business entity that has a single owner, including an LLC, and is not a corporation, is disregarded as an entity separate from its owner (a disregarded entity). See Regulations section 301.7701-2(c)(2). A disregarded entity should check the appropriate box for the tax classification of its owner. Enter the owner's name on line 1. The name of the owner entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, enter it on line 2.

Line 3a

Check the appropriate box on line 3a for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3a.

IF the entity/individual on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation.
• Individual or • Sole proprietorship	Individual/sole proprietor.
• LLC classified as a partnership for U.S. federal tax purposes or • LLC that has filed Form 8832 or 2553 electing to be taxed as a corporation	Limited liability company and enter the appropriate tax classification: P = Partnership, C = C corporation, or S = S corporation.
• Partnership	Partnership.
• Trust/estate	Trust/estate.

Line 3b

Check this box if you are a partnership (including an LLC classified as a partnership for U.S. federal tax purposes), trust, or estate that has any foreign partners, owners, or beneficiaries, and you are providing this form to a partnership, trust, or estate, in which you have an ownership interest. You must check the box on line 3b if you receive a Form W-8 (or documentary evidence) from any partner, owner, or beneficiary establishing foreign status or if you receive a Form W-9 from any partner, owner, or beneficiary that has checked the box on line 3b.

Note: A partnership that provides a Form W-9 and checks box 3b may be required to complete Schedules K-2 and K-3 (Form 1065). For more information, see the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

If you are required to complete line 3b but fail to do so, you may not receive the information necessary to file a correct information return with the IRS or furnish a correct payee statement to your partners or beneficiaries. See, for example, sections 6698, 6722, and 6724 for penalties that may apply.

Line 4 Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

• Generally, individuals (including sole proprietors) are not exempt from backup withholding.

• Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.

• Corporations are not exempt from backup withholding for payments made in settlement of payment card or third-party network transactions.

• Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space on line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2).

2—The United States or any of its agencies or instrumentalities.

3—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities.

5—A corporation.

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or territory.

7—A futures commission merchant registered with the Commodity Futures Trading Commission.

8—A real estate investment trust.

9—An entity registered at all times during the tax year under the Investment Company Act of 1940.

10—A common trust fund operated by a bank under section 584(a).

11—A financial institution as defined under section 581.

12—A middleman known in the investment community as a nominee or custodian.

13—A trust exempt from tax under section 664 or described in section 4947.

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
• Interest and dividend payments	All exempt payees except for 7.
• Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
• Barter exchange transactions and patronage dividends	Exempt payees 1 through 4.
• Payments over $600 required to be reported and direct sales over $5,000[1]	Generally, exempt payees 1 through 5.[2]
• Payments made in settlement of payment card or third-party network transactions	Exempt payees 1 through 4.

[1] See Form 1099-MISC, Miscellaneous Information, and its instructions.

[2] However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) entered on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37).

B—The United States or any of its agencies or instrumentalities.

C—A state, the District of Columbia, a U.S. commonwealth or territory, or any of their political subdivisions or instrumentalities.

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i).

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i).

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state.

G—A real estate investment trust.

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940.

I—A common trust fund as defined in section 584(a).

J—A bank as defined in section 581.

K—A broker.

L—A trust exempt from tax under section 664 or described in section 4947(a)(1).

M—A tax-exempt trust under a section 403(b) plan or section 457(g) plan.

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, enter "NEW" at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have, and are not eligible to get, an SSN, your TIN is your IRS ITIN. Enter it in the entry space for the Social security number. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at *www.SSA.gov*. You may also get this form by calling 800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at *www.irs.gov/EIN*. Go to *www.irs.gov/Forms* to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to *www.irs.gov/OrderForms* to place an order and have Form W-7 and/or Form SS-4 mailed to you within 15 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and enter "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, you will generally have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon. See also *Establishing U.S. status for purposes of chapter 3 and chapter 4 withholding*, earlier, for when you may instead be subject to withholding under chapter 3 or 4 of the Code.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third-party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account[1]
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor[2]
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee[1]
b. So-called trust account that is not a legal or valid trust under state law	The actual owner[1]
6. Sole proprietorship or disregarded entity owned by an individual	The owner[3]
7. Grantor trust filing under Optional Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))**	The grantor*
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity[4]
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing Form 1041 or under the Optional Filing Method 2, requiring Form 1099 (see Regulations section 1.671-4(b)(2)(i)(B))**	The trust

[1] List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

[2] Circle the minor's name and furnish the minor's SSN.

[3] You must show your individual name on line 1, and enter your business or DBA name, if any, on line 2. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

[4] List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

* **Note:** The grantor must also provide a Form W-9 to the trustee of the trust.

** For more information on optional filing methods for grantor trusts, see the Instructions for Form 1041.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, SSN, or other identifying information, without your permission to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax return preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity, or a questionable credit report, contact the IRS Identity Theft Hotline at 800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 877-777-4778 or TTY/TDD 800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to *phishing@irs.gov*. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 800-366-4484. You can forward suspicious emails to the Federal Trade Commission at *spam@uce.gov* or report them at *www.ftc.gov/complaint*. You can contact the FTC at *www.ftc.gov/idtheft* or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see *www.IdentityTheft.gov* and Pub. 5027.

Go to *www.irs.gov/IdentityTheft* to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their laws. The information may also be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payors must generally withhold a percentage of taxable interest, dividends, and certain other payments to a payee who does not give a TIN to the payor. Certain penalties may also apply for providing false or fraudulent information.

Attachment G
Pricing Information Form

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

Attachment G. Pricing Information Form

The Proposer must complete the Pricing Information Form with all required cost information and include it in Appendix E of the Proposal. Pricing information includes the following:

1. Phase 1 Services Fee. Provide the following information in the form of Table G-1. Proposers are encouraged to provide additional detail with each Task and add additional labor categories to fully reflect the personnel and categories required to deliver the work.

    a. Rates for proposed staff and all anticipated labor classifications must include any escalation.

    b. Level of effort for Phase 1 services based on Appendix B – Scope of Phase 1 Services.

    c. Hourly rates provided are binding and will be used in preparation of the Phase 1 contract.

    d. Estimated hours will be used as reference when preparing the Phase 1 contract.

    e. The total cost for Phase 1 services is binding.

2. Fixed percentage fee for the Design-Builder's Fee during Phase 2, which will be applied to the cost of the work.

3. Phase 2 rates for Key Personnel, for this calendar year, and escalation during Phase 2, if any. These will be used as reference when preparing the Phase 2 Proposal, with appropriate escalation to reflect the start and duration of Phase 2.

Pricing Information Form

Phase 1, Services

The scope and anticipated schedule of progressive design-build (PDB) services pricing is required for is defined in Attachment B of this Request for Proposal (RFP). Proposers will include rates and estimated hours for Key Personnel and additional staff who will support Key Personnel during Phase 1 in Table G-1.

Rancho Water
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Project Name: Mid-Pauba Groundwater Banking Project

Proposer Name: ____________________

Position Title	Project Manager	Engineering Manager	Technical Lead	Preconstruction Services Manager	Construction Services Manager	Commissioning and Start-up Manager				
List Individual Under Each Position Title by Name										
Hourly Billing Rate										
	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS
Task 1 - Project Management										
Task 2 - Alternative Analyses and Technical Workshops										
Task 3 - Permitting and Approvals										
Task 4 - Survey and Field Investigations										
Task 5 - Engineering Design Development										
Task 6 - Preconstruction Services										
Task 7 - Phase 2 Price Proposal Development										
Subtotal Hours:										
Subtotal Cost:										

	LABOR ($)	**EXPENSES ($)**	**ALLOWANCE ($)**	**SUBTOTAL FOR ALL SUBCONSULTANTS ($)**	**MARKUP AND ESCALATION COSTS ($)**	**GRAND TOTAL ($)**	**TOTALS FOR EACH SUBCONSULTANT**				
							FIRM 1	**FIRM 2**	**FIRM 3**	**FIRM 4**	**FIRM 5**
Task 1 - Project Management											
Task 2 - Alternative Analyses and Technical Workshops											
Task 3 - Permitting and Approvals											
Task 4 - Survey and Field Investigations											
Task 5 - Engineering Design Development											
Task 6 - Preconstruction Services											
Task 7 - Phase 2 Price Proposal Development											
Subtotal Hours:											
Subtotal Cost:											
	TOTAL NOT TO EXCEED - PHASE 1:										

Task 8 - Design Contingency - TBD
Task 9 - Owner's Allowance - TBD

Notes:

Markup percentages for subconsultants and subcontractors: 5%

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Design-Builder Fee

The Design-Builder Fee will be applied to the cost of work as may be further defined in the Draft PDB Contract (Attachment C).

Design-Builder Fee Percentage	%

Phase 2 Services

Proposers will include billing rates for Key Personnel and additional staff who will support Key Personnel during Phase 2 in the following table. Rates are for this calendar year and will be used as reference when preparing the Phase 2 Proposal, with appropriate escalation to reflect the start and duration of Phase 2.

Key Personnel	***Rate ($)***
Additional Staff	***Rate ($)***

Construction General Conditions Costs

The Proposer will provide supporting rationale for its proposed Construction General Conditions Costs in Appendix E, which will include an organizational chart of its construction staff and a position-hour estimate, including billing rates of Key Personnel who will provide construction services during Phase 2.

Construction General Conditions Costs	$

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By this signature, the Proposer's authorized agent (Agent) certifies that all necessary corporate acts have been taken to authorize the Agent to sign this document and that all information provided in the Pricing Information Form is an accurate representation of the information the Proposer is providing.

Design-Builder Name: _____

Signed by (Authorized Agent): _____

Printed Name: _____

Title: _____

Date: _____

Rancho Water
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Temecula, California
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Attachment B
Scope of Progressive Design-Build Services
Comments Provided by:
Rados/Stantec PDB Team - July 22, 2026

Rancho Water

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Acronyms and Abbreviations

Acronym	Description
AACE	AACE International
AHJ	authority having jurisdiction
APN	Assessor Parcel Number
BIM	building information modeling
CCTV	closed-circuit television
CPM	critical path method
DDW	Division of Drinking Water
gpm	gallon(s) per minute
I&C	Instrumentation and Control
NTP	Notice to Proceed
Owner or District	Rancho California Water District
PDB	progressive design-build
PDR	Preliminary Design Report
Project	Mid-Pauba Groundwater Banking Project
RFP	request for proposals
RWQCB	Regional Water Quality Control Board
SCAQMD	South Coast Air Quality Management District
SWRCB	State Water Resources Control Board
TM	technical memorandum
UVDC	Upper Valle de los Caballos
WBS	work breakdown structure

I. Phase 1 Services

Rancho California Water District (Owner) has elected to pursue the progressive design-build (PDB) delivery method for this Project. The Design-Builder will engage in the Project at the 10% design stage. The goal is to create a collaborative Project Team with the Owner, Jacobs (Owner Advisor), and Design-Builder to work seamlessly to successfully design and construct the proposed Project.

The purpose of this coordinated approach is to:

- Identify and mitigate risks
- Increase efficiency in the Project schedule and sequencing
- Enhance constructability and cost estimating
- Encourage creative solutions
- Streamline Project execution
- Maintain adequate operations during construction
- Achieve a high level of quality and cost control throughout the process

Phase 1 services include:

- Task 1, Project Management
- Task 2, Alternative Analysis, Optimization Study, and Technical Workshops
- Task 3, Permitting and Approvals
- Task 4, Survey and Field Investigations
- Task 5, Engineering Design Development
- Task 6, Preconstruction Services
- Task 7, Phase 2 Price Proposal Development
- Task 8, Design Contingency
- Task 9, Owner's Allowance

II. Project Scope

The Project includes the following elements:

At the Mid-Pauba Location:

Prepare design documents for the construction of the following infrastructure on parcels APN 927-690-015 and APN 924-690-014:

Recharge basins.

Groundwater recharge basins on two adjacent parcels within an approximate 17-acre area. The Design-Builder~~selected firm~~ will perform an analysis to maximize groundwater recharge, banking, and extraction operations and prepare design documents for the construction of the following infrastructure on Assessor Parcel Number (APN) 927-690-015 and APN 927-690-014 (Figure 1 in the request for proposals [RFP]):

- Recharge basins
- A disinfection facility
- Siting of two future production wells
- Supply connections
- Associated infrastructure

The recharge basins will be designed to a shallow depth and maximize the wetted area for recharge, given the land available, similar to the design of the Owner's Upper Valle De Los Caballos (UVDC) facility. The layout of the basins will need to consider the locations and access for two production wells that will be constructed in the future. The ~~and must leave space around an~~ existing reference monitoring well (No. 417) will be destroyed ~~may be abandoned~~ to maximize use of the area~~to minimize direct influence of recharge operations~~.

Monitoring wells.

- Design and construction of six monitoring wells at three locations at the site of the new Mid-Pauba recharge basins

Offsite well.

- Design of well completion and associated facilities, construction, and equipping for one offsite new potable supply Well No. 178 at parcel APN 927-690-004. New piping from the new offsite well will connect to the new

disinfection facility. The design of the new well is anticipated to be similar to nearby Well No. 223, which is approximately 300 feet deep, screened from 100 to 280 feet, and constructed with stainless steel casing and screen. Based on existing well yields in the vicinity, the Owner expects that a well yield of approximately 1,500 gallons per minute (gpm) is achievable for the new production well. PDB will finalize the design of the well and facilities based on results of testing conducted during well construction and testing.

- Two future wells will be located on the same site as the recharge basins. The design and construction of the two onsite wells is not included in this Project, but the recharge basin and associated infrastructure design must account for their future construction. The design and construction of the future onsite wells are not included in the PDB scope.

Disinfection facility.

- Design and construction of a new disinfection facility. The centralized chloramine disinfection system will be capable of treating flow from the new production well and existing wells 223 and 236, and will be located on the Mid-Pauba property.
- The Owner expects that the Division of Drinking Water (DDW) will classify groundwater produced from these wells as groundwater; therefore, the disinfection system will be designed to achieve DDW disinfection requirements for potable supply from groundwater sources.
- The disinfection facility should include accommodation for a future phase that will include additional treatment for flows from two new onsite wells and existing Well 125~~, as well as space for a chlorine contact basin, if needed in the future~~.

Supply and system connections.

- Connection to the existing 48-inch diameter Metropolitan Water District raw water supply line located in De Portola Road along the Project frontage~~-~~, with the following considerations:
- The new basins will recharge imported raw water from this connection.
- Design and construct a connection to the raw water supply line for the 1470 pressure zone located in De Portola Road.
- Connection to the existing distribution system

- Supply conveyance between the wells and disinfection system
- Pump-to-waste conveyance between the new well and the recharge basins

Outside of the Mid-Pauba location:

- Conduct the following assessments.
- Optimization Study

- One of the District's objectives is to increase the District's reliability and flexibility of recharge operations by allowing for Quagga mussel treatment, ~~conveyance, and~~ storage of raw imported water impounded behind Vail Lake Dam, and conveyance of the stored Vail Lake water to the Mid-Pauba basins via gravity. ~~. Use of T~~the rehabilitation of the Vail Lake Gravity Drain may provide a cost-effective approach to achieve this objective. The Vail Lake Gravity Drain was installed approximately 80 years ago and is constructed of 24-inch-diameter reinforced-concrete pipe. For this project, the condition of approximately 12,300 linear feet of the drain line will be assessed using CCTV results from two different inspections completed by Rancho Water. The D~~d~~esign-~~b~~Builder will provide recommendations for repairs needed to put the drain line into service and the associated costs.

- Evaluation of existing and new infrastructure needed to optimize conveyance of water from Vail Lake into the Gravity Drain line. The analysis will be conducted to evaluate feasibility and cost for connecting the drain line to pipelines associated with ~~the~~ Vail Lake ~~Pump Station, which will allow the draft of water from Vail Lake via gravity into the drain line,~~ and the improvements needed to use these flows to supply the Mid-Pauba recharge basins. See attached Figure.

- As part of the Optimization Study, develop a desktop evaluation of the Vail Lake Pump Station and its ability to operate over the range of proposed design points, along with recommended modifications and costs to achieve project objectives for delivery of water extracted from UVDC Pond 3 and other adjacent ponds to Vail Lake for storage. The desktop evaluation shall identify additional information or assessments needed to leverage the Vail Lake Pump Station. ~~-~~Vail Lake Pump Station as-builts and pump curves will be provided if available. The Design-Builder shall include evaluation of potential modifications, along with recommended improvements and associated planning-level costs, as part of the desktop assessment. No detailed design of pump station modifications is included in the base Phase 1 scope unless directed by the Owner.

- The Optimization Study will not include the following: evaluation of flow limitations

in the 1305 pressure system, optimization of number of wells at UVDC or Mid-Pauba (wells at these locations are per the Preliminary Design Report)."

- ~~One of the District's objectives is to increase the District's reliability and flexibility of recharge operations by allowing for Quagga mussel treatment, conveyance, and storage of raw imported water impounded behind Vail Lake Dam. Use of the Vail Lake Gravity Drain may provide a cost-effective approach to achieve this objective. The Vail Lake Gravity Drain was installed approximately 80 years ago and is constructed of 24-inch-diameter reinforced-concrete pipe. The condition of the drain line between the UVDC facility and an access point near Pauba Road was assessed in 2008 and 2020. For this project, the condition of the drain line between its intersection with Del Portola Road and the western end of the previous condition assessment (approximately 5,000 linear feet) will be assessed. The combined results of the two assessments will be used to determine the repairs needed to put the drain line into service and the associated costs.~~

- ~~Evaluation of existing and new infrastructure needed to optimize extraction and conveyance of recharged water to Vail Lake. The analysis will be conducted to evaluate feasibility and cost for connecting the drain line to pipelines associated with the Vail Lake Pump Station, which will allow the draft of water from Vail Lake via gravity into the drain line, and the improvements needed to use these flows to supply the Mid-Pauba recharge basins.~~

- ~~As part of the Optimization Study, develop a plan to test the Vail lake Pump Station and its ability to operate over the range of proposed design points for review and approval by Rancho Water. If approved, Rancho Water will conduct the testing using the approved test plan.~~

- Based on the evaluation ~~and~~ of the Vail Lake PS~~ testing~~, propose recommendations for any improvements needed for the PS to meet proposed ~~design points~~flow and storage objectives.

- Prepare design documents for the construction and/or rehabilitation of the following infrastructure:

New production wells.

- Design of well completion and associated facilities for two new production wells in the UVDC Pond 3 vicinity. New production wells will allow the District to extract recharged, untreated imported water from Pond 3.

System connections

- Design of new discharge piping to connect the two new wells to the Vail Lake Pump Station and also to the new chlorine contact tank at the UVDC, and new piping for pump-to-waste to the recharge basin. Design the connection of discharge piping from existing Well Nos. 152, 157, and 158 to the Vail Lake Pump Station. Design additional improvements based on the results of the Optimization Study.

- Design of new raw water turnouts: two to UVDC Pond 3 and one to UVDC Pond 1.

- Rehabilitation and modification of the existing Vail Lake pump station at UVDC Pond 3, including recommendations from the Optimization Study.

Phase 2 design activities include the 100% design of the facilities outside of the Mid-Pauba location. Phase 2 construction activities outside of the Mid-Pauba location may be authorized contingent on Owner approval.

1. Task 1, Project Management

The Design-Builder will:

1. Participate in a 4-hour Phase 1 Project kickoff meeting. Participants will include Key Personnel from the Owner, Owner Advisor, and Design-Builder teams.

2. Participate in a~~n~~ 4~~8~~-hour partnering workshop with Owner and Design-Builder Key Personnel. Participants will include Key Personnel from the Owner, Owner Advisor, and Design-Builder teams. The Design-Builder~~PDB team~~ shall provide facilitation of the 4~~8~~-hour partnering workshop inclusive of agendas ~~(morning session, afternoon session)~~, moderator and workshop materials 14 calendar days prior to planned workshop date.

3. Within 30 days of the Phase 1 Notice to Proceed (NTP), provide a Draft Project Management Plan that describes the PDB approach to Phase 1 services for review and comment. The format and level of detail for all documents, tools, and processes will be acceptable to the Owner. The plan will specifically address:

    - Team organization necessary to deliver Phase 1 services

    - Communication protocols, document management and control, decision process, and dispute resolution matrix

    - Proposed Cost Model format and organization; the agreed-upon Cost Model format and organization will be used as the basis for the following:

- Baseline Cost Model
- Interim updates
- Updates at each defined design milestone
- The Phase 2 Price Proposal
- Phase 1 schedule
- Proposed Project schedule format and structure
- Proposed format and process for the risk management risk register and process
- Proposed format and structure for the design, cost, and schedule trend management process for the Owner to provide input during Phase 1
- Building information modeling (BIM) and technology standards and processes for collaborating
- Minority business participation plan and approach **(if required, align language with Owner program requirements), including:**
- The Design-Builder will be required to comply with all applicable federal and state requirements associated with any grants or loans obtained from those sources
- The Design-Builder will be required to comply with applicable USBR grant requirements.
- Table of Contents for all plans defined in subsequent tasks, including:
    - Procurement Plan
    - Permitting and Approvals Plan
    - Quality Management Plan
    - Field Investigation Plan
    - Environmental Management Plan (Phase 2)
    - Site Logistics Plan (Phase 2)
    - Construction Emergency Response Plan and Site Safety Plan (Phase 2)

4. Based on Owner review and feedback, submit a Final Project Management Plan

within 2 weeks of receiving Owner comments.

5. Participate in bi-weekly 2~~1~~-hour progress/technical meetings to review Project status.

6. Submit monthly invoices; report Phase 1 planned against actual progress monthly.

1.1 Task 1 Deliverables:

- Draft and Final Project Management Plan
- Progress/Technical Meeting Minutes
- Monthly Invoices and Progress Reports

1.2 Task 1 Assumptions:

- 12-month Phase 1 duration
- Kickoff Meeting and Partnering Workshop are assumed to be in person and conducted at District Headquarters

All progress and coordination meetings are assumed to be a hybrid format, with a virtual option provided through Microsoft Teams, with the following assumptions:

- ~~12 monthly technical coordination meetings~~
- 28~~52~~ bi-weekly progress/technical meetings (weekly for the first month, bi-weekly thereafter).
- 6~~8~~ staff from the Design-Builder Team will attend each meeting, unless otherwise approved by Owner.

2. Task 2, Alternative Analyses and Technical Workshops

The Design-Builder will perform an Optimization Study of various technical alternatives to allow the Owner to make decisions necessary to refine the scope of the Project before engineering design development. The Optimization Study will include:

- Gravity line rehabilitation alternatives. Design- Builder shall analyze the closed-circuit television (CCTV) inspection of approximately 12,300 LF of drain line that will be provided by Rancho Water and develop alternatives for rehabilitation of the existing gravity line, such as slip-lining or demolishing and replacing within the existing 10-foot wide easement. The alternatives will be

considered for incorporation into the final design and inclusion in the Phase 2 scope of work.

- ~~Gravity line rehabilitation alternatives. This analysis includes closed-circuit television (CCTV) inspection of approximately 6,400 feet of drain line and development of alternatives for rehabilitation of the existing gravity line, such as slip-lining or demolishing and replacing within the existing 10-foot wide easement. The alternatives will be considered for incorporation into the final design and inclusion in the Phase 2 scope of work.~~

- Design-Builder shall analyze anticipated groundwater recharge rates, estimated well extraction rates, groundwater levels, flow rates to Vail Dam, and capacity of the existing distribution system to optimize the proposed infrastructure to meet the Owner's expectations. The Design-Builder may propose additional analyses in their Proposal.

- As part of the Optimization Study, develop a plan to test the Vail lake Pump Station and its ability to operate over the range of proposed design points for review and approval by Rancho Water. If approved, Rancho Water will conduct the testing using the approved test plan.

The Design-Builder will schedule, prepare for, and conduct up to four~~eight~~ 4-hour technical workshops and meetings with the Owner throughout Phase 1. These technical meetings and workshops are in addition to the progress meetings required under Task 1. The scheduling and discussion topics for these workshops will be jointly agreed upon between the Owner and the Design-Builder and will be intended to facilitate and support Owner decision-making with respect to the Project configuration and design, permitting, and construction planning progression.

2.1 Task 2 Deliverables:

Deliverables for the Optimization Study should be aligned with the Owner review and decision-making requirements and may include:

Technical Memorandum for the Rehabilitation of the Existing 24-inch Diameter Gravity Drain Line:

Prepare a Technical Memorandum regarding existing Gravity Line rehabilitation based on pipeline inspection provided by Owner. Rehabilitation alternatives will consider in-place slip lining, existing pipeline replacement and/or spot repair. The TM shall identify extents of the proposed rehabilitation, location of entry/extraction points and general constructability. Environmental limitation and mitigation measure will be provided by the Owner.

- Materials of construction for the rehabilitation of the existing 24-inch diameter Vail Lake Gravity Drain line inclusive of slip-lining, spot repairs, and/or full replacement.

- Access requirements for the implementation of the proposed pipeline rehabilitation methods including both permanent and temporary manway access points

- Installation requirements regarding differing rehabilitation methods such as slip-lining and required curing procedures.

- Prepare hydraulic analyses to determine the maximum flow rates for differing hydraulic conditions of water impounded at Vail Lake Dam

- Prepare an Opinion of Probable Construction Costs for each identified (up to a maximum of 3) rehabilitation scenarios

- Prepare a decision matrix to rank alternative rehabilitation scenarios. It is assumed that the Owner will provide insight regarding ranking criteria and weighted ranking scoring.

- ~~Optimization Study after and final, including Gravity line inspection results and gravity line rehabilitation alternatives draft and final technical memorandum~~

- ~~Recommendations for number of new wells based on estimated recharge rates, groundwater levels, capacity of distribution system, and conveyance of flows to Vail Lake for storage.~~

- ~~Identification of any constraints with the joint operation of the UVDC recharge facility and the proposed Mid-Pauba recharge facility.~~

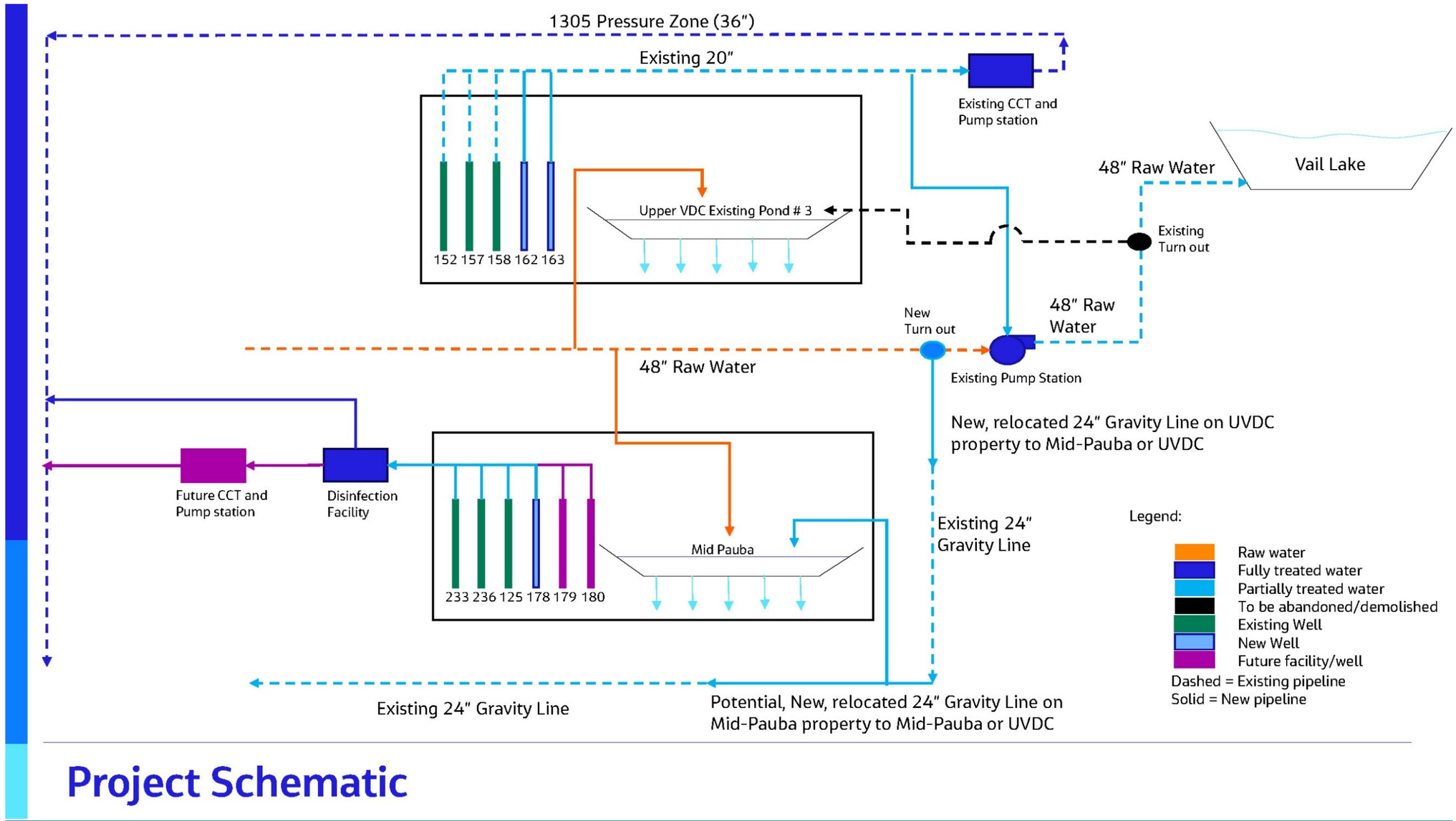
Vail Lake Pump Station draft and final Pump Test Plan:

The Vail Lake Pump Station Test Plan will include the development of flow capacity scenarios relating to differing water levels at Vail Lake Dam (High Water Level, Mid Water Level and Low Water Level) coupled with raw water and/or groundwater delivery rates. The following subtasks will be included:

- Conduct a field inventory of the existing Vail Lake Pump Station to include identification of the existing pumping equipment and pump nameplate information, inventory of the existing electrical drivers and control systems. For the initial purposes of this analysis, it is assumed

that the existing pump drivers and control systems support only a constant speed pumping equipment.

- Develop hydraulics operational scenarios to testing purposes as follows:
    - Lake High Water Condition, full raw water delivery capacity at pressure zone 1470 only
    - Lake Low Water Condition, full raw water delivery capacity at pressure zone 1470 only
    - Lake High Water Condition with groundwater delivery capacity flow rate of 4,000 gpm and a rated head of 1470 elevation
    - Lake High Water Condition with groundwater delivery capacity flow rate of 2,000 gpm and a rated head of 1470 elevation
    - Develop Vail Lake Pump Station flow scenarios based on its interaction with the UVDC well production, 48" raw water, and 1305 pressure zone. Information and data for the UVDC well production, 48" raw water flow capacity, and 1305 pressure zone flow capacity will be provided by RCWD and analyzed for optimization by the Design Build Team.
    - Develop testing procedures to be field implemented for the above stated operational scenarios to include start-up, shut-down and continuous operations.
    - It is assumed that the existing Vail Lake Pump Station has been idle for a considerable amount of time. Field start up protocols will be developed and review by RCWD operations staff prior to full-scale testing. Equipment exercises will be accomplished as part of this effort.
    - Prepare a Technical Memorandum summarizing the Vail Lake Testing Program for Review and Approval.
- Technical workshop agendas and meeting minutes, including presentation materials



Project Schematic

2.2 Task 2 Assumptions:

- ~~Complete gravity pipeline inspection within 4 months of NTP and Optimization Study within 6 months of NTP.~~Optimization Study to be completed within 3 months of NTP
- The Owner's review period is 15 working days.
- All technical workshops and meetings will be conducted in person at District headquarters. Assume six~~eight~~ staff from the Design-Builder team will attend each 4-hour technical workshop.
- Owner shall provide information on the capacity, historical ranges, and planned future ranges of flow for the UVDC wells, 48" raw water pipe, and 1305 distribution pressure zone. Design-Builder will review the information for the purposes of optimizing the use of the Vail Lake Pump Station.

3. Task 3, Permitting and Approvals

A preliminary Permitting and Approvals Plan is provided in the RFP, which identifies permits and approvals required in Phase 1.

3.1 Task 3.1, Permitting and Approvals Plan

The Design-Builder will identify, consult with, and analyze requirements of government authorities having jurisdiction (AHJs) to approve the portions of the Project described by the Design-Builder, including the following AHJs:

- County of Riverside
- South Coast Air Quality Management District (SCAQMD)
- State Water Resources Control Board (SWRCB)
- Utility agencies and others with easement rights on the two Mid-Pauba parcels
- ~~California Division of Safety of Dams~~

The Design-Builder will develop a draft Project Permitting and Approvals Plan consistent with Table 1 and including any other permits or approvals identified by the Design-Builder. The plan will identify and address all permits and approvals, including those being obtained by the Owner. The plan will include the following schedule details:

- When permits and approvals will be obtained during Phases 1 and 2
- When the Design-Builder will provide timely input and deliverables for the permits being obtained by the Owner
- When the Design-Builder will obtain permits for the Owner

For each identified permit and approval, the plan will include the following information:

- The name of the permit or approval
- Name and contact information for the AHJ responsible for issuing the permit or approval
- Name and contact information for individuals responsibilities (individuals) for developing the permit application and supporting technical information
- A summary of application and supporting technical requirements for each permit or approval
- A description of linkages to other permits or approvals and to decisions by the Owner and Design-Builder
- Expected AHJ review and approval durations and integration with the Project schedule, with identification of critical path reviews
- Permit and approval tracking procedures and responsibilities
- Protocols for incorporating permit and approval conditions into design and construction

The plan will also include the following schedule details:

- When permits and approvals will be obtained during Phases 1 and 2
- When the Design-Builder will provide timely input and deliverables for the permits being obtained by the Owner
- When the Design-Builder will obtain permits for the Owner
- Table 1. Anticipated Permits and Approvals

Permit	Issuing Agency	Description	Responsibility for Obtaining or Supporting the Permit Application Process
Construction General Permit	State Water Resources Control Board (online)	Complete SWPPP and file all required information (SMARTS database) prior to construction	PDB
Discharge Permit	Santa Ana Regional Water Quality Control Board	Low threat discharge to land associated with well development and other pre-operational testing	PDB
Domestic Water Supply Permit (Amendment)	State Water Resources Control Board – Division of Drinking Water (District 20)	Routine communications with DDW district engineer to ensure the public water system is in good standing	Owner
Dust Control Plan	South Coast Air Quality Management District	Follow Rule 403 requirements, which may include preparing a formal dust control plan	PDB
Encroachment Permit and Easements	Riverside County – Transportation Department	Needed for connections to existing lines within public roads	PDB
Power Request (New Service)	Southern California Edison	Not a permit but an important predecessor to operating new facilities	Owner
Well Completion Report	California Department of Water Resources	Submit report to DWR's online database (OSWCR)	PDB

Permit	Issuing Agency	Description	Responsibility for Obtaining or Supporting the Permit Application Process
Well Drilling Permit	Riverside County – Department of Environmental Health	Complete water well application, including plot plan and stormwater controls	PDB
Quitclaim of onsite easements	Southern California Edison	Quitclaim of onsite easements	Owner, with supporting information from PDB
	~~California Division of Safety of Dams~~	~~Review and Approval~~	

A quitclaim easement template is provided in Attachment D of the RFP. The Design-Builder is expected to prepare the work, including legal descriptions, plats, and supporting documentation for this quitclaim easement form for the Owner to execute.

The Design-Builder must comply with all mitigation measures and reporting requirements per California Environmental Quality Act and National Environmental Policy Act environmental documentation. The Owner will provide required Mitigation Monitoring Reporting Plan and based on the specific requirements, adjustments to the field level of effort will be provided to the Owner for review and approval.

The Design-Builder will provide the draft plan to the Owner for review and will submit it within 90 calendar days of the NTP. Within 15 working days following the receipt of Owner comments, the Design-Builder will revise the plan to address Owner comments.

The Design-Builder will update the plan as Project development activities progress if such progression results in identifying additional permits or changes to the permitting requirements and durations. In addition, an updated Permitting and Approvals Plan will be provided to the Owner, along with the following documents:

- 30% Design Package
- 60% Design Package
- Phase 2 Price Proposal

3.2 Task 3.2, Secure Permits and Approvals Before Contract Price Amendment Issued

The Design-Builder will obtain, or support the Owner in obtaining, all permits and approvals required before the Contract Price Amendment is issued to support Project progression. The Design-Builder will:

- Actively monitor the status of permit and approval processing, and respond to requests for clarification, additional information, and application revisions by the approving entities.
- Attend meetings with the approving entities to expedite permit processing. Notify the Owner in advance of such meetings for possible Owner attendance.
- Attend meetings with regulatory agencies for ongoing coordination, including meetings with the SWRCB, DDW, and the Regional Water Quality Control Board (RWQCB).
- Report to the Owner once permits or approvals have been obtained.

3.3 Task 3 Deliverables

- Final Permitting and Approvals Plan
- Permitting Meeting Minutes
- Support Owner completion of permit applications
- Support Owner issuing draft and final permits

3.4 Task 3 Assumptions

- Six~~Twelve~~ 1-hour permitting coordination meetings will be conducted virtually using Microsoft Teams.
- Four staff from the Design-Builder Team will attend each meeting.
- Owner will pay all permit fees.

4. Task 4, Survey and Field Investigations

The Design-Builder shall review the Owner-provided existing site data provided in Attachment D of the RFP. The Design-Builder may not rely on any historical engineering interpretations, opinions, or recommendations from the existing site information provided. The Design-Builder will identify, plan, and perform additional

potholing, hydrogeologic investigations, survey, geotechnical and other field investigations needed to complete the following tasks:

- Support design development of the recharge basins and wells
- Validate existing site conditions and estimated recharge rates
- Support permit applications
- Identify subsurface conditions
- Quit-claim of unnecessary utility easements
- Assess the condition of existing facilities

The Design-Builder will develop and submit a proposed Survey and Field Investigation Plan, which will be reviewed and approved by the Owner before it is implemented.

4.1 Task 4 Deliverables

- Proposed Survey and Field Investigation Plan
- Topographic survey of both project sites: APN 927320090 (being the larger site in the hills to the east) and APNs 927690014 & 015 (being the site along D Portola Rd). Both of these sites have been mapped recently so the boundary of each of these sites will be established from record. The Horizontal Control will be per State Plane Coordinates on 2017.5 or 2011.00 Epoch and the County's Benchmark system. Our team will coordinate with the client to confirm the control to be~~he~~ used for the site.
- ~~Topographic survey of the Project site, including survey services to support a parcel merger of the Owner's properties (APN 927690014 and APN 927690015) and to support a quitclaim deed for the Southern California Edison and other easements~~
- Survey Mapping for Lot Mergers or Lot Line Adjustment to consolidate parcels and reconfigure parcel lines between APN 927690014 and 927690015. Prepare legal descriptions and plats to support the quit claim of easements on these parcels. Complete County applications for Owner's review and signature.
- Aerial imagery and Auto CADD 3D file for the Engineering Team's use
- Geotechnical Field Investigation will include the drilling of up to sixteen (16) hollow-stem auger borings. Six (6) borings will be performed at the Mid-Pauba location and will extend to a depth of approximately fifty (50) feet below ground

surface. Ten (10) borings will be performed outside the Mid-Pauba location at the well sites and connecting pipes and will extend to a depth of fifteen (15) to twenty-five (25) feet below ground surface.

- Geotechnical Laboratory Testing will be performed on selected, representative soil samples to determine pertinent engineering properties. Tests may include insitu moisture/density, sieve analysis, collapse potential, expansion potential, maximum dry density/optimum moisture content, corrosivity testing, R-Value, and sand equivalent.

- Geotechnical Data Report will include the boring logs and laboratory testing results of soil samples taken during the field investigation.

- Geotechnical Investigation Report will be stamped and signed by a California licensed Geotechnical/Professional Engineer and Engineering Geologist. The report will include the following:

- Site Conditions: Report will summarize the subsurface soil and groundwater conditions, as well as excavation characteristics of the soils encountered. Report will also include soil borings logs and location maps.

- Geologic Hazards/Seismicity: Report will discuss the potential geologic hazards for the site, including regional seismicity, seismic parameters, fault locations, slope stability, ground rupture and liquefaction.

- Earthwork/Backfill: Report will present general earthwork criteria for pipeline construction including trench /excavation and basin slope stability, shoring, pipeline bedding requirements, and suitability of onsite materials for backfilling, ground water conditions and general backfill compaction requirements, as well as recommendations for water bearing berms (assuming a 3:1 side slope with a soil cement slope liner).

- Seismicity: Provide design seismic coefficients in accordance with the 2025 California Building Code (CBC).

- Lateral Earth Pressures: Provide recommendations for lateral earth pressures acting on subterranean walls, and frictional and passive values for the resistance of lateral forces.

- Embankment Stability: Evaluate slope stability of the proposed basins for short-term, long-term, and rapid drawdown conditions.

- Dewatering: Report will discuss the need for dewatering if needed and provide initial geotechnical guidance for temporary dewatering.

- Temporary Excavations: Utilizing the data collected during this investigation, Report will present temporary excavation guidelines.
- Pipeline Subgrade Preparation: Recommendations including over-excavation and compaction requirements, pipe bedding, structural foundations, and walls including, but not be limited to bearing capacity, passive and active soil pressure, soil corrosivity to pipeline material and concrete design.
- Geotechnical Baseline Report will be stamped and signed by a California licensed Geotechnical/Professional Engineer and Engineering Geologist.
- Hydrogeologic Investigation will improve upon the hydrogeologic understanding for the Mid-Pauba recharge project by reviewing existing data, confirming key design questions, characterizing subsurface recharge conditions, implementing a focused monitoring approach, evaluating recovery potential at existing wells, and integrating the findings into design recommendations.
- Estimated recharge rates and well flow rates will be analyzed. The work will assess whether the pilot infiltration rate of approximately 2.3 to 2.4 feet per day is representative across the site, whether the proposed basin footprint can support the target recharge volume of approximately 10,000 acre-feet per year, and how basin layout, operating depth, subsurface variability, groundwater mounding, and hydraulic connection to existing and planned wells may affect full-scale recharge performance. The work will also assess the recharge and recovery potential of the UVDC Pond U-3 area by compiling available operational, hydrogeologic, monitoring, and well data; estimating planning-level recharge performance; assessing aquifer response to recharge operations; and identifying existing or future wells that may support recovery objectives. The work will focus on historical and expected infiltration performance, groundwater mounding and movement, hydraulic connection between Pond U-3 and nearby wells, recovery-well capacity, and the field verification needed to improve confidence in design assumptions.
- Schedule and documentation of additional site activities
- Potholing

4.2 Task 4 Assumptions

~~[To be completed by the Design-Builder]~~Geotechnical ~~assumptions – Up to sixteen (16) borings will be performed. Six (6) borings will be at the Mid-Pauba location and progressed to approximately fifty (50) feet below ground surface. Ten (10) borings will be outside the Mid-Pauba location and progressed to between fifteen (15) and twenty-five (25) feet below ground surface.~~

- ~~We have provided a detailed scope of services as stated above with incorporated assumptions.~~
- Refer to the Scope of Services for the listed assumptions.

5. Task 5, Engineering Design Development

This section describes the subtasks that make up Task 5.

5.1 Task 5.1, Preliminary Design Report Updates and 30% Design Package

The Design-Builder will:

1. Review the Project requirements and consult with the Owner, as appropriate, to further clarify requirements for the Project, including the Owner's budget, the Owner's Project criteria, and available Owner-furnished information.

2. Evaluate the Project reference documents, including the Owner's Project criteria; and after consultation with the Owner, recommend to the Owner any modifications that, in the Design-Builder's judgment, would benefit the Project.

3. Prepare and submit a Draft Updates to Preliminary Design Report (PDR) Deliverable . The PDR Updates TM will include:

    - Updated Owner's Project criteria from the Owner-provided PDR and 10% design
    - Schematic layouts, sketches, and appropriate exhibits indicating the applicable requirements
    - Process flow diagrams, a hydraulic profile, and a description of the hydraulic analyses conducted
    - Recommended alternate solutions to optimize groundwater recharge, extraction of water, and conveyance of flows to Vail Lake without affecting operations at the UVDC recharge facility
    - Proposed procurement approach for long-lead equipment
    - Updated design criteria for all engineering disciplines, including:
    - Civil
    - Landscape
    - Geotechnical
    - Architectural
    - Structural

- Process Mechanical
- Building Mechanical
- Fire Protection
- Electrical
- Instrumentation and Control (I&C)
- Security

4. For the PDR Update TM and 30% Design Deliverable Package, the Design-Builder will:

   - Submit the draft for review
   - Schedule and facilitate a review meeting with the Owner to present the package and an overview of the initial cost model and Project schedule
   - Respond to Owner review comments

5. The Design-Builder will maintain and update the PDR Updates TM as necessary through 60% design. The Design-Builder will submit a final Basis of Design Report Package with the 60% Design Package, as described in Task 5.2.

6. Submit PDR Update TM and 30% Design, including:

   - PDR Update TM
   - Topographic survey and mapping of the entire Project site
   - Preliminary geotechnical information
   - 30% Drawings
   - 30% Specifications Table of Contents
   - 30% Design-Build Cost Model
   - 30% Design-Build Schedule
   - 30% Constructability Review Report
   - 30% Procurement and Buyout Plan
   - Updated Risk Register for Phases 1 and 2

5.2 Task 5.2, 60% Design Package

After completion of the PDR Updates TM and 30% Design Package, the Design-Builder will proceed with further development and refinement of the design, including development and submittal of a 60% Design Package to the Owner for review and comment. The 60% Design Package will include all documents, drawings, and specifications required under this task or identified as being submitted along with the 60% design under other tasks. At a minimum, the 60% Design Package will include:

- Proposed revisions to the Owner's Project criteria
- Final adjudicated and accepted responses to the Owner's 30% review comments
- Final PDR Updates TM
- 60% Drawings
- 60% Specifications
- Draft Phase 2 Construction Emergency Response Plan and Site Safety Plan
- Draft Phase 2 Quality Management Plan
- Draft Preliminary Commissioning and Startup Plan
- Draft Preliminary Acceptance Test Plan, which will identify any proposed changes to the Project performance standards included in Attachment E of the RFP template
- Draft Maintenance of Plant Operations Plan.
- Draft Preliminary Operations and Maintenance Staff Training Plan
- Permit Logs
- 60% Design-Build Cost Model, including drawdown schedule
- Design-Builder Proposed Contingency Justification, based on the updated construction risk register
- 60% Design-Build Schedule
- 60% Constructability Review Report
- 60% Procurement and Buyout Plan

5.3 Task 5.3, Baseline Document Design Package

For each Phase 2 Contract Price Amendment, the Design-Builder will assemble the

applicable design drawings, specifications, and other information necessary to document the basis of the Phase 2 Contract Price Amendment. The Baseline Document Design Package will incorporate the adjudicated Owner review comments from all earlier Design Package submissions.

5.4 Task 5.4 - Coordination Plan

Additional infrastructure will be delivered by Rancho Water as part of the Vail Dam Replacement Project and will interface directly with the Project. This document shall include analyzing upcoming construction activities at the UVDC property from the Vail Dam Rehabilitation Project.

The Design-Builder will develop a Coordination Plan and will work closely with the Owner and the Designers and Contractors of the other project to coordinate the following:

- Sequence of construction and tie-in points
- Design and construction schedule coordination
- Haul locations and sequencing
- Laydown areas

The Coordination Plan will also include construction considerations for the Mid-Pauba site, including:

- Sequence of construction and tie-in points for the 48” raw water line and existing wells
- Design and construction schedule coordination
- Testing and commissioning plans, requirements, and schedules
- Temporary bypasses, structures, piping, and pumping to route water during testing and commissioning
- Electrical power supply and distribution
- Ancillary process support systems
- Contractor access, office trailers, and laydown areas
- Site access, traffic flow, and parking

5.5 Task 5 Deliverables

- Draft PDR Updated TM and 30% Design Package
- 60% Design Package
- Final PDR Updates TM
- Baseline Document Design Package
- Coordination Plan

5.6 Task 5 Assumptions

- PDR Updates and 30% Design Package, 60% Design Package, and Baseline Document Design Package review meetings (in addition to Task 1 and Task 3 meetings) are assumed to be 4~~8~~ hours in duration and conducted in person at the Owner's Headquarters.
- Seven~~Twelve~~ staff from the Design-Builder Team will attend each meeting.
- The Owner review period for Task 5 deliverables is 20 working days.

6. Task 6, Preconstruction Services

This section describes the tasks that make up Task 6.

6.1 Task 6.1, Cost Estimating

Throughout Phase 1, the Design-Builder will develop and maintain the Project Cost Model using industry standard cost-estimating software. As part of this task, the Design-Builder will complete the following:

1. Develop and submit a Baseline Project Cost Model based on the PDR Updates TM and 30% design documents. The Baseline Project Cost Model will identify all Project tasks and include a preliminary work breakdown structure (WBS) needed to complete the Project and estimate the costs, duration, and sequence of tasks to the Project Team. The Cost Model will be based on a detailed labor and material type cost estimate, consistent with AACE International (AACE) practices. The Design-Builder should include the following with the Baseline Project Cost Model package:
   - Baseline Project Cost Model
   - Baseline Schedule
   - Draft Site Logistics Plan
   - Draft Construction Emergency Response Plan and Site Safety Plan

- Draft Quality Management Plan that conforms to the Contract Documents
- Draft Environmental Management Plan detailing programs for a Stormwater Pollution Prevention Plan and handling other environmental issues, such as dust or onsite chemicals and fuel, if required to comply with permits and regulations applicable to the Project

2. After submission of the Baseline Cost Model, hold monthly review workshops with the Owner to review the Design-Builder's observations and recommendations. Attendees include, at a minimum:

   - Project Manager
   - Engineering Manager
   - ~~Preconstruction Manager~~
   - Lead Estimator
   - ~~Construction Manager~~
   - Other necessary personnel

3. In conjunction with the Owner's initial risk register, develop and maintain a Project risk register during Phase 1. Lead bi-monthly 1-hour meetings with the Owner to update risks, mitigation activities, and potential cost and schedule impacts. The risk register will be used to inform and develop appropriate and Project-specific contingency values throughout Phase 1 development.

4. Develop and submit an updated Cost Model at design milestones for the Owner's formal evaluation and review, as follows:

   - 30% Design-Build Cost Model: Based on 30% design, including identification of construction phasing concepts that would result in schedule savings. Identify material or equipment prepurchases and their costs. Identify risks and benefits associated with construction phasing concepts.
   - 60% Design-Build Cost Model: Based on 60% design, including identification of construction phasing concepts that would result in schedule savings. Identify material or equipment prepurchases and their costs. Identify risks and benefits associated with construction phasing concepts.

5. Develop and maintain a Design Trend Log and Cost Trend Log. These logs may be separate or combined with other decision logs based on the needs of the Project Team. These logs will track the following items:

- Potential cost-saving proposals
- Value engineering concepts
- Risk mitigation concepts
- Owner-approved changes ultimately approved by the Owner
- All major changes from the Baseline Cost Model that arise as part of the design evolution process

For each item, the Design-Builder will identify options for resolving the change and, in a timely fashion, estimate the cost and schedule impact associated with adopting the change to support evaluation of the change. The log will allow for consistent tracking of deviations from the Project baseline cost and schedule. Items will be reviewed with the Owner monthly during design. Promptly advise the Owner through the Cost Trend Log when the Cost Model is trending greater than the Owner's available funding limit.

6. After each formal Cost Model submission, work with the Owner to review and reconcile comments, and identify and update Project risk allocations and usage.

6.2 Task 6.2, Design-Build Schedule

The Design-Builder will:

1. Develop and submit a baseline Design-Build schedule. Incorporate permit application submittals, issuance, and compliance into the baseline schedule to be submitted within 45 days of NTP. The baseline design-build schedule will be a critical path method (CPM) schedule and will identify all critical path activities, including long-lead equipment procurement items, if any, and provide recommendations to the Owner to optimize the schedule and prevent or minimize Project delivery impacts, including consideration of multiple work packages, early equipment procurement, and other cost and schedule mitigation approaches, if required by the Project schedule. The Design-Builder will demonstrate and justify the basis for all work packages or phased construction price proposals.

2. Submit the updated CPM schedule at the following design milestones for formal evaluation and review by the Owner:

   - 30%
   - 60%
   - Phase 2 Contract Price Amendment

6.3 Task 6.3, Constructability Reviews

The Design-Builder will provide constructability reviews of the design as it progresses and at the 30% and 60% design submittal milestones. As part of design review meetings, the Design-Builder will highlight the following information:

- Potential constructability issues
- Cost- and schedule-saving alternatives
- Design-Builder's recommendations

Follow-up activities will be conducted, as needed, to resolve issues.

The Design-Builder will provide formal value engineering and constructability reviews at the 60% design milestone. The Design-Builder will also compile comments in a tabular format acceptable to the Owner with supporting documentation necessary to convey intent, including:

- Descriptions
- Sketches
- Drawings
- PDF markup
- Microsoft PowerPoint presentation

6.4 Task 6.4, Procurement Plan

The Design-Builder will:

1. Submit a Draft Procurement and Buyout Plan within 30 days of issuance of the 30% design deliverable, addressing the following:
    - Approach for packaging the work and identification of the work that the Design-Builder intends to self-perform. Identify and recommend which work, if any, should be procured through value-based competitive selections instead of low-bid selection.
    - Approach to engage and encourage participation from minority certified or local firms.
    - The criteria (qualifications and price) that will be used to analyze competitive bids for each element of the work.
    - All procurement procedures, which will be in compliance with Owner procurement rules, as defined in the contract.

2. Update the plan with each design deliverable.

3. Develop bid packages that align with the proposed sequence of work for efficient implementation and to encourage market interest.

4. This includes evaluation and consideration of multiple Phase 2 Contract Price Amendments and early procurement or work packages, if required by the Project schedule.

5. Actively "premarket" the Project with local trade subcontractors, equipment vendors, and material suppliers to increase awareness and interest in submitting competitive bids and quotes. Conduct prequalification activities, as appropriate.

6. The Owner will provide input and feedback on each iteration of the Draft Procurement and Buyout Plans.

6.5 Task 6 Deliverables

- Baseline Project Cost Model Package
- Design and Cost Trend Logs
- Draft Procurement and Buyout Plans

6.6 Task 6 Assumptions

- PDR Updates TM and 30% Design Package, 60% Design Package, and Baseline Document Design Package constructability review meetings (in addition to previously identified meetings) are assumed to be 4 hours in duration and conducted in person at District Headquarters.
- Five~~Eight~~ staff from the Design-Builder Team will attend each meeting.

7. Task 7, Phase 2 Price Proposal Development

The Design-Builder will:

1. Prepare a detailed Phase 2 Price Proposal, meeting the requirements described in Article 6 – Cost of Construction Work of the PDB Contract, with the following information:
   - An open-book line-item cost breakdown on subcontracted and self-performed work
   - Contingency (with its basis)

- Any clarifications, assumptions, or qualifiers based on the 60% design milestones

2. Lead collaborative review of the Phase 2 Price Proposal. Assume two 4-hour workshops with the Owner to review details of the Proposal, including:

   - Results of procurement activities
   - Differences from previous Cost Models
   - Work approaches that serve as the basis for production rates and activity durations
   - Basis for proposed contingency

   Assume participation by the Design-Builder's major subcontractors (if part of the Project Team), as appropriate.

7.1 Task 7 Deliverables

- Phase 2 Price Proposal

7.2 Task 7 Assumptions

- Workshops (in addition to previously identified meetings) are assumed to be 4 hours in duration and conducted in person at the District Headquarters.
- Five~~Eight~~ staff from the Design-Builder Team will attend each workshop.

8. Task 8, Design Contingency

A design contingency is allowed and will be used to cover unknown conditions such as design changes in scope or due to errors and omissions; or necessary construction changes that are realized on-site during construction. The Design-Builder shall clearly itemize design contingency for Phase 1 and Phase 2 in Price Proposals. Design Contingency shall be shown as a separate number outside the Phase 1 and Phase 2 Price Proposals. Any unused design contingency will be considered a ~~shared~~ savings ~~and split evenly between~~for the Owner. ~~and Design-Builder.~~

9. Task 9, Owner Allowances

The Owner has set aside a project allowance to be managed by the Owner to cover project elements with unknown costs at this time. Items and costs covered under Owner Allowances will be finalized during negotiations. Owner will develop and track allowance usage on the Project. This includes regular updates on allowance remaining as well as the process and approvals required for using allowances.

III. Phase 2 Services

Phase 2 services are anticipated to include the following:

10. Task 1, Project Management

The Design-Builder will:

1. Provide all Key Personnel identified in the RFP and other personnel necessary to fully meet the Design-Builder's obligations for construction services.

2. In conformance with the PDB Contract, obtain the necessary bonds and insurance.

3. Within 45 days after the Phase 2 NTP, update and implement required plans.

4. Convene and facilitate one Phase 2 kickoff meeting.

5. Obtain construction permits, and coordinate with various local and state agencies, as necessary.

6. Implement procedures for the tracking, review, and approval of the following deliverables:

    - Submittals
    - Shop drawings
    - Pay requests
    - Change orders
    - Requests for information

7. Manage shop drawing preparation for permanent equipment and materials to be incorporated into the Project.

8. Continue development of the CPM Project schedule, adding levels of detail to

properly manage the work and to record actual construction progress. Monitor and update the construction schedule weekly; prepare 3-week look-ahead work schedules consistent with the overall schedule.

9. Review and process all pay applications from subcontractors.

10. Conduct monthly progress meetings to be attended by the Owner, onsite subcontract trade forepersons, or superintendents.

11. Develop and implement an approach to managing and tracking contingency and allowance usage on the Project. This includes regular updates on levels of contingency and allowances remaining, as well as the process and approvals required for using contingency or allowances.

12. Prepare and submit timely monthly progress reports and invoices with current cost and schedule information.

11. Task 2, Design Completion

The Design-Builder will advance the design to 100% completion, considering all comments and revisions required by permitting agencies and as suitable for construction. The number of packages will depend on the phasing plan accepted by the Owner. The 100% Design Package will include:

- Final plans and specifications consistent with a typical 100% design milestone, stamped and signed by the Engineer of Record, registered in the state of California

Phase 2 construction activities outside of the Mid-Pauba location may be authorized contingent on Owner approval.

12. Task 3, Construction

The Design-Builder will:

1. Perform construction in strict accordance with the PDB Contract and design documents.

2. Set and maintain the site safety standards, policies, and procedures starting in construction and carrying through commissioning and startup.

3. Provide engineering oversight to affirm construction in accordance with design documents.

4. Maintain the Project site, including:

- Controlling stormwater runoff
- Controlling dust
- Removing refuse
- Providing temporary utilities

5. Participate in public outreach meetings throughout the project duration. Assume participation in six outreach meetings.

6. Establish and implement procedures to track, expedite, and process all submittals, change orders, and requests for information.

7. Develop, review, and process shop drawings and other documents.

8. Procure material and equipment to support construction activities and trade subcontractors.

9. Coordinate and manage all construction for all required facilities, appurtenances, site improvements, and other associated work in accordance with the contract documents without exceeding the guaranteed maximum price and the specified contract time.

10. Coordinate regular inspections of all construction work performed by the Design-Builder and its subcontractors to conform with the contract documents and Quality Management Plan.

11. Coordinate work efforts with the Vail Dam contractor to avoid construction and scheduling conflicts.

12. Maintain current copies of Project record drawings at the Project site, including all subcontracted work.

13. Prepare and coordinate maintenance of plant operations plans with the Owner during construction.

13. Task 4, Testing, Commissioning, and Startup

The Design-Builder will:

1. Expedite and coordinate delivery, storage, security, and installation of Owner-procured material and equipment, as applicable.

2. Develop, coordinate, and manage a commissioning, startup, and testing plan, as necessary, for the Owner to accept the Project as completed and ready to use.

3. Lead commissioning and process startup.

4. Develop operations and maintenance manuals for improvements.

5. Train Owner staff and develop standard operating procedures and maintenance requirements.

6. In collaboration with the Owner, provide the appropriate information to update and maintain the Owner's asset management system, if required.

7. Complete all Phase 2 work, including testing, commissioning, and acceptance testing as defined by the PDB Contract.

14. Task 5, Warranty and Closeout

The Design-Builder will:

1. Supervise and manage the warranties provided to the Owner for the equipment and construction work.

2. Gather warranty work items from the subcontractors and vendors, and provide these to the Owner upon final completion of the Project.

3. Close out construction permits issued to the Design-Builder.

4. Conduct a walk-through with the Owner to make sure that the Owner and Design-Builder agree that Phase 2 work is substantially complete before the warranty period defined in the PDB Contract goes into effect.

5. Implement closeout procedures necessary for the Owner to accept the Project as being finally complete; provide lien waivers from the Design-Builder and its subcontractors and material suppliers.

6. Complete any warranty work during the specified warranty period.

Project Name: Mid-Pauba Groundwater Banking Project

Proposer Name: Steve P. Rados, Inc.

Position Title	Project Manager	Engineering Manager (Key Sub)	Technical Lead (Key Sub)	Preconstruction/ Construction Services Manager (responsibilities transferred to PM role)	Commissioning and Start-up Manager	Mechanical Lead (Key Sub)	Electrical Lead (Key Sub)	Lead Estimator	Estimating Support	DB Project Engineer	Project Scheduler	Construction QC Manager	Safety Manager	Principal-in-Charge (Key Sub)	Design QA/QC Manager (Key Sub)	Commercial Leader (Key Sub)	Project Administrator (Key Sub)	Principal Engineer (Key Sub)	Sr Associate Engineer (Key Sub)	Associate Engineer (Key Sub)	Project Engineer (Key Sub)	Staff Engineer (Key Sub)	Sr. Associate Designer (Key Sub)	Associate Designer (Key Sub)
List Individual Under Each Position Title by Name	Chris Christiansen	Joseph Long	Cole Warrick		Juan Castillo	Sean Neprud	Bruce Wong	Noe Guerrero				Ed Bulaong	Nikki Miranda		Jim Cathcart									
Hourly Billing Rate	$ 310	$ 408	$ 271		$ 300	$ 271	$ 271	$ 310	$ 270	$ 200	$ 260	$ 260	$ 260	$ 448	$ 408	$ 285	$ 220	$ 304	$ 271	$ 240	$ 210	$ 195	$ 271	$ 240
	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS
Task 1 - Project Management	1,104	148	160	-	28	53	53	80	-	1,712	160	80	24	23	6	108	60	100	188	4	100	56	-	13
Task 2 - Alternative Analyses and Technical Workshops	64	63	180	-	32	24	8			88				-	-	-	-	64	98	12	388	-	-	56
Task 3 - Permitting and Approvals	62	16	22	-		-	-			132				-	-	-	-	8	44	-	128	-	-	-
Task 4 - Survey and Field Investigations	8	28	60	-		-	-			40			8	-	-	-	-	14	24	-	84	-	-	-
Task 5 - Engineering Design Development	20			-	-			-	-	32														
5.1 Mid-Pauba recharge, 178 well and disinfection facility (includes design 1 addl well similar to 178)		88	117			103	102							-	88	5	-	373	159	184	286	246	26	262
5.2 CCT and pump station (REMOVED FROM SCOPE)																								
5.3 UVDC wells		20	26			23	22							-	19	1	-	85	36	38	58	56	6	56
5.4 Vail Lake pump station modification		16	20			18	36							-	15	1	-	68	30	31	46	45	4	45
5.5 Gravity line		16	21			18	-							-	15	1	-	68	29	31	46	45	4	45
5.6 Optimization study		30	38			34	34							-	28	2	-	127	54	58	87	84	8	84
Task 6 - Preconstruction Services	226	108	80	-	16	36	36	248	368	988	160	40	16	-	16	-	-	132	72	56	128	32	-	24
Task 7 - Phase 2 Price Proposal Development	40	32	16	-	4	9	9	88	176	128	16			4	-	-	-	16	8	-	-	-	-	-
Subtotal Hours:	1,524	565	740	-	80	318	300	416	544	3,120	336	120	48	27	187	118	60	1,055	742	414	1,351	564	48	585
Subtotal Cost:	$ 472,440	$ 230,520	$ 200,540	$ -	$ 24,000	$ 86,178	$ 81,300	$ 128,960	$ 146,880	$ 624,000	$ 87,360	$ 31,200	$ 12,480	$ 12,096	$ 76,296	$ 33,630	$ 13,200	$ 320,720	$ 201,082	$ 99,360	$ 283,710	$ 109,980	$ 13,008	$ 140,400

Task 8 - Design Contingency - TBD
Task 9 - Owner's Allowance - TBD

*7/24/2026 REVISED PER NEGOTIATION DISCUSSIONS

*8/19/2026 REVISED PER NEGOTIATION DISCUSSIONS to include design of an addl well similar to Well 178 scope added under task 5.1

Notes:

Markup percentages for subconsultants and subcontractors	5%

Project Name: Mid-Pauba Groundwater Banking Project

Proposer Name: Steve P. Rados, Inc.

Position Title	Project Designer (Key Sub)	BIM Designer (Key Sub)	Principal Architect (Key Sub)	2-Man Survey Party (Key Sub)	Survey Manager (Key Sub)	Project Surveyor (Key Sub)	Principal Lanscape Architect (Key Sub)	Associate Landscape Architect (Key Sub)	Project Landscape Architect (Key Sub)	Total Hours by Task	LABOR ($)	EXPENSES ($)	ALLOWANCE ($)	SUBTOTAL FOR ALL SUBCONSULTANTS ($)	MARKUP AND ESCALATION COSTS ($)	GRAND TOTAL ($)	TOTALS FOR EACH SUBCONSULTANT		
List Individual Under Each Position Title by Name																	Geoscience	Verdantas	GPSi
Hourly Billing Rate	$ 200	$ 210	$ 251	$ 430	$ 271	$ 251	$ 271	$ 228	$ 195										
	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS	HRS									
Task 1 - Project Management	-	-	40	-	4	-	17	-	-	4,321	$ 1,108,761	$ 65,820		$ 26,107	$ 20,710	$ 1,221,399	$ 26,107	$ -	$ -
Task 2 - Alternative Analyses and Technical Workshops	-	-	-	-	-	-	-	-	-	1,077	$ 274,010	$ 2,000		$ 52,184	$ 14,058	$ 342,252	$ 52,184	$ -	$ -
Task 3 - Permitting and Approvals	12	-	-	-	-	-	-	-	-	424	$ 101,746			$ 8,400	$ 3,226	$ 113,372	$ 8,400	$ -	$ -
Task 4 - Survey and Field Investigations	8	-	-	120	24	160	-	-	-	578	$ 168,508	$ 115,500		$ 181,842	$ 22,665	$ 488,515	$ 47,495	$ 105,998	$ 28,350
Task 5 - Engineering Design Development										52	$ 12,600			$ -	$ -	$ 12,600			
5.1 Mid-Pauba recharge, 178 well and disinfection facility (includes design 1 addl well similar to 178)	494	126	80	-	4	-	50	60	80	2,933	$ 728,346			$ 61,856	$ 39,510	$ 829,712	$ 52,931	$ 8,925	$ -
5.2 CCT and pump station (REMOVED FROM SCOPE										-	$ -			$ -	$ -	$ -	$ -	$ -	$ -
5.3 UVDC wells	104	-	-	-	1	-	-	-	-	551	$ 139,391			$ -	$ 6,970	$ 146,361	$ -	$ -	$ -
5.4 Vail Lake pump station modification	84	-	-	-	1	-	-	-	-	460	$ 116,619			$ -	$ 5,831	$ 122,450	$ -	$ -	$ -
5.5 Gravity line	84	-	-	-	1	-	-	-	-	424	$ 106,863			$ -	$ 5,343	$ 112,206	$ -	$ -	$ -
5.6 Optimization study	158	-	-	-	-	-	-	-	-	826	$ 208,700			$ 15,708	$ 11,220	$ 235,628	$ 15,708	$ -	$ -
Task 6 - Preconstruction Services	112	64	28	-	-	-	16	16	24	3,042	$ 764,136			$ 2,520	$ 13,090	$ 779,746	$ 2,520	$ -	$ -
Task 7 - Phase 2 Price Proposal Development	-	-	8	-	-	-	4	-	-	558	$ 152,346			$ 15,425	$ 2,481	$ 170,251	$ 15,425	$ -	$ -
										-	$ -			$ -	$ -	$ -			
										-	$ -			$ -	$ -	$ -			
										-	$ -			$ -	$ -	$ -			
										-	$ -			$ -	$ -	$ -			
Subtotal Hours:	1,056	190	156	120	35	160	87	76	104	15,246									
Subtotal Cost:	$ 211,200	$ 39,900	$ 39,156	$ 51,600	$ 9,485	$ 40,160	$ 23,577	$ 17,328	$ 20,280		$ 3,882,026	$ 183,320	$ -	$ 364,042	$ 145,103	$ 4,574,491	$ 220,769	$ 114,923	$ 28,350
															TOTAL NOT TO EXCEED - PHASE 1:		$ 4,574,491		

Task 8 - Design Contingency - TBD
Task 9 - Owner's Allowance - TBD

*7/24/2026 REVISED PER NEGOTIATION DISCUSSIONS

*8/19/2026 REVISED PER NEGOTIATION DISCUSSIONS to include design of an addl well similar to Well 178 scope added under task 5.1

Notes:

Markup percentages for subconsultants and subcontractors	5%

PROGRESSIVE DESIGN-BUILD CONTRACT DOCUMENTS FOR

MID-PAUBA GROUNDWATER BANKING [PROJECT NO. D2263]

Contract No. ____

~~July 15~~August 12, 2026

RANCHO CALIFORNIA WATER DISTRICT
42135 Winchester Road
Temecula, CA 92590-4800
(951) 296-6900

WARNING:

THIS IS A TEMPLATE ONLY.

FOR EACH PROJECT, THE CONTRACT MUST BE REVIEWED AND REVISED TO CONFORM WITH, AMONG OTHER THINGS, PROJECT REQUIREMENTS, LOCAL PROCUREMENT RULES, FEDERAL AND STATE FUNDING SOURCES, AND PREFERENCES OF THE LOCAL AGENCY

Rancho Water

42135 Winchester Road
Temecula, California
92590-4800

CONTRACT NO. ____

PROGRESSIVE DESIGN-BUILD CONTRACT
BETWEEN
RANCHO CALIFORNIA WATER DISTRICT
AND
~~[INSERT DESIGN-BUILDER NAME~~STEVE P. RADOS, INC.~~]~~
FOR THE
MID-PAUBA GROUNDWATER BANKING
[PROJECT NO. D2263]

This Progressive Design-Build Contract ("Contract") is made and entered into as of _____, ("Effective Date") by and between the RANCHO CALIFORNIA WATER DISTRICT (hereinafter referred to as "Agency") and ~~[***INSERT DESIGN-BUILDER NAME***]~~Steve P. Rados, Inc. (hereinafter collectively referred to as "Design-Builder"). Agency and Design-Builder are sometimes individually referred to as "Party" and collectively as "Parties."

RECITALS

A. Agency is a public agency of the State of California and is in need of design and construction for the **MID-PAUBA GROUNDWATER BANKING [PROJECT NO. D2263]** ("Project"), which will include two phases: (1) preconstruction design phase services ("Phase 1"); and (2) final design services and construction services to complete the Project ("Phase 2"), each of which is more fully described in the Contract Documents.

B. Agency issued a request for qualifications ("RFP") to interested and qualified teams to submit a proposal ("Proposal").

C. Agency awarded the Contract to Design-Builder based on Design-Builder's qualifications in its Proposal.

D. Design-Builder shall perform Phase 1 consistent with the requirements of the Contract Documents, during or after which Design-Builder shall prepare and propose to Agency on an Open Book Basis a Guaranteed Maximum Price ("GMP") to complete Phase 2 and, if accepted by Agency, the Parties shall enter into an amendment to the Contract for Design-Builder's performance of Phase 2.

E. In entering into the Contract, the Parties expressly agree that Agency is under no obligation to proceed with Phase 2.

F. Design-Builder warrants and represents that it is duly licensed in the State of California and is able and qualified to perform the Work for the Project.

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Temecula, California
92590-4800

G. The Parties desire to enter into the Contract for the purpose of setting forth the terms and conditions upon which Design-Builder will complete the Project.

TERMS

1. CONTRACT DOCUMENTS.

1.1 Incorporation of Recitals; Contract Documents. The above-referenced recitals are true and correct and are incorporated into the Contract by this reference. This Contract includes and hereby incorporates in full by reference the following documents, which are the "Contract Documents", including all exhibits, drawings, specifications, and documents therein, and attachments and addenda thereto:

[***INSERT ADDITIONAL DOCUMENTS OR REMOVE DOCUMENTS LISTED IF NOT APPLICABLE TO THIS CONTRACT; THEN REMOVE THIS***]

(a) Progressive Design-Build Contract

(b) General Conditions (**Attachment 1**)

(c) Scope of Services (**Attachment 2**)

(d) Special Conditions (**Attachment 3**)

(e) Design-Builder's Cost Proposal Form (**Attachment 4**)

(f) Not used - Performance Bond (**Attachment 5**)

(g) Not used - Payment Bond (**Attachment 6**)

(h) Not used - GMP Amendment (**Attachment 7**)

(i) Funding Requirements (**Attachment 8**)

(j) Design-Builder's Proposal

(k) RFP and all addenda, attachments, and appendices except for Reference Documents included in the RFP

(l) Not used - GMP Amendment

(m) Not used - Change Orders

(n) Not used - Permits

(o) Not used - Construction Documents

1.2 **Use of Defined Terms.** Any capitalized term herein not defined in the Contract, or other Contract Documents, shall have the meaning set forth in the General Conditions.

1.3 **Integration/Modification.** The Contract Documents and any documents specifically incorporated by reference are completely integrated as the complete and exclusive statement of the terms of the Contract. This Contract supersedes all previous contracts, agreements, and/or communications, both oral and written, and constitutes the entire understanding of Agency and Design-Builder. No extrinsic evidence whatsoever shall be admissible or used to explain or supplement the terms of the Contract, Contract Documents, or any items incorporated by reference.

2. DESIGN-BUILDER'S SERVICES AND RESPONSIBILITIES.

2.1 Phase 1.

(a) Phase 1 Work. Design-Builder promises and agrees to furnish to Agency all labor, materials, tools, equipment, services, and incidental and customary work necessary to perform and fully complete Phase 1 consistent with the requirements in the Contract Documents. The Phase 1 Work is described more particularly in the Contract Documents, including, without limitation, Attachment 2.

Commented [DR1]: Need to include revised Scope of Services - Attachment 2

(b) Phase 1 Term. Design-Builder shall commence the performance of Phase 1 upon Agency's issuance of a Notice to Proceed and shall complete the Phase 1 Work within ~~[***INSERT CALENDAR DAYS***]~~365 **Calendar days** of Agency's issuance of the Notice to Proceed. Notwithstanding anything in the Contract Documents, Design-Builder shall not be entitled to any costs due to any impacts, disruption, or delays occurring during performance of Phase 1. If Agency or any other party exceeds or fails to meet any time limit provided in the Contract Documents for performance of any action during Phase 1, Design-Builder's sole remedy shall be an adjustment of the time period for performance of Phase 1. Any delay that occurs during Phase 1 shall have no impact on Agency's right to terminate Phase 1 at any time as provided in the General Conditions. All Phase 1 Work performed by Design-Builder prior to Agency's issuance of a Notice to Proceed shall be at Design-Builder's sole risk.

~~[***THE ABOVE CONTEMPLATES A PHASE 1 TERM OF X AMOUNT OF DAYS AND THE PROJECT COMPLETION DATE IS ESTABLISHED DURING THE GMP PROCESS. THE ALTERNATIVE IS TO REVISE AND ESTABLISH A PROJECT COMPLETION DATE NOW.***]~~

(c) Early Purchase Items; Early Construction Packages. The Parties may agree to have Design-Builder procure Early Purchase Items and perform Early Construction Packages prior to commencing Phase 2.

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2.2 Phase 2.

(a) Guaranteed Completion Date. Design-Builder shall complete Phase 2 within the Guaranteed Completion Date. As of the Effective Date, the Guaranteed Completion Date has not been agreed to by the Parties. The Guaranteed Completion Date will be established in a GMP Amendment, and it shall run from the Notice to Proceed for Phase 2, even if issued prior to completion of the one hundred percent (100%) Construction Documents.

(b) Commencement of Phase 2. Design-Builder shall not commence Work for Phase 2 until Agency executes a GMP Amendment and issues a Notice to Proceed for Phase 2. Design-Builder may request a Notice to Proceed with Construction Work prior to completion of the one hundred percent (100%) Construction Documents, and Agency may issue same, provided that Design-Builder shall not construct any portion of the Project until the design of such portion has been issued for construction.

(c) Work Packages. Agency and Design-Builder may agree to complete the Construction Work in multiple stages with individual Work Packages. Each Work Package would be a discrete and defined portion of the Project that includes its own GMP and Milestone Date, agreed to by the Parties in a GMP Amendment. Agency may issue Work Packages that Design-Builder can perform concurrently.

~~[***THIS BELOW CAN BE UPDATED IF THERE ARE SELF-PERFORMANCE REQUIREMENTS***]~~

~~(d) Self-Performed Construction Work. Design-Builder shall perform Construction Work on the Project accounting to at least [***INSERT PERCENTAGE AMOUNT***] percent (_%) of Phase 2 Price for Construction Work, but not more than [***INSERT PERCENTAGE AMOUNT***] percent (_%) of Phase 2 Price for Construction Work.~~

3. DESIGN-BUILDER'S COMPENSATION.

~~[***THIS PROCESS CAN BE MODIFIED ON A PROJECT-BY-PROJECT BASIS. FOR EXAMPLE, THE WORK MAY OCCUR IN PHASES, REQUIRING PHASED PRICING. OR, THE COMPONENTS OF THE PHASE 1 COMPENSATION CAN BE REVISED. THE DEFAULT IS LUMP SUM PRICING***]~~

3.1 Phase 1 Compensation.

~~(a) Agency shall pay Design-Builder a lump sum amount of [***INSERT AMOUNT***] DOLLARS ($_____) for performance of the Phase 1 based on the Work satisfactorily performed and accepted by Agency pursuant to the Contract Documents, subject to any additions or deductions as provided in the Contract Documents ("Phase 1 Fee"). The Phase 1 Fee includes any and all costs and expenses required to complete Phase 1. Agency shall not be liable to~~

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~~Design-Builder for any other costs or expenses paid or incurred by Design-Builder in performing Phase 1, except as expressly provided for in the Contract.~~

~~[***IF PAYMENT FOR PHASE 1 IS BASED ON TIME AND MATERIALS, REMOVE SECTION 3.1(a) ABOVE AND REPLACE WITH THE FOLLOWING, OTHERWISE REMOVE THIS AND THE BELOW:~~

(a) Agency shall pay Design-Builder a total not to exceed amount of ~~[***INSERT AMOUNT***]~~**FOUR MILLION, FIVE HUNDRED SEVENTY-FOUR THOUSAND, FOUR HUNDRED NINETY-ONE ~~-~~DOLLARS ($4,574,491)** for performance of ~~the~~ Phase 1 based on the work satisfactorily performed and approved by Agency pursuant to the Contract Documents and at the rates and manner set forth in Design-Builder's Cost Proposal Form, subject to any additions or deductions as provided in the Contract Documents ("Phase 1 Fee"). For the purposes of the Contract, the billing rates will remain effective through the entire term of the Contract. Design-Builder will be reimbursed for hours worked at the hourly rates specified in Design-Builder's Cost Proposal Form. Design-Builder will be reimbursed for direct costs not covered by the billing rates. The reimbursable direct costs are identified in Design-Builder's Cost Proposal Form. The Phase 1 Fee includes all costs and expenses for all time and materials required and expended to complete Phase 1. Agency shall not be liable to Design-Builder for any costs or expenses paid or incurred by Design-Builder in performing Phase 1, except as expressly provided for in the Contract.

Commented [CB2]: If the design of one additional well at the Mid-Pauba site is added to the scope, then this compensation amount will need to be increased accordingly.

3.2 Phase 2 Compensation.

(a) Construction Phase Compensation. Design-Builder's compensation for Phase 2 shall be the Phase 2 Price as further described, and subject to the limitations set forth below and as indicated in the Contract Documents. Design-Builder expressly agrees and acknowledges that, as of the Effective Date, Design-Builder is not entitled to any compensation for Phase 2 Work, and shall only be entitled to such compensation if: (1) Agency accepts the Design-Builder's GMP Proposal; (2) the Parties execute, and Agency Board approves, a GMP Amendment; and (3) Agency issues a Notice to Proceed for Phase 2.

~~[***THE FOLLOWING CAN BE USED IF ESTABLISHED DURING THE PROCUREMENT PROCESS***]~~

(b) Design-Builder's ~~Self-Performance~~ Fee Percentage. Design-Builder's ~~Self-Performance [F~~ee percentage shall be ~~[INSERT AMOUNT~~11%~~]~~.

~~(c) Design-Builder's Subcontractor Fee. Design-Builder's Subcontractor Fee shall be [INSERT AMOUNT].~~

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4. DESIGN-BUILDER'S CONTRACTOR'S LICENSE AND REGISTRATION.

Design-Builder shall have only appropriately licensed contractors performing work on the Project as required by the Business and Professions Code. Design-Builder ~~(~~License No. **CA #~~_____~~) #484452** shall act as the licensed contractor for the Project. The licensed contractor shall be registered with the Department of Industrial Relations to perform public work (DIR Registration No. ~~–~~1000007814~~_____~~).

5. DESIGN-BUILDER'S ARCHITECT/ENGINEER OF RECORD.

Design-Builder shall name a specific person to act as the ~~Architect/~~Engineer of Record as described in the General Conditions, subject to the approval of Agency. Design-Builder hereby designates **Joseph Long, PE** ~~[***INSERT NAME***]~~ **(License No. CA # C54326~~_____~~)** to act as the ~~Architect/~~Engineer of Record for the Project. The E~~Architect/E~~ngineer of Record shall perform all Design Work in accordance with the Standard of Care. Any change in the ~~Architect/~~Engineer of Record shall be subject to Agency's prior written approval, which approval shall not be unreasonably withheld. The new ~~Architect/~~Engineer of Record shall be of at least equal competence as the prior ~~Architect/~~Engineer of Record. In the event that Agency and Design-Builder cannot agree as to the substitution of a new ~~Architect/~~Engineer of Record, Agency shall be entitled to terminate the Contract as described in the General Conditions.

6. STAFFING OF PROJECT.

(a) Design-Builder's Representative. Design-Builder hereby designates ~~[***INSERT NAME***]~~**Chris Christiansen**, or his or her designee, to act as Design-Builder's Representative. Design-Builder's Representative shall have full authority to represent and act on behalf of Design-Builder for all purposes under the Contract. Design-Builder's Representative shall supervise and direct all work on the Project, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Work pursuant to the Contract. Design-Builder may designate new and/or different individuals to act as Design-Builder's Representative from time to time upon written notice to Agency and the express written consent of Agency, which such approval shall not be unreasonably withheld. If, for whatever reason, Design-Builder's Representative is replaced and this section is not revised, or no such representative is designated, Design-Builder's Representative shall be read as applying to Design-Builder.

(b) Agency's Representative. Agency hereby designates [***INSERT NAME***]Dan Ruiz, Assistant General Manger – Engineering and Operations or his or her designee, as the person to act as Agency's Representative. Agency's Representative shall be authorized to act as liaison between Agency and Design-Builder in the administration of the Contract and all work on the Project. Agency's Representative shall have the power to act on behalf of Agency for all purposes under the Contract. Agency may designate new and/or different individuals to act as Agency's Representative from time to time upon written notice to Design-Builder. If, for whatever reason, Agency's Representative is replaced and this section is not revised, or no such representative is designated, Agency's Representative shall be read as applying to Agency.

(c) Designated Key Personnel. Design-Builder has been selected to complete the Project in part because of the experience, expertise, training, education, and skill of key individuals. The Key Personnel shall perform the roles and responsibilities of the applicable title. The following individuals are Design-Builder's Key Personnel, none of whom can be replaced unless approved by Agency as provided herein: [ADJUST AS NECESSARY CONSISTENT WITH KEY PERSONNEL REQUIRED IN THE RFP]

Key Personnel Role	Key Personnel Name
Project ExecutivePrincipal-in-Charge	Chris Bouska
Project Manager	Chris Christiansen
Design Engineering Manager	Joseph Long
SuperintendentTechnical Lead	Cole Warrick
Cost EstimatorPreconstruction/Construction Manager	Jason Riedel
Commissioning & Start-up Manager	Juan Castillo

Commented [CB3]: The Phase 1 compensation amount of $4,536,771 listed in Section 3.1 (a) is based on the elimination of the Preconstruction/Construction Manager role.

7. FUNDING REQUIREMENTS.

Funding for this Contract has been provided in full or in part by federal, state, or local grants and/or loans (collectively, the "Funding Requirements"). Design-Builder shall comply, and assist Agency in complying, with all duties, requirements, and obligations in and arising out of the Funding Requirements. The Funding Requirements are included in Attachment 8 to this Contract.

8. AUTHORITY OF SIGNATORIES.

The persons executing the Contract on behalf of their respective Parties represent and warrant that they have the authority to do so under law and from their respective Parties.

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Temecula, California
92590-4800

[SIGNATURES ON NEXT PAGE]

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SIGNATURE PAGE TO PROGRESSIVE DESIGN BUILD CONTRACT
BETWEEN THE RANCHO CALIFORNIA WATER DISTRICT
AND ~~[*INSERT DESIGN-BUILDER NAME***]~~STEVE P. RADOS, INC.**

IN WITNESS WHEREOF, the Parties hereby execute this Progressive Design-Build Contract as of the Effective Date.

Rancho Water
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Temecula, California
92590-4800

RANCHO CALIFORNIA WATER DISTRICT

By: _____

J~~[Insert Name]~~ason Martin

~~[INSERT TITLE]~~

General Manager

ATTEST:

By:

[Insert Name]

APPROVED AS TO FORM:

By:

[Insert Name]

STEVE P. RADOS, INC.~~[*INSERT NAME OF DESIGN-BUILDER***]~~**

~~[IF CORPORATION, TWO SIGNATURES, PRESIDENT **OR** VICE PRESIDENT **AND** SECRETARY **OR** TREASURER **REQUIRED**]~~

By: _____

Its: _____

Printed Name: _____

~~[DELETE THE FOLLOWING SIGNATURE LINE IF NOT **REQUIRED**]~~

By: _____

Its: _____

Printed Name: _____

CA #484452

Contractor's License Number

1000007814

DIR Registration Number

Commented [JS4]: Deleted the highlights we will have 2 signatures

Rancho Water

42135 Winchester Road
Temecula, California
92590-4800

ATTACHMENT 1

GENERAL CONDITIONS

ARTICLE 1 - DEFINITIONS; TERMINOLOGY

1.1 Applicability.

A. These General Conditions govern Phase 1, Phase 2, and completion of the Project by Design-Builder.

1.2 Defined Terms.

A. Wherever used in the Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated, which are applicable to both the singular and plural thereof. In addition to terms specifically defined below, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.

1. Act of God – Act of God is an earthquake of magnitude 3.5 or higher on the Richter Scale or a tidal wave.

2. Additional Work – New or unforeseen work when Agency's Representative determines that the Contract Documents do not cover said work.

3. Agency Board – The board of directors that governs Agency.

4. Agency's Representative – The person designated by Agency to act as its representative during the performance of the Contract, and identified in the Special Conditions, or other person authorized to act for and on behalf of Agency, acting either directly or through properly authorized agents, such agents acting severally within the scope of the particular duties entrusted to them.

5. Allowance – An amount approved by Agency for categories of Phase 2 Work that cannot be established at the time of a GMP Amendment and used by Design-Builder with the written approval of Agency, as further described in the Contract Documents.

6. Applicable Laws – The laws, statutes, ordinances, rules, codes, regulations, permits, and licenses of any kind, issued by local, state, or federal governmental authorities, or private authorities with jurisdiction (including utilities), to the extent they apply to the Project.

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7. Architect/Engineer of Record – The licensed professional architect or engineer named in the Contract who is responsible for the design of the Project, including, but not limited to, the preparation, signing, dating, sealing, and issuing of the Construction Documents.

8. Certificate of Final Completion – A certificate issued by Agency that the Work is entirely complete and in all respects complies with the Contract Documents, including, but not limited to, the Punch List for the Work, as further described in the Contract Documents.

9. Change Order – A document that authorizes an addition, deletion, or revision in the Work or an adjustment in the Phase 1 Fee, GMP, Phase 2 Price or the Contract Time in accordance with the Contract Documents and in the form contained in the Contract Documents.

10. Change Order Request – A request made by Design-Builder for an adjustment in the Phase 1 Fee, GMP, Phase 2 Price, or Contract Time as the result of a Design-Builder-claimed change to the Work.

11. Claim – A demand or assertion by Agency or Design-Builder seeking an adjustment of the Phase 1 Fee, GMP, Phase 2 Price, Contract Time, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.

12. Concurrent Delay – When Agency-caused delay to the Critical Path occurs simultaneously with a Design-Builder-caused delay to the Critical Path.

13. Construction Documents – The Drawings and Technical Specifications prepared by Design-Builder for the Project and accepted by Agency. The Construction Documents shall set forth in detail all items necessary to complete the construction (other than such details customarily provided by others during construction) of the Project in accordance with the Contract Documents. Construction Documents become part of the Contract Documents upon their completion and acceptance by Agency. All amendments and modifications to the Construction Documents must be approved by Agency in writing.

14. Construction Work – That portion of the Work on the Project consisting of the provision of labor, materials, furnishings, equipment, and services in connection with the construction of the Project as set forth in the Contract Documents.

15. Contract – The entire integrated written agreement between Agency and Design-Builder concerning the Work. "Contract" may be used interchangeably with "Agreement" in the Contract Documents.

16. Contract Price – The sum total of all compensation due to Design Builder for all Phase 1 Work and Phase 2 Work performed under the Contract.

17. Contract Time – The number of days or the dates stated in the Contract Documents or GMP Amendment to achieve defined Milestone Dates, if any, and to complete the Work by the Guaranteed Completion Date.

18. Critical Path – A sequence of logically tied activities that represents the longest path within a project, which determines the shortest possible duration. Any delay of activity completion along this path will proportionately affect the completion date of the project.

19. CPM Schedule – A scheduling method that uses a network diagram to depict the sequences of tasks required to complete the Project, or a portion thereof, which are known as paths. Once the paths are defined, the duration of each path is calculated by an algorithm to identify the Critical Path, which determines the total duration of the Project, or a portion thereof.

20. Critical Supply Shortage – An unusual shortage in materials that is (a) supported by documented proof that Design-Builder made every effort to obtain such materials from all available sources; (b) such shortage is due to the fact that such materials are not physically available from single or multiple sources or could have been obtained only at exorbitant prices entirely inconsistent with current and standard rates taking into account the quantities involved and the usual industry practices in obtaining such quantities; and (c) such shortages and the difficulties in obtaining alternate sources of materials could not have been known or anticipated by Design-Builder at the time it entered a GMP Amendment. Market fluctuations in prices of materials, whether or not resulting from a Force Majeure Event, do not constitute a Critical Supply Shortage.

21. Day – A calendar day of twenty-four (24) hours measured from midnight to the next midnight.

22. Defective Work – Work that is unsatisfactory, faulty, or deficient; or that does not conform to the Contract Documents; or that does not meet the requirements of any inspection, reference standard, test, or approval referenced in the Contract Documents.

23. Design-Builder – The individual or entity with which Agency has contracted for performance of the Work.

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24. Design-Builder Contingency – An amount approved by Agency and part of a GMP that Design-Builder may use with the written approval of Agency for unanticipated work as further described in the Contract Documents.

25. Design-Builder's Proposal – The proposal submitted by Design-Builder in response to the RFP.

26. Design-Builder's Representative – The person or firm identified as the primary contact person and representative of Design-Builder as designated in the Contract and who shall not be changed without prior written consent of Agency.

27. Design-Builder Self-Performance Fee – Design-Builder's fee for its home office overhead and profit applied to Design-Builder's Direct Cost and General Conditions Cost, as further described in the Contract Documents.

28. Design-Builder Subcontractor Fee – Design-Builder's fee for its home office overhead and profit applied to Subcontractor Construction Cost, as further described in the Contract Documents.

29. Design Firm – The individual, partnership, corporation, joint venture, or other legal entity completing the Design Work on the Project and who provides the Architect/Engineer of Record for the Project.

30. Design Work – The portion of the Work on the Project consisting of the design services and design deliverables required to be provided in connection with the design of the Project as set forth in the Contract Documents.

31. Direct Cost – Verifiable cost necessarily incurred in the performance of Construction Work and more particularly described in the General Conditions.

32. Drawings – The graphic and pictorial portions of the Contract Documents showing the design, location, and dimensions of the Work to be done on the Project, generally including plans, elevations, sections, details, schedules, and diagrams prepared as part of the Construction Documents.

33. Early Construction Package – Construction Work negotiated separately from Phase 2 to commence demolition, grading, site preparation, utility work, mobilization, or other work prior to the start of Phase 2. Design-Builder shall perform an Early Construction Package subject to the requirements of the Contract Documents for Construction Work.

34. Early Construction Package Amendment – An approved amendment to the Contract authorizing Design-Builder to perform an Early Construction Package subject to the requirements of the Contract Documents for Construction Work.

35. Early Purchase Item – Long lead procurement items (manufactured/fabricated items, equipment, materials, and supplies) for the Project.

36. Early Purchase Item Amendment – An approved amendment to the Contract authorizing Design-Builder to commence procurement of an Early Purchase Item.

37. Effective Date of the Contract – The date indicated in the Contract on which it becomes effective, but if no such date is indicated, it means the date on which the Contract is signed and delivered by the last of the two parties to sign and deliver.

38. Final Completion – The time at which Work has been entirely completed by Design-Builder, and Agency has accepted Work, at the sole discretion of Agency, as further described in the Contract Documents.

39. Force Majeure Event – An event that materially affects a party's performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the Site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the Work); (4) pandemics, epidemics or quarantine restrictions; (5) strikes and other organized labor action occurring at the Site and the effects thereof on the Work, only to the extent such strikes and other organized labor action are beyond the control of Design-Builder and its Subcontractors, of every Tier, and to the extent the effects thereof cannot be avoided by use of replacement workers; and (6) a Critical Supply Shortage. For purposes of this section, "orders of governmental authorities" includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare, and safety, and other actions of Agency in its capacity as a municipal authority.

40. General Conditions Cost – The costs for activities, facilities, and services required to support the Construction Work and manage the Project site, without markup, which shall include, without limitation, those items listed in a GMP Amendment as further described in the Contract Documents.

41. General Contractor – The individual, partnership, corporation, joint venture, or other legal entity that is licensed as a California general contractor and is the prime contractor on the Project.

42. Governmental Approvals – Any permit, license, authorization, consent, certification, exemption, grant, waiver, ruling, entitlement, variance or other approval, and any revision, modification, amendment, supplement, renewal or extension of any of the foregoing, issued by a Governmental Body of whatever kind and however described, which is required under Applicable Law to be obtained or maintained by any person with respect to the Project.

43. Governmental Body – Any federal, state, regional or local legislative, executive, judicial or other governmental board, department, agency, authority, commission, administration, court or other body, or any official thereof, other than Agency Board, having jurisdiction in any way over or in respect of any aspect of the performance of the Contract or the Project.

44. Guaranteed Completion Date – The time within which Design-Builder must achieve Final Completion of the Project.

45. Guaranteed Maximum Price or GMP – The maximum possible compensation paid by Agency to Design-Builder for the performance and completion of the Phase 2 Work, subject to any additions or deductions as provided in the Contract Documents. There may be more than one GMP on the Project, which may be specific to a particular Stage.

46. GMP Amendment – A written amendment duly executed by the Parties resulting from Design-Builder submitting a GMP Proposal and the Parties agreeing to a mutually acceptable GMP. There may be more than one GMP Amendment on the Project, which may be specific to a particular Stage.

47. GMP Proposal – Design-Builder's proposal to Agency to complete Phase 2, or a portion thereof, and further described in the Contract Documents.

48. Hazardous Waste – Any substance: the presence of which requires investigation or remediation under any federal, state or local law, statute, regulation, ordinance, order, action, policy, or common law; which is or becomes defined as a "hazardous waste," "hazardous substance," pollutant, or contaminant under any federal, state or local law, statute, regulation, rule or ordinance, or amendments thereto, including, without limitations, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. ("CERCLA"), as amended,

or the Resource, Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq. ("RCRA"); which is petroleum, including crude oil or any fraction thereof not otherwise designated as a "hazardous substance" under CERCLA including, without limitation, gasoline, diesel fuel, or other petroleum hydrocarbons; which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any regulatory agency or instrumentality or the United States; the presence of which on the Site causes or threatens to cause a nuisance upon the Site or to the adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Site; the presence of which on adjacent properties could constitute a trespass by Design-Builder or Agency; or as defined in the California Health and Safety Code. For the purposes of the Contract, "Hazardous Waste" shall also include, but are not limited to, "Underground Storage Tanks." "Underground Storage Tank" shall have the definition assigned to that term by Section 9001 of RCRA, 42 U.S.C. Section 6991, and also shall include: any tank of one thousand one hundred (1,100) gallons or less capacity used for storing motor fuel; any tank used for storing heating oil for consumption on the premises where stored; any septic tank; and any pipes connected to the above items.

49. Holidays – Holidays occur on:

- New Year's Day – January 1
- Martin Luther King Jr. Day – Third Monday of January
- President's Day – Third Monday of February
- Memorial Day – Last Monday in May
- Independence Day – July 4
- Labor Day – First Monday in September
- Veteran's Day – November 11
- Thanksgiving Day – Fourth Thursday in November
- Friday after Thanksgiving
- Christmas Day – December 25
- New Year's Eve – December 31

If any Holiday listed above falls on a Saturday, Saturday and the preceding Friday are both Holidays. If the Holiday should fall on a Sunday, Sunday and the following Monday are both Holidays.

50. Key Personnel – Design-Builder's personnel identified as key to the overall success of the Project, and, at a minimum, including those positions defined as Key Personnel in Design-Builder's Proposal. Key Personnel are specifically identified in the Contract.

51. Key Subcontractor – A Subcontractor identified in Design Builder's Proposal that Design Builder contracts with to fulfill a key role in Design Builder completing the Project. If any, Key Subcontractors are identified in the Special Conditions.

52. Key Subcontractor Fee – A Key Subcontractor's fee for its home office overhead and profit applied to a Key Subcontractor's Direct Cost and General Conditions Cost, as further described in the Contract Documents. If any, the Key Subcontractor Fee is identified in the Special Conditions.

53. Liens – Charges, security interests, or encumbrances upon Project funds, or personal property, including, without limitation, Stop Payment Notices.

54. Lump Sum Price – If allowed by Agency as a substitute for a GMP, the maximum possible compensation paid by Agency to Design-Builder for the performance and completion of Work, subject to any additions or deductions as provided in the Contract Documents. There may be more than one Lump Sum Price on the Project, which may be specific to a particular Stage.

55. Milestone Date – The date upon which Design-Builder is required to complete an Early Construction Package, Work, Work Package, Stage, or particular element or component of the Project. A Milestone Date may be defined as a date certain or as a number of calendar days or working days from a Notice to Proceed or other event.

56. Notice to Proceed – A written notice given by Agency to Design-Builder fixing the date on which Design-Builder may proceed with a Phase, Early Construction Package, Early Purchase Item, GMP, Work, Work Package, Stage, or a particular element or component of the Project, and when the Contract Time will commence to run.

57. Open Book Basis – Design-Builder's provided information, including estimates and pricing, which shows all assumptions, data, and other substantiation supporting the information presented, and that allows Agency to check and verify the accuracy of the material presented. This entails all information Design-Builder used to develop the cost under consideration, including labor, fringe, benefits, equipment, materials, productivity, estimating factors, allowances, risk, contingency, indirect costs, discount rates, interest rates, inflation, insurance, bonding, fees, overhead, profit, and other items that comprise the cost.

58. Payment Bond – The labor and materials payment bond provided by Design-Builder's surety to secure the payment obligations of Design-Builder for Work, as described in and maintained pursuant to the Contract and in the form set forth in the Contract Documents.

59. Performance Bond – The performance bond provided by Design-Builder's surety to secure performance of Work, as described in and maintained pursuant to the Contract and in the form set forth in the Contract Documents.

60. Phase – Either Phase 1 or Phase 2.

61. Phase 1 – The first phase of the Project requiring Design-Builder to perform Design Work as further described in the Scope of Services.

62. Phase 1 CPM Schedule – A CPM Schedule to complete the Phase 1 Work within the Contract Time. The detailed requirements for the Phase 1 CPM Schedule are described in the Contract Documents.

63. Phase 1 Fee – The amount to be paid by Agency to Design-Builder as full compensation for performance of Phase 1 Work and completion of Phase 1, subject to any additions or deductions as provided in the Contract Documents.

64. Phase 2 – The second phase of the Project requiring Design-Builder to complete the Design Work, commence the Construction Work, and complete the Project, as further described in the Contract Documents.

65. Phase 2 CPM Schedule – A CPM Schedule to complete the Phase 2 Work on the Project within the Contract Time. The detailed requirements for the Phase 2 CPM Schedule are stated in the Contract Documents.

66. Phase 2 Price – The total price established by the Parties for Design Builder's performance of Phase 2 Work and completion of the Phase 2 Work, in accordance with the Contract Documents and as reflected in a GMP Amendment, subject to any additions or deductions as provided in the Contract Documents. There may be more than one GMP Amendment that is part of the Phase 2 Price.

67. Project – The total design, construction, and performance of the Work and all other requirements of the Contract Documents.

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68. Project Warranty – A written guarantee provided to Agency by Design-Builder that Work remains free of defects and suitable for its intended use for the period required by the Contract Documents or the longest period permitted by the law of this State, whichever is longer, as further described in the Contract Documents.

69. Punch List – A list of items for the Project, prepared by Agency, which remain to be replaced or completed in accordance with the requirements for Final Completion of Work.

70. Record Drawings – The record set of as-builts prepared by Design-Builder during the Project that reflect all changes made in the Construction Documents during Phase 2, and show the exact dimensions, geometry, and location (including alignment points) of all elements of the Work completed under the Contract Documents.

71. Reference Documents – Documents, reports, studies, or similar information related to the Project provided to Design-Builder by Agency prior to the commencement of Phase 1, including certain documents listed in the RFP. A Reference Document is not a Contract Document.

72. Request for Information or RFI – Design-Builder's written request to Agency for clarification about a Project condition.

73. Request for Proposals or RFP – The request for proposals issued by Agency for the Project that includes all documents, exhibits, attachments, and addenda thereto.

74. Safety Plan – Design-Builder's plan for health and safety in implementing the Construction Work, to be developed as part of Phase 1 in accordance with the Contract Documents.

75. Samples – Physical examples of materials, equipment, or workmanship that are representative of a portion of the Work and which establish the standards by which such portion of the Work will be judged.

76. Schedule of Submittals – A schedule, prepared and maintained by Design-Builder, of required submittals and the time requirements to facilitate scheduled performance of related construction activities.

77. Security Plan – Design-Builder's plan for security at the Site in implementing the Construction Work, to be developed as part of Phase 1 in accordance with the Contract Documents.

78. Self-Performed Construction Work – Construction Work performed by Design-Builder with its own forces in accordance with the Contract Documents.

79. Separate Contractor – A person, or firm, under a separate contract with Agency performing other work at the Project site which may affect the Work.

80. Shop Drawings – All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Design-Builder and submitted by Design-Builder to illustrate a portion of the Work.

81. Site – Lands or areas indicated in the Contract Documents as being furnished by Agency upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by Agency which are designated for the use of Design-Builder.

82. Stage – A discrete and defined portion of the Project that requires its own GMP and Milestone Date.

83. Standard of Care – The professional skill and judgement acting with due care in accordance with professional standards and the degree of care ordinarily used by members of the design or construction industry, as applicable, practicing similar services under similar conditions.

84. Stop Payment Notice – A written notice as defined in Civil Code section 8044.

85. Subcontractor Construction Cost – Any and all costs by a Subcontractor with a direct contract with Design-Builder to perform Construction Work. What constitutes Subcontractor Construction Cost is further defined in the General Conditions.

86. Subcontracted Construction Work – Construction Work performed by a Subcontractors, but not Key Subcontractors or Design-Builder, with their own forces in accordance with the Contract Documents.

87. Subcontractor – An individual or entity that has a contract with Design-Builder for performance of any portion of Work and, where applicable, any lower-tier subcontractors performing Work.

88. Submittal - Written or graphic information and physical samples prepared and supplied by Design-Builder demonstrating various portions of the Work.

89. Supplier – A manufacturer, fabricator, supplier, distributor, material man, or vendor having a direct contract with Design-Builder or with any Subcontractor to furnish materials or equipment used in the performance of the Work or to be incorporated in the Work.

90. Technical Specifications – That part of the Construction Documents consisting of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.

91. Tier – The contractual level of a Subcontractor, supplier, or consultant with respect to Design-Builder. For example, a first-tier Subcontractor is under subcontract with Design-Builder, a second-tier Subcontractor is under subcontract with a first-tier Subcontractor, and so forth.

92. Underground Facilities – All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.

93. Work – The entire design and construction, or the various separately identifiable parts thereof, required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such design and construction, and furnishing, installing, and incorporating all materials and equipment into such design and construction, all as required by the Contract Documents.

94. Work Package – A package of Work for specific scopes of the Project developed by Design-Builder as part of the Construction Documents that are self-performed by Design-Builder or awarded to a Subcontractor. A Work Package may be a discrete and defined portion of the Project that contains (or will contain) its own GMP and Contract Time for completion.

95. Work Product – All papers, maps, models, estimates, plans, specifications, calculations, designs, studies, surveys, reports, data, notes, computer files, documents, drawings, and other work product developed by Design-Builder pursuant to the Contract Documents, including, but not limited to, the Construction Documents.

1.3 Terminology.

A. The words and terms below are not defined, but, when used in the Contract Documents, have the indicated meaning.

1. The word "furnish," when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Project site (or other specified location) ready for use or installation and in usable or operable condition.

2. The word "install," when used in connection with services, materials, or equipment, shall mean to put into use or place in the final position said services, materials, or equipment, complete and ready for intended use.

3. The words "perform" or "provide," when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.

4. Regardless of whether "furnish," "install," "perform," or "provide" is used in connection with services, materials, or equipment, an obligation of Design-Builder is implied.

B. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

ARTICLE 2 - CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

2.1 Intent of Contract Documents.

A. Complementary. The Contract Documents are complementary; what is required by one is as binding as if required by all. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be designed and constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that reasonably may be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the indicated result will be provided, whether or not specifically called for, at no additional cost to Agency.

B. Completion of Work. Design-Builder shall furnish, unless otherwise provided in the Contract Documents, all materials, implements, machinery, equipment, tools, supplies, and labor necessary to the prosecution and completion of the Project. If utilities to equipment or fixtures are not shown but are necessary to operate the equipment or fixtures, the utilities service installation is considered to be part of the Work. The implied Work will conform to the appropriate sections of the Contract Documents. Organization of the Contract Documents into divisions, sections, and articles, and arrangement of drawings shall not control Design-Builder in dividing Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

2.2 Reference Standards; Interpretation of Contract Documents.

A. Standards, Specifications, Codes, Laws, and Regulations. Reference to federal specifications, federal standards, state standards, other standards, specifications, manuals, or codes of any technical society, organization, or association, or to Applicable Laws, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Applicable Laws in effect at the time of the Effective Date, and in case of Work during Phase 2, when the Parties executed a GMP Amendment, except as may be otherwise specifically stated in the Contract Documents.

B. Responsibilities. No provision of any such standard, specification, manual, or code, or any instruction of a Supplier, shall be effective to change the duties or responsibilities of Agency, Design-Builder, or any of their Subcontractors, consultants, agents, or employees, from those set forth in the Contract Documents. No such provision or instruction shall be effective to assign to Agency, or any of its officers, directors, members, partners, employees, agents, consultants, or Subcontractors, any duty or authority to supervise or direct the performance of Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

C. Provisions Required by Law. Each and every provision of law required by law to be inserted in the Contract Documents shall be deemed to be inserted herein, and the Contract Documents shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party the Contract shall be amended in writing to make such insertion or correction.

D. Interpretation of Contract Documents. Unless otherwise stated in the Contract Documents, technical words and abbreviations contained in the Contract Documents are used in accordance with commonly understood design professional and construction industry meanings; nontechnical words and abbreviations are used in accordance with their commonly understood meanings.

2.3 Order of Precedence.

A. Conflicts. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and the provisions of any standard, specification, manual, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference in the Contract Documents); or the provisions of any Applicable Laws (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Applicable Law).

B. Resolving Conflicts. In resolving conflicts among any of the Contract Documents, the order of precedence shall be as follows:

~~[INSERT ADDITIONAL DOCUMENTS OR REMOVE DOCUMENTS LISTED IF NOT APPLICABLE TO THIS CONTRACT PRIOR TO EXECUTION OF CONTRACT]~~

1. Permits from other agencies as may be required by law;
2. Change Orders, most recent first;
3. Funding Requirements;
4. GMP Amendment, most recent first;
5. Progressive Design-Build Contract;
6. Special Conditions;

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7. Construction Documents, as follows:

   a. Technical Specifications

   b. Drawings, which shall also be interpreted as follows:

      (i) Figures govern over scaled dimensions

      (ii) Detail drawings govern over general drawings

      (iii) Drawings govern over standard drawings

8. Drawings govern over Shop Drawings

9. Scope of Services;

10. General Conditions;

11. RFP and all addenda, attachments, and appendices except for Reference Documents included in the RFP;

12. Design-Builder's Proposal;

13. To the extent applicable, in the following order:

   a. Local agency standards and specifications

   b. Standard drawings

   c. Reference documents

C. Notwithstanding the orders of precedence established above, in the event of conflicts, the higher standard, higher quality, and most expensive shall always apply.

2.4 Amending and Supplementing Contract Documents.

A. The Contract Documents may be amended to provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof only by a Change Order.

B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized at no cost to Agency, by one or more of the following ways:

1. Agency's Representative's review of a Submittal, Shop Drawing, Sample, or substitution request without exception (subject to the provisions of the Contract Documents); or

2. Agency's Representative's issuance of a response to an RFI.

C. However, no review or RFI response will reduce or modify Design-Builder's obligation to fully satisfy and comply with the requirements of the Contract Documents.

2.5 Examining Contract Documents, Project Site.

A. Examining Contract Documents. Before commencing any Work on the Project, Design-Builder shall carefully examine the Contract, the Contract Documents, and other information given to Design-Builder as to Project requirements. Design-Builder shall be solely responsible for any errors, inconsistencies, or omissions in the Contract Documents if Design-Builder fails to perform such review and examination or fails to report any errors, inconsistencies, or omissions to Agency in writing.

B. Contract Documents and Conformance with Laws. Before commencing any Work on the Project, Design-Builder shall review and examine the Contract Documents for, without limitation, compliance with all Applicable Laws affecting the design and construction of the Project. In the event Design-Builder observes any violation of any Applicable Law in the Contract Document, Design-Builder shall immediately notify Agency's Representative in writing of the same and shall cause to be corrected any such violation or inconsistency in the manner provided hereunder. Design-Builder shall be solely liable for any such violations or inconsistencies if Design-Builder fails to conduct such review or notification to Agency.

C. Examination of Project Site. As part of Phase 1 and prior to a GMP Amendment, Design-Builder shall inspect and become familiar with the Site, its physical condition relevant to the obligations of Design-Builder pursuant to the Contract, including surface and subsurface conditions, normal and usual soil conditions, roads, Underground Facilities, topographical conditions and air and water quality conditions and shall, among other things, review the Contract Documents relative to the Site. Design-Builder shall be familiar with all local and other conditions which may be material to Design-Builder's performance of the Work (including transportation; seasons and climate; access, availability, disposal, handling and storage of materials and equipment; and availability and quality of labor); Design-Builder shall have received and reviewed all information regarding the Site provided to or developed by it in connection with the Work pursuant to the Contract; and Design-Builder shall have made all other Site investigations that it deems necessary to make a determination as to the suitability of the Site and to submit a GMP Proposal to Agency in accordance with the Contract Documents. The GMP Proposal shall serve as a representation by Design-Builder that, based on the foregoing, the Site constitutes an acceptable and suitable site for the Work and that the Work can be performed on the Site within the Contract Price and in accordance with the Contract Documents, including the schedule requirements of the Contract.

D. Reporting and Resolving Discrepancies. The Contract Documents are intended to be fully cooperative and complementary. Before undertaking each part of the Work, Design-Builder shall carefully study and compare the Contract Documents and check and verify pertinent figures therein and all applicable field measurements. Design-Builder shall promptly report in writing to Agency any conflict, error, ambiguity, or discrepancy which Design-Builder discovers, should have discovered, or has actual knowledge of, and shall obtain a written interpretation or clarification from Agency before proceeding with any Work affected thereby.

2.6 Ownership and Use of Construction Documents.

A. Ownership and Use. The Construction Documents, and all copies thereof, furnished to, or provided by, Design-Builder are the property of Agency. Design-Builder hereby assigns to Agency all right, title, and interest, including any copyrights, patents, or any other intellectual property rights in all Work Product and all ideas, methods, or information specifically developed as Work Product, including the Construction Documents. Design-Builder will take such steps as are necessary to perfect or protect the ownership interest of Agency in such Work Product. Upon completion, expiration, or termination of the Contract, Design-Builder shall turn over to Agency all such original Work Product in Design-Builder's possession or control. Agency shall have unlimited rights, for the benefit of Agency, in all Work Product and other Work developed in the performance of the Contract for the Project, including the right to re-use details of the Construction Documents on any other Agency work at no additional cost to Agency. Design-Builder, for a period up to five (5) years from the date of completion of the Project, agrees to furnish and to provide access to the originals or copies of all such materials immediately upon the written request of Agency. Any use or reuse by Agency of the Construction Documents on any project other than this Project without employing the services of Design-Builder shall be at Agency's own risk with respect to third parties. If Agency uses or re-uses the Construction Documents on any project other than this Project, it shall remove the Architect/Engineer of Record's seal from the Construction Documents and hold harmless Design-Builder, Architect/Engineer of Record, and their officers, directors, agents, and employees from claims arising out of the use or re-use of the Construction Documents on such other project.

B. Design Subcontractors. To the extent Design-Builder does not directly perform Design Work, Design-Builder shall acquire a license meeting the requirements of this Article 2.6 from each of its designers in order to convey the rights to Agency. Further, in the event that a Subcontractor to Design-Builder, or any other party that is not in privity with Agency under the Contract, maintains any right to a copyright or other intellectual property right in any portion of the Work Product, Design-Builder shall obtain from that party a grant of a non-exclusive and perpetual license in favor of Agency as described in Article 2.6(A) above. Design-Builder shall deliver said license to Agency prior to the Subcontractor or other design entity performing any work on the Project. Agency's obligation to compensate Design-Builder shall not commence until the license is delivered to Agency.

C. Use of Design. In accordance with Public Contract Code section 22185.5(c)(2), design professionals responsible for performing Design Work on behalf of Design-Builder shall have sole liability for their design errors and omissions, provided Agency elects to use their complete and stamped designs with subsequent design-build entities or licensed contractors.

2.7 Confidential Information.

A. No Unauthorized Disclosure. All information gained, or Work Product produced by Design-Builder in the performance of the Contract, is considered confidential unless such information is in the public domain. Design-Builder shall not release or disclose any such information or Work Product to persons or entities other than Agency without the prior written consent of Agency, except as otherwise required by law. Design-Builder shall promptly notify Agency should Design-Builder, or its representatives, receive a summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, or other discovery request or court order from any third party regarding the Contract and the Work performed under the Contract.

B. Media. Design-Builder shall not comment publicly to the press or any other media or issue any news release or public relations item of any nature whatsoever regarding the Contract without prior review of the contents thereof by Agency and receipt of Agency's written permission.

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ARTICLE 3 - INDEMNIFICATION; INSURANCE; BONDS

3.1 Indemnification.

A. General Indemnification. To the fullest extent permitted by law, Design-Builder shall immediately defend (with counsel ~~of Agency's choosing~~reasonably acceptable to Agency), indemnify and hold harmless Agency, its officials, officers, employees, agents, and authorized volunteers, and each of them from and against:

B. Any and all claims, demands, causes of action, costs, expenses, injuries, losses or liabilities, in law or in equity, of every kind or nature whatsoever, but not limited to, injury to or death, including wrongful death, of any person, and damages to or destruction of property of any person, arising out of, related to, or in any manner directly or indirectly connected with Phase 1, Phase 2, Work or the Contract, including claims made by Subcontractors for nonpayment, including without limitation the payment of all damages and attorney's fees and other related costs and expenses, however caused, regardless of whether the allegations are false, fraudulent, or groundless, and regardless of any negligence of Agency or its officials, officers, employees, agents, or authorized volunteers (including passive negligence), except such loss or damages caused by the sole negligence or willful misconduct or active negligence of Agency or its officials, officers, employees, or authorized volunteers.

1. Any and all actions, proceedings, damages, costs, expenses, fines, penalties, or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any Applicable Law, compliance with which is the responsibility of Design-Builder.

2. Any and all damages, fines, penalties, attorney's fees, and costs arising from claims under the Americans with Disabilities Act (ADA) or other federal or state disability access or discrimination laws arising during or after the Project resulting from Design-Builder's Work.

C. Design Indemnification. Design-Builder's obligation to defend, indemnify, and/or hold harmless arising out of Design-Builder's performance as a "design professional" (as that term is defined under Civil Code Section 2782.8), then, and only to the extent required under Civil Code Section 2782.8, which is fully incorporated herein, Design-Builder's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Design-Builder, and, upon Design-Builder obtaining a final adjudication by a court of competent jurisdiction, Design-Builder's liability for such claim, including the cost to defend, shall not exceed Design-Builder's proportionate percentage of fault.

D. Defense. Design-Builder shall immediately defend, at Design-Builder's own cost, expense, and risk, with the counsel of Agency choosing, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against Agency or its officials, officers, employees, agents, or authorized volunteers. Design-Builder shall pay and satisfy any judgment, award, or decree that may be rendered against Agency or its officials, officers, employees, agents, or authorized volunteers, in any such suit, action, or other legal proceeding. Design-Builder shall reimburse Agency and its officials, officers, employees, agents, and authorized volunteers for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. The only limitations on this provision shall be those imposed by Civil Code section 2782.

E. Survival, Insurance. The provisions of this Article shall survive the termination of the Contract, however caused, and no payment, partial payment, or acceptance of occupancy in whole or part of the Work shall waive or release any of the provisions of this Article. Design-Builder's obligation to indemnify and defend Agency shall not be restricted to insurance proceeds, if any, received by Agency and its officials, officers, employees, agents, and authorized volunteers.

3.2 Insurance.

A. Time for Compliance. Design-Builder shall not commence Work under the Contract until it has provided evidence to Agency that it has secured all insurance required under this Article. Design-Builder shall require and verify that all Subcontractors maintain insurance meeting all the requirements stated herein. Design-Builder shall not allow any Subcontractor to commence work on any subcontract until it has provided evidence to Agency that Subcontractor has secured all insurance required under this Article.

B. Minimum Requirements. Design-Builder shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise out of or result from the performance of the Work and Design-Builder's other obligations under the Contract Documents, whether by Design-Builder, its agents, representatives, employees, or subcontractors. Design-Builder shall also require all of its Subcontractors to procure and maintain the same insurance for the duration of the Contract and verify the Subcontractor's compliance. Design-Builder's and Subcontractor's insurance shall meet at least the minimum levels of coverage set forth in this Article:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) General Liability: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) Automobile Liability: Insurance Services Office Business Auto

Coverage form number CA 0001, code 1 (any auto) or if Design-Builder has no owned autos, non-owned, leased or hired autos Code 8 (hired) and Code 9 (non-owned); (3) Workers' Compensation and Employer's Liability: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance; (4) Installation Floater/Builder's Risk: "All Risk All Perils" form; and (5) Professional Liability/Errors and Omissions. The policies shall not contain any exclusion contrary to the Contract, including, but not limited to, endorsements or provisions limiting coverage for (1) contractual liability or (2) cross liability for claims or suits by one insured against another.

2. Minimum Limits of Insurance. Design-Builder shall maintain limits no less than:

a. For Commercial General Liability, Design-Builder shall have limits of at least the amount that corresponds to the Contract Price in the following table:

Contract Price	**Amount of Liability Insurance** (per occurrence)
Up to $2 Million	$2 Million
$2 Million - $5 Million	$3 Million
$5 Million - $10 Million	$5 Million
$10 Million - $20 Million	$10 Million
Over $20 Million	$15 Million

If Commercial General Liability Insurance or other form with general aggregate limit is used, including, but not limited to, form CG 25 03, either the general aggregate limit shall apply separately to the Project or the general aggregate limit shall be twice the required occurrence limit. Should any of the Work involve aircraft (fixed wing or helicopter) owned or operated by Design-Builder, liability insurance with limits of not less than Five Million Dollars ($5,000,000) per occurrence for bodily injury and property damage is required. Should any of the Work involve watercraft owned or operated by Design-Builder, liability insurance with limits of not less than Five Million Dollars ($5,000,000) per occurrence for bodily injury and property damage is required.

b. Automobile Liability: One Million Dollars ($1,000,000) per accident for bodily injury and property damage.

c. Workers' Compensation and Employer's Liability:

(i) Workers' Compensation: statutory limits.

(ii) Employer's Liability limits of One Million Dollars ($1,000,000) per accident for bodily injury or disease.

(iii) Should any of the Work be upon or contiguous to navigable bodies of water, Design-Builder shall carry insurance covering its employees for benefits available under the Federal Longshoremen's and Harbor Workers' Act to the extent required by law;

d. Excess/Umbrella Liability Policy may be provided to insure the total limits required for Commercial General Liability and Automobile Liability and must apply to all primary coverage afforded, including, but not limited to, general liability, owned and non-owned automobiles, leased and hired cars.

e. Professional Liability/Errors and Omissions: Two Million Dollars ($2,000,000) per claim.

3. Notices; Cancellation or Reduction of Coverage. At least fifteen (15) calendar days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with Agency. If such coverage is cancelled or materially reduced, Design-Builder shall, within ten (10) calendar days after receipt of written notice of such cancellation or reduction of coverage, file with Agency evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under the Contract does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by Agency will be promptly reimbursed by Design-Builder, or Agency may withhold amounts sufficient to pay premium from Design-Builder payments. In the alternative, Agency may suspend or terminate the Contract.

C. Insurance Endorsements. The insurance policies shall contain the following provisions, or Design-Builder shall provide endorsements on forms approved by Agency to add the following provisions to the insurance policies:

1. General Liability. The general liability policy shall include or be endorsed (amended) to state that: (1) using ISO CG forms 20 10 and 20 37 (including completed operations), or endorsements providing the exact same coverage, Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions shall be covered as additional insureds with respect to the Work or ongoing and completed operations performed by or on behalf of Design-Builder, including materials, parts or equipment furnished in connection with such work; and (2) using ISO form 20 01, or endorsements providing the exact same coverage, the insurance coverage shall be primary insurance as respects Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions, or if excess, shall stand in an unbroken chain of coverage excess of Design-Builder's scheduled underlying coverage. Any excess insurance shall contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of Agency, before Agency's own primary insurance or self-insurance shall be called upon to protect it as a named insured. Any insurance or self-insurance maintained by Agency, its officials, officers, employees, agents, and volunteers, and any other additional insureds named in the Special Conditions, shall be excess of Design-Builder's insurance and shall not be called upon to contribute with it in any way.

2. Automobile Liability. The automobile liability policy shall include or be endorsed (amended) to state that: (1) Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by Design-Builder or for which Design-Builder is responsible; and (2) the insurance coverage shall be primary insurance as respects Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions, or if excess, shall stand in an unbroken chain of coverage excess of Design-Builder's scheduled underlying coverage. Any insurance or self-insurance maintained by Agency, its officials, officers, employees, agents, and volunteers, and any other additional insureds named in the Special Conditions, shall be excess of Design-Builder's insurance and shall not be called upon to contribute with it in any way.

3. Workers' Compensation and Employer's Liability Coverage. The insurer shall agree, using WC 00 03 13 or the exact equivalent, to waive all rights of subrogation against Agency, its officials, officers, employees, agents, and volunteers, and any other additional insureds named in the Special Conditions for losses paid under the terms of the insurance policy.

4. Professional Liability/Errors and Omissions. Professional Liability Insurance insuring the Design-Builder, Design Firm, their officers, directors, stockholders, employees, agents, or partner, and all other persons for whose acts the Design-Builder or Design Firm may be liable, against any and all liabilities arising out of or in connection with the negligent acts, errors or omissions of any of the foregoing in connection with the carrying out of their professional responsibilities described in the Contract. Professional Liability Insurance shall remain in full force and effect, and shall be so certified to Agency by the insurer, for a period of five (5) years after the completion of all of Design-Builder's services hereunder and Agency's acceptance of the Project. All Subcontractors performing professional services shall have professional liability insurance with the same limits (additional requirements for Professional Liability/Errors and Omissions Insurance written on a "claims made" basis are set forth below).

5. All Coverages. Each insurance policy required by the Contract shall be endorsed to include the following provisions:

   a. coverage shall not be suspended, voided, reduced, or canceled except after thirty (30) calendar days [ten (10) calendar days for nonpayment of premium) prior written notice by mail has been given to Agency and all additional insureds.

   b. any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to Agency and any other additional insureds.

   c. standard separation of insureds provisions.

   d. no special limitations on the scope of protection afforded to Agency, its officials, officers, employees, agents, and volunteers, and any other additional insureds named in the Special Conditions.

e. waiver of any right of subrogation of the insurer against Agency, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Design-Builder or others providing insurance in compliance with these specifications to waive their right of recovery prior to a loss. By signing this agreement, Design-Builder hereby waives its own right of recovery against Agency or any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its Subcontractors.

D. Builder's Risk ["All Risk"]

1. It is Design-Builder's responsibility to maintain or cause to be maintained Builder's Risk ["All Risk"] extended coverage insurance on all work, material, equipment, appliances, tools, and structures that are or will become part of the Work and subject to loss or damage by fire, and vandalism and malicious mischief, in an amount to cover one hundred percent (100%) of the replacement cost. Agency accepts no responsibility for the Work until the Work is formally accepted by Agency. Design-Builder shall provide a certificate evidencing this coverage before commencing performance of the Work.

2. The named insureds shall be Design-Builder, all Subcontractors of any Tier (excluding those solely responsible for Design Work), suppliers, and Agency, its elected officials, officers, employees, agents, and authorized volunteers, as their interests may appear. Design-Builder shall not be required to maintain property insurance for any portion of the Work following acceptance by Agency.

3. Policy shall be provided for replacement value on an "all risk" basis. There shall be no coinsurance penalty provision in any such policy. Policy must include: (1) coverage for any ensuing loss from faulty workmanship, nonconforming work, omission or deficiency in design or specifications; (2) coverage against machinery accidents and operational testing; (3) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (4) transit coverage, including ocean marine coverage (unless insured by the supplier), with sub-limits sufficient to insure the full replacement value of any key equipment item; and (5) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Site. Such insurance shall be on a form acceptable to Agency to ensure adequacy and sublimit.

4. In addition, the policy shall meet the following requirements:

   a. Insurance policies shall be so conditioned as to cover the performance of any extra work performed under the Contract.

   b. Coverage shall include all materials stored on site and in transit.

   c. Insurance shall include boiler, machinery, and material hoist coverage.

   d. Agency shall be named loss payee.

E. Pollution Liability Insurance. Pollution Liability Insurance is required should any of the Project involve pollutants. Liability coverage shall include coverage for the environmental risk associated with the project and expenses related to such, including bodily injury, property damage, on- and off-site clean-up, transporting, carrying, or storing pollutants, coverage for non-owned disposal site in an amount not less than that set forth in the Special Conditions. Pollutants include, but are not limited to, asbestos, mold, microbial matter, solid, liquid, gaseous, or thermal irritants or contaminants, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

F. Partial Utilization, Acknowledgement of Property Insurer. If Agency finds it necessary to occupy or use a portion or portions of the Project prior to Completion of all the Work, no such use or occupancy shall commence before the insurers providing the property insurance have acknowledged notice thereof and, in writing, effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy.

G. Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by Agency. Design-Builder shall guarantee that, at the option of Agency, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects Agency, its officials, officers, employees, agents, and volunteers and any other additional insureds named in the Special Conditions; or (2) Design-Builder shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

H. Claims Made Policies. Claims-made policies are not acceptable other than for Professional Liability. In addition to the requirements above, for any claims made policy: The Retroactive Date must be shown and must be before the date of the Contract or the beginning of contract work; Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after Agency's acceptance of the Work; and If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, Design-Builder must purchase "extended reporting" coverage for a minimum of five (5) years after Agency's acceptance of the Work.

I. Subcontractor Insurance Requirements. Design-Builder shall not allow any Subcontractors to commence work on any subcontract relating to the Work until Design-Builder has verified that all Subcontractors maintain insurance meeting all requirements under this Section and has provided evidence to Agency of such insurance. For Commercial General Liability coverage, Subcontractors shall provide coverage naming Agency, its officials, officers, employees, agents, and volunteers with a format at least as broad as CG 20 38 04 13. If requested by Design-Builder, Agency may approve different scopes or minimum limits of insurance for particular Subcontractors. Design-Builder shall confirm that Agency shall be named as additional insureds on all Subcontractors' policies of Commercial General Liability Insurance and Commercial Automobile Insurance.

J. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VIII, licensed to do business in California, and satisfactory to Agency.

K. Verification of Coverage. Design-Builder shall furnish Agency with original certificates of insurance and endorsements affecting coverage required by the Contract on forms satisfactory to Agency. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by Agency before work commences. Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

L. Reservation of Rights. Agency reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

3.3 Performance Bond and Payment Bond.

A. Generally. Prior to Design-Builder's commencement of Phase 2 Work, Design-Builder shall submit a Performance Bond and a Payment Bond on the forms provided with the Contract Documents, duly executed by a responsible corporate surety admitted to transact surety business in the State of California, as defined in Code of Civil Procedure section 995.120, and listed in the United States Department of the Treasury circular entitled "Companies Holding Certificates of

Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies," authorized to do business in the State of California and acceptable to Agency conditioned upon the faithful performance by Design-Builder of all requirements of the Contract Documents. The obligations of the Performance Bond surety shall continue so long as any obligation of Design-Builder remains. Nothing herein shall limit Agency's rights or Design-Builder's or surety's obligations under the Contract, law, or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

B. Amount of Bonds. The Performance Bond and Payment Bond shall be in a sum no less than one hundred percent (100%) of the Contract Price. Agency will not make payment to Design-Builder until the bonds have been approved by Agency. The bonds shall provide that no change or alteration of the Contract (including, without limitation, an increase in the Contract Price), extensions of time, or modifications of the time, terms, or conditions of payment to Design-Builder will release the surety. If Design-Builder fails to furnish any required bond, Agency may terminate the Contract for cause.

C. Monitoring of Sureties. Design-Builder shall be responsible throughout the Project for monitoring the financial condition of any surety issuing bonds under the Contract and for making inquiries no less often than annually to confirm that each such surety complies with the qualification requirements specified in this Article. In the event any surety is declared bankrupt or becomes insolvent or has the rights to do business in the state terminated, Design-Builder shall promptly notify Agency of such event and shall promptly take steps to ensure continued compliance with this Article by furnishing or arranging for the furnishing of a substitute or additional bond of a surety whose qualifications satisfy all the above requirements.

D. Insufficient Bonds. Should, in Agency's sole opinion, any bond become insufficient or surety found to be unsatisfactory, Design-Builder shall renew or replace the affected bond within ten (10) calendar days of receiving notice from Agency. In the event the surety or Design-Builder intends to reduce or cancel any required bonds, at least thirty (30) calendar days prior written notice shall be given to Agency, and Design-Builder shall post acceptable replacement bonds at least ten (10) calendar days prior to expiration of the original bonds. No further payments shall be deemed due or Agency will not make payment under the Contract until any replacement bonds required by this Article are accepted by Agency.

ARTICLE 4 - AGENCY RESPONSIBILITIES

4.1 Availability of Site.

A. Furnishing Site. Agency shall furnish the Project site. Agency shall notify Design-Builder of any encumbrances or restrictions not of general application but specifically related to use of the Project site with which Design-Builder must comply in performing the Work. Agency will obtain in a timely manner and pay for easements for permanent structures or permanent changes in existing facilities. Design-Builder shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

4.2 Administration of the Contract by Agency.

A. Generally. Agency's Representative shall have the right to review Design-Builder's Work at such intervals as deemed appropriate by Agency's Representative. No actions taken during such review or site visit by Agency's Representative shall relieve Design-Builder of any of its obligations of single point responsibility for the design and construction of this Project. Agency's Representative will not have control over, will not be in charge of, and will not be responsible for design or construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work on the Project, these are solely Design-Builder's responsibility.

B. Communication. Except as otherwise provided in the Contract Documents or when direct communications have been specifically authorized by Agency, Agency and Design-Builder shall communicate through Agency's Representative. Communications by Design-Builder with Agency's consultants shall be through Agency's Representative. Communications by Agency and Agency's Representative with Subcontractors will be through Design-Builder. Communications by Design-Builder and Subcontractors with Separate Contractors shall be through Agency's Representative. Design-Builder shall not rely on oral or other non-written communications.

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C. Authority. Agency's Representative will have the authority to reject Work on the Project, or any portion thereof, which does not conform to the Contract Documents. Agency's Representative will have the authority to stop Work on the Project, or any portion thereof. Whenever Agency's Representative considers it necessary, or advisable, for implementation of the intent of the Contract Documents, Agency's Representative will have the authority to require additional inspection or testing of the Work on the Project in accordance with the Contract Documents, whether or not such Work is fabricated, installed, or completed. Agency's Representative will have the authority to conduct inspections in connection with beneficial occupancy and to determine the dates of Project completion; and will receive for review and approval any records, written warranties, and related documents required by the Contract Documents and assembled by Design-Builder. However, no authority of Agency's Representative conferred by the Contract Documents nor any decision made in good faith either to exercise, or to not exercise such authority, will give rise to a duty or responsibility of Agency or Agency's Representative to Design-Builder, or any person or entity claiming under, or through, Design-Builder.

D. Interpretation. Agency's Representative will be, in the first instance, the interpreter of the requirements of the Contract Documents and the judge of performance thereunder by Design-Builder. Should Design-Builder discover any conflicts, omissions, or errors in the Construction Documents or the Contract Documents; have any questions about the interpretation or clarification of the Contract Documents; question whether Work is within the scope of the Contract Documents; then, before proceeding with the Work affected, Design-Builder shall notify Agency's Representative in writing and request interpretation, or clarification. Agency's Representative's response to questions and requests for interpretations, clarifications, instructions, or decisions will be provided with reasonable promptness. Should Design-Builder proceed with the Work affected before receipt of a response from Agency's Representative, any portion of the Work on the Project which is not done in accordance with Agency's Representative's interpretations, clarifications, instructions, or decisions shall be removed or replaced, and Design-Builder shall be responsible for all resultant losses. Nothing herein shall limit Design-Builder's responsibility for Design-Builder's errors or omissions in preparing the Construction Documents.

ARTICLE 5 - DESIGN-BUILDER'S RESPONSIBILITIES

5.1 General Responsibilities.

A. Generally. Design-Builder agrees that it has single-point responsibility for the design and construction of this Project. Unless otherwise provided in the Contract Documents, Design-Builder shall provide and pay for all professional design or engineering services, services, labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work on the Project, whether temporary or permanent and whether or not incorporated or to be incorporated in Work on the Project. Design-Builder shall supervise, coordinate, and direct all Work on the Project using Design-Builder's best skill and attention and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Design-Builder shall be solely responsible for, and have control over, the entire design effort, construction means, methods, techniques, sequences, procedures, and the coordination of all portions of Work on the Project. Design-Builder shall be responsible to Agency for acts and omissions of Design-Builder, its agents, employees, and Design Firm and Subcontractors, and their respective agents and employees. Design-Builder agrees to furnish efficient business administration and capable supervision, and to use every effort to keep upon the work an adequate supply of workmen and materials in order to secure its execution in the most expeditious and economical manner consistent with Agency's best interests. Design-Builder has the duty to act in Agency's best interests at all times throughout the course and performance of the Contract. If Design-Builder performs any design and/or construction activity that it knows, or should know, involves an error, inconsistency, or omission, without notifying and obtaining the written consent of Agency's Representative, Design-Builder shall be responsible for the resultant losses, including, without limitation, the costs of correcting Defective Work.

B. Applicable Laws. Design-Builder shall give all notices required by and shall comply with all Applicable Laws applicable to the performance of the Work. Except where otherwise expressly required by Applicable Laws, neither Agency nor Agency's Representative shall be responsible for monitoring Design-Builder's compliance with any Applicable Laws. If Design-Builder performs any Work knowing or having reason to know that it is contrary to Applicable Laws, Design-Builder shall bear all claims, costs, losses, and damages (including, but not limited to, all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work.

C. Governmental Approvals. Agency will not be liable for Design-Builder's failure to obtain, maintain, and comply with all Governmental Approvals. All fines and fees assessed by Governmental Bodies because of said failures shall be Design-Builder's responsibility. In the event Agency is assessed with any fines or fees related to Design-Builder's failure to comply with the requirements set forth in this Article, the amount of fees or fines will be deducted from the Contract Price.

D. Standard of Care. Design-Builder's performance shall be consistent with the standards set forth in the Contract and the General Conditions. Design-Builder represents that it is fully experienced and properly qualified to perform the class of Work provided for in the Contract and that it is properly licensed, equipped, organized, and financed to perform Work on the Project. Design-Builder warrants to Agency that all Work shall be performed in accordance with the Standard of Care. Design-Builder shall perform the Work in accordance with the Standard of Care, the terms hereof, and Applicable Law. Design-Builder warrants that the Work will be of the highest quality and free from defects and that all Work will conform with the requirements of the Contract Documents. Design-Builder shall perform, at its own cost and expense and without reimbursement from Agency, any services necessary to correct errors or omissions which are caused by Design-Builder's failure to comply with the Standard of Care.

E. Independent Contractor. Design-Builder shall be responsible to Agency for acts and omissions of Design-Builder, their employees, Subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of Work on the Project under direct or indirect contract with Design-Builder or any of its Subcontractors. Design-Builder in the performance of the Contract shall be and act as an independent contractor. Design-Builder understands and agrees that it and all of its employees shall not be considered officers, employees, agents, partner, or joint venture of Agency, and are not entitled to benefits of any kind or nature normally provided employees of Agency or to which Agency's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Design-Builder shall assume full responsibility for payment of all federal, state, and local taxes or contributions, including unemployment insurance, social security, and income taxes with respect to Design-Builder's employees. In the performance of the Work, Design-Builder is an independent contractor or business entity, with the sole authority for controlling and directing the performance of the details of Design-Builder's Work, Agency being interested only in the results obtained.

F. Progress Meetings. During Phase 2, Design-Builder shall schedule and hold regular progress meetings at least weekly and at other times as requested by Agency's Representative or as required by progress of the Work. Design-Builder and Agency shall attend each meeting. Design-Builder may at its discretion request attendance by representatives of its Subcontractors, Suppliers, or manufacturers. Agency's Representative will preside at the progress meetings and will arrange for keeping and distributing the minutes. The purpose of the meetings is to review the progress of the Work, maintain coordination of efforts, discuss changes in scheduling, and resolve other issues that may develop. During each meeting, Design-Builder shall present any issues which may impact its progress with a view to resolve these issues expeditiously.

G. Permits and Licenses. Unless otherwise agreed to by the Parties, Agency will apply and pay for the review of necessary encroachment permits for Work within the public rights-of-way. All other necessary permits and licenses necessary for prosecution of the Work shall be secured and paid for by Design-Builder, including, but not limited to, permits, licenses, and fees required by a Governmental Body, otherwise expressly provided by the Contract Documents. Design-Builder shall arrange and pay for all off-site inspections of the Work related to permits and licenses, including certification, required by the Contract Documents or by Governmental Bodies, except for such off-site inspections delineated as Agency's responsibility pursuant to the Contract Documents. Before completion of the Project, Design-Builder shall submit all licenses, permits, certificates of inspection, and required approvals to Agency.

H. Taxes. Design-Builder shall pay all sales, consumer, use, and other similar taxes required to be paid in accordance with the Applicable Laws of the place of the Project, which are applicable during the performance of the Work.

I. Patent Fees and Royalties. Design-Builder shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. To the fullest extent permitted by Applicable Laws, Design-Builder shall indemnify, defend, and hold harmless Agency and Agency's Representative, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents or specified in the Contract Documents and identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.

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5.2 Design Work.

A. Generally. Design-Builder is responsible for the design and construction of the Project and shall perform this work according to the Standards of Care. Design-Builder shall be solely responsible for any and all design errors, including, but without limitation, errors, inconsistencies, or omissions in the Construction Documents. Design-Builder shall take field measurements, verify field conditions, and carefully compare with the Contract Documents such field measurements, conditions, and other information known to Design-Builder before commencing Work on the Project. Errors, inconsistencies, or omissions discovered at any time shall be promptly reported in writing to Agency's Representative.

B. Construction Documents.

1. Generally. Design-Builder shall furnish design, architectural, and engineering services for the preparation of Construction Documents necessary to complete the Project in accordance with the requirements of the Contract Documents. The Construction Documents shall provide information customarily necessary in documents for projects of similar size, complexity, and quality. The Construction Documents shall include all information required to complete the construction of the Project, other than such details customarily developed by others during construction. Design-Builder is required to deliver to Agency, if requested, any and all Construction Documents and Work Product including, but not limited to, calculations, preliminary drawings, construction drawings, shop drawings, electronic media data, tenant improvement documents, sketches, illustrations, specifications, descriptions, models, mock ups, and other information developed, prepared, furnished, or delivered in the prosecution of the Design Work.

2. Submittal and Review of Construction Documents. Design-Builder shall submit completed packages of the Construction Documents for review by Agency at the times indicated on the Phase 1 CPM Schedule and as defined in the Scope of Services. Design-Builder will conduct these design meetings with Agency in accordance with the schedule approved by Agency. Agency's review of the Construction Documents shall be conducted in accordance with procedures set forth in the Contract Documents. Such review shall not relieve Design-Builder from its responsibilities under the Contract. Such review shall not be deemed an approval or waiver by Agency of any deviation from, or of Design-Builder's failure to comply with, any provision or requirement of the Contract Documents. The production and review of Construction Documents may be a continuing process with portions thereof completed at different times. Once approved by Agency, the Construction Documents become a part of the Contract Documents and define the

entire scope of Work. Design-Builder shall certify that the Construction Documents are in full compliance with the Contract Documents, except as noted.

C. Field Engineering. Design-Builder shall retain and pay expenses of a civil engineer or land surveyor to establish on the Project site the required reference points and benchmarks, establish building lines and elevations, check for building framing, plumbness, and establish on building frame the required basic grid lines. The engineer or land surveyor shall be properly licensed in the State of California. Design-Builder shall locate and protect control points prior to starting Work on the Project site and preserve permanent reference points during construction, and shall require the engineer or surveyor to replace control points that become lost or destroyed.

D. Reference Documents. Agency will provide Reference Documents, if any, to the Design-Builder. The Reference Documents are provided for information only and are not Contract Documents. The Reference Documents were not prepared to support the design or construction of the Project, and Agency does not represent, warrant, or guarantee the accuracy or completeness of the Reference Documents. Design-Builder shall perform its own independent site investigations in accordance with the requirements of the Contract Documents necessary to design the Project. Notwithstanding anything in the Contract Documents, Design-Builder's reliance on any Reference Documents or any other information provided to Design-Builder by Agency that is not included in a Contract Document shall not be a basis for increases to the Contract Price or Contract Time, nor shall it result in any Claims against Agency, including, but not limited to, for a Differing Site Condition.

E. Geotechnical and Survey. Agency may provide a geotechnical report to Design-Builder. Unless expressly stated otherwise in the Contract Documents, the geotechnical report shall be considered a Reference Document and not a Contract Document. The geotechnical report shall be informational only and may not be relied upon by Design-Builder to form its basis of design. Design-Builder shall be responsible for obtaining its own geotechnical report, which includes supporting data, findings, and recommendations; and with a legal description and a project survey, as necessary, which shall become a part of the Contract Documents. The Design Work shall be consistent with both the findings and recommendations of Design-Builder's geotechnical report and legal description and Project survey, or such other geotechnical recommendations obtained by Design-Builder at its sole cost and expense. Design-Builder shall verify the location and depth (elevation) of all existing utilities and services before performing any excavation work. Any additional tests, borings, or other work necessary to support the Construction Documents shall be the responsibility of Design-Builder.

5.3 Staffing of Project.

A. Generally. Design-Builder and each Subcontractor shall: furnish a competent and adequate staff as necessary for the proper administration, coordination, supervision, and superintendence of its portion of the Work on the Project; organize the procurement of all materials and equipment so that the materials and equipment will be available at the time they are needed for the Work; and keep an adequate force of skilled and fit workers on the job to complete all Work on the Project in accordance with all requirements of the Contract.

B. Employment of Workers. Design-Builder shall comply with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all Subcontractors and consultants to comply with the same. Each person executing the Contract on behalf of Design-Builder verifies that he or she is a duly authorized officer of Design-Builder and that any of the following shall be grounds for Agency to terminate the Contract for cause: (1) failure of Design-Builder or its Subcontractors or consultants to meet any of the requirements provided for in this Article; (2) any misrepresentation or material omission concerning compliance with such requirements; or (3) failure to immediately remove from the Work any person found not to be in compliance with such requirements.

C. Competent Workers. Design-Builder shall at all times enforce strict discipline and good order among its employees. Design-Builder shall not employ on the Project any unfit person or anyone not skilled in the services assigned to him or her. Any person in the employ of Design-Builder whom Agency may deem incompetent or unfit, at its sole discretion, shall be dismissed from performing services and shall not be employed on the Project. The Agency is required to give the Design-Builder three (3) days written notice with an explanation of the reasons for the dismissal.

D. Supervision. Design-Builder shall continuously keep at the Project site, a competent and experienced full-time Project superintendent acceptable to Agency. Superintendent must be able to proficiently speak, read, and write in English and shall have the authority to make decisions on behalf of Design-Builder.

E. Key Personnel.

1. Removal of Key Personnel. Design-Builder acknowledges the quality and qualifications of the Key Personnel were important and material factors in Agency's selection of Design-Builder for the Project. Design-Builder and Agency agree that the services of the Key Personnel are a material term of the Contract Documents. Design-Builder will not remove any of its Key Personnel from their respective role on this Project without the express written consent of Agency. If, for any reason except for death, disability, or voluntary departure by person from employment, an individual identified as Key Personnel ceases to perform the duties of a Key Personnel, Agency may terminate the Contract for material breach by Design-Builder.

2. Replacing Key Personnel. Any Key Personnel change shall be proposed to Agency with reasonable advance notice for its review and approval. Upon written notice by Agency to Design-Builder, Design-Builder shall replace Key Personnel within sixty (60) calendar days if Key Personnel fails to perform to the sole satisfaction of Agency. Any replacement of Key Personnel shall meet the qualifications in the RFP for the applicable role, and Agency shall have the sole discretion to determine whether the Key Personnel replacement is qualified. If the Key Personnel replacement is not qualified, as determined in the sole discretion of Agency, Design-Builder shall propose a new Key Personnel replacement to Agency. Design-Builder shall be responsible for any and all costs related to replacing any Key Personnel, including any costs to acquaint themselves with the Project. Key Personnel for any Key Subcontractor are subject to all conditions in these Contract Documents.

5.4 Subcontractors.

A. Subcontracting Generally.

1. Licenses. Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. All Subcontractors performing Construction Work shall possess a valid contractor license as required by Applicable Law for the classification required for the work to be performed by Subcontractors at the commencement of the Construction Work and throughout the duration of the Work.

2. Responsibility for Subcontractors. All subcontracted Work shall be performed under written subcontracts. Design-Builder agrees to bind every Subcontractor to the terms of the Contract Documents as far as such terms are applicable to Subcontractor's portion of the Work. Design-Builder shall be as fully responsible to Agency for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by its Subcontractors, as Design-Builder is for acts and omissions of persons directly employed by Design-Builder. Nothing contained in these Contract Documents shall create any contractual relationship between any Subcontractor and Agency. Subcontracts entered into by Agency for the performance of the Work shall neither supersede nor abrogate any of the terms or provisions of the Contract.

3. Claims. Design-Builder shall be responsible for settling and resolving all claims with Subcontractors. Design-Builder shall provide to Agency, promptly following the receipt thereof, copies of any notice of default, breach or non-compliance received under or in connection with any subcontract that may have a material and adverse effect on performance by Design-Builder of its obligations under the Contract Documents.

4. Payment. Design-Builder shall pay or cause to be paid to all Subcontractors all amounts due in accordance with their respective subcontracts and the requirements of this Article and Applicable Law. No Subcontractor shall have any right or claim against Agency for labor, services, materials or equipment furnished for the Project. Design-Builder acknowledges that its indemnity obligations under the Contract shall extend to all claims for payment or damages by any Subcontractor who furnishes or claims to have furnished any labor, services, materials or equipment in connection with the Project. Design-Builder shall, at Agency's request, furnish satisfactory evidence that all obligations of the nature designated above in this Article have been paid, discharged or waived. If Design-Builder fails to do so Agency may, after having notified Design-Builder, withhold from Design-Builder's unpaid compensation a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged whereupon payment to the Design-Builder will be resumed in accordance with the terms of the Contract, but in no event shall the provisions of this sentence be construed to impose any obligations upon Agency to either Design-Builder, the surety or any third party.

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

5. Assignment. Each subcontract agreement shall include a provision that allows for an irrevocable assignment of the subcontract to Agency, solely at Agency's election and without cost or penalty. The provision shall indicate that Agency's acceptance of the assignment shall not affect any obligations of the Subcontractor's performance or payment bond surety. Assignment may only occur upon one of the following events: (i) termination of this Contract by Agency; (ii) termination of Design-Builder's right to proceed with the Work; or (iii) any other event expressly identified in this Contract that permits Agency to complete the Work through others. Agency may accept the assignment by delivering written notice to Design-Builder and Subcontractor.

B. Subcontracting Design Work.

1. Identified in Proposal. Design-Builder shall perform the Design Work with resources available within its own organization and no portion of the Design Work shall be subcontracted without written authorization by Agency, except for the authorized Design Firm or as expressly identified in Design-Builder's Proposal.

2. Agency Approval. Design-builder may request to have a design professional perform Design Work that is not expressly identified in the Proposal by requesting written approval from Agency. The request shall include, among other things, the scope of Design Work performed by the design professional and the design professionals qualifications. Agency may accept the request or may reject any proposed design professional as unsuitable, unqualified, not responsible, having a conflict of interest, or that Agency otherwise object to performing Design Work on the Project.

C. Substitution of Subcontractors.

1. Subcontractors Performing Design Work. Design-Builder shall not substitute a Subcontractor performing Design Work except with Agency's express written authorization.

2. Subcontractors Performing Construction Work. Subcontractors performing Construction Work shall be afforded the protections of the Subletting and Subcontracting Fair Practices Act (Public Contract Code sections 4100 *et seq*.). Design-Builder shall not substitute Subcontractors that are awarded a contract pursuant to the above process, except in accordance with the Subletting and Subcontracting Fair Practices Act. Design-Builder may substitute a Subcontractor without following the Subletting and Subcontracting Fair Practices Act that Design-Builder procures through a noncompetitive procurement. Design-Builder shall

not substitute in a Subcontractor for Self-Performed Construction Work except with Agency's express written authorization.

3. All Subcontractor Substitution. Agency will not grant an increase to a GMP or grant an extension of Contract Time as a result of a substitution of any Subcontractor.

D. Dismissal of Subcontractors.

1. Subcontractor. Agency reserves the right to order Design-Builder to dismiss any Subcontractor and to terminate any subcontract if, in Agency's opinion, the Subcontractor fails to comply with the requirements of the Contract Documents insofar as the same may be applicable to the Subcontractor's Work. Nothing herein contained shall create any contractual relation between any Subcontractor and Agency or relieve Design-Builder of any liability or obligation hereunder for, among other things, its Subcontractor's Work. The Agency is required to give the Design-Builder three (3) days written notice with an explanation of the reasons for the dismissal.

2. Staff Member of Subcontractor. If at any time during the Project, Agency reasonably determines that the performance of any member of Subcontractor's staff performing Work is unsatisfactory, Agency may require Design-Builder to remove such staff member immediately and replace the staff member at no cost or penalty to Agency. The Agency is required to give the Design-Builder three (3) days written notice with an explanation of the reasons for the removal.

3. No Increase in Price, Time. Agency will not grant an increase to a GMP or grant an extension of the Contract Time in the event of a dismissal of any Subcontractor ~~,~~ pursuant to the above conditions.

5.5 Safety Requirements.

A. General Safety Requirements. Design-Builder shall be solely responsible for all safety precautions and programs in connection with the Project. Design-Builder shall comply with all Applicable Laws relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Design-Builder shall take all reasonable precautions for the health and safety of, and shall provide all reasonable protection to prevent damage, injury, or loss to all employees on the Site and all other persons who may be affected thereby. Design-Builder shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in

accordance with Applicable Laws. Design-Builder shall notify owners of adjacent property and utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property. Design-Builder shall maintain emergency first aid treatment for its employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 *et seq*.), and California Code of Regulations, Title 8, Industrial Relations Division 1, Department of Industrial Relations, Chapter 4. Design-Builder shall ensure the availability of emergency medical services for its employees in accordance with California Code of Regulations, Title 8, Section 1512.

B. Safety Manager. Design-Builder assumes responsibility for implementing and monitoring all health and safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing Work, designate an individual with the qualifications and experience necessary to supervise the implementation and monitoring of all health and safety precautions and programs related to the Work. The health and safety manager shall be an individual stationed full-time at the Site and who shall have no other responsibilities with respect to the Project other than supervising the implementation and monitoring of all health and safety precautions and programs related to the Work.

C. Safety Inspections and Meetings. Design-Builder is solely responsible to inspect, survey, and assess the Site and identify the existence of all permit-required confined spaces and non-permit confined spaces and comply with applicable OSHA regulations and standards. Design-Builder's Site assessment shall begin upon the initiation of Work and continue throughout the duration of the Project. The health and safety manager shall make routine daily inspections of the Site and shall hold weekly health and safety meetings with Design-Builder's personnel, Subcontractors, and others, as applicable.

D. Safety Plan. Design-Builder shall submit a Safety Plan that includes, among other things, an illness and injury prevention program and a Site specific safety program to Agency prior to beginning Work. The Safety Plan shall include, but not be limited to, worker safety, electrical safety, lock-out/tag-out, arc flash safety personal protection equipment while working in vicinity of energized electrical equipment, hazard communication, fire protection plan, emergency access plan, health and safety inspections of mechanized equipment, machinery, hoists, cranes, scaffolding, excavations, shoring, and related items. Design-Builder shall maintain a confined space program that meets or exceeds Applicable Law. Design-Builder needs to make themselves aware of Agency's safety policies and procedures, and shall meet or exceed all Agency standards in areas where Agency must enter to perform inspections.

E. Safety Compliance Requirements. Design-Builder shall, and shall cause all Subcontractors to, comply with: (1) all Applicable Law relating to safety; (2) the Safety Plan; and (3) any Agency health and safety requirements. Design-Builder shall immediately report (no later than within twelve (12) hours after its occurrence), in writing, any health and safety-related injury, loss, damage, accident, or near miss arising from the Work to Agency's Representative and, to the extent mandated by Applicable Law, to any Governmental Body having jurisdiction over health and safety-related matters involving the Project. Agency shall have the right to suspend any or all Work if Design-Builder fails to comply with its obligations hereunder without any requirements of increasing the Contract Price or Contract Time.

F. Emergencies. Design-Builder shall develop an emergency response plan in accordance with the Contract Documents. The emergency response plan shall establish the protocols for Design-Builder in dealing with emergencies impacting the performance of the Work and ensure there is sufficient response to any medical or fire emergency, such as injury to an employee or a wildfire at the Site. The emergency response plan shall be subject to the approval of Agency. In case of an emergency that threatens immediate loss or damage to property or the health and safety of life, Design-Builder shall act immediately to prevent threatened loss, damage, injury, or death. Design-Builder shall notify Agency's Representative of the situation and all actions taken immediately thereafter. Prior to commencing Construction Work and at all times during the performance of the Work, Design-Builder shall provide Agency with 24-hour emergency phone numbers where its representatives can be contacted. When Agency has been notified of emergency situations requiring, in Agency's reasonable opinion, immediate attention and rectification, Agency will so notify Design-Builder. In the event Design-Builder fails to commence actions to prevent threatened loss, damage, injury, or death immediately after notification from Agency, Agency may take all appropriate rectification actions and deduct the costs thereof from monies owed to Design-Builder.

5.6 Security.

A. Security Generally. Design-Builder shall be responsible for the security and protection of the Project and the Site, including any security requirements set forth in the Contract Documents. Design-Builder shall guard against all damage or injury to such properties caused by trespass, negligence, vandalism, or malicious mischief of third parties, and shall operate, maintain, repair, and replace all surveillance and other security equipment and assets constituting fixtures of the Project in accordance with the Contract Documents. Design-Builder shall comply with, and cause all Subcontractors to comply with, all terms and conditions related to security.

B. Security Plan. Design-Builder shall provide, for Agency's review and comment, a Security Plan, prepared in accordance with the Contract Documents. Design-Builder shall not perform any Construction Work until Agency has reviewed and commented on the Security Plan. Design-Builder shall provide a final Security Plan, having addressed any comments provided by Agency, as a pre-condition to Construction Work.

5.7 Hazardous Waste.

A. Hazardous Waste Introduced by Design-Builder. Agency shall not be responsible for any Hazardous Waste brought to the site by Design-Builder. If Design-Builder: (i) introduces and/or discharges a Hazardous Waste onto the Site in a manner not specified by the Contract Documents; and/or (ii) disturbs a Hazardous Waste identified in the Contract Documents, Design-Builder shall hire a qualified remediation contractor at Design-Builder's sole cost to eliminate the condition as soon as possible. Under no circumstances shall Design-Builder perform Work for which it is not qualified. Agency, in its sole discretion, may require Design-Builder to retain at Design-Builder's cost an independent testing laboratory.

B. Encountering Hazardous Waste. If Design-Builder encounters Hazardous Waste which may cause foreseeable injury or damage, Design-Builder shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such material or substance (except in an emergency situation); and (iii) notify Agency (and promptly thereafter confirm such notice in writing). Design-Builder shall contract for any services required to directly remove and/or abate Hazardous Waste, if required. The Work in the affected area shall not thereafter be resumed except by written agreement of Agency and Design-Builder.

C. Hazardous Waste Indemnification. Design-Builder shall indemnify, defend, and hold harmless Agency from and against claims, damages, losses, and expenses arising from Hazardous Waste on the Site, if such Hazardous Waste was brought to the Site by Design-Builder. Nothing in this paragraph shall obligate Design-Builder to indemnify Agency in the event of the sole or active negligence or willful misconduct of Agency, its officers, agents, or employees.

5.8 Water Quality Management and Compliance.

A. Storm Water. Storm, surface, ground, nuisance, or other waters may be encountered at various times during construction of the Project. Design-Builder hereby acknowledges that it has investigated the risk arising from such waters, has prepared a GMP accordingly, and assumes any and all risks and liabilities arising therefrom.

B. Discharge of Storm Water. Design-Builder shall keep itself and all Subcontractors, staff, and employees fully informed of and in compliance with all local, state and federal laws, rules and regulations that may impact, or be implicated by the performance of the Work including, without limitation, all applicable provisions regulating discharges of storm water; the Federal Water Pollution Control Act (33 U.S.C. § 13000 *et seq*.); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); and any and all regulations, policies, or permits issued pursuant to any such authority.

C. Construction General Permit. Design-Builder shall comply with all conditions of the State Water Resources Control Board National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity ("Construction General Permit") for all construction activity which results in the disturbance of in excess of one acre of total land area or which is part of a larger common area of development or sale. Design-Builder shall comply with the lawful requirements of Agency, and any other applicable municipality, drainage district, or other local agency with jurisdiction over the location where the Work is to be conducted, regarding discharges of storm water to separate storm drain systems or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

D. Violations. Failure to comply with the Construction General Permit, laws, regulations, and ordinances listed in this Article is a violation of federal and state law. Notwithstanding any other indemnity contained in these Contract Documents, Design-Builder agrees to indemnify and hold harmless Agency, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, fees, costs, expenses, or losses or liabilities of any kind or nature which Agency, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the Construction General Permit, laws, regulations, and ordinances listed above, arising out of or in connection with the Work, except for liability resulting from the sole established negligence, willful misconduct or active negligence of Agency, its officials, officers, agents, employees or authorized volunteers. Agency reserves the right to defend any enforcement action or civil action brought against Agency for Design-Builder's failure to comply with any applicable water quality law, regulation, or policy. Design-Builder hereby agrees to be bound by, and to reimburse Agency for the costs associated with, any settlement reached between Agency and any relevant enforcement entity.

5.9 Environmental Requirements.

A. Environmental Quality Protection.

1. Environmental Regulations. Agency operates under environmental permits issued by various agencies. Design-Builder shall comply with all requirements of Applicable Law for environmental rules and regulations. Any infractions of Applicable Law by Design-Builder during the term of the Contract, which result in penalties, will be the responsibility of Design-Builder. If due to an action, inaction, or negligence by Design-Builder, Agency becomes subject to non-compliance penalties, Design-Builder shall bear the cost of such penalties.

2. Preservation of Site. Design-Builder shall exercise care to preserve the natural landscape and vegetation, and shall conduct operations so as to prevent unnecessary destruction, scarring, or defacing of the natural surroundings in the vicinity of the Work. Movement of crews and equipment within the rights-of-way and over routes provided for access to the Work shall be performed in a manner to prevent damage to property. When no longer required, construction roads shall be restored to original contours. Upon completion of the Project and following removal of construction facilities and required cleanup, land used for construction purposes and not required for the completed installation shall be scarified and regraded, as required, so that all surfaces are left in a condition that will facilitate natural revegetation, provide for proper drainage, and prevent erosion.

3. Endangered Plants and Animals. If, in the performance of the Work, evidence of the possible occurrence of any Federally listed threatened or endangered plant or animal is discovered, Design-Builder shall notify Agency's Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location, and nature of the findings shall be forwarded to Agency's Representative within two (2) calendar days. Design-Builder shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the endangered plant or animal. If directed by Agency, Design-Builder will refrain from working in the immediate area, suspend the Work in its entirety, or alter its performance to ensure full compliance with all Applicable Laws. Any Agency-directed changes to the Work as a result of a siting will be pursuant to the Contract Documents. Any costs or delays incurred by Agency or Design-Builder due to unreasonable or false notification of an endangered plant or animal will be borne by Design-Builder.

4. Cultural Resources. If, in the performance of the Work, Design-Builder should unearth cultural resources (for example, human remains, animal bones, stone tools, artifacts, and/or midden deposits) through excavation, grading, watering, or other means, Design-Builder shall notify Agency's Representative immediately, giving the location and nature of the findings. Written confirmation of the evidence, location, and nature of the findings shall be forwarded to Agency's Representative within two (2) calendar days. Design-Builder shall immediately cease all construction activities in the immediate area of the discovery to the extent necessary to protect the cultural resource. If directed by Agency's Representative, Design-Builder will refrain from working in the immediate area, suspend the Work in its entirety, or re-sequence and/or alter its performance to ensure full compliance with all Applicable Laws. Should the presence of cultural resources be confirmed, Design-Builder will assist Agency's Representative in the preparation and implementation of a data recovery plan. Design-Builder shall provide such cooperation and assistance as may be necessary to preserve the cultural resources for removal or other disposition. Any Agency-directed changes to the Work as a result of the cultural resource will be pursuant to the Contract Documents. Should Design-Builder, without permission, injure, destroy, excavate, appropriate, or remove any cultural resource on or adjacent to the Site, it will be subject to disciplinary action, arrest, and penalty under Applicable Law. Design-Builder shall be principally responsible for all costs of mitigation and/or restoration of cultural resources related to the unauthorized actions identified above. Design-Builder shall be required to pay for unauthorized damage and mitigation costs to cultural resources (historical and archeological resources) as a result of unauthorized activities that damage cultural resources and shall indemnify Agency pursuant to the Contract Documents.

B. Noise Restrictions. Design-Builder shall use only such equipment on the Project and in such state of repair so that the emission of sound therefrom is within the noise tolerance level of that equipment as established by Cal/OSHA. Design-Builder shall comply with the most restrictive of the following: (1) local sound control and noise level rules, regulations, and ordinances, and (2) the requirements contained in these Contract Documents, including hours of operation requirements. No internal combustion engine shall be operated on the Project without a muffler of the type recommended by the manufacturer. Should any muffler or other control device sustain damage or be determined to be ineffective or defective, Design-Builder shall promptly remove the equipment and shall not return said equipment to Project until the device is repaired or replaced. Said noise and vibration level requirements shall apply to all equipment at the Site or related to the Project, including, but not limited to, trucks, transit mixers, or transit equipment that may or may not be owned by Design-Builder.

C. Diversion of Recyclable Waste Material. In compliance with the applicable Agency's waste reduction and recycling efforts, Design-Builder shall divert all recyclable waste materials to appropriate recycling centers as required for compliance with the local jurisdiction's waste diversion ordinances. Design-Builder will be required to submit weight tickets and written proof of diversion with its monthly progress payment requests. Design-Builder shall complete and execute any certification forms required by Agency or other applicable agencies to document Design-Builder's compliance with these diversion requirements.

D. Air Pollution Control.

1. General. Design-Builder shall comply with all air pollution control rules, regulations, ordinances, and statutes. All containers of paint, thinner, curing compound, solvent, or liquid asphalt shall be labeled to indicate that the contents fully comply with the applicable material requirements.

2. Air Rules. Without limiting the foregoing, Design-Builder must fully comply with all Applicable Laws in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the Air Quality Management Agency with jurisdiction over the Project and/or California Air Resources Board ("CARB"). Design-Builder shall specifically be aware of the application of these limits and requirements to "portable equipment", which definition includes any item of equipment with a fuel-powered engine.

3. CARB Regulations. To the extent applicable, Design-Builder shall comply and shall ensure all Subcontractors comply with all requirements of CARB, including, without limitation, all applicable terms of Title 13, California Code of Regulations Division 3, Chapter 9, and all pending amendments ("CARB Regulation"). Throughout Project, and for three (3) years thereafter, Design-Builder shall make available for inspection and copying any and all documents or information associated with Design-Builder's and Subcontractors' fleet including, without limitation, the certificate of reported compliance, fuel/refueling records, maintenance records, emissions records, and any other information Design-Builder is required to produce, keep or maintain pursuant to the CARB Regulation upon two (2) calendar days' notice from Agency. Design-Builder shall be solely liable for any and all costs associated with complying with the CARB Regulation, as well as for any and all penalties, fines, damages, or costs associated with any and all violations or failures to comply with the CARB Regulation. Design-Builder shall defend, indemnify, and hold harmless Agency, its officials, officers, employees, and authorized volunteers free and harmless from any claims, liabilities, costs, penalties, or interest

arising out of any failure or alleged failure to comply with the CARB Regulation.

E. Dust Control. Design-Builder, at its expense, shall maintain all excavations, embankments, haul roads, permanent access roads, plant sites, waste disposal areas, borrow areas, and all other work areas free from dust. Industry-accepted methods of dust control suitable for the area involved, such as sprinkling, chemical treatment, light bituminous treatment, or similar methods, will be permitted.

5.10 Labor Requirements.

A. Prevailing Rates of Wages.

1. Prevailing Wage Laws. Design-Builder is aware of the requirements of Labor Code sections 1720 *et seq.* and 1770 *et seq.*, as well as California Code of Regulations, Title 8, Section 16000 *et seq.* ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Project involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is One Thousand Dollars ($1,000) or more, Design-Builder agrees to fully comply with such Prevailing Wage Laws. Design-Builder shall obtain a copy of the prevailing rates of per diem wages at the commencement of the Contract from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations ("DIR") located at www.dir.ca.gov. In the alternative, Design-Builder may view a copy of the prevailing rate of per diem wages, which are on file at Agency's office, and shall be made available to interested parties upon request. Design-Builder shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at Design-Builder's principal place of business and at the Project site. Design-Builder shall post, at appropriate conspicuous points on the Site, a schedule showing all determined general prevailing wage rates and all authorized deductions, if any, from unpaid wages actually earned. Design-Builder shall defend, indemnify, and hold Agency, its officials, officers, employees, and authorized volunteers free and harmless from any claims, liabilities, costs, penalties, or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

2. Penalties. Design-Builder shall forfeit as a penalty to Agency not more than Two Hundred Dollars ($200), pursuant to Labor Code section 1775, for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate as determined by the director of the DIR for such work or craft in which such worker is employed for any public work done under the Contract by it or by any Subcontractor under it. The difference between such prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by Design-Builder.

3. Davis-Bacon. If the Contract is subject to the Davis-Bacon Act, the federal minimum wage rates for this Project are predetermined by the United States Secretary of Labor. These rates are available directly from the Department of Labor at http://www.wdol.gov and are included in the Contract Documents. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the director of the DIR for similar classifications of labor, Design-Builder and its Subcontractors shall pay not less than the higher wage rate.

B. Public Works Contractor Registration. Pursuant to Labor Code sections 1725.5 and 1771.1, Design-Builder and its Subcontractors must be registered with the DIR prior to the execution of a contract to perform public works. By entering into the Contract, Design-Builder represents that it is aware of the registration requirement and is currently registered with the DIR. Design-Builder shall maintain a current registration for the duration of the Project. Design-Builder shall further include the requirements of Labor Code sections 1725.5 and 1771.1 in any subcontract and ensure that all Subcontractors are registered at the time the subcontract is entered into and maintain registration for the duration of the Project.

C. Employment of Apprentices. Design-Builder and all Subcontractors shall comply with the requirements of Labor Code sections 1777.5 and 1777.6 in the employment of apprentices. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices. Knowing violations of Labor Code section 1777.5 will result in forfeiture not to exceed One Hundred Dollars ($100) for each calendar day of non-compliance pursuant to Labor Code section 1777.7.

D. Hours of Work. As provided in Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2 of the Labor Code, Design-Builder stipulates that eight (8) hours of labor shall constitute a legal day's work. The time of service of any worker employed at any time by Design-Builder or by any Subcontractor under the Contract upon the Work or upon any part of the Project contemplated by the Contract is limited and restricted to eight (8) hours during any one (1) calendar day and forty (40) hours during any one calendar week, except as hereinafter provided. Notwithstanding the provisions herein above set forth, Work performed by employees of Design-Builder in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon this public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half times the basic rate of pay. Design-Builder and every Subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed in connection with the Work or any part of the Work contemplated by the Contract. The record shall be kept open at all reasonable hours to the inspection of Agency and to the Division of Labor Law Enforcement, Department of Industrial Relations of the State of California. Design-Builder shall pay to Agency a penalty of Twenty-Five Dollars ($25) for each worker employed in the execution of the Contract by Design-Builder or by any Subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one calendar week in violation of the provisions of Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2 of the Labor Code.

E. Payroll Records; Labor Compliance.

1. Maintaining Records. Pursuant to Labor Code section 1776, Design-Builder and all Subcontractors shall maintain weekly certified payroll records, showing the names, addresses, Social Security numbers, work classifications, 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 them in connection with the Work under the Contract. Design-Builder shall certify under penalty of perjury that records maintained and submitted by Design-Builder are true and accurate. Design-Builder shall also require Subcontractor(s) to certify weekly payroll records under penalty of perjury.

2. Furnishing Records. In accordance with Labor Code section 1771.4, Design-Builder and each Subcontractor shall furnish the certified payroll records directly to the DIR on the specified interval and format prescribed by the DIR, which may include electronic submission. Design-Builder shall comply with all requirements and regulations from the DIR relating to labor compliance monitoring and enforcement.

3. Stop Orders. Any stop orders issued by the DIR against Design-Builder or any Subcontractor that affect Design-Builder's performance of Work, including any delay, shall be Design-Builder's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Design-Builder-caused delay, subject to any applicable liquidated damages, and shall not be compensable by Agency. Design-Builder shall defend, indemnify, and hold Agency, its officials, officers, employees, and agents free and harmless from any claim or liability arising out of stop orders issued by the DIR against Design-Builder or any Subcontractor.

4. Certifying Records. The payroll records described herein shall be certified and submitted by Design-Builder at a time designated by Agency. Design-Builder shall also provide the following:

   a. A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

   b. A certified copy of all payroll records described herein shall be made available for inspection or furnished upon request of the DIR.

5. Form of Records. Unless submitted electronically, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement ("DLSE") of the DIR or shall contain the same information as the forms provided by the DLSE.

6. Copies of Records. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency, Agency, the Division of Apprenticeship Standards or the DLSE shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of Design-Builder awarded the Contract or performing Work on the Contract shall not be marked or obliterated.

7. Noncompliance. In the event of noncompliance with the requirements of this Article, Design-Builder shall have ten (10) calendar days in which to comply subsequent to receipt of written notice specifying in what respects Design-Builder must comply with this Article. Should noncompliance still be evident after such 10-day period, Design-Builder shall pay a penalty of One Hundred Dollars ($100) to Agency for each day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the DLSE, such penalties shall be withheld from progress payment then due.

F. Nondiscrimination/Equal Employment Opportunity. Pursuant to Labor Code section 1735 and other Applicable Law, Design-Builder and its Subcontractors shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law on this Project. Design-Builder will take affirmative action to ensure that employees are treated during employment or training without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or any other classifications protected by law.

G. Debarment of Contractors and Subcontractors. Contractors or Subcontractors may not perform work on a public works project who are ineligible to perform work pursuant to Labor Code sections 1777.1 or 1777.7. Any contract on a public works project entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid, or may have been paid to a debarred Subcontractor by Design-Builder on the Project shall be returned to Agency. Design-Builder shall be responsible for the payment of wages to workers of a debarred Subcontractor who has been allowed to work on the Project.

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ARTICLE 6 - COST OF PHASE 2 WORK

6.1 Early Work and Purchases.

A. Generally.

1. Agency may direct, or the Parties may agree, that Design-Builder will procure an Early Purchase Item or perform an Early Construction Package. For purposes of interpretation, and unless otherwise stated, the terms of these General Conditions that apply to procurement of equipment and material or Construction Work shall apply to an Early Purchase Item or an Early Construction Package. This includes, but is not limited to, applicable procurement requirements and compensation for an Early Purchase Item or an Early Construction Package.

2. Approval by Agency of an Early Purchase Item or an Early Construction Package shall not prejudice any right of Agency with respect to Phase 2 or the remainder of the Construction Work, including Agency's right to terminate the Contract if the Parties cannot agree to a GMP Amendment and move to Phase 2. For the avoidance of doubt, in no event shall an Early Purchase Item or Early Construction Package be construed as a GMP Amendment or as a Notice to Proceed with Phase 2.

B. Early Purchase Item.

1. Design-Builder shall procure Early Purchase Items on either a best value or low-bid basis, as allowed by Agency. In the event that a best value procurement is utilized, Design-Builder will obtain approval of the evaluation criteria from Agency and Agency has the right to review all proposals submitted. In the event that a low-bid procurement is utilized, Agency has the right to review and accept all bids submitted.

2. Each Early Purchase Item Amendment, if any, shall set forth all pricing, schedule, and other relevant commercial terms specific to the corresponding Early Purchase Item. Design-Builder shall obtain express written authorization from Agency prior to procurement of any equipment as part of an Early Purchase Item. Design-Builder may procure equipment at its own risk without obtaining Agency's prior approval.

3. Upon delivery of an Early Purchase Item to Design-Builder, whether at the Site or off-site, Design-Builder shall provide Agency with verifiable documentation of the receipt of any Early Purchase Item(s), including bill of lading and photographs specifically identifying:

a. The Early Purchase Item;

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b. The serial number of each Early Purchase Item; and/or

c. Other indicia authenticating the Early Purchase Item.

4. Design-Builder's obligations to store an Early Purchase Item shall comply with all requirements for storage of equipment and materials in the Contract Documents and shall ensure that all policies of insurance protecting property shall cover the Early Purchase Item.

C. Early Construction Package.

1. If Agency chooses to authorize the preparation of a proposal for an Early Construction Package, the Parties will agree upon the specific process for doing so, with the understanding that the process is intended generally to follow the submittal and negotiation process set forth for a GMP Proposal. Design-Builder shall comply with all applicable procurement requirements required by the Contract Documents.

2. An Early Construction Package shall set forth the proposed scope of work under the Early Construction Package, the proposed timing, a procurement plan for the work, and any other information necessary to approve and proceed with the Early Construction Package.

3. Each Early Construction Amendment, if any, shall set forth all pricing, schedule, and other relevant commercial terms specific to the corresponding Early Construction Package. If utilized, the form of the Early Construction Amendment shall be generally consistent with the form of a GMP Amendment.

4. Design-Builder shall not commence an Early Construction Package until Design-Builder submits a Performance Bond and a Payment Bond at one hundred percent (100%) of the cost of the Early Construction Package Work (unless expressly waived in writing by Agency) and Agency issues a Notice to Proceed for the Early Construction Package. Agency shall have no liability to Design-Builder with respect to an Early Construction Package unless and until Agency issues a Notice to Proceed for the Early Construction Package, and then only to the extent of the Early Construction Amendment for which Agency issued a Notice to Proceed.

5. All services performed pursuant to an Early Construction Amendment shall constitute Construction Work and shall be performed in accordance with the Contract Documents for Construction Work.

6.2 Guaranteed Maximum Price.

A. Design-Builder guarantees that the final cost to construct Phase 2 Work shall not exceed the GMP for the Phase 2 Work, subject to any additions or deductions as provided in the Contract Documents. Except as otherwise provided in the Contract Documents, Design-Builder shall assume the risk of all costs in excess of the GMP in the performance of Phase 2 Work and to provide a fully completed and successfully operational Project, complete in every detail according to the provisions of the Contract Documents and shall not be entitled to additional payments because of such excess costs. Should Design-Builder believe that it is entitled to additional compensation, whether money or time, it must request such compensation through a Change Order Request. If the final accounting of the costs for Work exceeds the GMP for the Phase 2 Work, including all adjustments to the GMP in accordance with the Contract Documents, Design-Builder shall be solely responsible for all costs exceeding such amount.

B. A GMP includes and assumes that from time to time, Design-Builder will encounter delays and difficult site conditions arising from limited access to work areas, other interference, or conditions at the Project site. Design-Builder assumes full responsibility for its examination, investigation, and understanding of the difficulties which may be encountered, and has included in a GMP the cost of any Work associated with such difficulties.

6.3 Composition of Guaranteed Maximum Price.

A. GMP Elements. The GMP will be based on an Open Book Basis and comprised of the following reimbursable elements:

1. Completion of Design Work for the Project, including any design support services during Phase 2.

2. Cost of Work, including:

   a. Direct Cost;

   b. General Conditions Cost; and

   c. Subcontractor Construction Cost.

3. Bond costs without markup.

4. Insurance costs without markup.

5. Design-Builder's Self-Performance Fee applied to Design-Builder's Direct Cost and General Conditions Cost.

6. Design-Builder's Subcontractor Fee applied to Subcontractor Construction Cost.

7. Design-Builder Contingency, if any.

8. Allowances, if any.

B. Phase 2 Design Work. Agency and Design-Builder will negotiate an amount for Design-Builder to complete Design Work for the Project and design support services in Phase 2. The amount will be based on pricing in Design-Builder's Cost Proposal Form.

C. Cost of Work Components.

1. Direct Cost. Direct Cost includes the actual and verifiable Direct Cost necessarily incurred and paid by Design-Builder in the proper performance of Construction Work. Direct Cost include, but are not limited to, the following:

a. Field Labor Cost. The cost of field labor will be the actual cost for wages prevailing locally for each craft or type of worker at the time the Work is done, plus employer payments of payroll taxes and insurance, health and welfare, pension, vacation, apprenticeship funds, and other direct costs resulting from federal, state or local laws, as well as assessment or benefits required by lawful collective bargaining agreements. Agency shall not be responsible for any labor rates in excess of the prevailing wage rate unless specifically authorized by Agency's Representative for individuals with special qualifications. Wages, burdens, and fringes will be paid at actual cost as verified as part of the labor compliance reporting process and are fully auditable. They shall include the following: actual wages paid to employees; labor burden, including charges for social security taxes, Medicare taxes, federal unemployment taxes, state unemployment taxes, and other taxes pertaining to labor; and employer payments to or on behalf of the workers for health, welfare, pension, vacation, apprenticeship funds and similar purposes, as well as assessments or benefits required by lawful collective bargaining agreements. Cost for supervision above the level of working foremen (such as general foremen, superintendent, project manager, etc.) is considered to be included in the General Conditions Cost. Premium and overtime rates shall not be paid by Agency unless authorized or directed by Agency in writing.

b. Materials, Equipment Cost. The cost of materials and equipment incorporated into the Project shall be actual costs, including purchase, transportation, inspection, testing, storage, and handling costs. Cost of materials described in the preceding sentence in excess of those actually installed, but required to provide reasonable allowance for waste and for spoilage, requires written approval by Agency. Unused excess materials, if any, shall be turned over to Agency at the completion of the Project or, at Agency's option, shall be sold by Design-Builder; amounts realized, if any, from such sales shall be credited to Agency as a deduction from the Direct Cost. Agency reserves the right to furnish materials and equipment for the Project.

c. Construction Equipment Cost.

(i) Regardless of ownership, rates for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof, shall not exceed listed rates prevailing locally at equipment rental agencies, or distributors, at the time the Work is performed. Design-Builder shall furnish cost data supporting the establishment of the equipment rate. In the absence of an identified direct cost for the equipment, Design-Builder will be paid for the use of equipment at the rental rates identified for such equipment in the edition of the State of California Department of Transportation (Caltrans) publication "Labor Surcharge & Equipment Rental Rates" as supplemented by the Caltrans "Miscellaneous Equipment Rental Rates" publication in effect on the date the Work is performed. If that equipment is not listed in either Caltrans publication, the U.S. Army Corps of Engineers publication "Construction Equipment Ownership and Operating Expense Schedule" in effect on the date the Work is performed shall be used to determine the rental rate.

(ii) The equipment rates paid, as above provided, shall include the cost of fuel, oil, lubrication supplies, small tools, necessary attachments, repairs and maintenance of all kinds, depreciation, storage, insurance, and all incidentals. Rates and quantities of equipment rented will be subject to Agency's prior approval. The time to be paid for equipment shall be the time the equipment is in productive operation on the Work being performed. Charges for time will not be allowed while the equipment is inoperative due to breakdowns. All equipment shall, in the opinion of Agency, be in good working condition and suitable for the purpose for which the equipment is to be used. When hourly rates are listed, any part of an hour less than thirty (30) minutes of operation shall be considered to be 1/2-hour of operation, and any part of an hour greater than thirty (30) minutes will be considered one hour of operation. When daily rates are listed, any part of a day less than four (4) hours of operation shall be considered to be a 1/2-day of operation.

(iii) Individual pieces of equipment having a replacement value of Five Thousand Dollars ($5,000) or less shall be considered to be small tools or small equipment, and no payment will be made for them. Small tools are part of the General Conditions Cost.

d. Sales Tax. Design-Builder's charge for sales tax will be its actual, verified direct sales tax costs only.

e. Travel; Lodging Cost. The reasonable cost of travel, accommodations, and meals for Design-Builder's personnel directly involved in the performance of the Work, negotiated in a GMP.

f. Costs Not Considered Direct Cost. Direct Cost do not include the following: General Conditions Cost; Subcontractor Construction Cost; Design Work; Design-Builder's personnel primarily stationed at Design-Builder's principal or home offices; material or equipment provided by Agency; cost of Design-Builder's capital used in the performance of the Construction Work; cost that would cause the GMP to be exceeded; discounts and rebates and the salvage value of tools and equipment consumed in the Work charged by Design-Builder; cost incurred in performing call-back, repair and warranty work; cost due to the negligence, error, or omission of Design-Builder or to the failure of Design-Builder to fulfill a specific responsibility to Agency set forth in the Contract Document; cost incurred as a result of a delay which does not constitute compensable delay under the Contract Documents; cost incurred in the performance of Phase 1 Work; legal fees and costs related to or arising from disputes between the Parties, including, but not limited to, mediation and litigation fees; any cost not specifically and expressly described as a reimbursable cost; and cost Design-Builder is required to bear as a result of Design-Builder's failure to perform in accordance with the Contract Documents.

2. General Conditions Cost. General Conditions Cost will be negotiated between Agency and Design-Builder and established in a GMP Amendment. Design-Builder will be paid for its General Conditions Cost based on a fixed duration price (i.e., x amount per week or month) and not on the basis of actual verified costs, unless otherwise agreed to by the Parties. General Conditions Cost includes Design-Builder's costs to manage and support the Construction Work for a GMP, including, but not limited to, the following:

a. Design-Builder's staff at the Site, including the following:

(i) Hourly costs of wages or salaries, including fringe benefits, of all Design-Builder's supervisory and administrative personnel engaged in the performance of Construction Work but only for that portion of their time required for Work covered by the GMP, including but not limited to the project manager, construction manager, superintendent(s), and those responsible for managing and implementing Design-Builder's general conditions, including, but not limited to, scheduling, cost control, billing, surveying, Security Plan, and Safety Plan.

(ii) Hourly costs of wages or salaries, including fringe benefits, of the Design-Builder's supervisory and administrative personnel engaged off of the Site at suppliers, at workshops, or on the road, to assist in the coordination, production, or transportation of material or equipment for the Construction Work.

b. Field office costs for Design-Builder staff, including the following:

(i) Design-Builder field office mobilization and demobilization

(ii) Office trailer rental

(iii) Office furniture and equipment

(iv) Office janitorial

(v) Office supplies

(vi) Office computers, software, and maintenance

(vii) Office telephones, telephone and internet services, and all job site communication for the Project

(viii) Document reproduction services (off-site or custom)

(ix) Copy machines, fax machines, printers, scanners, and paper shredders

(x) Postage, courier, and express delivery

(xi) Accounting and data processing costs

(xii) Jobsite radios/cellular phones

(xiii) Scheduling expenses

(xiv) Job meeting expenses

(xv) Employee identification system

(xvi) Record Drawings

(xvii) Project preconstruction and progress photos

(xviii) Job Site security

c. Temporary amenities and utilities (includes hookup, metering, and consumption costs), including the following:

(i) Drinking water

(ii) Temporary toilets

(iii) Temporary water distribution and meters

(iv) Temporary fire protection

(v) Temporary power

(vi) Temporary and emergency lighting

(vii) Temporary construction facilities and services

(viii) Temporary heat and ventilation

3. Subcontractor Construction Cost. Subcontractor Construction Cost includes payments made by Design-Builder to Subcontractors for any and all costs to properly perform Subcontracted Construction Work as part of Construction Work established in either a quote, proposal, or bid to Design-Builder, including, but not limited to, the Subcontractor's direct costs, indirect costs, field and office overhead, performance bonds, payment bonds, insurance, and profit.

D. Bond Costs. Design-Builder's charge for Performance Bond and Payment Bond costs shall be its actual, verified costs, without any markup, and identified in a GMP Amendment.

E. Insurance Costs. Design-Builder's charge for insurance shall be its actual, verified costs, without any markup, and identified in a GMP Amendment.

F. Design-Builder's Self-Performance Fee. Design-Builder's Self-Performance Fee shall compensate Design-Builder for its home office overhead, profit, and other costs and expenses not specifically included in the Cost of Work. Design-Builder Self-Performance Fee percentage is identified in the Special Conditions and shall only be applied to Design-Builder's Direct Cost and General Conditions Cost.

G. Design-Builder's Subcontractor Fee. Design-Builder's Subcontractor Fee shall compensate Design-Builder for its home office overhead and profit on Subcontractor Construction Cost. Design-Builder's Subcontractor Fee percentage is identified in the Special Conditions and shall only be applied to Subcontractor Construction Cost.

H. Design-Builder Contingency.

1. Contingency. Design-Builder may propose within a GMP a Design-Builder Contingency for items such as Construction Work that could not have been anticipated by Design-Builder on the effective date of the GMP Amendment. If agreed upon by Agency, the GMP Amendment shall describe when Design-Builder may use Design-Builder Contingency.

2. Request for Contingency. Prior to performing any Work that Design-Builder intends to be paid for out of any portion of Design-Builder Contingency, Design-Builder must submit to Agency a written request for Design-Builder's use of Design-Builder Contingency that shall include the same detail and requirements of a Change Order Request and substantiation enabling Agency to determine that the proposed use of the Design-Builder Contingency covers one of the contingency items identified in the GMP Amendment.

3. Contingency Use. Design-Builder Contingency is not a separate fund, but is tracked as a separate line item within the GMP and will be used as a cost management tool. When used, Design-Builder Contingency funds will be subtracted from the Design-Builder Contingency line item and applied to one or more line items in the GMP. If Design-Builder depletes any Design-Builder Contingency, any costs for items referenced by that Design-Builder Contingency shall be at Design-Builder's sole expense.

4. Reconciliation. The unused portion of Design-Builder Contingency shall be retained by Agency at the end of the Project and will be documented by Agency through any reasonable means, including, without limitation, a deductive Change Order.

I. Allowances.

1. Allowance. In developing the GMP Proposal, Design-Builder may propose including appropriate Allowances for defined items of Work that cannot be appropriately quantified and estimated at the time the GMP Amendment is established. Each such item of Work will be covered in a separate line item and have a clear description in the GMP Amendment of what is covered by the Allowance.

2. Request for Allowance. Prior to performing any Work that Design-Builder intends to be paid for out of any portion of Allowances, Design-Builder must submit to Agency a written request for Design-Builder's use of Allowances that shall include the same detail and requirements of a Change Order Request and substantiation enabling Agency to determine that the proposed use of the Allowance covers one of the Allowance items identified in the GMP Amendment.

3. Allowance Use. Allowance items will be converted to, and included as, a line item within that GMP once conditions exist that allow them to be properly quantified and priced, only with specific written approval of Agency. Allowance items that cannot reasonably be quantified and estimated before the Allowance Work begins will be reconciled based on the actual cost of the Allowance Work. If the actual cost of the Work covered by an Allowance will be greater than the amount of the Allowance, Design-Builder will notify Agency, and if Agency authorizes the Allowance Work in a Change Order, the GMP will be increased by the additional agreed-upon amount.

4. Reconciliation. The unused portion of Allowances shall be retained by Agency at the end of the Project and will be documented by Agency through any reasonable means, including, without limitation, a deductive Change Order.

6.4 Convert GMP to Lump Sum Price.

A. At Agency's discretion, a GMP may be converted to a Lump Sum Price with a negotiated discount. To the extent that a GMP is converted to a Lump Sum Price, all references to GMP within the Contract Documents shall apply equally to the converted Lump Sum Price except as clearly and expressly indicated in any document effectuating the conversion.

6.5 Self-Performed Construction Work.

A. Self-Performed Construction Work Generally.

1. Amount of Construction Work Performed. The Contract provides, if any, the minimum and maximum amount of Construction Work required to be performed by Design-Builder on the Project.

2. Identification of Self-Performed Construction Work. Design-Builder is entitled to perform Self-Performed Construction Work, competitively bid against an independent cost estimate, in accordance with applicable law and written Agency approval. Design-Builder shall identify in Design-Builder's Proposal the Self-Performed Construction Work that Design-Builder proposes to perform. To perform Construction Work not identified in Design-Builder's Proposal, Design-Builder must submit a written request to Agency seeking approval, which is at Agency's sole discretion, prior to submitting a GMP Proposal. The written request shall explain why the Work cannot be subcontracted and how performing the Work by Design-Builder will be most advantageous to Agency. Agency agrees to consider approving such request if Design-Builder demonstrates to Agency's satisfaction that providing this Construction Work is in the best interest of the Project. If Agency approves the requests, Design-Builder still must follow the competitive procedures for Self-Performed Construction Work.

B. Competitive Procedures for Self-Performed Construction Work.

1. Design-Builder must submit to Agency's Representative as part of the GMP Proposal and on an Open Book Basis, pricing for Self-Performed Construction Work that includes a detailed description of the scope of the Work. The bid format shall be consistent with cost modeling provided during Phase 1 Work.

2. Prior to providing Agency with pricing for Self-Performed Construction Work, Design-Builder shall provide Agency notice of when the pricing will be submitted and allow Agency a sufficient amount of time to engage an independent cost estimator to perform an independent cost estimate of the pricing.

3. Prior to receipt of Design-Builder's pricing for Self-Performed Construction Work, Agency will perform an independent cost estimate of the pricing using, among other things, current local construction market costs.

4. If Design-Builder's pricing is within five percent (5%) of Agency's independent cost estimate, Design-Builder will be allowed to perform the Self-Performed Construction Work.

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5. If Design-Builder's pricing for Self-Performed Construction Work is equal to or more than five percent (5%) higher than Agency's independent cost estimate, the Parties shall meet and confer to compare pricing and attempt to reconcile any differences. If necessary, Design-Builder will submit revised pricing and an updated GMP Proposal following the meet and confer process.

6. Design-Builder shall submit revised pricing for Self-Performed Construction Work and an updated GMP Proposal as may be necessary to continue negotiations for a GMP Amendment. The process shall continue until either:

    a. Agency agrees to the pricing for the Self-Performed Construction Work;

    b. If Agency's independent cost estimate cannot be reconciled with Design-Builder's pricing, Design-Builder and Agency may agree that Design-Builder will perform the Self-Performed Construction Work at Agency's final independent cost estimate or at a mutually agreed-upon price;

    c. Both Parties agree in writing to allow Design-Builder to subcontract the Self-Performed Construction Work pursuant to the subcontracting procedures for Subcontractors in these General Conditions. Design-Builder shall not be allowed to compete against bidders for the Construction Work. If Agency allows Design-Builder to subcontract the Self-Performed Construction Work, the minimum and maximum amount of Construction Work required to be performed by Design-Builder on the Project shall be adjusted by mutual agreement of the Parties;

    d. At Agency's sole discretion, follow the procedures in these General Conditions for when the Parties are unable to execute a GMP Amendment.

7. Design-Builder shall not be entitled to an increase of an existing GMP or any extension of Contract Time related to the foregoing process.

C. <u>Costs to Price and Bid Self-Performed Construction Work.</u>

1. Any and all costs expended by Design-Builder to price Self-Performed Construction Work shall be part of the Phase 1 Fee.

2. If Agency allows Design-Builder to subcontract the Self-Performed Construction Work after failing to agree to pricing with Design-Builder for Self-Performed Construction Work, Design-Builder shall be responsible for any and all costs related to subcontracting the Self-Performed Construction Work. This includes, but is not limited to, costs to prepare Work Packages and follow the competitive subcontractor procurement procedures.

6.6 Key Subcontractors.

A. If applicable, pricing for Key Subcontractors shall be determined by following the competitive procedures for Self-Performed Construction Work.

6.7 Subcontracted Construction Work.

A. Subcontracted Construction Work. Design-Builder shall develop and prepare separate and specific Work Packages for each category of Subcontracted Construction Work that clearly delineate the scope of subcontracted Work. Design-Builder shall be responsible for the assembly, reproduction and distribution of all documents defining the scope of work for each category of Subcontracted Construction Work.

B. Competitive Subcontractor Procurement.

1. Compliance with Law. Design-Builder shall procure Subcontractors through a competitive process that complies with Applicable Law, including, but not limited to, legislation that authorizes the Contract. Subcontractors shall be selected in accordance with protections provided by State law, including, but not limited to, the Subletting and Subcontracting Fair Practices Act (Public Contract Code sections 4100 *et seq*.). Exceptions to the competitive process shall only be authorized as set forth in the Contract Documents.

2. Prequalification. Design-Builder may, at its option, advertise for statements of qualifications in order to prequalify or shortlist interested subcontractors prior to soliciting bids or proposals.

3. Public Notice. Design-Builder shall provide notice of bidding for Subcontracted Construction Work in accordance with the publication requirements applicable to Agency's competitive bidding process, including a fixed date and time on which qualification statements, bids, or proposals will be due. These posting requirements shall also apply to a request for qualifications.

4. Award Based on Best Value. Design-Builder shall award subcontracts to responsible subcontractors based on a best value basis. The solicitation shall identify all evaluation factors and their relative importance to determination of the award. Design-Builder shall develop a written method of determining the proposer who will provide the best value to the Project, which shall include consideration of price and other relevant factors. Design-Builder shall document its basis for making the award.

5. Agency Review of Bid Packages and Notice. At least fourteen (14) calendar days prior to the release of Subcontracted Construction Work for bidding, Design-Builder shall provide Agency with a copy of the written notice it will publish (including newspaper advertising) to solicit potential subcontractors and a copy of the Work Packages for the Subcontracted Construction Work. Agency reserves the right to request that Design-Builder reasonably revise its published notice or Work Package for Subcontracted Construction Work.

6. Bid/Proposal Opening. Design-Builder shall invite Agency to attend all bid and proposal opening(s) for Subcontracted Construction Work and shall, within forty-eight (48) hours of the bid or proposal opening(s), provide copies or access to all bid or proposal documents provided by all proposers or bidders.

7. Review of Bids, Proposals.

    a. Solicitations shall include a procedure, developed and administered by Design-Builder, for protesting a prequalification determination or contract award. Design-Builder shall notify Agency of any protest prior to responding to such protest. Design-Builder shall be solely responsible for determining any protests to any of its subcontract awards.

8. Design-Builder may reject all bids or proposals and may waive any inconsequential irregularities in any bid or proposal. If Design-Builder rejects a bid or proposal as non-responsive, or otherwise determines the bidder or proposer is not eligible or qualified, Design-Builder shall document the basis for any rejection.

9. Contracts. Construction subcontracts shall be on a lump sum or unit price basis, and, if the Project is federally funded, Design-Builder shall not award contracts to Subcontractors on a basis that uses a percentage of construction cost contracting.

10. Rights of Agency.

a. Without limiting anything set forth herein, Design-Builder acknowledges and agrees that Agency shall have the right to: (a) review and comment on all procurement documents; (b) attend any bid or proposal openings; (c) attend any meetings with prospective subcontractors; (d) review all bids, proposals, and other information developed or otherwise resulting from any competitive procurement, including Design-Builder's tabulation, scoring or evaluation materials; and (e) otherwise participate in the contract award process. Design-Builder shall provide Agency sufficient time, but in no case less than twenty (20) calendar days, to exercise its rights regarding the foregoing. Upon contract award, Design-Builder shall provide Agency with a description of the competitive process undertaken in connection with such contract award, together with copies of all material documents used in connection therewith and agreements resulting therefrom.

b. Agency, in its discretion, shall have the right to direct Design-Builder to reject any or all bids and proposals and re-solicit any Subcontracted Construction Work in accordance with the procurement requirements of this Article in the event Agency is not satisfied that the competitive process or pricing received is fair, reasonable, and consistent with industry standards for similar services. Design-Builder shall not be entitled to an increase of the GMP or any extension of Contract Time if Agency requires Design-Builder to re-solicit any Subcontracted Construction Work due to Design-Builder failing to follow the Contract requirements for solicitation of Subcontracted Construction Work.

C. Noncompetitive Subcontractor Procurement.

1. Design-Builder may procure Subcontractors without following the above competitive procurement procedures if the Subcontracted Construction Work is equal to or less than one-half of one percent (0.5%) of the Phase 2 Price.

2. If following Design-Builder's diligent and good faith solicitation of a number of sources, Design-Builder determines that competition is determined to be inadequate, Design-Builder may, with Agency's express written authorization, utilize a noncompetitive process or may self-perform the Subcontracted Construction Work by following the procurement procedures for Self-Performed Construction Work.

3. For a noncompetitive procurement, Design-Builder may obtain quotes, negotiate price or utilize any other selection method. Noncompetitively procured Subcontractors must still meet all other requirements of the Contract Documents, including, but not limited to, agreeing to being registered with the Department of Industrial Relations to perform public works and maintaining all appropriate licenses and qualifications to perform the respective Subcontracted Construction Work.

6.8 GMP Proposal.

A. Generally.

1. As part of Phase 1 Work, Design-Builder shall prepare a GMP Proposal as directed by Agency.

2. Prior to providing Agency a GMP Proposal, Design-Builder shall provide Agency notice of when the GMP Proposal will be submitted. Agency shall be provided a sufficient amount of time to review a GMP Proposal.

3. The GMP Proposal shall include and be based upon the Contract Documents and all other information, analysis, findings and reports provided to Design-Builder during the performance of Phase 1, and shall be prepared in accordance with the Contract Documents, including the Scope of Services.

4. Design-Builder shall develop the GMP on an Open Book Basis, providing Agency with full access to all details that make up the GMP Proposal.

5. Each GMP Proposal shall include a detailed and comprehensive description of how the proposed GMP was derived and the material factors on which it was based, all in compliance with the contractual requirements for establishing the GMP, together with any other related information required pursuant to this Article. All costs, bids, quotes, estimates and other information supporting the GMP Proposal shall be made available to Agency.

6. Design-Builder shall not be entitled to an increase of the GMP or any extension of Contract Time related to the GMP Proposal process.

B. Components of GMP Proposal. Design-Builder shall include with the GMP Proposal a written statement of its basis for the GMP, which shall include the following:

1. A list of the Construction Documents, including, among other things, the Drawings and Technical Specifications used as the basis for the GMP;

2. A list of the assumptions, exceptions, and clarifications made by Design-Builder in the preparation of the GMP Proposal, which list is intended to supplement the information contained in the Construction Documents;

3. Design-Builder's proposed GMP on an Open Book Basis, including, but not limited to, the following:

   a. A proposed cost to complete the Design Work for the Project and provide design support services during Phase 2;

   b. A proposed Cost of Work with Design-Builder's Self-Performance Fee and Design-Builder's Subcontractor Fee;

   c. A proposed bond cost;

   d. A proposed insurance cost;

   e. A proposed Design-Builder Contingency, if any;

   f. A proposed Allowance, if any;

   g. A proposed schedule of values for the Work; and

   h. A proposed list of Subcontractors performing Subcontracted Construction Work, if known.

4. A proposed Phase 2 CPM Schedule.

5. A proposed Contract Time; and

6. Any other information requested by Agency as necessary or appropriate to negotiate and execute the GMP Amendment.

C. Early Purchase Items; Early Construction Packages. In the event that an Early Purchase Item Amendment or Early Construction Package Amendment has been executed prior to submittal of the Phase 1 Proposal, a proposal as to the manner in which the technical, price, schedule and other terms and conditions contained in the Early Purchase Item Amendment or Early Construction Package Amendment will be incorporated and taken account of in the GMP Amendment, with the objective that the GMP Amendment will contain and supersede all of the terms and conditions of any Early Purchase Item Amendment or Early Construction Package Amendment.

6.9 GMP Amendment.

A. Obligations of Design-Builder.

1. Design-Builder shall be obligated (1) to make a complete bona fide GMP Proposal in accordance with this Article and the Contract Documents, and (2) to negotiate in good faith toward a GMP Amendment based on the GMP Proposal.

2. If the GMP Proposal does not comply with the requirements of the Contract, Agency's Representative shall provide written notice to Design-Builder of any additions, corrections, or revisions required to achieve such compliance. In such an event, Design-Builder, at its cost and expense and without any increase in the Phase 1 Fee, shall promptly take all necessary action, making multiple re-submittals if required. The failure of Design-Builder to provide a GMP Proposal that complies with the requirements in the Contract Documents for a GMP Proposal shall be a material breach of the Contract.

3. Negotiation, Execution of GMP Amendment.

4. Agency and Design-Builder acknowledge and agree that each intends to negotiate and enter into a GMP Amendment mutually acceptable to the Parties for the performance of the Work based on the GMP Proposal.

5. The execution and delivery of the GMP Amendment shall establish the GMP and the Contract Time for Phase 2, along with other basic terms and conditions of the Contract which were not established at the Effective Date. Unless otherwise expressly stated by the Parties in the GMP Amendment, the GMP Amendment shall not modify any portion of the Contract Documents.

6. The execution of a GMP Amendment shall not prejudice any right of Agency with respect to the remainder of the Construction Work, including Agency's right to terminate the Contract and not construct Work Packages.

B. Representations in the GMP Amendment.

1. In the event the Parties execute a GMP Amendment, the GMP Amendment shall be deemed to constitute a representation by Design-Builder that:

a. It has examined, carefully studied, and thoroughly understands the Contract Documents associated with the Project;

b. It has thoroughly reviewed and verified all information provided to or obtained by Design-Builder through the performance of Phase 1, including reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site;

c. It has become familiar with and considered the general, local, and Site conditions that may affect cost, progress, and performance of the Project;

d. It is familiar with and considers all Applicable Law that may affect cost, progress, and performance of the Project;

e. It has considered the information known to Design-Builder, including information commonly known to contractors doing business in the localities of the Site; information and observations obtained from visits to the Site; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on:

(i) The cost, progress, and performance of the Project; and

(ii) The means, methods, techniques, sequences, and procedures of construction to be employed by Design-Builder, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Contract Documents.

f. Based on all of the foregoing and the performance of Phase 1 Work, the Site constitutes an acceptable and suitable location for construction of the Project;

g. It does not consider that further examinations, investigations, explorations, tests, studies, or data are necessary for it to enter into the GMP Amendment for the completion of the Work for the GMP within the Contract Time, and in accordance with the other terms and conditions of the Contract;

h. The Contract Documents are sufficient to enable Design-Builder to determine the GMP and Contract Time; and

i. Subject to the terms and conditions of the Contract, the GMP can be completed in accordance with the Contract Documents for the GMP within the Contract Time.

C. Failure to Execute GMP Amendment.

1. If the Parties are unable to reach an agreement on Design-Builder's GMP Proposal and execute a GMP Amendment, Agency reserves the right, in its sole discretion, to, without limitation, do any of the following (or a combination thereof):

   a. Allow the Design-Builder to complete Phase 1, if not yet completed. Agency shall pay Design-Builder only for the compensation agreed to for Phase 1. All deliverables, including, but not limited to, Work Product and Construction Documents, shall become the exclusive property of Agency.

   b. Complete the Project as a traditional design-bid-build project and have the Design-Builder prepare a fully biddable set of Drawings and Technical Specifications, provide bid phase support, and provide design support services during construction. Agency and Design-Builder shall negotiate compensation for Design-Builder to perform such services based on Design-Builder's Cost Proposal Form.

   c. Terminate Design-Builder for convenience in accordance with the General Conditions and take possession of any Work Product Construction Documents, even if not complete.

   d. Complete the Project by any other project delivery method, including, but not limited to, soliciting proposals to complete the Project from other firms that submitted a Proposal in response to the RFP for this Project, or seek approval from Agency's Board that it is in the best interest of Agency to formally solicit proposals from other design-build entities. Design-Builder shall not be entitled to bid or propose on any part of the Project.

2. Agency shall have the right at any time in its discretion to proceed to develop and implement Work Packages with other contractors. Agency may exercise such right during the performance of Phase 1 Work, upon termination of the Contract, or upon any failure of the Parties to execute a GMP Amendment.

ARTICLE 7 - SUBMITTALS; SHOP DRAWINGS

7.1 Submittals.

A. Schedule of Submittals. Within five (5) calendar days after the Notice to Proceed for Phase 2 or any GMP (unless otherwise specified in the Contract Documents), Design-Builder will prepare and deliver a Schedule of Submittals to Agency that has been fully integrated with the Phase 2 CPM Schedule and identifies each Submittal required by the Contract Documents as well as the date on which Design-Builder will deliver each Submittal to Agency. Each Submittal must be delivered to Agency at least thirty (30) calendar days prior to the date the material or equipment is scheduled to be incorporated into the Work. Design-Builder is responsible for any schedule delays resulting from Design-Builder not delivering submittals to Agency in a timely manner.

B. Submittal Procedures.

1. Procedures. Except as otherwise specifically stated in the Contract Documents, Design-Builder will abide by the following procedures for each Submittal, Shop Drawing, and Sample required by the Contract Documents:

a. Submittals must be transmitted electronically.

b. Transmittals will be sequentially numbered. Design-Builder to mark revised Submittals with original number and sequential alphabetic suffix.

c. Each Submittal will identify the Project, Design-Builder, Subcontractor, and Supplier, pertinent Drawing and detail number, and Specification section number appropriate to Submittal.

d. By transmitting a Submittal, Design-Builder certifies it has reviewed and approved each Submittal, verified products required, field dimensions, adjacent construction work, and that coordination of information is according to requirements of the Work and Contract Documents.

e. Identify variations in Contract Documents and product or system limitations that may differ and/or be detrimental to successful performance of a completed Work.

f. When Submittal is returned to Design-Builder with comments for revision, Design-Builder shall promptly address Agency's Representative's comments and resubmit. Design-Builder shall identify changes made since previous submission. Delays resulting from incorrect submittals are not the responsibility of Agency.

g. Agency's review of Shop Drawings shall not relieve Design-Builder from responsibility for deviations from the Contract Documents unless Design-Builder has, in writing, called Agency's attention to such deviations at time of submission and Agency has taken no exception to the deviation. Agency's review of Shop Drawings shall not relieve Design-Builder from responsibility for errors in Shop Drawings.

h. Submittals not required by the Contract Documents or requested by Agency will not be acknowledged or processed.

i. Incomplete Submittals will not be reviewed by Agency and returned to Design-Builder. Delays resulting from incomplete Submittals are not the responsibility of Agency.

j. Design-Builder shall not be entitled to an increase of a GMP or any extension of the Contract Time as a result of Design-Builder not abiding by the Submittal process.

k. Design-Builder shall allow a minimum of twenty (20) calendar days for review of Submittals unless otherwise specified in the Contract Documents.

2. Early Work. Where a Submittal, Shop Drawing, or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Agency review and acceptance of the pertinent submittal will be performed at the risk and sole expense and responsibility of Design-Builder.

C. Schedule Milestone for Submittals. Design-Builder must submit all Submittals required by the Contract Documents in accordance with the Schedule of Submittals. If Design-Builder fails to submit the Submittals in accordance with the Schedule of Submittals, Design-Builder will be solely liable for any delays or impacts caused by the delayed Submittal, whether direct or indirect. Design-Builder will be liable for the time calculated from the date the Submittal is due until the date a compliant Submittal is made. A compliant Submittal will be one that is complete and satisfies the requirements of the Contract Documents.

7.2 Shop Drawings and Sample Submittal Procedures.

A. Prerequisites. Except as otherwise specifically stated in the Contract Documents, Design-Builder will abide by the following procedures for Shop Drawings and Samples. Before submitting each Shop Drawing or Sample, Design-Builder shall have:

1. Reviewed and coordinated each Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;

2. Determined and verified all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;

3. Determined and verified the suitability of all materials offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and

4. Determined and verified all information relative to Design-Builder's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto.

B. Variations. With each Submittal, Design-Builder shall give Agency specific written notice of any variations that the Shop Drawing or Sample may have from the requirements of the Contract Documents. This notice shall be both a written communication separate from the Shop Drawings or Sample Submittal and, in addition, a specific notation made on each Shop Drawing or Sample submitted to Agency for review and approval of each such variation.

C. Shop Drawings.

1. Data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Agency the services, materials, and equipment Design-Builder proposes to provide and to enable Agency to review the information for assessing conformance with information given and design concept expressed in Contract Documents.

2. When required by individual Specification sections, provide Shop Drawings signed and sealed by a professional engineer responsible for designing components shown on Shop Drawings. Shop Drawings must include signed and sealed calculations to support design in a form suitable for submission to and approval by Governmental Bodies having jurisdiction over the Project.

3. Shop Drawings for steel structures shall consist of shop details, erection, and other working drawings showing details, dimensions, sizes of members, and other information necessary for the complete fabrication and erection of the metal work.

4. Shop Drawings of concrete structures shall consist of such detailed drawings as may reasonably be required for the successful prosecution of the Work and which are not included in the Drawings. These may include drawings for false work, bracing, centering, and form work, masonry layout diagrams, and diagrams for bent reinforcement.

5. Design-Builder shall make revisions and provide additional information when required by Governmental Bodies having jurisdiction over the Project.

D. Samples. Clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as required to enable Agency to review the submittal for assessing conformance with information given and design concept expressed in Contract Documents. Samples should be of appropriate size and detail to assess functional, aesthetic, color, texture, patterns, and finish selection.

E. Agency's Review. Agency will review Shop Drawings and Samples in accordance with the Schedule of Submittals. Agency's review and acceptance will be only to determine if the items covered by the Submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole, as indicated by the Contract Documents. Agency review and approval will not extend to means, methods, techniques, sequences, or procedures of construction (except where a particular means, method, technique, sequence, or procedure of construction is specifically and expressly called for by the Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. Agency's review and acceptance shall not relieve Design-Builder from responsibility for any variation from the requirements of the Contract Documents unless Agency has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample.

F. Resubmittal Procedures. Design-Builder shall make corrections required by Agency and shall return corrected Shop Drawings and submit, as required, new Samples for review and approval. Design-Builder shall direct specific attention in writing to revisions other than the corrections called for by Agency on previous Submittals.

ARTICLE 8 - MATERIALS; EQUIPMENT

8.1 Materials, Equipment.

A. New Materials, Equipment. Unless otherwise specified, all materials, parts, and equipment furnished by Design-Builder in the Work shall be new, the best of their respective kinds and grades as noted and/or specified, and workmanship shall be of good quality. No materials, supplies, or equipment for Construction Work under the Contract shall be purchased subject to any chattel mortgage or under a conditional sale or other agreement by which an interest therein or in any part thereof is retained by the seller or Supplier. Design-Builder warrants good title to all material, supplies, and equipment installed or incorporated in the Work and agrees upon completion of all work to deliver the Project, to Agency free from any claims, Liens, or charges.

B. Necessary Materials, Equipment. Except as otherwise specifically stated in the Contract Documents, Design-Builder shall provide and pay for all materials, labor, tools, equipment, water, lights, power, transportation, superintendence, temporary constructions of every nature, and all other services and facilities whatsoever necessary to execute and complete this Project within the Contract Time. Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of the Construction Work and shall be stored properly and protected as required by the Contract Documents. Design-Builder shall be entirely responsible for damage or loss by weather or other causes to materials or Work. Materials shall be stored on the Site in such manner so as not to interfere with any operations of Agency or any Separate Contractor.

C. Verifications of Needed Materials, Equipment. Design-Builder shall verify all measurements, dimensions, elevations, and quantities before ordering any materials or equipment or performing any Work, and Agency shall not be liable for Design-Builder's failure to do so. No additional compensation will be allowed because of differences between actual measurements, dimensions, elevations, and quantities and those indicated on the Construction Documents.

D. Materials and Equipment Provided by Agency. If applicable and upon written request of Design-Builder, any materials or equipment furnished by Agency shall be available to Design-Builder within a reasonable time at the points designated in the Contract Documents. The cost of handling, including loading and unloading, transport, storing, and placing all materials or equipment after they are made available to Design-Builder shall be considered as included in a GMP. Design-Builder shall be responsible for all material or equipment furnished to Design-Builder, and deductions will be made from any monies due to Design-Builder to make good any shortages, damages, and deficiencies, from any cause whatsoever, which may occur after materials or equipment are provided.

E. Storage of Materials, Equipment. Design-Builder may request payment for materials and equipment not incorporated in the Work, but safely stored at the Site or at another location. Such request must be in writing, accompanied by a bill of sale, paid invoice, or other documentation warranting that Design-Builder has received the materials and equipment free and clear of all charges, security interests, and encumbrances, and include evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect Agency's interest therein, including security and transportation to the Site. Agency has the sole discretion whether or not to approve the request. If Agency approves the request, payment may be requested on the next application for payment. No payment will be made for perishable materials that could be rendered useless because of long storage periods.

8.2 Test and Inspections of Work.

A. Inspection of Work.

1. Inspection Notifications, Costs. If the Contract Documents, Agency's Representative, Applicable Law, or Governmental Body require any part of the Work to be tested or approved by Agency, Design-Builder shall provide Agency's Representative at least two (2) calendar days' notice of its readiness for observation or inspection. If inspection is by a Governmental Body other than Agency, Design-Builder shall provide proper notice as required by the Governmental Body and promptly inform Agency of the date fixed for such inspection. Required certificates of inspection (or similar) shall be secured by Design-Builder. Agency shall pay costs for Agency testing and inspection. Cost for any testing and inspection not performed by Agency shall be included in the GMP. Costs of tests for Work found not to comply shall be paid by Design-Builder.

2. Inspection Hours. If Design-Builder gives notice of an inspection pursuant to the Contract Documents, Agency will provide inspection during normal working hours, Monday through Friday, between 7:00 AM and 5:00 PM. For inspections on Saturdays, Sundays, or Holidays, Design-Builder shall first, pursuant to procedures in the Contract Documents, receive authorization in writing from Agency to work outside normal working hours.

3. Extra Costs. Design-Builder shall pay for the cost of any minimum "show up" costs of a materials testing technician that was called for by Design-Builder, but ultimately the Work was not ready for the inspection. Any such costs shall be deducted from any amounts due to Design-Builder. If any Work is done or covered up without the required testing or approval, Design-Builder shall uncover or deconstruct the Work, and the Work shall be redone after completion of the testing at Design-Builder's cost in compliance with the Contract Documents.

4. Independent Laboratory. Where inspection or testing is conducted by an independent laboratory or agency, materials or samples of materials to be inspected or tested shall be selected by such laboratory or agency, or by Agency's Representative, and not by Design-Builder. Unless otherwise stated and as provided by the Contract Documents, Agency shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents. All tests or inspections of materials shall be made in accordance with the commonly recognized standards of national organizations.

5. Reexamination of Work. Agency may order reexamination of Work. If so ordered, Work must be uncovered or deconstructed by Design-Builder. If Work is found to be in accordance with the Contract Documents, Agency shall pay the costs of reexamination and reconstruction. If such work is found not to be in accordance with the Contract Documents, Design-Builder shall pay all costs.

B. Testing of Materials.

1. Manufactured Materials. In advance of manufacture of materials to be supplied by Design-Builder, which must be tested or inspected, Design-Builder shall notify Agency so that Agency may arrange for testing at the source of supply. Any materials that have not satisfactorily passed such testing and inspection shall not be incorporated into the Work. If the manufacture of materials to be inspected or tested will occur in a plant or location greater than sixty (60) miles from Agency, Design-Builder shall pay for and include in the GMP any excessive or unusual costs associated with such testing or inspection, including, but not limited to, excessive travel time, standby time, and required lodging.

2. Testing. Unless otherwise specified in the Contract Documents, all initial testing and a reasonable amount of retesting will be performed under the direction of Agency's Representative, and at no expense to Design-Builder. Design-Builder shall notify Agency's Representative in writing, at least fifteen (15) calendar days in advance, of its intention to use materials for which tests are specified, to allow sufficient time to perform

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the tests. The notice shall name the proposed Supplier and source of material. If the notice of intent to use is sent before the materials are available for testing or inspection, or is sent so far in advance that the materials on hand at the time will not last but will be replaced by a new lot prior to use on the Work, it will be Design-Builder's responsibility to re-notify Agency's Representative when samples that are representative may be obtained.

3. Certificate of Compliance. A certificate of compliance shall be furnished to Agency's Representative prior to the use of any material or assembled material for which these Contract Documents so require or if so required by Agency's Representative. Agency's Representative may waive the materials testing requirements and accept a certificate of compliance. Agency's Representative may require Design-Builder to include material test data with the Submittal. Materials used on the basis of a certificate of compliance may be sampled and tested at any time by Agency. The submission of a certificate of compliance shall not relieve Design-Builder of responsibility for incorporating material into the Work which conforms to the requirements of the Contract Documents, and any material not conforming to the requirements will be subject to rejection by Agency's Representative whether in place or not. Copies of mill certificates of composition and quality of all component materials (e.g., reinforcing steel, structural steel, lumber, etc.) incorporated in the construction of the Work shall be provided to Agency at the time of delivery. Agency shall retain the right to reject any raw material not provided with a mill certificate at the time of delivery.

4. Unacceptable Material. If, after incorporating such materials into the Work, it is found that sources of supply that have been approved do not furnish a uniform product, or if the product from any source proves unacceptable at any time, Design-Builder shall remove such material and furnish approved material from other approved sources. If any product proves unacceptable after improper storage, handling, or for any other reason, it shall be rejected, not incorporated into the Work, and shall be removed from the Site all at Design-Builder's expense.

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ARTICLE 9 - PROJECT SITE

9.1 Use of Project Site.

A. Design-Builder Laydown Areas, Field Office. Laydown and staging areas for construction materials and equipment required for the Work and Design-Builder's field office shall be located on the Site or at other locations approved by Agency. The locations at the Site shall be identified in a GMP Amendment or the Construction Documents.

B. Agency Field Office. If specified in a GMP Amendment or the Construction Documents, Design-Builder shall provide and maintain an on-site field office and bathroom for the exclusive use of Agency. The field office shall be completely equipped, fully functional, and ready for use within ten (10) calendar days of the commencement date for Phase 2 stated in the Notice to Proceed and must be maintained for the duration of the entire Project. The locations at the Site shall be identified in a GMP Amendment or the Construction Documents.

C. Limitation of Use of Site and Other Areas. Rights-of-way, easements, or rights-of-entry for the Project will be provided as shown in the Contract Documents. Unless otherwise specified in the Contract Documents, Design-Builder shall make arrangements, pay for, and assume all responsibility for acquiring, using, and disposing of additional work areas and facilities temporarily required for the Project. Design-Builder shall indemnify, defend, and hold Agency harmless from all claims for damages caused by such actions. Design-Builder shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Site and other areas permitted by Agency and Applicable Law, and shall not unreasonably encumber the Site and other areas with construction equipment or other materials or equipment. Design-Builder shall not use the Site for anything not directly related to constructing the Work, including, but not limited to, housing employees and other non-Work activities. Design-Builder shall assume full responsibility for any damage to any such land or area, or to Agency or occupant thereof, or of any adjacent land or areas resulting from the performance of the Work.

D. Sanitary Facilities. Design-Builder shall provide sanitary temporary toilet buildings and hand-washing facilities for the use of all workers. All toilets and hand-washing facilities shall comply with Applicable Laws. Toilets shall be placed inside sealed secondary containment devices installed on a flat, level surface. Accumulated liquids in the secondary containment devices shall be safely removed and legally disposed of without spillage onto the ground. Toilets shall be kept supplied with toilet paper and shall have workable door fasteners. Toilets and hand washing facilities shall be serviced no less than once weekly and shall be presented in a quantity of not less than 1 per 20 workers as required by Cal/OSHA regulations. The toilets and hand-washing facilities shall be maintained in a sanitary condition at all times. Any other sanitary facilities required by Cal/OSHA shall be the responsibility of Design-Builder.

E. Utility Usage. All temporary utilities, including, but not limited to, electricity, water, gas, and telephone, used for the Project shall be furnished and paid for by Design-Builder. Design-Builder shall provide necessary temporary distribution systems, including meters, if necessary, from distribution points to points where the utility is needed. Upon completion of the Project, Design-Builder shall remove all temporary distribution systems. Design-Builder shall provide necessary and adequate utilities and pay all costs for water, electricity, gas, oil, and sewer charges required for completion of the Project, including, but not limited to, startup and testing required in the Contract Documents. All permanent meters installed shall be listed in Design-Builder's name until the Project is accepted. For Work to be performed in existing Agency facilities, Design-Builder may use Agency's existing utilities, provided such use is reasonable under the circumstances. If Design-Builder uses Agency utilities, it will not need to compensate Agency for reasonably consumption of utilities, but Design-Builder will be responsible for any excessive, unreasonable, or wasteful utility usage.

F. Site Maintenance. During the progress of the Work, Design-Builder shall keep the Site and other areas free from accumulations of waste materials, rubbish, and other debris, including, without limitation, before the end of each shift. Removal and disposal of such waste materials, rubbish, and other debris shall conform to Applicable Laws. Design-Builder shall furnish trash bins for all debris from construction. All debris shall be placed in trash bins daily. Forms and false-work that are to be reused shall be stacked neatly concurrently with their removal. Forms and false-work that are not to be reused shall be disposed of concurrently with their removal.

G. Cleaning. Prior to completion of the Project, Design-Builder shall clean the Site and make it ready for utilization by Agency. At the completion of the Project Design-Builder shall remove from the Site all tools, appliances, construction equipment and machinery, and surplus materials, and shall restore to original condition all property not designated for alteration by the Contract Documents.

H. Work Hours. Work may be performed at the Site Monday through Friday, between 7:00 AM and 5:00 PM, and shall be considered normal working hours. For Work performed on Saturdays, Sundays, or Holidays, Design-Builder shall request authorization in writing from Agency at least seventy-two (72) hours prior to the requested date of work. Approval from Agency to work outside normal working hours shall be at its sole discretion.

I. Parking. Design-Builder shall be responsible for the parking of any and all vehicles belonging to its employees or employees of its Subcontractors in a legal manner at no additional expense or inconvenience to Agency.

9.2 Preservation and Restoration of Property.

A. Document Site. With the latest technology and prior to Construction Work, Design-Builder shall digitally record video and take photographs of the Site and adjacent improvements in a manner and quality that clearly depicts the existing condition of the Site and adjacent improvements immediately prior to the start of work. Design-Builder shall submit the video and photos in a manner specified by Agency.

B. Responsibility for Damage. Design-Builder shall be responsible for all damages to persons or property that occur as a result of the Work. Design-Builder shall be responsible for the proper care and protection of all materials delivered and Work performed until completion and final acceptance by Agency. All Work shall be solely at Design-Builder's risk. Design-Builder shall be responsible for the preservation of public and private property including along and adjacent to the Site. Design-Builder shall adequately protect adjacent property from settlement or loss of lateral support as necessary. Design-Builder shall take every precaution necessary to prevent damage to pipes, conduits, and other underground structures and shall protect carefully from disturbance or damage all land, survey monuments, and property markers. When or where any direct or indirect damage is done to Agency's, or adjacent, property by or on account of any act, omission, neglect, or misconduct in the performance of Work or in consequence of the non-performance thereof on the part of Design-Builder, Design-Builder shall restore, at Design-Builder's own expense, such property to a condition equal to that existing before such damage was done by repairing, rebuilding, or otherwise restoring same, or Design-Builder will make good such damage in an acceptable manner.

C. Protection of Site. Design-Builder shall comply with all Applicable Laws to prevent accidents or injury to persons on, about, or adjacent to the Project site where Work is being performed. Design-Builder shall erect and properly maintain at all times, as required by field conditions and progress of work, all necessary safeguards, signs, barriers, lights, and watchmen for protection of workers and the public, and shall post danger signs warning against hazards created in the course of construction. Design-Builder shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions. Design-Builder shall:

1. Enclose the working area with a substantial barricade, and arrange work to cause minimum inconvenience and danger to the public.

2. Provide substantial barricades around any shrubs or trees indicated to be preserved.

3. Deliver materials to the Site over a route designated by Agency.

4. Confine Design-Builder's apparatus, the storage of materials, and the operations of its workers to limits required by law, ordinances, permits, or directions of Agency. Design-Builder shall not unreasonably encumber the Site with its materials.

5. Take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed by accident, they shall be replaced by a civil engineer or land surveyor acceptable to Agency, at no cost to Agency.

6. Ensure that existing facilities, fences, and other structures are all adequately protected and that, upon completion of all Work, all facilities that may have been damaged are restored to a condition acceptable to Agency.

7. Preserve and protect from injury all buildings, pole lines, and all directional, warning, and mileage signs that have been placed within the right-of-way.

8. At the completion of work each day, leave the Work and the Site in a clean, safe condition.

9. Comply with any stage construction and/or traffic handling plans. Access to residences and businesses shall be maintained at all times, except with Agency's written approval. Any request for approval to reduce or restrict access to residences and businesses must be submitted to Agency at least seven (7) calendar days in advance, and Agency may issue or withhold approval in its sole discretion.

D. Continuous Protection of Site. These precautionary measures will apply continuously and not be limited to normal working hours. Full compensation for the work involved in the protection and preservation of life, safety, and property as above specified shall be considered as included in the GMP, and no additional allowance will be made therefor.

E. Notification of Damage. Should damage to persons or property occur as a result of the Work, Design-Builder shall promptly notify Agency in writing. Design-Builder shall be responsible for proper investigation and documentation, including video or photography, to adequately memorialize and make a record of what transpired. Agency shall be entitled to inspect and copy any such documentation, video, or photographs. If Design-Builder fails to respond to a written demand for the repair of damage to property within twenty-four (24) hours of such notification, Agency reserves the right to repair the damage. Repairs made by Agency on Design-Builder's behalf shall be reimbursed by Design-Builder to Agency or said costs of repairs may be deducted from amounts owed to Design-Builder.

9.3 Ownership of Site Materials Found.

A. Title to Materials. The title to water, soil, rock, gravel, sand, minerals, timber and any other materials developed or obtained in the excavation or other operations of Design-Builder or any of its Subcontractors in the performance of the Contract, and the right to use said items in carrying out the Contract, or to dispose of same, is hereby expressly reserved by Agency. Neither Design-Builder nor any of its Subcontractors nor any of their representatives or employees shall have any right, title, or interest in said materials, nor shall they assert or make any claim thereto. Except as otherwise specified in the Contract Documents, Design-Builder will, as determined by Agency, be permitted to use in the Work without charge, any such materials which meet the requirements of the Contract Documents, provided Agency shall have the right to use or consume these materials without payment to a third party.

9.4 Existence of Utilities at the Work Site.

A. Existing Utilities. Design-Build shall show the location of existing utilities and pipelines on the Construction Documents. However, nothing herein shall be deemed to require Agency to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Site can be inferred from the presence of other visible facilities, such as buildings, cleanouts, meter and junction boxes, on or adjacent to the Site. Agency will assume the responsibility for the timely removal, relocation, or protection of existing main or trunk line utility facilities located on the Site if such utilities are not identified in the Contract Documents, cannot reasonably be inferred from the presence of other visible facilities, or could not have been identified by Design-Builder in its performance of its Phase 1 Work or other contractual responsibilities.

B. Utility Location.

1. Location. It shall be Design-Builder's responsibility to determine the exact location and depth of all utilities, including service connections, which Design-Builder believes may affect or be affected by Design-Builder's operations, by taking all reasonable steps necessary including, but not limited to, calling Underground Service Alert to locate utilities in accordance with the procedures described in Government Code 4216 *et seq*. Design-Builder shall not be entitled to additional compensation nor time extensions for work necessary to avoid interferences nor for repair to damaged utilities. The locating of utilities shall be in conformance with Government Code section 4216 *et seq*., except for Agency's utilities located on Agency's property and not on public right-of-way.

2. Notification. Pursuant to Government Code section 4216.2, Design-Builder shall contact the appropriate regional notification center at least two (2) working days but not more than fourteen (14) calendar days before performing any excavation. The date of the notification shall not count as part of the two-working-day notice. Before notifying the appropriate regional notification center, Design-Builder shall delineate the area to be excavated. Design-Builder shall request that the utility owners conduct a utility survey and mark or otherwise indicate the location of their service. Design-Builder shall furnish to Agency's Representative written documentation of its contact(s) with the regional notification center prior to commencing excavation at such locations.

3. Potholing. After the utility survey is completed, Design-Builder shall commence "potholing" or hand digging to determine the actual location of the pipe, duct, or conduit, and in accordance with Government Code section 4216.4, if the excavation is within the "tolerance zone" of a subsurface installation. A "subsurface installation" is defined in Government Code section 4216 (s) as "any underground pipeline, conduit, duct, wire, or other structure, except nonpressurized sewer lines, nonpressurized storm drains, or other nonpressurized drain lines." Agency's Representative shall be given notice prior to commencing potholing operations. Design-Builder shall uncover all piping and conduits, to a point one (1) foot below the pipe, where crossings, interferences, or connections are shown on the Construction Documents, prior to trenching or excavating for any pipe or structures, to determine actual elevations. New pipelines shall be laid to such grade as to clear all existing facilities, which are to remain in service for any period subsequent to the construction of the run of pipe involved.

4. High Priority Subsurface Installation. Design-Builder's attention is directed to the requirements of Government Code section 4216.2 (c) which provides: "When the excavation is proposed within ten (10) feet of a high priority subsurface installation, the operator of the high priority subsurface installation shall notify the excavator of the existence of the high priority subsurface installation to set up an onsite meeting prior to the legal excavation start date and time or at a mutually agreed upon time to determine actions or activities required to verify the location and prevent damage to the high priority subsurface installation. As part of the meeting, the excavator shall discuss with the operator the method and tools that will be used during the excavation and the information the operator will provide to assist in verifying the location of the subsurface installation. The excavator shall not begin excavating until after the completion of the onsite meeting." A "high priority subsurface installation" is defined in Government Code section 4216 (j) as "high-pressure natural gas pipelines with normal operating pressures greater than 415kPA gauge (60psig) or greater than six (6) inches nominal pipe diameter, petroleum pipelines, pressurized sewage pipelines, high-voltage electric supply lines, conductors, or cables that have a potential to ground of greater than or equal to 60kv, or hazardous materials pipelines that are potentially hazardous to workers or the public if damaged." Design-Builder shall notify Agency's Representative in advance of this meeting.

C. Utility Relocation and Repair. Design-Builder shall be responsible to indicate in the Construction Documents all utility interferences with reasonable accuracy. Care shall be exercised by Design-Builder to prevent damage to adjacent existing facilities and public or private works; where equipment will pass over these obstructions, suitable planking shall be placed. If high priority subsurface installations are damaged and the operator cannot be contacted, Design-Builder shall call 911 emergency services. Temporary or permanent relocation or alteration of utilities desired by Design-Builder for its own convenience shall be Design-Builder's responsibility and all costs for such work shall be included in a GMP.

D. Construction at Existing Utilities. Where the Work to be performed crosses or otherwise interferes with water, sewer, gas, or oil pipelines; buried cable; or other public or private utilities, Design-Builder shall perform construction in such a manner so that no damage will result to either public or private utilities. It shall be the responsibility of Design-Builder to determine the actual locations of, and make accommodates to maintain, all utilities. Before any utility is taken out of service, Design-Builder shall obtain permission from the owner. The owner, any impacted resident or business owner and Agency will be advised of the nature and duration of the utility outage as well as Design-Builder's plan for providing temporary utilities if required by the owner. Design-Builder shall be liable for all damage which may result from its failure to maintain utilities during the progress of the Work, and Design-Builder shall indemnify Agency as required by the Contract Documents from all claims arising out of or connected with damage to utilities encountered during construction; damages resulting from disruption of service; and injury to persons or damage to property resulting from the negligent, accidental, or intentional breaching of utilities.

9.5 Trenches.

A. Trenches Five (5) Feet or More in Depth. Design-Builder shall submit to Agency prior to Construction Work, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from hazards of caving ground during the excavation of any trench or trenches five (5) feet or more in depth. If such plan varies from shoring system standards established by the Construction Safety Orders of the California Code of Regulations, Department of Industrial Relations, a California-registered civil or structural engineer shall prepare the plan. The plan shall not be less effective than the shoring, bracing, sloping, or other provisions of the Construction Safety Orders, as defined in the California Code of Regulations. Design-Builder shall designate in writing the "competent person" as defined in Title 8, California Code of Regulations, who shall be present at the Site each day that trenching and excavation are in progress. The "competent person" shall prepare and provide daily trenching and excavation inspection reports to Agency's Representative. Design-Builder shall also submit a copy of its annual California Occupational Safety and Health Administration (Cal/OSHA) trench and excavation permit.

9.6 Differing Site Conditions.

A. Phase 1 Work. Design-Builder shall, during Phase 1, take all measures necessary to determine the conditions of the Site. Design-Builder shall be responsible for any Site conditions that are not as Design-Builder anticipated, and such conditions shall not be considered a Differing Site Condition.

B. Discovery of a Differing Site Condition.

1. If the Construction Work involves excavating trenches or other excavations that extend deeper than four (4) feet below the surface, Design-Builder shall promptly, within three (3) calendar days, and before the excavation is further disturbed, notify Agency in writing of any of the following conditions (each a "Differing Site Condition"):

a. Material that Design-Builder believes may be hazardous waste, as defined in Section 25117 of the Health and Safety Code, which is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law;

b. Subsurface or latent physical conditions at the Site differing from those indicated by information about the Site made available to Design-Builder prior to executing a GMP Amendment; or

c. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

2. A Differing Site Condition does not include, without limitation, conditions of which Design-Builder had knowledge of as of the applicable GMP Amendment date, including conditions that could reasonably have been known, discovered or revealed as a result of the examinations, investigations, explorations, tests or studies of the Site performed by Design-Builder as part of Design Work, including reviewing Reference Documents and information about the Site made available to Design-Builder prior to executing a GMP Amendment, or that Design-Builder could have reasonably inferred based on its experience and expertise.

3. The written notice from Design-Builder shall describe the specific Differing Site Condition encountered and demonstrate that a Differing Site Condition exists, why Design-Builder could not reasonably have worked around the Differing Site Condition, and how the Differing Site Condition adversely impacted the GMP or Contract Time.

4. Agency shall promptly investigate the conditions and, if it finds that there is a Differing Site Condition that causes an increase in the GMP or Contract Time, shall issue a Change Order under the procedures described in these General Conditions.

5. In the event that a dispute arises between Agency and Design-Builder as to whether there is a Differing Site Condition or whether it causes an increase in the GMP or Contract Time, Design-Builder shall not be excused from the GMP or Contract Time, but shall proceed with all Work to be performed under the Contract. Design-Builder shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the Parties.

ARTICLE 10 - PROSECUTION OF THE WORK

10.1 Access to Work.

A. Access. Agency, Agency's Representative, and their consultants and other representatives and personnel, independent testing laboratories, and Governmental Bodies with jurisdictional interests will have access to the Site and Project at all times for their observation, inspection, and testing. Design-Builder shall provide them proper and safe conditions for such access and advise them of Design-Builder's safety procedures and programs.

10.2 Construction Quality Assurance, Quality Control.

A. Generally. Design-Builder shall have full responsibility for quality assurance and quality control for the Construction Work, including compliance with the Contract Documents. Without limiting any other requirement hereunder, Design-Builder shall perform quality control inspection and testing services to ensure compliance with the Contract Documents. Sampling and testing of materials, laboratory inspection of materials and processes for quality control purposes shall be performed in compliance with the Contract Documents.

B. Quality Control Plan. Design-Builder shall prepare and submit to Agency for review and approval a written Quality Control Plan that encompasses all requirements of the Contract Documents with regard to all quality control processes for the Construction Work. The Quality Control Plan shall identify Design-Builder's overall framework for implementation of its Quality Control programs across all aspects of the Work. Design-Builder shall submit the Quality Control Plan for Agency's approval. Agency's approval of the overall Quality Control Plan shall be a condition precedent to Design-Builder performing Construction Work. The Technical Specifications provide more detail on what shall be included in the Quality Control Plan.

C. Internal Quality Control Audits. Design-Builder shall establish and maintain documented procedures for planning and implementing internal quality audits to verify whether quality activities and related results comply with planned arrangements and to determine the effectiveness of the quality system. Audits shall be conducted on a planned and scheduled basis, consistent with the importance of the activities being performed. Design-Builder's management personnel responsible for the relevant area shall take timely corrective action on deficiencies found during the audit. Agency shall have the right to request and review the audit results. Follow-up audit activities shall verify and record the implementation and effectiveness of the corrective action taken. Agency may require Design-Builder to perform follow-up audits at Agency's sole discretion.

D. Review and Update of QC Plan. Design-Builder shall continuously review the performance of the Quality Control Plan to ensure its continuing suitability in satisfying the requirements of the Contract Documents. Design-Builder's reviews shall, at a minimum, review the results of internal audits, Agency audit results, corrective actions taken, trends in Defective Work, and time to resolution. Agency may, in its sole discretion, participate in Design-Builder's reviews and may request data from the reviews. Design-Builder shall incorporate the findings and quality improvement recommendations of Design-Builder reviews into the Quality Control Plan.

10.3 Design-Builder's Performance of Work.

A. Means and Methods. Design-Builder is solely responsible for the means and methods utilized to perform Work. Design-Builder shall perform all Work in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Design-Builder warrants that all employees and Subcontractors shall have sufficient skill and experience to perform the Work assigned to them. Design-Builder represents that it, its employees, and Subcontractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the Work, and that such licenses and approvals shall be maintained throughout the term of the Contract. Design-Builder shall perform the Work in full compliance with all Applicable Laws and to all Governmental Bodies having authority over the Project.

B. Design-Builder's Responsibility for Work. Responsibility for, and security of, all Work and materials related to Design-Builder's Work is the responsibility of Design-Builder until final acceptance of Design-Builder's Work by Agency. Agency shall not be held responsible for the care or protection of any material or parts of the Work prior to final acceptance. Design-Builder shall take every necessary precaution against injury or damage to any part thereof by the action of the elements or from any cause, whether arising from the execution or non-execution of the Work, and all loss or damage shall be borne by Design-Builder. Design-Builder shall rebuild, repair, restore, and make good at its own expense all injuries or damages to any portion of the Work before its completion and acceptance. In the event of damage proximately caused by an Act of God, Agency will pay for repair or restoration to damaged Work in excess of five percent (5%) of the Contract Price unless Agency has required Design-Builder to obtain insurance to indemnify Agency for any damage to the Project caused by an Act of God.

C. Layout and Field Engineering. Design-Builder shall utilize a properly licensed surveyor to perform all layout surveys required for the control and completion of the Work and all necessary surveys to compute quantities of Work performed.

10.4 Related Projects; Cooperation.

A. Generally. Agency reserves the right to let other contracts in connection with this Work or at or adjacent to the Site. Design-Builder acknowledges that Agency will be undertaking several other projects at and in the vicinity of the Site and, without limiting any other obligation under the Contract, agrees to reasonably coordinate the Construction Work (including making reasonable adjustments to its construction schedule and activities) to minimize conflicts with the work associated with such other projects in accordance with the Contract Documents.

B. Cooperation. Design-Builder shall ascertain to its own satisfaction the scope of the Project and nature of any other contracts that have been or may be awarded by Agency in prosecution of the Project in the light of such other contracts, if any. Nothing herein contained shall be interpreted as granting to Design-Builder exclusive occupancy of the Site. Design-Builder shall not cause any unnecessary hindrance or delay to any other contractor working at the Site. Agency shall not be responsible for any damages suffered or for extra costs incurred by Design-Builder resulting directly or indirectly from award, performance, or attempted performance of any other contract or contracts on the Site.

C. Coordination Meetings. Agency intends to have coordination meetings among Agency, Design-Builder, and the various Separate Contractors in an effort to manage the overall program associated with the work being performed at or in the vicinity of the Site and to avoid or mitigate cost and time impacts to the overall Project. Design-Builder agrees that it will attend and participate in these logistics meetings and shall cooperate with Agency and the Separate Contractors to the extent reasonably necessary for the performance by such Separate Contractors of their work.

D. Equipment and Materials Storage at Site. Design-Builder shall afford Agency and any Separate Contractors reasonable opportunity for the introduction and storage of their equipment and materials and the execution of their work at and in the vicinity of the Site. Design-Builder shall coordinate with Agency and any Separate Contractors to store apparatus, materials, supplies and equipment in such orderly fashion at the Site as will not unduly interfere with the progress of the Construction Work or the work of Agency or any Separate Contractor.

E. Interrelated Work. If part of the Work depends on proper execution of construction or operations by Agency or a Separate Contractor, Design-Builder shall, prior to proceeding with that portion of the Work, inspect the other work and promptly report to Agency any apparent discrepancies or defects in the other construction that would render it unsuitable for the proper execution of the Work. Failure of Design-Builder to report apparent discrepancies or defects in the other construction shall constitute acknowledgement that Agency's or the Separate Contractor's completed or partially completed construction is fit and proper to receive the Work.

F. Disputes Associated with Separate Work. If simultaneous execution of any contract for the Project is likely to cause interference with performance of another contract or contracts, Agency shall decide which contractor shall cease work temporarily and which contractor shall continue or whether work can be coordinated so that contractors may proceed simultaneously.

10.5 Record Drawings.

A. Record Drawings. Design-Builder shall maintain one record set of Construction Documents at the Site or digitally in an acceptable format to Agency. On these, it shall mark all Project conditions, locations, configurations, and any other changes or deviations which may vary from the information represented in the original Construction Documents, including buried or concealed construction and utility features which are revealed during the course of construction. Special attention shall be given to recording the horizontal and vertical location of all buried utilities that differ from the locations indicated, or which were not indicated on the Drawings. If Work involves the installation of pipelines, Design-Builder shall survey and record the top of the pipe at a minimum of every one hundred (100) linear feet, and at each bend, recording both the horizontal and vertical locations. Drawings shall be supplemented by any detailed sketches as necessary or directed to fully indicate the Work as actually constructed. A registered civil engineer shall prepare any required as-built drawings of civil engineering elements of the Work. These master Record Drawings of the as-built conditions, including all revisions made necessary by Change Orders, shall be maintained up-to-date during the progress of the Project. Red ink shall be used for alterations and notes. Notes shall identify relevant Change Orders by number and date. Record Drawings shall be accessible to Agency's Representative at all times during the construction period. Failure on Design-Builder's part to keep Record Drawings current could result in withholding partial payment to Design-Builder. As a condition of Final Completion, Design-Builder shall finalize and deliver a complete set of Record Drawings to Agency's Representative. The information submitted by Design-Builder will be assumed to be correct, and Design-Builder shall be responsible for, and liable to Agency, for the accuracy of such information, and for any errors or omissions which may or may not appear on the Record Drawings.

10.6 Defective Work.

A. Correction of Defective Work.

1. Failure to Correct. If Design-Builder fails to correct Defective Work, remove and replace rejected Work as required by Agency, or fails to perform the Work in accordance with the Contract Documents, Agency may, after seven (7) calendar days written notice to Design-Builder, correct or remedy any such deficiency if Design-Builder has failed to schedule or commence correcting such deficient Work.

2. Correction of Work by Agency. In connection with such corrective or remedial action in Section 10.6(A)(1) where Design-Builder fails to schedule or commence correcting such deficient Work, Agency may exclude Design-Builder from all or part of the Site, take possession of all or part of the Work and suspend Design-Builder's services related thereto, take possession of Design-Builder's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which Agency has paid Design-Builder but which are stored elsewhere. Design-Builder shall allow Agency, and the agents, employees, other contractors, and consultants of each of them, access to the Site to enable Agency to exercise the rights and remedies to correct the Defective Work.

3. Costs of Correcting Defective Work. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or other dispute resolution costs) incurred or sustained by Agency correcting the Defective Work will be charged against Design-Builder, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and Agency shall be entitled to reimbursement of the costs from Design-Builder. Such claims, costs, losses, and damages will include, but not be limited to, all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Defective Work. If the Change Order is executed after all payments under the Contract have been paid by Agency and the Project retention is held in an escrow account as permitted by the Contract Documents, Design-Builder will promptly alert the escrow holder, in writing, of the amount of retention to be paid to Agency. Design-Builder shall not be allowed an extension of Contract Time because of any delay in the performance of the Work attributable to Agency correcting Defective Work.

B. Acceptance of Defective Work. If, instead of requiring correction or removal and replacement of Defective Work, Agency prefers to accept it, Agency may do so. Design-Builder shall pay all claims, costs, losses, and damages (including, but not limited to, all fees and charges of engineers, architects, attorneys, and other professionals and all court or other dispute resolution costs) attributable to Agency's evaluation of and determination to accept Defective Work and for the diminished value of the Work. A Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and Agency shall be entitled to an appropriate decrease in the GMP, reflecting the diminished value of Work, and reimbursement of all costs incurred by Agency.

10.7 Partial Utilization of Site.

A. Partial Utilization. Use by Agency, at Agency's option, of any part of the Project which (a) has specifically been identified in the Contract Documents or (b) constitutes a separately functioning and usable part of the Project that can be used by Agency for its intended purpose without significant interference with Design-Builder's performance of the remainder of the Work, may be accomplished prior to Final Completion. This use shall not relieve Design-Builder of its responsibilities under the Contract. Partial utilization of the Project shall not be deemed an acceptance of any Work not conforming to the requirements of the Contract Documents, unless specifically accepted in writing by Agency, and this use shall not relieve Design-Builder of its responsibilities under the Contract.

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

ARTICLE 11 - SCHEDULE; CONTRACT TIME

11.1 Progress and Completion of Project.

A. Time is of the Essence. Time is of the essence. Design-Builder shall proceed expeditiously with adequate forces and shall achieve full completion of the Work within the Contract Time. If Agency's Representative determines and notifies Design-Builder that Design-Builder's progress is such that Design-Builder will not achieve full completion of the Work within the Contract Time, Design-Builder shall immediately and at no additional cost to Agency, take all measures necessary, including working such overtime, additional shifts, Sundays, or holidays as may be required to ensure that the entire Project is completed within the Contract Time. Upon receipt of such notice from Agency's representative, Design-Builder shall immediately notify Agency's Representative of all measures to be taken to ensure full completion of the Work within the Contract Time. Design-Builder shall reimburse Agency for any extra costs or expenses (including the reasonable value of any services provided by Agency's employees) incurred by Agency as the result of such measures.

11.2 Time for Completion.

A. Time for Completion. The Contract Time shall commence: (1) on the date stated in the Notice to Proceed, or (2) if the Notice to Proceed does not specify a commencement date, then on the date of the Notice to Proceed, and, in both cases, shall be completed within the Contract Time. Agency is under no obligation to consider early completion of the Work, and Contract Time shall not be amended by Agency's receipt or acceptance of Design-Builder's proposed earlier completion date. Any difference in time between Design-Builder's early completion and the Contract Time shall be considered a part of the Project float. Design-Builder shall not be entitled to compensation, and Agency will not compensate Design-Builder for delays which impact early completion. Design-Builder shall not, under any circumstances, receive additional compensation from Agency (including, but not limited to, direct, indirect, general, administrative, or other forms of overhead costs) for the period between the time of earlier completion proposed by Design-Builder and the Contract Time.

11.3 Extension of Time for Completion.

A. Procedure for Extension of Contract Time and Delay Damages. Design-Builder shall not be entitled to any extension of Contract Time or adjustment to the GMP for delay damages unless Design-Builder properly notices the delay and requests a Change Order in accordance with these General Conditions. Design-Builder's failure to timely and fully comply with the Change Order procedures in the Contract Documents shall constitute a waiver of Design-Builder's right to an extension of Contract Time or adjustment to the GMP for delay damages.

B. Extension of Time.

1. Agency-Caused Extension of Time. Design-Builder's entitlement to an extension of Contract Time for an Agency-caused delay shall only be allowed when, and then only to the extent that, Agency-caused delay extends the Critical Path beyond the Contract Time. The delay to the Critical Path must be established by a proper time-impact analysis. Agency shall ascertain the facts and extent of delay and grant extension of time for completing the Work when, in its judgment, the facts justify such an extension. Design-Builder shall not be entitled to an adjustment of Contract Time for delays within the control of Design-Builder. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Design-Builder. If approved, the increase in time required to complete Work shall be added to the Contract Time.

2. Concurrent Delay. In the event of Concurrent Delay, the Contract Time may be extended, as determined by Agency; however, such delay is non-compensable, and the GMP shall not be adjusted.

3. Inclement Weather. Design-Builder shall abide by Agency's determination of what constitutes inclement weather. Time extensions for inclement weather shall only be granted when the Work stopped during inclement weather is on the Critical Path of the applicable CPM Schedule.

4. Utility-Related Delays. If a delay to the Critical Path results from acts of public utilities or delays caused by failure of a public agency or owner of a utility to provide for removal or relocation of existing main or trunkline utility facilities or other known utility facilities, Design-Builder will be entitled to a time extension, but will not receive an adjustment to the GMP or any other compensation.

5. Force Majeure. If a delay to the Critical Path results from a Force Majeure Event, Design-Builder will be entitled to a time extension, but will not receive an adjustment to the GMP or any other compensation. Such a non-compensable adjustment shall be Design-Builder's sole and exclusive remedy for a Force Majeure Event.

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

C. No Damages for Reasonable Delay During Construction Work.

1. Agency's liability to Design-Builder for delays for which Agency is responsible shall be limited to only an extension of time unless such delays were unreasonable under the circumstances and not within the contemplation of the Parties. In no case shall Agency be liable for any costs which are borne by Design-Builder in the regular course of business, including, but not limited to, home office overhead and other ongoing costs.

2. Damages caused by unreasonable Agency delay shall be based on actual costs only; no proportions or formulas shall be used to calculate any delay damages. This includes the following allowable costs:

   a. Those actual necessary costs of idle time of construction equipment, idle time of workers, moving of construction equipment, and hauling of materials and equipment which are incurred solely by reason of the delay and which could not have been avoided by the judicious handling of forces, construction equipment, and plant;

   b. General Conditions Cost that are incurred solely by reason of the delay and extension of the Critical Path; and

   c. Design-Builder's Self-Performance Fee and Design-Builder's Subcontractor Fee, as applicable, on the costs allowed above.

3. In no case shall Design-Builder be compensated for delay damages allowed by this Article when Agency compensated Design-Builder for these costs through the markup provisions in a Change Order to perform Additional Work that resulted in the delay.

11.4 Liquidated Damages.

A. Liquidated Damages. If the Work is not completed within Contract Time, it is understood that Agency will suffer damage. In accordance with Government Code section 53069.85, being impractical and infeasible to determine the amount of actual damage, it is agreed that Design-Builder shall pay to Agency as fixed and liquidated damages, and not as a penalty, the sum stipulated in the Contract or the GMP Amendment for each calendar day of delay until the Work is fully completed. Design-Builder and its surety shall be liable for any liquidated damages. Any money due or to become due Design-Builder may be retained to cover liquidated damages.

B. Guaranteed Completion Date. Design-Builder agrees that it shall be liable to Agency for liquidated damages in an amount determined in the GMP Amendment for each and every calendar day beyond the Guaranteed Completion Date that Final Completion has not been achieved for the Project.

C. Milestone Date. Design-Builder agrees that it shall be liable to Agency for liquidated damages in an amount determined in the GMP Amendment for each and every calendar day beyond a Milestone Date where Final Completion has not been achieved.

11.5 Schedule.

A. General Requirements. Except as otherwise specifically stated in the Contract Documents, this Article will apply to a CPM Schedule for the Work. The CPM Schedule shall be prepared in an electronic scheduling program acceptable to Agency and as specified in the Contract Documents. Design-Builder shall deliver the CPM Schedule and all updates to Agency in both paper and electronic form. The electronic versions shall be in the format, and include all data used, to prepare the CPM Schedule.

B. Schedule. The receipt or approval of any CPM Schedule by Agency shall not in any way relieve Design-Builder of its obligations under the Contract Documents. Design-Builder is fully responsible to determine and provide for any and all staffing and resources at levels that allow for good quality and timely completion of the Project. Design-Builder's failure to incorporate all elements of Work required for the performance of the Contract or any inaccuracy in the CPM Schedule shall not excuse Design-Builder from performing Work required within the specified Contract Time. If the required CPM Schedule is not received by the time the first payment under the Contract is due, Design-Builder shall not be paid until the CPM Schedule is received, reviewed, and accepted by Agency.

C. Schedule Contents. The CPM Schedule shall indicate the beginning and completion dates of all phases of construction; critical path for all critical, sequential time-related activities; and "float time" for all "slack" or "gaps" in the non-critical activities. The CPM Schedule shall include appropriate time allowances and constraints for Submittals, items of interface with Work performed by others, and specified construction, start-up, and performance tests. The Project shall own all float. CPM Schedules indicating early or late completion shall not modify or have any effect on the Contract Time, regardless of whether the schedules are reviewed and/or accepted by Agency.

D. Schedule Updates. Design-Builder shall continuously update its CPM Schedule. Design-Builder shall submit an updated and accurate CPM Schedule to Agency: (1) prior to the start of Work, if there are any changes to the initial schedule; (2) with each progress payment request; and (3) whenever requested to do so by Agency. Agency may withhold progress payments or other amounts due under the Contract Documents if Design-Builder fails to submit an updated and accurate CPM Schedule. Upon Agency's request, Design-Builder shall submit any schedules or updates to Agency in the native electronic format of the software used to create the CPM Schedule.

E. Three-Week Look-Ahead Schedules. Design-Builder shall submit a three-week detailed look-ahead schedule at weekly meetings conducted with Agency. The three-week look-ahead schedule shall clearly identify all staffing and other resources which in Design-Builder's judgment are needed to complete the Work within the Contract Time, and it shall clearly state the number of staff to be used on each daily segment of the Work.

F. Acceptance. Acceptance of the CPM Schedule by Agency will not impose on responsibility for accuracy, for sequencing, scheduling, or progress of the Work, or compliance with the Contract Documents. Acceptance will not interfere with or relieve Design-Builder from Design-Builder's full responsibility therefor.

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42135 Winchester Road
Temecula, California
92590-4800

ARTICLE 12 - CHANGE IN CONTRACT PRICE; CHANGE IN CONTRACT TIMES

12.1 Phase 1 Changes.

A. Additional Phase 1 Work. Agency may direct Design-Builder to perform additional Phase 1 Work that Agency determines to be necessary for the proper completion of Phase 1, which the Parties did not reasonably anticipate would be necessary at execution of the Contract. Additional Phase 1 Work will be compensated at the rates set forth in Design-Builder's Cost Proposal Form, subject to adjustment as allowed by the Contract Documents. Design-Builder shall not be entitled to a mark-up on the rates set forth in Design-Builder's Cost Proposal Form for additional Phase 1 Work. If rates (i.e. hourly or unit rates) for additional Phase 1 Work are not identified in Design-Builder's Cost Proposal Form, Agency will pay for additional Phase 1 Work at a mutually agreeable rate between the Parties based on current market rates.

B. Excusable Delay. Design-Builder may request additional time to complete a task or submittal milestone only in the event of an excusable delay. For purposes of this Article, an excusable delay is a delay only to the completion of a Phase 1 Service and caused by the following: (i) the actions of Agency or its employees; (ii) the actions of those in direct contractual relationship with Agency, except for Design-Builder; (iii) the actions of any Governmental Body having jurisdiction over the Project acting in their role as an authority having jurisdiction that Design-Builder had no control over; (iv) the actions of any parties not within the reasonable control of Design-Builder; or (v) a Force Majeure Event. Design-Builder shall not be entitled to any damages or costs resulting from an excusable delay.

C. Change Order Procedures.

1. An increase to the Phase 1 Fee and/or extensions of time for the performance of Phase 1 Work must be approved through a Change Order. If Design-Builder determines it is entitled to a Change Order, Design-Builder must request a Change Order within five (5) calendar days of a directive from Agency to perform additional Phase 1 Work or of the event otherwise giving rise to the change. If additional Phase 1 Work also results in an excusable delay, Design-Builder shall request an extension of time concurrently.

2. To increase the Phase 1 Fee, Design-Builder's request for a Change Order shall include documentation supporting the need for the request and a cost proposal for the additional Phase 1 that shows the applicable rates and provides a fair estimate of the amount of work needed to complete the additional Phase 1 Work. Agency may request that Design-Builder propose other options or efficiencies, including de-scoping a portion of the additional Phase 1 Work.

3. To receive an extension of time for the performance of Phase 1 Work, Design-Builder's request shall include documentation supporting the need for the request, and a time impact analysis showing the impact of the extension on completion of the Phase 1 Work, as well as the impact on potential Work and on the Work as a whole. The time impact analysis shall include options to mitigate the impact on the Critical Path of Phase 1, including the commencement of Phase 2. The request shall be limited to only the amount of time that is reasonably necessary for Design-Builder to complete the additional Phase 1 Work.

D. Exclusions from Additional Phase 1 Work. Additional Phase 1 Work shall not include work or services necessary because of negligent errors, omissions, or conflicts of any type in Design-Builder's performance of Phase 1 Work. This includes, but is not limited to, any redesign or revisions to Drawings, Technical Specifications or other documents required to complete the original scope of work that are: (i) an ordinary part of the design development and review process, including constructability and value engineering review, or (ii) necessary in order to bring such documents into compliance with Applicable Law of which Design-Builder was aware or should have been aware. All such work or services shall constitute Phase 1 Work.

E. Reduction of Phase 1 Work. Agency shall have the right to reduce the scope of Phase 1 Work at any time by written notice to Design-Builder. Changes to Phase 1 Work that reduces the scope of Phase 1 Work shall be effective upon the delivery of the written notice by Agency pursuant to this Article. Any reduction in the scope of Phase 1 Work shall result in an appropriate reduction in the Phase 1 Fee, which shall be reflected in a Change Order.

12.2 Phase 2 Changes.

A. Change Orders Generally.

1. All changes to the Contract, including compensation increases and time extensions, shall be through a written Change Order in accordance with this Article. Agency, without invalidating the Contract, may order changes in the Work consisting of additions, deletions, or other revisions, and Design-Builder's compensation and the time for completion shall be adjusted accordingly. Whenever any change is made as provided for herein, such change shall be considered and treated as though originally included in the Contract, and shall be subject to all terms, conditions, and provisions of the original Contract. Design-Builder shall not be entitled to a claim or bring suit for damages, whether for loss of profits or otherwise, on account of any decrease or omission of any item or portion of Work to be done. No dispute, disagreement, or failure of the parties to reach agreement on the terms of the Change Order shall relieve Design-Builder from the obligation to proceed with performance of the Work, including

Additional Work, promptly and expeditiously. Any alterations, extensions of time, Additional Work, or any other changes may be made without securing consent of Design-Builder's surety or sureties. Design-Builder agrees that one of the purposes of progressive design-build services is to minimize the risk for Change Orders, and Change Orders shall be strictly limited. This Article shall continue to apply regardless of whether the Parties continue to utilize a GMP for Construction Work or agree to convert the GMP to a Lump Sum Price.

2. Subject to Agency review and approval, the GMP shall not be modified except in the event of the following circumstances: (a) Agency directs and authorizes a change which is related solely to discretionary changes by Agency (the foregoing excludes changes resulting from the acts, omissions or other conduct of Design-Builder); (b) a Differing Site Condition; (c) changes directed by a Governmental Body with jurisdiction over the Project, or portions thereof, which could not be reasonably foreseen or anticipated by Design-Builder at the execution of the GMP Amendment; (d) changes necessitated by amendment(s) to or enactment(s) of Applicable Laws which could not be reasonably anticipated or foreseen by Design-Builder at the at the execution of the GMP Amendment; (e) changes to the extent resulting from acts, omissions or other conduct of Agency; or (f) where expressly allowed by the Contract Documents.

3. Design-Builder has no right to a Change Order for a time extension, extra work, or other costs of any kind whatsoever (including, without limitation, direct and indirect costs, delay and disruption damages, overhead, profit or mark-up) resulting from issues related to, among other things, the following: (1) design defects or ambiguities; (2) Site conditions that Design-Builder should have foreseen, discovered, or anticipated prior to a GMP Amendment; (3) constructability issues, including, but not limited to, construction feasibility, schedule or cost; or (4) conditions Design-Builder have foreseen, discovered, or anticipated and provided constructability or value engineering recommendations as part of the Design Work.

4. Design-Builder shall not be entitled to an increase to the GMP if it contains any Design-Builder Contingency or Allowances for the costs, which must be utilized and exhausted prior to requesting a Change Order. Design-Builder may only increase the GMP through a duly requested and approved Change Order.

B. Contract Change Order Procedures.

1. Agency Written Directive. Agency may direct changes in the Work by delivering a written directive. To the extent the written directive results in a change to compensation or time, Design-Builder must timely request a Change Order and comply with all Change Order procedures in accordance with this Article. Notwithstanding issuance of a written directive, Design-Builder's failure to timely request a Change Order shall constitute a waiver by Design-Builder of any adjustment to compensation or time extension for Work performed under the directive. Agency shall not be liable to Design-Builder for Work performed or omitted by Design-Builder in reliance on verbal orders. Agency shall have the right to order changes in the Work by a unilateral Change Order setting forth Agency's determination of the reasonable additions or savings in the GMP or Contract Time.

2. Design-Builder's Notice of Change or Delay.

a. If Design-Builder intends to initiate a Change Order Request, Design-Builder shall provide Agency with written notice of the underlying facts and circumstances that gave rise to the proposed change within the following times:

(i) If due to a Differing Site Condition, as soon as reasonably practicable under the conditions, which shall be no longer than three (3) calendar days from the discovery date or prior to the alterations of the conditions, whichever is earlier.

(ii) If due to a Force Majeure Event, as soon as reasonably practicable under the conditions, but in no case longer than three (3) calendar days from the date Design-Builder discovers that the Force Majeure Event gives rise to a change, unless the conditions are such that notice within three (3) calendar days is not possible or practicable.

(iii) If due to any other matter that may involve an adjustment to the GMP or Contract Time, as soon as reasonably practicable under the conditions, but in no case longer than seven (7) calendar days from the earlier date of the discovery date of the matter or when the matter should have been discovered.

b. To be considered valid and complete, the notice of change or delay shall include a general statement of the circumstances giving rise to the notice of change/delay and a reasonable order of magnitude estimate of the additional costs or time. If the circumstances give rise to both a cost adjustment and a time extension, Design-Builder shall submit the notice of change and notice of delay concurrently.

3. Change Order Request.

a. Design-Builder shall submit a Change Order Request for any adjustment to a GMP or Contract Time. The Change Order Request shall be made prior to incurring any expense related to the Change Order Request and within fourteen (14) calendar days from either Design-Builder's notice of change or delay or Agency's written directive ordering the change. For any costs or information that cannot be determined at the time Design-Builder submits a Change Order Request, Design-Builder shall submit to Agency notice of the costs or information and all supporting documentation within five (5) calendar days of when the costs or other information become subject to determination. The Change Order Request shall include all of the following information (unless inapplicable to the change or delay):

(i) A detailed description of the circumstances giving rise to the request;

(ii) A complete itemized cost proposal, including itemized pricing for Subcontractors;

(iii) Supporting documentation for all costs;

(iv) A time impact analysis showing the impact of the delay on the Critical Path of the Work;

(v) If any costs or information cannot be determined at the time of the Change Order Request, a rough order of magnitude of the Change Order costs and the reason the costs or information cannot be determined at the time; and

(vi) Certification to the accuracy of the Change Order Request under penalty of perjury

b. The time impact analysis shall be in the Critical Path method format and shall show the sequencing of all critical and non-critical new activities and/or activity revisions affected by the delay, with logic ties to all affected existing activities noted on the schedule. Agency may demand, and Design-Builder shall provide, any additional information supporting the Change Order Request, including, but not limited to, native electronic format version of schedules and time impact analyses. Design-Builder shall provide the requested additional information within five (5) calendar days of the request.

4. Agency's Final Decision on Change Order; Ordered Changes. If Agency denies the Change Order Request or disagrees with the proposal submitted by Design-Builder, it will notify Design-Builder, and Agency will provide its opinion of the appropriate price or time extension. If no agreement can be reached, Agency shall have the right in its sole discretion to order the Work performed, to the extent permitted by law, by issuing a unilateral Change Order setting forth Agency's determination of the reasonable additions or savings in costs and time attributable to the extra or deleted work or on a time and materials basis. Agency's determination shall become final and binding if Design-Builder fails to submit a claim in writing in accordance with the General Conditions to Agency within fourteen (14) calendar days of denying the Change Order Request, or for the issuance of a unilateral Change Order, disputing the terms of the unilateral Change Order, and providing such supporting documentation for its position as Agency may reasonably require.

5. Design-Builder's Waiver of Further Relief.

a. Design-Builder recognizes and acknowledges that timely submission of a formal written notice of change or delay and Change Order Request, whether or not the circumstances of the change may be known to Agency or available to Agency through other means, is not a mere formality but is of crucial importance to the ability of Agency to promptly identify, prioritize, evaluate, and mitigate the potential effects of changes. Any form of informal notice, whether verbal or written (including, without limitation, statements in requests for information, statements in Submittals, statements at any job meeting or entries on monthly reports, daily logs or job meeting minutes), that does not strictly comply with the formal requirements of this Article, shall accordingly be insufficient.

b. **DESIGN-BUILDER'S FAILURE TO PROVIDE A COMPLETE AND TIMELY NOTICE OF CHANGE OR DELAY, CHANGE ORDER REQUEST, NOTICE DISPUTING A UNILATERAL CHANGE ORDER, OR TO COMPLY WITH ANY OTHER REQUIREMENT OF THIS ARTICLE, SHALL CONSTITUTE A WAIVER BY DESIGN-BUILDER OF THE RIGHT TO A GMP ADJUSTMENT ON ACCOUNT OF SUCH CIRCUMSTANCES AND A WAIVER OF ANY RIGHT TO FURTHER RECOURSE OR RECOVERY BY REASON OF OR RELATED TO SUCH CHANGE BY MEANS OF THE CLAIMS DISPUTE RESOLUTION PROCESS OR BY ANY OTHER LEGAL PROCESS OTHERWISE PROVIDED FOR UNDER APPLICABLE LAWS.**

C. Change Order Format. A Change Order signed by Design-Builder indicates Design-Builder's agreement therewith, including any adjustment in compensation or extension of time, and the full and final settlement of all costs, including, without limitation, overhead and profit related to the Work authorized by the Change Order. Agency may designate the forms to be used for notices, requests, and Change Orders. If so designated, Design-Builder may only use such forms. Design-Builder shall not reserve a right to assert impact costs, extended job site costs, extended overhead, constructive acceleration, and/or actual acceleration beyond what is stated in the Change Order. No claims shall be allowed for impact costs, extended overhead costs, constructive acceleration, and/or actual acceleration due to a multiplicity of changes and/or clarifications. Design-Builder may not change or modify Agency's Change Order form in an attempt to reserve additional rights.

D. Determining Adjustments to Compensation.

1. Pricing Generally. Design-Builder shall not be entitled to any compensation for Construction Work subject to a Change Order except as expressly set forth in this Article.

2. Unit Pricing. For the increasing or decreasing of Construction Work within a GMP that is paid for on a unit price basis, the Additional Work shall be paid for according to the unit price established for such Construction Work, and the GMP will be adjusted accordingly. An adjustment in compensation will be made for changes which require increases or decreases in the quantity of any unit price item in such a manner as to materially increase or decrease its unit cost, as determined by Agency, or which, for any other reason, cannot in the judgment of Agency be equitably paid for at the unit price. Design-Builder's Self-Performance Fee or Design-Builder's Subcontractor Fee shall not be applied to the unit price if the unit price includes such fees.

3. Lump Sum Pricing. Compensation for lump sum Change Orders shall be limited to expenditures necessitated specifically by the Additional Work. A lump sum Change Order shall be determined on an Open Book Basis and by the same method as establishing a GMP. If the Additional Work is performed by a Subcontractor providing Subcontracted Construction Work, the Subcontractor's pricing for a lump sum Change Order shall be determined on an Open Book Basis and by the same method for determining pricing from Design-Builder when establishing a GMP. Subcontractors will be entitled to a markup for home office overhead and profit on Subcontractor's Cost of Work in an amount not to exceed ten percent (10%).

4. T&M Pricing.

   a. T&M Pricing Generally.

      (i) Agency may direct Design-Builder to proceed with Additional Work with payment to be made on the basis of the actual verified Cost of Work in the proper performance of the Additional Work, with Design-Builder's Self-Performance Fee applied to the Cost of Work. Design-Builder will be entitled to any verified increased costs for insurance and bonds, which will not be subject to Design-Builder's Self-Performance Fee.

      (ii) If Subcontractors perform Additional Work, payment will be made on the basis of the actual verified Subcontractor's Cost of Work in the proper performance of the Additional Work, with Design-Builder's Subcontractor Fee applied to the Cost of Work. Subcontractors will be entitled to a markup for home office overhead and profit on Subcontractor's Cost of Work in an amount not to exceed ten percent (10%). Design-Builder and Subcontractor will be entitled to any verified increased costs for insurance and bonds, which will not be subject to Design-Builder's Subcontractor Fee or Subcontractor's markup for home office overhead and profit.

      (iii) If the Project is federally funded, a time and materials Change Order shall only be issued after a determination that no other Change Order methodology is suitable, and the Change Order shall include a ceiling price that Design-Builder exceeds at its own risk.

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Temecula, California
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b. T&M Daily Sheets. Design-Builder must submit timesheets, materials invoices, records of equipment hours, and records of rental equipment hours to Agency's for an approval signature each day that Construction Work is performed on a time-and-material basis. Agency's Representative's signature on time sheets only serves as verification that the Construction Work was performed and is not indicative of Agency's agreement to Design-Builder's entitlement to the cost.

c. T&M Summary Sheet. Design-Builder shall submit a T&M summary sheet, which shall include total actual costs, within five (5) calendar days following completion of Additional Work on a time-and-material basis. Design-Builder's total actual cost shall be presented in a summary table in an electronic spreadsheet file by labor, material, equipment, and any other costs, along with documentation supporting the costs. Design-Builder's failure to submit the T&M summary sheet within five (5) calendar days of completion of the Additional Work will result in Design-Builder's waiver for any reimbursement of any costs associated with the Additional Work.

12.3 Partnering.

A. Dispute Resolution Ladder. At the discretion of Agency, the Parties will partner to create a dispute resolution ladder to facilitate open communication and close cooperation that involves both Design-Builder and Agency personnel working together for the purpose of establishing a mutually beneficial, initiative-taking, cooperative environment within which to achieve Project objectives, resolve issues, and implement actions as required. The dispute resolution ladder will provide the authority for both Design-Builder and Agency personnel at all levels with parameters and procedures for escalating disputes.

12.4 Procedure for Resolving Claims.

A. Prerequisites. Design-Builder shall timely comply with any and all requirement of the Contract Documents pertaining to notices and requests for changes to a GMP or Contract Time, including, but not limited to, all requirements for a Change Order, as a prerequisite to filing any claim governed by this Article. The failure to timely submit a notice of delay or notice of change, or to timely request a change to the time for completion or Design-Builder's compensation, or to timely provide any other notice or request required herein shall constitute a waiver of the right to further pursue the claim under the Contract or at law.

B. Intent. Effective January 1, 1991, Section 20104 *et seq*., of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial supervised mediation, and judicial arbitration to resolve disputes on construction claims of Three Hundred Seventy-Five Thousand Dollars ($375,000) or less. Effective January 1, 2017, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Article is to implement Sections 20104 *et seq*. and Section 9204 of the California Public Contract Code. This Article shall be construed to be consistent with all Applicable Law, including, but not limited to, these statutes.

C. Claims.

1. For purposes of this Article, "Claim" means a separate demand by Design-Builder for:

   a. An adjustment to the Contract Time, including, without limitation, for relief from damages or penalties for delay assessed by Agency;

   b. Payment by Agency of money or damages arising from Work done by or on behalf of Design-Builder pursuant to the Contract, payment for which is not otherwise expressly provided or to which Design-Builder is not otherwise entitled; or

   c. An amount the payment of which is disputed by Agency.

2. A "Claim" does not include any demand for payment for which Design-Builder has failed to provide notice, submit a Change Order Request, or otherwise failed to follow any procedures contained in the Contract Documents.

D. Filing Claims. Claims governed by this Article may not be filed unless and until Design-Builder completes any and all requirements of the Contract Documents pertaining to notices and requests for changes to a GMP or Contract Time, and Design-Builder's Change Order Request has been denied in whole or in part. Claims governed by this Article must be filed no later than thirty (30) calendar days after a request for change has been denied in whole or in part or after any other event giving rise to the Claim. The Claim shall be submitted in writing to Agency and shall include on its first page the following words in 16-point capital font: "THIS IS A CLAIM." The Claim shall include all information and documents necessary to substantiate the Claim, including, but not limited to, those identified below. Nothing in this Article is intended to extend the time limit or supersede notice requirements otherwise provided by Contract Documents. Failure to follow such contractual requirements shall bar any Claims or subsequent proceedings for compensation or payment thereon.

E. Documentation. Design-Builder shall submit all Claims in the following format:

1. Summary description of Claim, including basis of entitlement, merit, and amount of time or money requested, with specific reference to the Contract Document provisions pursuant to which the Claim is made

2. List of documents relating to Claim:

   a. Technical Specifications

   b. Drawings

   c. Clarifications (Requests for Information)

   d. Schedules

   e. Other

3. Chronology of events and correspondence

4. Narrative analysis of Claim merit

5. Analysis of Claim cost, including calculations and supporting documents

6. Time impact analysis in the form required by the Contract Documents or, if the Contract Documents do not require a particular format, CPM format, if an adjustment of Contract Time is requested

F. Agency's Response. Upon receipt of a Claim pursuant to this Article, Agency shall conduct a reasonable review of the Claim and, within a period not to exceed forty-five (45) calendar days, shall provide Design-Builder a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the Claim will be processed and made within sixty (60) calendar days after Agency issues its written statement.

1. If Agency needs approval from Agency Board to provide Design-Builder a written statement identifying the disputed portion and the undisputed portion of the Claim, and Agency Board does not meet within the forty-five (45) calendar days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, Agency shall have up to three (3) calendar days following the next duly publicly noticed meeting of Agency Board after the 45-day period, or extension, expires to provide Design-Builder a written statement identifying the disputed portion and the undisputed portion.

2. Within thirty (30) calendar days of receipt of a Claim, Agency may request in writing additional documentation supporting the Claim or relating to defenses or claims Agency may have against Design-Builder. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of Agency and Design-Builder. Design-Builder shall provide the requested documentation or information within thirty (30) calendar days of the written request by Agency. Agency's written response to the Claim, as further documented, shall be submitted to Design-Builder within thirty (30) calendar days [if the Claim is less than Fifty Thousand Dollars ($50,000), within fifteen (15) calendar days] after receipt of the further documentation, or within a period of time no greater than that taken by Design-Builder in producing the additional information or requested documentation, whichever is greater.

G. Meet and Confer. If Design-Builder disputes Agency's written response, or Agency fails to respond within the time prescribed, Design-Builder may so notify Agency, in writing, either within fifteen (15) calendar days of receipt of Agency's response or within fifteen (15) calendar days of Agency's failure to respond within the time prescribed, respectively, and demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, Agency shall schedule a meet and confer conference within thirty (30) calendar days for the settlement of the dispute.

H. Mediation.

1. Within ten (10) business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, Agency shall provide Design-Builder a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) calendar days after Agency issues its written statement. Any disputed portion of the Claim, as identified by Design-Builder in writing, shall be submitted to nonbinding mediation, with Agency and Design-Builder sharing the associated costs equally. Agency and Design-Builder shall mutually agree to a mediator within ten (10) business days after the disputed portion of the Claim has been identified in writing, unless the Parties agree to select a mediator at a later time.

2. If the Parties cannot agree upon a mediator, each Party shall select a mediator, and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

3. For purposes of this Article, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this Article.

4. Unless otherwise agreed to by Agency and Design-Builder in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

5. The mediation shall be held no earlier than the date Design-Builder completes the applicable GMP Work Package or the date that Design-Builder last performs Work on the Project, whichever is earlier. All unresolved Claims shall be considered jointly in a single mediation, unless a new, unrelated Claim arises after mediation is completed.

I. Procedures After Mediation. If following the mediation, the Claim or any portion remains in dispute, Design-Builder must file a California Government Code claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the California Government Code prior to initiating litigation. For purposes of those provisions, the running of the period of time within which a California Government Code claim must be filed shall be tolled from the time Design-Builder submits his or her written Claim pursuant to subdivision (a) until the time that mediation is completed.

J. Civil Actions. The following procedures are established for all civil actions filed to resolve Claims of Three Hundred Seventy-Five Thousand Dollars ($375,000) or less:

1. Within sixty (60) calendar days, but no earlier than thirty (30) calendar days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both Parties or unless mediation was held prior to commencement of the action in accordance with California Public Contract Code section 9204 and the terms of the Contract. The mediation process shall provide for the selection within fifteen (15) calendar days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) calendar days of the submittal, and shall be concluded within fifteen (15) calendar days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

2. If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the California Code of Civil Procedure, notwithstanding Section 1114.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the California Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the California Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.

K. Government Code Claim Procedures.

1. This Article does not apply to tort claims, and nothing in this Article is intended nor shall it be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.5 of Title 1 of the California Government Code.

2. In addition to any and all requirements of the Contract Documents pertaining to notices of and requests for adjustment to the Contract Time, GMP, or compensation or payment for Additional Work, disputed Work, construction claims, and/or changed conditions, Design-Builder must comply with the claim procedures set forth in California Government Code section 900, *et seq*., prior to filing any lawsuit against Agency.

3. Such California Government Code claims, and any subsequent lawsuit based upon the California Government Code claims, shall be limited to those matters that remain unresolved after all procedures pertaining to adjustment of the Contract Time or GMP for Additional Work, disputed Work, construction claims, and/or changed conditions have been followed by Design-Builder. If Design-Builder does not comply with the California Government Code claim procedure or the prerequisite contractual requirements, Design-Builder may not file any action against Agency.

4. **A California Government Code claim shall be inclusive of all unresolved Claims known to Design-Builder, or that should reasonably be known to Design-Builder, excepting only new, unrelated Claims that arise after the California Government Code claim is submitted.**

L. Non-Waiver. Agency's failure to respond to a Claim from Design-Builder within the time periods described in this Article or to otherwise meet the time requirements of this Article shall result in the Claim being deemed rejected in its entirety, and shall not constitute a waiver of any rights under this Article.

M. Litigation. Any claims, disputes, or controversies between the parties arising out of or related to the Contract, which have not been resolved in accordance with the procedures set forth herein shall be resolved in a court of competent jurisdiction.

N. Duty to Continue Performance. Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform Work, pending the final resolution of any dispute or disagreement between Design-Builder and Agency.

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

ARTICLE 13 - COMPLETION; GUARANTEE OF WORK

13.1 Final Completion.

A. Conditions for Final Completion of Work. The following conditions shall be satisfied by Design-Builder to constitute Final Completion of Work, each of which must be satisfied in all material respects by Design-Builder to terminate the Contract Time:

1. Governmental Approvals. All Governmental Approvals required under Applicable Law and the Contract to be obtained by Design-Builder shall be in full force and effect for the Work, and certified copies of all such Governmental Approvals shall have been delivered to Agency;

2. Contract Documentation. Design-Builder has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, Record Drawings, and other documents required by the Contract Documents for the Project.

3. Conditions in Special Conditions or GMP Amendment. Any and all conditions required by the Special Conditions or the GMP Amendment have been satisfied by Design-Builder and approved by Agency; and

4. Certification of Final Completion. Agency has approved in writing a Certificate of Final Completion that the Work is entirely complete and in all respects complies with the Contract Documents, including, but not limited to, the Punch List for the Work;

B. Certificate of Final Completion. Issuance of a Certificate of Final Completion shall not discharge the duty of Design-Builder to complete the Work in accordance with the Contract Documents and shall not constitute a waiver of defects or missing or incomplete Work, whether or not identified in the Punch List. The process for Agency issuing a Certificate of Final Completion consists of the following:

1. Design-Builder shall notify Agency in writing that Work is complete and request that Agency issue a Certificate of Final Completion.

2. Agency will inspect the Work and determine if the Work is complete in accordance with the Contract Documents and any and all conditions required by the Special Conditions or GMP Amendment.

3. If Agency determines that the Work is not complete, Agency will notify Design-Builder in writing of the Work to be completed and issue a Punch List.

4. Design-Builder shall complete the Punch List and resubmit the request for Final Completion. Should the Punch List items be found not in compliance with the requirements of the Contract Documents, Agency will notify Design-Builder in writing of items of noncompliance. Design-Builder shall take such measures as necessary to complete such items of noncompliance. Failure to include an item on the Punch List does not alter Design-Builder's responsibility to comply with the Contract Documents.

5. If Agency determines that the Work is entirely complete, Agency will issue a Certificate of Final Completion. The certificate shall establish the date of Final Completion for the Work.

13.2 Guarantee of Work.

A. Project Warranty.

1. Design-Builder warrants and guarantees in its Project Warranty, without limitation, the following:

   a. Work shall: (i) be new, of recent manufacture, and of good quality; (ii) conform to the requirements of the Contract Documents; and (iii) be free of material faults or defects.

   b. All items having a manufacturer's warranty installed under the Contract shall be installed by or under the directive of the manufacturer or his certified agent in order to conform with the manufacturer's warranty requirements. All Work, including any repairs or replacements, involving manufacturer's products shall be performed in accordance with manufacturer's recommendations in order to maintain all warranties.

   c. Neither final payment nor any provision in the Contract Documents shall relieve Design-Builder of responsibility for faulty materials or workmanship.

2. Design-Builder acknowledges and agrees that the Project Warranty is in addition to, and not in limitation of, any other warranties, rights, and remedies available to Agency under the Contract or Applicable Law, and shall not limit Design-Builder's liability or responsibility imposed by the Contract or Applicable Law with respect to the Work, including to latent defects, gross mistakes, or fraud. Nothing in the Project Warranty or in the Contract Documents shall be construed to limit the rights and remedies available to Agency at law or in equity, including, but not limited to, Code of Civil Procedure section 337.15.

B. Project Warranty Period and Work.

1. Design-Builder hereby agrees to repair or replace, at the discretion of Agency, any or all Work that may prove to be defective in its workmanship, materials furnished, methods of installation, fail to conform to the Contract Document requirements or otherwise not in accordance with the requirements of the Project Warranty, together with any other Work which may be damaged or displaced by such defect(s) commencing on date of Final Completion for the Work and terminating after a period of one (1) year (or as otherwise indicated in the Contract Documents or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) without any expense whatever to Agency, ordinary wear and tear and unusual abuse and neglect excepted.

2. Design-Builder shall remedy at its sole expense any damage to Agency-owned or controlled real or personal property. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of Design-Builder.

3. For any warranty Work so corrected, Design-Builder's obligation hereunder to correct the warranty Work shall be reinstated for a one (1) year period after the Work is corrected. This additional warranty period shall apply only to that portion of Work that was corrected. Design-Builder shall perform such tests as Agency may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Contract Documents.

4. In the event of Design-Builder's failure to comply with the above-mentioned conditions within ten (10) calendar days after being notified in writing of required repairs, to the reasonable satisfaction of Agency, Agency shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Design-Builder's sole expense. Design-Builder shall be obligated to fully reimburse Agency for any expenses incurred hereunder immediately upon demand.

5. In the event of any emergency constituting an immediate hazard to health, safety, property, or licensees, when caused by Work of Design-Builder not in accordance with the Contract requirements, Agency may undertake at Design-Builder's expense, and without prior notice, all Work necessary to correct such condition.

C. Manufacturer's Warranties. Without limiting the Project Warranty or any guarantees of Design-Builder in the Contract Documents or at law, Design-Builder shall obtain for Agency all warranties that would be given in normal commercial practice and assign to Agency any and all manufacturer's or installer's warranties for equipment or materials not manufactured by Design-Builder and provided as part of the Work, to the extent that such third-party warranties are assignable and extend beyond the warranty period set forth in this Article. Assignments will not relieve Design-Builder of its responsibility in the case of a manufacturer's or installer's failure to fulfill guarantee or warranty provisions. Design-Builder shall furnish Agency with all warranty and guarantee documents prior to final acceptance of the Project by Agency as required. Nothing in these Contract Documents is intended to limit any third-party warranty that provides Agency with greater warranty rights than those provided under the Project Warranty, as set forth in the Contract.

D. Agency Furnished Materials and Equipment. When specifically indicated in the Contract Documents or when directed by Agency, Agency may furnish materials or equipment to Design-Builder for installation and incorporation into the Work. In the event any act or failure to act by Design-Builder shall cause a warranty applicable to any materials or products purchased by Agency for installation by Design-Builder to be voided or reduced, Design-Builder shall indemnify Agency from and against any cost, expense, or other liability arising therefrom, and shall be responsible to Agency for the cost of any repairs, replacement or other costs that would have been covered by the warranty but for such act or failure to act by Design-Builder.

E. No Limitation Period. Nothing contained in this Article shall be construed to establish a period of limitation with respect to other obligations that Design-Builder has under the Contract or under Applicable Law with respect to the Work, including warranties, guarantees, and obligations with respect to latent defects. The warranty period for the Project Warranty relates only to the specific obligations of Design-Builder to respond to notices from Agency under the Project Warranty, and have no relationship to the time within which the obligation of Design-Builder to comply with the Contract may be enforced, nor the time within which proceedings may be commenced to establish Design-Builder's liability with respect to its obligations under the Contract.

ARTICLE 14 - TERMINATION; SUSPENSION

14.1 Termination of Phase 1 Work.

A. Termination Without Cause. Agency may, at any time, with or without reason, terminate the Contract during Phase 1 and compensate Design-Builder only for the Phase 1 Work satisfactorily rendered to the date of termination. Written notice by Agency shall be sufficient to stop further performance of Phase 1 by Design-Builder. Notice shall be deemed given when received by Design-Builder, or no later than seven (7) calendar days after the day the notice was mailed, whichever is sooner. Design-Builder cannot terminate the Contract without cause. All deliverables, including, without limitation, Early Purchase Items, Early Construction Packages, Construction Documents, Work Product, drawings, documents, engineering, budget costs, preliminary design, schedule, and data developed by Design-Builder during the Phase 1, shall become the exclusive property of Agency and shall be provided to Agency within ten (10) calendar days of Agency's notice to Design-Builder of termination.

B. Termination for Cause by Agency.

1. Agency may terminate the Contract during Phase 1 upon giving of written notice of intention to terminate for cause. Cause shall include, without limitation, the following:

   a. A material violation of the Contract by Design-Builder; or

   b. Design-Builder is adjudged to be bankrupt, Design-Builder makes a general assignment for the benefit of creditors, or a receiver is appointed on account of Design-Builder's insolvency.

2. Written notice by Agency shall contain the reasons for such intention to terminate, and unless, within seven (7) calendar days after that notice, the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, the Contract shall, upon the expiration of the seven (7) calendar days, cease and terminate. In the event of this termination, Agency may secure Phase 1 Work from another contractor. If the expense, fees, and/or costs to Agency exceeds the cost of providing Phase 1 Work pursuant to the Contract, Design-Builder shall immediately pay the excess expense, fees, and/or costs to Agency upon the receipt of Agency's notice of these expense, fees, and/or costs. The foregoing provisions are in addition to and not a limitation of any other rights or remedies available to Agency.

3. All deliverables, including, without limitation, Early Purchase Items, Early Construction Packages, Work Product, documents, engineering support, budget costs, schedule, and data developed by Design-Builder during the Preconstruction Phase shall become the exclusive property of Agency and shall be provided to Agency within ten (10) calendar days of Agency's notice to Design-Builder of termination.

14.2 Suspension of Phase 1 Work by Agency.

A. Agency may, for any reason, order Design-Builder to suspend performance of Phase 1 Work by giving not less than seven (7) calendar days written notice to Design-Builder. Prior to any resumption of Phase 1 Work at Agency's direction, Design-Builder shall notify Agency of any additional costs Design-Builder believes it is entitled to within thirty (30) calendar days of its receipt of the request to resume suspended Phase 1 Work, or such claim shall conclusively be deemed to have been waived. Agency shall not be liable for any additional costs, damages, or anticipated profits incurred by Design-Builder or its Subcontractors, and the Phase 1 Fee shall not be increased during the period of suspension, except for the actual costs incurred by Design-Builder for reasonable and unavoidable costs of suspending Phase 1 Work. If Design-Builder establishes that the suspension of Phase 1 Work had a material and adverse effect on Design-Builder's costs for the performance of Phase 1 Work, Design-Builder shall be entitled to cost relief, as appropriate and determined by Agency acting reasonably and subject to Design-Builder's duty to mitigate damages.

14.3 Suspension of Work by Agency.

A. Agency, in its sole and absolute discretion for any reason or no reason whatsoever may at any time, with or without cause, suspend performance of all or any part of the Work by giving not less than seven (7) calendar days written notice to Design-Builder. Such notice of suspension of Work will designate the amount and type of labor, material, and equipment to be committed to the Project during the period of suspension. Design-Builder shall use its best efforts to utilize its labor, material, and equipment in such a manner as to minimize costs and/or Project schedule impacts associated with suspension.

B. Upon receipt of any such notice, Design-Builder shall, unless the notice requires otherwise, do the following: (1) immediately discontinue Work on the date and to the extent specified in the notice; (2) place no further orders or subcontracts for material, services, equipment or facilities with respect to suspended Work other than to the extent required in the notice; (3) promptly make every reasonable effort to obtain suspension upon terms satisfactory to Agency of all orders, subcontracts, and rental agreements to the extent they relate to performance of Work suspended; and (4) continue to protect and maintain the Project including those portions on which Work have been suspended.

C. Agency shall not be liable for any additional costs, damages or anticipated profits incurred by Design-Builder or its Subcontractors and the GMP shall not be increased during the period of suspension, except the actual costs incurred by Design-Builder for (a) the purpose of safeguarding the Project and material and equipment in transit or at the Site during the period of suspension, (b) Design-Builder's or its Subcontractor's rented equipment which must maintained at the Site and to the extent costs cannot be mitigated by Design-Builder, or (c) other reasonable and unavoidable costs of shutting down the Project, or reassembling personnel and equipment resulting directly from such suspension. Design-Builder shall be granted an extension of the Contract Time equal to the number of days performance of Work is suspended; provided, however, that no actual costs or extension of Contract Time shall be granted if the suspension results from Design-Builder's non-compliance with the requirements of the Contract.

14.4 Termination of Work for Cause by Agency.

A. In the sole estimation of Agency, if Design-Builder refuses or fails to prosecute the Work or any separable part thereof with such diligence as will insure its completion within the time specified by the Contract Documents, or any extension thereof, or fails to complete Work within such time, or if Design-Builder should be adjudged a bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or Design-Builder or any of its Subcontractors should violate any of the provisions of the Contract, Agency may serve written notice upon Design-Builder and its surety of Agency's intention to terminate the Contract. This notice of intent to terminate shall contain the reasons for such intention to terminate the Contract, and a statement to the effect that Design-Builder's right to perform the Contract shall cease and terminate upon the expiration of seven (7) calendar days unless such violations have ceased ~~and~~ or arrangements satisfactory to Agency have been made for correction of said violations.

B. After expiration of the seven (7) calendar day period, Agency may terminate the Contract by providing a notice of termination to Design-Builder. Agency may take over and complete the Work by any method it may deem appropriate, including enforcement of the Performance Bond. If Agency takes over the Work, Agency may, without liability for so doing, take possession of and utilize in completing the Work such materials, appliances, plant, and other property belonging to Design-Builder as may be on the Site.

C. Design-Builder shall not be entitled to receive any further payment hereunder as a result of such termination. Design-Builder and its surety shall be liable to Agency for any excess costs or other damages incurred by Agency to complete the Work, including professional services and expenses, reasonable overhead, profit, and attorneys' fees. This payment obligation shall survive completion of the Project and termination or expiration of the Contract.

14.5 Termination of Work for Convenience by Agency.

A. Agency may terminate performance of the Work in whole or, from time to time, in part, upon seven (7) calendar days written notice if Agency determines that termination is in Agency's interest. Design-Builder shall discontinue all or any part of the Work upon delivery to Design-Builder of a notice of termination specifying that the termination is for the convenience of Agency, the extent of termination, and the effective date of such termination.

B. After receipt of notice of termination, and except as directed by Agency, Design-Builder shall, regardless of any delay in determining or adjusting any amounts due under this termination for convenience clause, immediately proceed with the following obligations: (1) stop Work as specified in the notice of termination; (2) complete any Work specified in the notice of termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents; (3) leave the Site upon which Design-Builder was working in a safe and sanitary manner such that it does not pose any threat to the public health or safety; (4) terminate all subcontracts to the extent that they relate to the portions of the Work terminated; and (5) place no further subcontracts or orders, except as necessary to complete the continued portion of the Contract.

C. In case of such termination for Agency's convenience, Design-Builder shall be entitled to receive payment for Work actually completed by Design-Builder in conformity with the Contract prior to Design-Builder's receipt of Agency's notice of termination and costs incurred by reason of such termination. Any documentation substantiating costs incurred by Design-Builder solely as a result of Agency's exercise of its right to terminate the Contract pursuant to this clause, which costs Design-Builder is authorized under the Contract documents to incur, shall: (1) be submitted to and received by Agency no later than thirty (30) calendar days after the effective date of the notice of termination; (2) describe the costs incurred with particularity; and (3) be conspicuously identified as "Termination Costs occasioned by Agency's Termination of Work for Convenience." If Agency rejects any costs, Design-Builder shall be deemed to waive the rejected costs unless Design-Builder files a claim within thirty (30) calendar days of the rejection pursuant to the dispute resolution procedures in these General Conditions.

D. Design-Builder shall be entitled to receive only the amounts payable under this Article, and Design-Builder specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits. The provisions in this Article are in addition to and not in limitation of any other rights or remedies available to Agency.

E. Termination of the Contract shall not relieve surety of its obligation for any just claims arising out of or relating to the Work performed.

F. Notwithstanding any other provision of this Article, when immediate action is necessary to protect life and safety or to reduce significant exposure or liability, Agency may immediately order Design-Builder to cease Work on the Project until such safety or liability issues are addressed to the satisfaction of Agency or the Contract is terminated.

G. If Agency terminates Design-Builder for cause, and it is later determined that the termination was wrongful, such default termination shall automatically be converted to and treated as a termination for convenience. In such event, Design-Builder shall be entitled to receive only the amounts payable under this Article, and Design-Builder specifically waives any claim for any other amounts or damages, including, but not limited to, any claim for consequential damages or lost profits.

Rancho Water
42135 Winchester Road
Temecula, California
92590-4800

ARTICLE 15 - MEASUREMENT; PAYMENT

15.1 Payment of Compensation for Phase 1 Work.

A. Phase 1 Fee. Agency shall pay Design-Builder the Phase 1 Fee in the manner and subject to the terms and conditions set forth in the Contract. Design-Builder agrees that the Phase 1 Fee, when earned, shall be Design-Builder's entire compensation and reimbursement for the performance of Phase 1 Work, inclusive of all costs, expenses and disbursements paid or incurred by Design-Builder, as well as all overhead, administration, risk, and profit, subject to adjustment in the Contract Documents.

B. Invoicing. Design-Builder shall submit a monthly itemized statement of Phase 1 Work charges and expenses to Agency on the fifth (5th) day of each month. The itemized statement shall reflect the hours spent, or scope of work performed, by Design-Builder in performing its Phase 1 Work, and, if applicable, the statements shall reflect expenses and materials, and the hourly charges shall not exceed the rates set forth in the Contract Documents. The itemized statement shall show the days and hours worked each workday Design-Builder performs Phase 1 Work for the previous month.

C. Payment. Payment for the Phase 1 Work shall be made for all undisputed amounts in monthly installment payments within thirty (30) calendar days after Design-Builder submits an itemized statement to Agency for Phase 1 Work actually completed by Design-Builder. Payment shall not constitute acceptance of any Phase 1 Work completed by Design-Builder.

D. Payment Disputes. Nothing contained in the Contract shall require Agency to pay for any Phase 1 Work that is not performed in accordance with the terms and conditions of the Contract. If Agency disputes in good faith any payment request for Phase 1 Work, Agency shall pay all undisputed amounts when due but may withhold payment of the disputed amount, and shall provide Design-Builder with a written objection indicating the amount being disputed and the reasons then known to Agency for the dispute. In the event that Design-Builder disputes any amounts offset by Agency, it shall provide Agency with a written objection indicating the amount being disputed and the reasons then known to Design-Builder. If Design-Builder is unable to reach agreement with Agency as to the payment dispute, Design-Builder may elect to initiate dispute resolution procedures in accordance with the Contract Documents.

15.2 Payment of Compensation for Phase 2 Work.

A. Waiver and Releases.

1. Each application for payment shall show each Subcontractor and Supplier participating in the Work completed during the previous progress period and the dollar amount of such participation. Each progress payment application shall be accompanied by:

   a. A conditional waiver and release upon progress payment pursuant to Civil Code Section 8132 for each Subcontractor and Supplier participating in the Work completed during the previous progress period, which shall be in an amount no less than the dollar amount of such participation; and

   b. A conditional waiver and release upon progress payment pursuant to Civil Code Section 8132 on behalf of Design-Builder, which shall be in an amount no less than the dollar amount of the total requested in the payment application.

   c. Completed progress payment form, supplied by Agency, which includes a payment certification by the Design-Builder certifying that the Work for which payment is requested has been accomplished.

2. Design-Builder shall within twenty (20) calendar days of receipt of the payment from Agency, complete an unconditional waiver and release upon progress payment pursuant to Civil Code Section 8134 for each Subcontractor and Supplier participating in the Work completed during the previous progress period and an unconditional waiver and release upon progress payment pursuant to Civil Code Section 8134 on behalf of Design-Builder in an amount no less than the amount received from Agency, and submit the same with Design-Builder's subsequent application for payment.

B. Security for Money Withheld. Pursuant to Section 22300 of the California Public Contract Code, Design-Builder may request Agency to make retention payments directly to an escrow agent or may substitute securities for any money withheld by Agency to ensure performance under the Contract. At the request and expense of Design-Builder, securities equivalent to the amount withheld shall be deposited with Agency or with a state or federally chartered bank as the escrow agent, who shall return such securities to Design-Builder upon satisfactory completion of the Contract. Deposit of securities with an escrow agent shall be subject to a written agreement substantially in the form provided in Section 22300 of the California Public Contract Code.

C. Cost Breakdown in Schedule of Values. Design-Builder shall furnish on forms approved by Agency within ten (10) calendar days of the Notice to Proceed for Phase 2 and prior to submitting its first application for payment, a schedule of values allocating the entire Phase 2 Price to the various portions of the Work and prepared in such a form and supported by such data to substantiate its accuracy as Agency's Representative may require. This schedule of values, unless objected to by Agency's Representative, shall be used as a basis for reviewing Design-Builder's applications for payment. Agency will not issue any payment until it receives and accepts the schedule of values.

D. Progress Estimates and Payment.

1. Application for Payment Submittal. By the tenth (10th) day of the following calendar month, Design-Builder shall submit to Agency's Representative on forms approved by Agency a written payment request for payment of the Work, together with such supporting data as Agency may request, which shall set forth in detail the value of the Work done for the period beginning with the date Work was first commenced and ending on the end of the calendar month prior for which the payment request is prepared. Design-Builder shall include any amount earned for authorized Change Orders. Design-Builder shall certify under penalty of perjury that all cost breakdowns and periodic estimates accurately reflect the Construction Work performed pursuant to the Contract Documents.

2. Application for Payment Contents. Design-Builder shall submit with each application for payment:

   a. An invoice that includes, without limitation, the total GMP, total of additive and deductive Change Orders, total retention, and total Phase 2 Price;

   b. A current schedule of values;

   c. An updated Phase 2 CPM Schedule for the Work; and

   d. Conditional and unconditional release of liens from Subcontractors and Suppliers.

3. Schedule of Values. Each application for payment shall be based on the most recent schedule of values submitted by Design-Builder in accordance with the Contract Documents. Applications for payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the application for payment. The percentage of completion shall be the percentage of that portion of the Work which Design-Builder has actually been completed.

4. Work Paid By Costs. Unless otherwise agree to by the Parties, Owner shall compensate Design-Builder for its costs of the Phase 2 Work, established in a GMP Amendment. The payment request shall be supported by such data substantiating Design-Builder's right to payment as Agency may require including, but not limited to, payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, Subcontractor payment requests submitted to Design-Builder, documentation supporting the Subcontractor's payment requests, and any other evidence or documentation required by Agency.

5. Retention. From the total thus computed, a deduction shall be made in the amount of five percent (5%) for retention, except where Agency has adopted a finding that the Work done under the Contract is substantially complex, and then the amount withheld as retention shall be the percentage specified in the Special Conditions. The amount computed, less the amount withheld for retention and any amounts withheld as set forth below, shall be the amount of Design-Builder's payment request.

6. Withholdings. Agency may withhold a sufficient amount or amounts of any payment or payments otherwise due to Design-Builder, as in its judgment may be necessary to cover:

   a. Payments which may be past due and payable for just claims against Design-Builder or any Subcontractors for labor or materials furnished in and about the performance of Work on the Project under the Contract.

   b. Defective Work not remedied.

   c. Failure of Design-Builder to make proper payments to Subcontractors, Suppliers or for labor.

   d. Completion of the Work if there is a reasonable doubt that the Work can be completed for the balance then unpaid.

   e. Damage to another contractor or a third party.

   f. Amounts which may be due Agency for claims against Design-Builder.

   g. Failure of Design-Builder to keep the Record Drawings up to date.

   h. Failure to provide an updated CPM Schedule as required herein.

   i. Site cleanup.

   j. Failure to comply with Contract Documents.

k. Liquidated damages.

l. Legally permitted penalties.

7. Agency may apply such withheld amount or amounts to payment of such claims or obligations at its discretion with the exception of subsections (6)(a), (c), and (e) of this Article, which must be retained or applied in accordance with Applicable Law. In so doing, Agency shall be deemed the agent of Design-Builder, and any payment so made by Agency shall be considered as a payment made under contract by Agency to Design-Builder, and Agency shall not be liable to Design-Builder for such payments made in good faith. Such payments may be made without prior judicial determination of claim or obligations. Agency will render Design-Builder a proper accounting of such funds disbursed on behalf of Design-Builder. Payments made by Agency under this provision shall not prejudice or waive Design-Builder's right to dispute or otherwise claim damages arising from such payments.

8. Upon receipt of an application for payment from Design-Builder, Agency's Representative shall review the payment request to determine whether it is undisputed and suitable for payment. If the payment request is determined to be unsuitable for payment, it shall be returned to Design-Builder as soon as practicable but not later than seven (7) calendar days after receipt, accompanied by a document setting forth in writing the reasons why the payment request is not proper. Agency will make the progress payment within thirty (30) calendar days after the receipt of an undisputed and properly submitted payment request from Design-Builder, provided that a release of liens and claims has been received from Design-Builder pursuant to Civil Code section 8132.

9. Design-Builder warrants and guarantees that title to all Work, materials, and equipment covered by any application for payment, whether incorporated in the Project or not, will pass to Agency no later than the time of payment free and clear of all Liens.

10. Agency shall have the right to adjust any estimate of quantity and to subsequently correct any error made in any estimate for payment.

15.3 Payments to Subcontractors.

A. Design-Builder shall develop and implement procedures for submittal of applications for progress payments to Design-Builder by Subcontractors in accordance with these General Conditions and the review, processing, and disbursement of progress payments to Subcontractors, along with associated forms and reporting systems. Design-Builder shall disburse progress payments due each Subcontractor within ten (10) calendar days of Design-Builder's receipt of payment from Agency, except to the extent that Design-Builder's payment of such amount or any portion thereof is subject to withholdings for a stop payment notice, prevailing wage rate violations or other withholdings of payment(s) due Subcontractors under the terms of the subcontracts or by operation of law. Design-Builder shall indemnify Agency against any and all claims arising from or related to the failure of Design-Builder to comply with the prompt payment requirements under the Public Contract Code.

15.4 Final Acceptance and Payment.

A. During Project close-out of the Project, but before Final Completion, Design-Builder shall submit to Agency a detailed Project accounting setting forth all additive Change Orders approved by Agency, and, if applicable, all savings generated by Design-Builder during the Project. Agency shall, within a reasonable amount of time after receipt, review the Project accounting to determine its accuracy and reconcile the any potential savings and approved and unapproved Change Orders to determine the final cost to complete Phase 2. If Agency determines that there are savings due to either Party, or if Agency determines that the GMP needs to be adjusted upward because of unapproved Change Orders, Agency may issue a unilateral additive or deductive Change Order (as applicable). Design-Builder's compliance with this Section is a material term of the Contract necessary for Final Completion of the Project, and Design-Builder acknowledges that Agency shall not be obligated to release retention until Design-Builder complies with this Section.

B. Unless Design-Builder advises Agency in writing prior to acceptance of the final five percent (5%) or the percentage specified in the Contract Documents where Agency has adopted a finding of completion, or the return of securities held as described herein, said acceptance shall operate as a release to Agency of all claims and all liability to Design-Builder for all things done or furnished in connection with this Work and for every act of negligence of Agency and for all other claims relating to or arising out of this Work. If Design-Builder advises Agency in writing prior to acceptance of final payment or return of the securities that there is a dispute regarding the amount due Design-Builder, Agency may pay the undisputed amount contingent upon Design-Builder furnishing a release of all undisputed claims against Agency, with the disputed claims in stated amounts being specifically excluded by Design-Builder from the operation of the release. No payments, however, final or otherwise, shall operate to release Design-Builder or its sureties from the faithful Performance Bond, Payment Bond, or from any other obligation under the Contract.

C. In case of termination of the Contract, any unpaid balance shall be and become the sole and absolute property of Agency to the extent necessary to repay Agency any excess in the cost of the Work above the GMP.

D. Final payment of the five percent (5%) retention shall be made no later than sixty (60) calendar days after the date of Final Completion, provided that a release of liens and claims has been received from Design-Builder pursuant to Civil Code section 8136. In the event of a dispute between Agency and Design-Builder, Agency may withhold from the final payment an amount not to exceed one hundred fifty percent (150%) of the disputed amount.

E. Within ten (10) calendar days from the time that all or any portion of the retention proceeds are received by Design-Builder, Design-Builder shall pay each of its Subcontractors from whom retention has been withheld each Subcontractor's share of the retention received. However, if a retention payment received by Design-Builder is specifically designated for a particular Subcontractor, payment of the retention shall be made to the designated Subcontractor if the payment is consistent with the terms of the subcontract.

F. The making and acceptance of final payment will constitute a waiver of all Claims by Design-Builder against Agency other than those previously made in accordance with the requirements herein and expressly acknowledged by Agency in writing as still unsettled.

ARTICLE 16 - MISCELLANEOUS CONTRACT PROVISIONS

16.1 Separate Contracts.

A. Design-Builder understands that this is not an exclusive contract and that Agency shall have the right to negotiate with and enter into separate contracts with others providing the same or similar services as those provided by Design-Builder as Agency desires.

16.2 Notice.

A. All notices shall be in writing and either served by personal delivery or mailed to the other Party. Written notice to Design-Builder shall be addressed to Design-Builder's principal place of business unless Design-Builder designates another address in writing for service of notice. Notice to Agency shall be addressed to Agency as designated in the Contract unless Agency designates another address in writing for service of notice. Notice shall be effective upon receipt or five (5) calendar days after being sent by first-class mail, whichever is earlier. Notice given by facsimile shall not be effective unless acknowledged in writing by the receiving party.

16.3 Notice of Third Party Claims.

A. Pursuant to Public Contract Code section 9201, Agency shall provide Design-Builder with timely notification of the receipt of any third-party claims relating to the Contract. Agency is entitled to recover reasonable costs incurred in providing such notification.

16.4 Cumulative Remedies.

A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Applicable Laws, by special warranty or guarantee, or by other provisions of the Contract Documents. The provisions of this Article will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

16.5 Survival of Obligations.

A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Project or termination or completion of the Contract or termination of the services of Design-Builder.

16.6 Controlling Law.

A. Notwithstanding any subcontract or other contract with any Subcontractor, Supplier, or other person or organization performing any part of the Project, the Contract shall be governed by the law of the State of California, excluding any choice of law provisions.

16.7 Jurisdiction; Venue.

A. Design-Builder and any Subcontractor, supplier, or other person or organization performing any part of the Project agree that any action or suits at law or in equity arising out of or related to the proposal process, award, or performance of the Project shall be maintained in the Superior Court of Riverside County, California, and expressly consent to the jurisdiction of said court, regardless of residence or domicile, and agree that said court shall be a proper venue for any such action.

16.8 Prohibited Interests.

A. No Agency official or representative who is authorized in such capacity and on behalf of Agency to negotiate, supervise, make, accept, or approve, or to take part in negotiating, supervising, making, accepting or approving any engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the Project, shall be or become directly or indirectly interested financially in the Contract. Design-Builder warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining the Contract.

16.9 Severability.

A. If any provision of the Contract is found by a court of competent jurisdiction to be void, invalid, or unenforceable, then the Parties agree that such invalidity or unenforceability shall have no effect whatsoever on the balance of the Contract.

16.10 Headings.

A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

16.11 Agency's Right to Audit.

A. Design-Builder shall make available to Agency for auditing, all relevant accounting records and documents, and other financial data, and upon request, shall submit true copies of requested records to Agency. If Design-Builder submits a GMP Proposal, Change Order Request, or a Claim to Agency, Agency shall have the right to audit Design-Builder's books, records, documents, and other evidence to the extent they are relevant.

B. The right to audit shall include the right to examine books, records, documents, and other evidence and accounting procedures and practices, sufficient to discover and verify all direct and indirect costs of whatever nature claimed to have been incurred or anticipated to be incurred and for which the claim has been submitted, including but not limited to job cost reports, estimates, proposals, bids, proposal papers, documents of other work administered by Design-Builder's home office, and any and all other documentation relied upon by Design-Builder to obtain the Contract. Agency shall have the right to make and take copies of any records examined.

C. The right to audit shall include the right to inspect Design-Builder's plans, or such parts thereof, as may be or have been engaged in the performance of the Project. Design-Builder further agrees that the right to audit encompasses all subcontracts and is binding upon Subcontractors. The right to audit provided herein shall be exercisable through such representatives as Agency deems desirable during Design-Builder's normal business hours at Design-Builder's office.

D. In accordance with Government Code Section 8546.7, records of both Agency and Design-Builder shall be subject to examination and audit by the State Auditor General for a period of three (3) years after final payment. Design-Builder shall make available to Agency any of Design-Builder's other documents related to the Project immediately upon request of Agency. In addition to the State Auditor's rights described above, Agency shall have the right to examine and audit all books, estimates, records, contracts, documents, Proposals, subcontracts, and other data of Design-Builder (including electronic records, computations and projections) related to negotiating, pricing, or performing the Project in order to evaluate the accuracy and completeness of the cost or pricing data, for a period of four (4) years after final payment.

16.12 Assignment.

A. Design-Builder shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or any part thereof, including any claims, without prior written consent of Agency. Any assignment without the written consent of Agency shall be void. Any assignment of money due or to become due under the Contract shall be subject to a prior lien for services rendered or material supplied for performance of Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering such services or supplying such materials to the extent that claims are filed pursuant to the Civil Code, the Code of Civil Procedure or the Government Code.

16.13 Assignment of Antitrust Actions.

A. As set forth in Public Contract Code section 7103.5, in entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Agency tenders final payment to the Design-Builder, without further acknowledgment by the Parties.

16.14 State License Board Notice.

A. Contractors are required by law to be licensed and regulated by Contractors' State License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, the Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

16.15 Change In Name Or Nature of Design-Builder's Legal Entity.

A. Should a change be contemplated in the name or nature of Design-Builder's legal entity, Design-Builder shall first notify Agency in order that proper steps may be taken to have the change reflected in the Contract Documents and all related documents. No change of Design-Builder's name or nature will affect Agency's rights under the Contract Documents, including, but not limited to, the bonds and insurance.

16.16 Other Legal Provisions.

A. Notices. Design-Builder shall give all notices and comply with Applicable Laws bearing on conduct of Work as indicated and specified by their terms. References to specific laws, rules, or regulations in the Contract are for reference purposes only, and shall not limit or affect the applicability of provisions not specifically mentioned. If Design-Builder observes that Design Documents are at variance therewith, Design-Builder shall promptly notify Agency in writing, and any necessary changes shall be adjusted as provided for in the Contract for changes in Work. If Design-Builder performs any Work knowing it to be contrary to such laws, ordinances, rules, and regulations, and without such notice to Agency, Design-Builder shall bear all costs arising therefrom.

B. ADA. Design-Builder shall be responsible for familiarity with the Americans with Disabilities Act ("ADA") (42 U.S.C. § 12101 et seq.). The Work will be performed in compliance with ADA laws, rules, and regulations. Design-Builder shall comply with the Historic Building Code, including, but not limited to, as it relates to the ADA, whenever applicable.

C. Mined Material. Design-Builder acknowledges and understands that, pursuant to Public Contract Code section 20676, sellers of "mined material" must be on an approved list of sellers published pursuant to Public Resources Code section 2717(b) in order to supply mined material for the Contract.

D. Other Laws. All provisions of law required to be inserted in the Contract or Contract Documents pursuant to any Applicable Laws shall be and are inserted herein. If through mistake, neglect, oversight, or otherwise, any such provision is not herein inserted or inserted in improper form, upon the application of either party, the Contract or Contract Documents shall be changed by Agency, at no increase in the GMP or extension of Contract Time, so as to strictly comply with the Applicable Laws and without prejudice to the rights of either party hereunder.

END OF GENERAL CONDITIONS

ATTACHMENT 2

SCOPE OF SERVICES

[INSERT SCOPE OF SERVICES]

Rancho Water
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92590-4800

ATTACHMENT 3

SPECIAL CONDITIONS

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ARTICLE 1 - DEFINITIONS; TERMINOLOGY

1.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 2 - CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

2.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 3 - INDEMNIFICATION, INSURANCE, BONDS

3.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 4 - AGENCY RESPONSIBILITIES GENERALLY

4.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 5 - DESIGN-BUILD ENTITY'S RESPONSIBILITIES

5.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 6 - COST OF THE CONSTRUCTION WORK

~~**6.1 Self-Performed Construction Work.**~~

~~[THE GENERAL CONDITIONS REQUIRE DESIGN-BUILDER'S PRICING FOR SELF-PERFORMED WORK TO BE WITHIN FIVE PERCENT (5%) OF AN INDEPENDENT COST ESTIMATE. THIS AMOUNT CAN BE REVISED]~~

~~A. Competitive Procedures for Self-Performed Construction Work. Article 6.5(C)(4) is replaced with the following:~~

~~1. If Design-Builder's pricing is within _____ percent (__%) of Agency's independent cost estimate, Design-Builder will be allowed to perform the Self-Performed Construction Work.~~

~~B. Competitive Procedures for Self-Performed Construction Work. Article 6.5(C)(5) is replaced with the following:~~

~~1. If Design-Builder's pricing for Self-Performed Construction Work is equal to or more than _____ percent (__%) higher than Agency's independent cost estimate, the Parties shall meet and confer to compare pricing and attempt to reconcile any differences. If necessary, Design-Builder will submit revised pricing and an updated GMP Proposal following the meet-and-confer process.~~

~~**6.2 Subcontracted Construction Work.**~~

~~[THE STATUTE DOES NOT REQUIRE AWARDING SUBCONTRACTS WITH A VALUE EXCEEDING ½ OF ONE PERCENT OF THE PHASE 2 PRICE ON A BEST VALUE BASIS IF THE CONTRACT VALUE IS LESS THAN $10 MILLION. THE DEFAULT IN THE GENERAL CONDITIONS REQUIRES ALL SUBCONTRACTS WITH A VALUE EXCEEDING ½ OF ONE PERCENT OF THE PHASE 2 PRICE TO BE AWARDED ON A BEST VALUE PROCESS. THIS COULD BE ADJUSTED, INCLUDING BY ADDING THE BELOW OR LOWERING THE ½ OF ONE PERCENT THRESHOLD]~~

~~A. Non-Competitive Subcontracted Procurement. Article 6.7(C)(1) is replaced with the following:~~

~~1. Design-Builder may procure Subcontractors without following the above competitive procurement procedures if the Phase 2 Price is less than Ten Million Dollars ($10,000,000).~~

Commented [DR5]: See GC 6.5. I don't think this needs to be revised.

Commented [JS6R5]: I concur, it looks like a prebid addendum already incorporated the language in to the GCs the GC article reference here is off. The language appears in GC Article 6.5.B.4 and 6.5.B.5. Suggest Striking this section

Commented [DR7]: This can be deleted since the Contract Value will be above $10 mil

Commented [JS8R7]: Similar to the above it looks like a prebid addendum already revised GC Article 6.7.C.1. Suggest striking this section.

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~~6.3~~6.1 Shared Cost Savings.

[THIS CAN BE USED ON A PROJECT-BY-PROJECT BASIS AND CAN BE MODIFIED FOR THE PROJECT. FOR EXAMPLE, THE SHARED COST SAVINGS COULD BE WITH CONTINGENCIES~~]~~ SHARED COST SAVINGS WILL BE NEGOTIATED INCONJUNCTION WITH PHASE 2 GMP PRICE].

A. If the final accounting of the GMP is less than the GMP as set forth in the GMP Amendment, including all adjustments to the GMP in accordance with the Contract Documents, the difference shall be considered "savings" and shall be shared as follows: fifty percent (50%) to Design-Builder and fifty percent (50%) to Agency. [OR] There shall be no cost savings sharing for this Project.

~~6.4~~6.2 Escalation.

~~[THIS SHOULD BE USED ONLY WHEN NECESSARY ON A PROJECT-BY-PROJECT BASIS]~~

A. ~~During Phase 1, Design-Builder shall identify materials and/or equipment incorporated into the Project that may be subject to significant price escalation during the Project and provide ways, such as Early Purchase Items, to mitigate such escalation. If Design-Builder identifies certain materials and/or equipment required for the Project that may be subject to significant price escalation during the work, Design-Builder may request a material escalation clause in a GMP. Agency will evaluate whether or not a material escalation clause is appropriate for a GMP by evaluating such things as the Contract Time for the Work, whether the market for the materials and/or equipment is historically volatile and subject to sudden price increases, and Agency's tolerance for taking on escalation risk for the identified materials and/or equipment. If Agency decides, in its sole discretion, that a material price escalation provision is appropriate for the Project, Agency and Design-Builder will negotiate such a provision as part of the GMP. The material price escalation provision will include certain conditions that Design-Builder would have to demonstrate to receive escalation costs from Agency.~~

Commented [DR9]: To be discussed with Rados.

Commented [JS10R9]: I think it would be fair to defer this to the Phase 2 GMP negotiations.

Commented [JS11]: Given the scope of work, we do not foresee any need for this clause as well. OK to strike. Additionally, if there is some reason to account for escalation risk we will do so under a mutually agreed to contingency line item.

NOT USED.

ARTICLE 7 - SUBMITTALS; SHOP DRAWINGS

7.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 8 - MATERIALS; EQUIPMENT

8.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 9 - PROJECT SITE

9.1 [INSERT SPECIAL CONDITION OR INSERT "NOT USED"]

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ARTICLE 10 - PROSECUTION OF THE WORK

~~10.1~~ NOT[~~INSERT SPECIAL CONDITION OR INSERT "NOT USED"~~]

[~~THE GENERAL CONDITIONS ARE BASED ON ONE FINAL COMPLETION AND FINAL ACCEPTANCE WITH A 1 YEAR WARRANTY TO FOLLOW. THIS CAN BE UPDATED ON A PROJECT BY PROJECT BASIS WHERE THERE MAY BE MORE THAN ONE GMP AND A NEED FOR STAGGERED ACCEPTANCE OF THE GMP WORK. OTHER PROVISIONS OF THE GCS MAY NEED UPDATING, SUCH AS RELEASE OF RETENTION~~]

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USED

ARTICLE 11 - SCHEDULE; CONTRACT TIME

~~**11.1 [THIS CAN BE USED ON A PROJECT BY PROJECT BASIS] Reverse Liquidated Damages.**~~

~~A. In compliance with the provisions of California Public Contract Code section 7102, Design-Builder will be compensated for damages incurred due to delays in completing the Work by the Guaranteed Completion Date due solely to the fault of Agency, where such delay to the critical path is unreasonable under the circumstances and not contemplated by the Parties. The Parties agree that determining Design-Builder's exact delay damages is and will continue to be impracticable and extremely difficult. As such, for each calendar day in excess of the Guaranteed Completion Date, Agency shall pay to Design-Builder a Daily Rate. The Daily Rate shall constitute the only payment allowed for any such Agency-caused unreasonable delays and shall necessarily include all overhead, all profits, all administrative costs, all bond costs, all labor, materials, equipment, and rental costs, and any other costs, expenses, and fees incurred or sustained as a result of such delays. Design-Builder shall not be entitled to the Daily Rate for any change in the Work in which Design-Builder is compensated for overhead and profit through a Change Order resulting in a lump sum or allowed mark-up for Extra Work. The amount of the Daily Rate shall be reduced by Design-Builder's concurrent delays. Design-Builder expressly agrees to be limited solely to liquidated damages for all such delays as defined in this Article.~~

~~B. Daily Rate.~~

~~1. Daily Rate is defined as the daily amount due to Design-Builder as the result of Agency's unreasonable delay to the Critical Path of the Project that was not contemplated by the Parties.~~

~~2. The Daily Rate is [INSERT AMOUNT].~~NOT USED.

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ARTICLE 12 - CHANGE IN CONTRACT PRICE; CHANGE IN CONTRACT TIMES

12.1 ~~[INSERT SPECIAL CONDITION OR INSERT "NOT USED"]~~NOT USED.

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ARTICLE 13 - COMPLETION; GUARANTEE OF WORK

13.1 ~~{INSERT SPECIAL CONDITION OR INSERT "NOT USED"}~~NOT USED.

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ARTICLE 14 - TERMINATION; SUSPENSION

14.1 ~~{INSERT SPECIAL CONDITION OR INSERT "NOT USED"}~~NOT USED.

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ARTICLE 15 - MEASUREMENT; PAYMENT

15.1 ~~{INSERT SPECIAL CONDITION OR INSERT "NOT USED"}~~NOT USED.

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ATTACHMENT 4

DESIGN BUILDER'S COST PROPOSAL FORM

[ATTACHED BEHIND]

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ATTACHMENT 5

PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, Rancho California Water District ("Agency") has awarded to _____, ("Design-Builder") a contract ("Contract") for _____ **[PROJECT NO. _____]** (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Design-Builder is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, Design-Builder is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, Design-Builder and _____ as Surety, NAIC No. _____, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto Agency in the sum of _____ Dollars, ($_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if Design-Builder, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one (1) year guarantee of all materials and workmanship; and shall indemnify and save harmless Agency, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by Agency in enforcing such obligation.

The obligations of Surety hereunder shall continue so long as any obligation of Design-Builder remains. Nothing herein shall limit Agency's rights or the Design-Builder or Surety's obligations under the Contract, law, or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

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Whenever Design-Builder shall be, and is declared by Agency to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at Agency's option:

(1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents.

(2) Obtain a proposal or proposals for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety and Agency of the proposer providing best value to Agency, arrange for a contract between such proposer, the Surety and Agency, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the Contract price, including other costs and damages for which Surety may be liable. The term "balance of the Contract price" as used in this paragraph shall mean the total amount payable to Design-Builder by Agency under the Contract and any modification thereto, less any amount previously paid by Agency to the Design-Builder and any other set-offs pursuant to the Contract Documents.

(3) Permit Agency to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the Contract price, including other costs and damages for which Surety may be liable. The term "balance of the Contract price" as used in this paragraph shall mean the total amount payable to Design-Builder by Agency under the Contract and any modification thereto, less any amount previously paid by Agency to the Design-Builder and any other set-offs pursuant to the Contract Documents.

Surety expressly agrees that Agency may reject any contractor or subcontractor that may be proposed by Surety in fulfillment of its obligations in the event of default by the Design-Builder.

Surety shall not utilize Design-Builder in completing the Project, nor shall Surety accept a proposal from Design-Builder for completion of the Project if Agency, when declaring the Design-Builder in default, notifies Surety of Agency's objection to Design-Builder's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__.

_____
Design-Builder

By: _____

_____
Surety

By:_____
Attorney-in-Fact

The rate of premium on this bond is _____ per thousand. The total amount of premium charges, $_____.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety) _____

_____

_____

(Name and Address of Agent or Representative for service of process in California, if different from above) _____

_____

_____

(Telephone number of Surety and Agent or Representative for service of process in California) _____

_____

NOTE: A copy of the Power of Attorney to local representatives of the bonding company must be attached hereto.

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____
On _____, 20___, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
- ☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited ☐ General
- ☐ Attorney-In-Fact
- ☐ Trustee(s)
- ☐ Guardian/Conservator
- ☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____
_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title or Type of Document

_____
Number of Pages

_____
Date of Document

_____
Signer(s) Other Than Named Above

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ATTACHMENT 6

PAYMENT BOND (LABOR AND MATERIALS)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Rancho California Water District ("Agency"), has awarded to _____, hereinafter designated as the "Principal," a contract ("Contract") for the work described as follows: _____ **[PROJECT NO. _____]** ("Project"); and

WHEREAS, said Principal is required to furnish a bond in connection with said Contract; providing that if said Principal or any of its subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and _____ as Surety, NAIC No. _____, are held and firmly bound unto Agency in the penal sum of _____ Dollars ($_____) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the Design-Builder and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by Agency in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

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It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such Contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of Contract between the owner or Agency and original Design-Builder or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of Sections 2819 and 2845 of the California Civil Code.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety above named, on the ___ day of _____ 20___ the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

(Corporate Seal of Principal, if corporation)

_____
Design-Builder

By: _____

(Seal of Surety)

_____
Surety

By:_____
Attorney-in-Fact

(Attached Attorney-In-Fact Certificate and Required Acknowledgements)

NOTE: A copy of the Power of Attorney to local representatives of the bonding company must be attached hereto.

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Temecula, California
92590-4800

Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____
On _____, 20___, before me, _____, Notary Public, personally

appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public _____

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document

and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
- ☐ Corporate Officer

Title(s)

- ☐ Partner(s) ☐ Limited ☐ General
- ☐ Attorney-In-Fact
- ☐ Trustee(s)
- ☐ Guardian/Conservator
- ☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

_____
_____

DESCRIPTION OF ATTACHED DOCUMENT

_____
Title or Type of Document

_____
Number of Pages

_____
Date of Document

_____
Signer(s) Other Than Named Above

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ATTACHMENT 7

SAMPLE GMP AMENDMENT FOR PHASE 2 SERVICES

[THIS IS A TEMPLATE ONLY. THE PROJECT MAY REQUIRE ADDITIONAL TERMS AND CONDITIONS TO EXECUTE A GMP AMENDMENT. THIS SHOULD BE A STARTING POINT THAT CAN BE TAILORED TO THE SPECIFIC GMP, INCLUDING IF THERE ARE MULTIPLE GMPS]

GMP AMENDMENT FOR PHASE 2 SERVICES

Project: [INSERT PROJECT]	**Date of Contract: [INSERT DATE]**
Contract: [INSERT NAME]	**GMP Effective Date: [INSERT DATE]**

This Guaranteed Maximum Price Amendment ("GMP Amendment") is made and entered into this ___ day of _____, 202_ ("GMP Effective Date"), in accordance with and subject to the terms and conditions set forth in the Progressive Design-Build Contract ("Contract") entered into by and between the Rancho California Water District ("Agency") and [INSERT NAME] ("Design-Builder") for the Project. Capitalized terms not defined in this GMP Amendment shall have meanings given to them in the Contract.

RECITALS

WHEREAS, Agency and Design-Builder entered into the Contract with an Effective Date of [INSERT DATE] for the **[INSERT NAME OF PROJECT [PROJECT NO. _____]** ("Project");

WHEREAS, the Contract permits Agency and Design-Builder to amend the Contract upon the mutual agreement of the Parties;

WHEREAS, Agency and Design-Builder now desire to amend the Contract to finalize and memorialize Phase 2 Work, a GMP for Phase 2, and other terms and conditions for Phase 2 of the Project as more particularly described herein; and

WHEREAS, amending the Contract pursuant to this GMP Amendment will allow the Project work described herein to commence in accordance with the terms and conditions the Parties have agreed to as set forth below.

AGREEMENT

NOW, THEREFORE, in good and valuable consideration of the mutual promises and covenants contained herein, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. CONTRACT DOCUMENTS FOR PHASE 2.

This GMP Amendment shall be a Contract Document and is subject to all terms and conditions of the Contract Documents. This GMP Amendment includes the following documents attached hereto and incorporated by this reference:

[INSERT ADDITIONAL DOCUMENTS OR REMOVE DOCUMENTS LISTED IF NOT APPLICABLE TO THIS CONTRACT; THEN REMOVE THIS]

- Exhibit "A" – Phase 2 Special Conditions
- Exhibit "B" – Phase 2 Scope of Work
- Exhibit "C" – Components of Phase 2 GMP
- Exhibit "D" – GMP Schedule of Values
- Exhibit "E" – Risk Register
- Exhibit "F" – Allowances
- Exhibit "G" – Design-Builder Contingency
- Exhibit "H" – Phase 2 CPM Schedule
- [INSERT ANY OTHER EXHIBITS AND DOCUMENTS]

2. PHASE 2 WORK AND GMP.

[IF THERE IS MORE THAN 1 GMP OR THIS GMP IS FOR ONLY A PORTION OF THE WORK, THIS PROVISION MAY NEED TO BE ADJUSTED]

Design-Builder promises and agrees to furnish to Agency all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately complete Phase 2 of the Project, and all portions thereof, as set forth in the Contract Documents and this GMP, including, but not limited to, Exhibit "B", for a GMP of [INSERT AMOUNT]. The components of the GMP are further described in Exhibit "C" of this GMP Amendment. Unless otherwise stated in the Contract Documents or any amendments thereto, including, but not limited to, Change Orders, the GMP shall pay for all costs and expenses required to design and construct Phase 2 of the Project.

The compensation to be paid shall be limited to the GMP established pursuant to this GMP Amendment, as the same may be adjusted under applicable provisions of the Contract Documents and this GMP Amendment. To the extent Design-Builder's cost to complete the Phase 2 Work exceeds the GMP, as modified, Design-Builder shall bear such costs in excess of the GMP without reimbursement or additional compensation from Agency.

3. SCHEDULE OF VALUES.

The GMP shall be broken out in the Schedule of Values, attached hereto as Exhibit "D", and shall reflect all requirements of the Contract Documents.

4. RISK REGISTER.

To the extent necessary and if agreed upon by the Parties, Exhibit "E" includes a risk register developed by the Parties for the GMP Amendment.

5. PHASE 2 SCHEDULE.

Design-builder has provided a Phase 2 CPM Schedule for Phase 2 of the Project, as accepted by Agency, which is attached hereto as Exhibit "H". A monthly updated schedule will be provided to Agency in accordance with the Contract Documents.

6. PERIOD OF PERFORMANCE AND LIQUIDATED DAMAGES.

[THIS SECTION CAN BE MODIFIED TO ALSO ESTABLISH ANY MILESTONE DATES, IN ADDITION TO COMPLETION OF THE ENTIRE PROJECT]

Design-Builder guarantees that it shall perform and complete all work necessary for Final Completion of Phase 2 of the Project by the Guaranteed Completion Date of [INSERT DATE].

The Parties also agree that time is of the essence for all work Design-Builder must perform to complete Phase 2 of the Project by the Guaranteed Completion Date. It is hereby understood and agreed that Agency will suffer damages if the Work is not completed by the Guaranteed Completion Date. It is further agreed that it is and will be difficult and/or impossible to ascertain and determine the actual damage that Agency will sustain in the event of and by reason of Design-Builder's delay in completing the Work beyond the Guaranteed Completion Date. Accordingly, Design/Builder agrees that liquidated damages will apply in the amount of [INSERT AMOUNT] for each and every calendar day beyond the Guaranteed Completion Date that Final Completion of the Project has not been achieved. It is hereby understood and agreed that this amount is not a penalty. In the event any portion of the liquidated damages that may become due is not paid to Agency, Agency may deduct that amount from any money due, or that may become due the Design-Builder under the Contract.

Rancho Water
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Temecula, California
92590-4800

7. REQUIRED DOCUMENTATION FOR NOTICE TO PROCEED.

After the GMP Effective Date, Agency may issue a Notice to Proceed with the Phase 2 Work. Design-Builder shall provide all of the following prior to the issuance of such Notice to Proceed:

- If not already provided, fully executed Payment and Performance Bonds in the form required by the Contract.
- Evidence of Insurance for Construction Work as required by the Contract.
- Copies of all other certifications applicable to the Phase 2 Work as required by the Contract.

8. EFFECTIVENESS/COUNTERPARTS.

This GMP Amendment shall only be effective upon the execution by both Agency and Design-Builder. This GMP Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

9. SCOPE OF GMP AMENDMENT.

This GMP Amendment shall affect only the items specifically set forth herein, and all other terms and conditions of the Contract, as written, shall remain in full force and effect.

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SIGNATURE PAGE TO GMP AMENDMENT BY AND BETWEEN RANCHO CALIFORNIA WATER DISTRICT AND [INSERT]

IN WITNESS WHEREOF, the Parties hereby execute this GMP Amendment as of the GMP Effective Date.

RANCHO CALIFORNIA WATER DISTRICT	**[INSERT NAME OF DESIGN-BUILDER]**
By: _____	By: _____
[INSERT NAME]	
	Its: _____
	_____
	Printed Name

ATTEST:

By: _____

[INSERT NAME]

APPROVED AS TO FORM:

By: _____

[INSERT NAME]

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92590-4800

EXHIBIT "A"

PHASE 2 SPECIAL CONDITIONS

[INSERT ANY MODIFICATIONS TO THE CONTRACT, INCLUDING TO THE GENERAL CONDITIONS]

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EXHIBIT "B"

PHASE 2 SCOPE OF WORK

[INSERT SCOPE OF WORK, INCLUDING LIST OF DRAWINGS AND SPECIFICATIONS]

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EXHIBIT "C"

BREAKDOWN OF PHASE 2 GMP

The GMP shall be calculated as follows, and shall include the following components, as further detailed below and in the Contract Documents:

[THIS IS A STARTING POINT ONLY]

DETAILED GMP TABLE			
Item	**Component**	**Percentage**	**Amount**
COSTS TO PERFORM WORK & GENERAL CONDITIONS			
(A)	**Completion of Design Work for Project**		
(B)	**Direct Costs**		
(C)	**General Conditions**		
(D)	**Subcontractor Construction Cost**		
(E)	**SUBTOTAL OF COSTS TO PERFORM WORK & GENERAL CONDITIONS**		
MARK-UPS			
(F)	**Bonds**		
(G)	**Insurance**		
(H)	**Design-Builder's Fee** (Proposed & agreed-upon percentage multiplied by amount from **(E)**)		
(I)	**TOTAL MARK-UPS**		
CONTINGENCY / ALLOWANCES			
(J)	**Contingency** (Only if agreed to and indicated as a set amount, not a percentage)		

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(K)	**Allowance(s)** (Only if agreed to and indicated as a set amount, not a percentage)	[redacted]	
(L)	**TOTAL CONTINGENCIES & ALLOWANCES**		
	TOTAL GMP(E) + (I) + (L)		

[INSERT SUMMARY OF COMPONENTS OF GMP FROM DESIGN-BUILDER'S GMP PROPOSAL SO IT IS CLEAR WHAT ALL MAKES UP THE GMP, INCLUDING, BUT NOT LIMITED TO, CONTINGENCIES, ALLOWANCES, AND OTHER COSTS SPECIFIC TO THE PROJECT, AND HOW THESE WILL BE ALLOCATED AND RECONCILED]

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EXHIBIT "D"

GMP SCHEDULE OF VALUES

[INSERT GMP SCHEDULE OF VALUES]

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EXHIBIT "E"

LIST OF ALLOWANCES

[INSERT SPECIFIC LIST OF ALLOWANCES]

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EXHIBIT "F"

PHASE 2 CPM SCHEDULE

[INSERT]

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ATTACHMENT 8

FUNDING REQUIREMENTS

Rancho Water
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Temecula, California
92590-4800

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.E: **Review and Consider Adoption of Resolution in Opposition to San Diego Gas and Electric's Golden Pacific Powerlink Project Proposed Route Through the Temecula Valley**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Danielle Coats, Director of Government and Public Affairs

RECOMMENDATIONS:

Staff recommends the Finance and Audit Committee (Committee) recommend the Board of Directors (Board) adopt the resolution opposing San Diego Gas and Electric's Golden Pacific Powerlink Project proposed route through the Temecula Valley.

DISCUSSION:

Earlier this year, representatives from San Diego Gas & Electric (SDG&E) met with Rancho California Water District (Rancho Water/District) staff to introduce the Golden Pacific Powerlink Project and discuss the proposed transmission alignment. The proposed alignment would cross District-owned property near Vail Lake that was acquired and is maintained for watershed protection and management purposes.

The District has a responsibility to protect public health, preserve Vail Lake watershed, and maintain its property in a manner that supports water resource management and regional wildfire preparedness. Construction and operation of the proposed transmission facilities could restrict the District's ability to manage this land and may impede access by CAL FIRE and other emergency-response personnel conducting wildfire prevention, mitigation, and suppression activities near the reservoir.

Given these concerns, the proposed resolution formally expresses Rancho Water's opposition to the Golden Pacific Powerlink Project as currently proposed and calls for protection of District property, watershed-management activities, and emergency access in the Vail Lake area. The aforementioned resolution is attached for the Committee's review and consideration for adoption.

ALTERNATIVES:

Take no action

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

None

EXHIBITS/ATTACHMENTS:

1. Draft Resolution

RESOLUTION NO. 2026-9-DRAFT

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RANCHO CALIFORNIA WATER DISTRICT, OPPOSING THE GOLDEN PACIFIC POWERLINK PROJECT AS CURRENTLY PROPOSED THROUGH DISTRICT-OWNED LANDS ACQUIRED TO PRESERVE AND PROTECT THE WATERSHED AND ADVANCE THE DISTRICT'S CORE MISSION, URGING THE EVALUATION OF FEASIBLE ALTERNATIVES, AND DIRECTING DISTRICT STAFF TO TAKE ALL LAWFUL ACTIONS TO PROTECT THE DISTRICT'S WATER RESOURCES, FACILITIES, PROPERTY, ENVIRONMENTAL INTERESTS, AND RATEPAYERS

WHEREAS, the Rancho California Water District (Rancho Water/District) is a public agency responsible for providing safe and reliable water service and for protecting facilities, lands, and water resources essential to the public health, safety, and welfare of the communities it serves; and

WHEREAS, Rancho Water owns Vail Lake, Vail Dam, and the surrounding lands within the Vail Lake watershed, and the District acquired these assets for watershed management and the protection of water quality, water supply, reservoir operations, and related public purposes; and

WHEREAS, effective stewardship of District-owned watershed lands requires continued access for reservoir operations, inspections, monitoring, vegetation and fuel management, fire prevention, emergency response, habitat protection, and other activities as necessary to protect the watershed and the public water supply; and

WHEREAS, San Diego Gas & Electric® (SDG&E®) is pursuing the Golden Pacific Powerlink project (Project), a 500-kilovolt electric transmission line that will be built, owned, and operated by SDG&E® and will extend from the Imperial Valley Substation to a proposed new substation near the San Diego and Orange County border; and

WHEREAS, the preliminary preferred alignment travels through Imperial, San Diego, and Riverside counties and crosses the Temecula Valley, traversing through properties owned and managed by Rancho Water and purchased by the District to support watershed management and protection; and

WHEREAS, the proposed alignment will impact the District's prompt and reliable access to the Vail Lake reservoir and surrounding properties, which can impact wildfire prevention, fuels reduction, incident response, reservoir protection, and protection of downstream and nearby communities, particularly because the Vail Lake watershed includes areas subject to significant wildfire risk; and

WHEREAS, high-voltage transmission lines, towers, safety clearances, construction activities, and operational restrictions may complicate aerial and ground firefighting, constrain ingress and egress, limit staging, and maneuvering areas, and delay emergency

operations while electrical hazards are assessed and controlled; and

WHEREAS, construction, operation, maintenance, and repair of the Project may also interfere with the District's long-term use of its property for watershed management and may increase risks of erosion, sedimentation, vegetation disturbance, habitat fragmentation, invasive species, unauthorized access, and degradation of water quality; and

WHEREAS, the District has a duty to protect public health by safeguarding its water supplies, reservoirs, facilities, and watershed lands, and a transmission alignment that materially impairs those functions would conflict with the public purpose for which the affected property is held and managed; and

WHEREAS, the California Environmental Quality Act and all other applicable laws require meaningful evaluation of environmental impacts, feasible alternatives, and mitigation measures capable of avoiding or substantially reducing significant impacts to public safety, emergency response, water resources, biological resources, and public agency operations; and

WHEREAS, the District should be consulted directly and early regarding route selection, property access, easements, construction methods, emergency protocols, watershed protection requirements, operational clearances, restoration standards, and all alternatives that may affect District property or operations.

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

Section 1. Opposition to Current Alignment. The Board of Directors (Board) formally opposes the Golden Pacific Powerlink Project as currently proposed across District-owned property in the Vail Lake watershed.

Section 2. Public Health and District Mission. The Board finds that protecting the District's water supply, reservoir, watershed lands, and emergency access is integral to the District's duty to protect public health and safety. The Project shall not be routed, designed, constructed, operated, or maintained in a manner that impairs the District's ability to carry out those responsibilities.

Section 3. Wildfire Prevention and Emergency Response. The Board finds that the current alignment may impede or delay access by CALFIRE, local fire agencies, District personnel, and other first responders; constrain aerial and ground firefighting; interfere with fuels management and emergency staging; and increase operational risk during wildfire incidents. These impacts must be avoided, not merely deferred to post-approval coordination.

Section 4. Watershed and Reservoir Management. The Board finds that the current alignment may materially interfere with the use of District property for the watershed-management purposes for which the land was acquired, including protection of water

quality, reservoir operations, monitoring, vegetation management, erosion control, habitat stewardship, and emergency access.

Section 5. Feasible Alternatives. The District urges SDG&E®, CAISO, the California Public Utilities Commission (CPUC), and all responsible and trustee agencies to comprehensively evaluate and select feasible alternatives that avoid District-owned property near Vail Lake and Vail Dam, and avoid or substantially lessen impacts to wildfire response, watershed management, reservoir operations, water quality, habitat, and public access. Alternatives should include different transmission corridors, co-location with existing utility infrastructure, undergrounding where technologically feasible, and other technically and environmentally feasible system solutions.

Section 6. Environmental Review. The District requests full compliance with the California Environmental Quality Act, the National Environmental Quality Act to the extent applicable, and all other federal, state, and local requirements. Environmental review must include project-specific and cumulative analysis of wildfire hazards, emergency access, aerial firefighting constraints, water quality, hydrology, erosion and sedimentation, biological and cultural resources, construction access, operation safety, and the District's ability to fulfill its statutory and public-service responsibilities.

Section 7. Consultation and Technical Information. The District requests formal agency-to-agency consultation throughout project planning and environmental review and timely access to route maps, engineering plans, fire and emergency-response studies, access-road plans, construction schedules, geotechnical information, vegetation-management plans, water-quality analyses, and proposed easement terms affecting District property.

Section 8. Protection of District Property and Ratepayers. No District property interest, easement, access right, operational accommodation, or other entitlement shall be granted or supported unless and until the Board determines that the proposal fully protects public health and safety, preserves the District's present and reasonably anticipated future operations, avoids material interference with watershed management, and ensures that all project-related costs and risks are borne by the Project and not by District ratepayers.

Section 9. Authorization. The General Manager, General Counsel, and their designees are authorized and directed to take all lawful and appropriate actions to protect the District's interests, including submitting comments, objections, protests, and administrative appeals; participating or intervening in proceedings before the CPUC, CAISO, California Energy Commission, and other agencies as necessary; consulting with experts in the fields of environmental and habitat specialists, engineering, wildfire, real-property, legal experts, and general technical support; negotiating protective conditions; and pursuing judicial or other remedies when authorized or ratified by the Board as required by law.

Section 10. Coordination. District staff may coordinate with CALFIRE, local fire agencies, affected Tribal governments, neighboring public agencies, the County of Riverside, state and federal elected officials, community organizations, and other stakeholders to protect the Vail Lake watershed and advance a feasible alternative to the current alignment.

Section 11. Transmission of Resolution. The Secretary of the Board shall transmit executed copies of this Resolution to SDG&E®, CAISO, the CPUC, the California Energy Commission, CALFIRE, the Riverside County Board of Supervisors, affected Tribal governments, the cities and public agencies within the District's service area, and the state and federal legislators representing the District.

Section 12. Transmission of Resolution. The District expressly reserves all rights to participate in, comment upon, protest, appeal, intervene in, or otherwise challenge any aspect of the Project before any administrative agency or court of competent jurisdiction; to supplement the administrative record as information becomes available; and to exercise all rights it holds as a property owner and public water agency.

Section 13. Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Resolution.

Section 14. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED, AND APPROVED this 10th day of September 2026.

Brian J. Brady, President of the
Board of Directors of the
Rancho California Water District

ATTEST:

Jennifer A. Serna, Secretary of the
Board of Directors of the
Rancho California Water District

1.F

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.F: Consider Appointment of Secretary of the Board

RESPONSIBLE/LEAD STAFF MEMBER(S):

Jason Martin, General Manager

RECOMMENDATIONS:

Staff requests the Finance and Audit Committee recommend the Board of Directors (Board) appoint Rancho California Water District's (Rancho Water/District) District Secretary Jennifer Serna as Secretary of the Board.

DISCUSSION:

Section 3.7 of the Rancho California Water District Administrative Code establishes the Secretary of the Board as an officer of the District and provides that the position shall be appointed by the Board of Directors. The Secretary of the Board is responsible for performing the duties prescribed in the Administrative Code and applicable law, including maintaining the official records of the Board, certifying District documents, administering oaths, and performing other duties assigned by the Board. The Board last formally appointed a Secretary of the Board on July 14, 2005, when Kelli Garcia was appointed to the position.

Jennifer Serna joined Rancho California Water District in November 2025 as District Secretary and has since performed the duties and responsibilities of Secretary of the Board in support of the Board of Directors and the District's governance functions.

During a recent review of the Administrative Code, staff determined that while the duties of the Secretary of the Board have been performed continuously, a formal appointment by the Board is needed. This action will formally appoint Ms. Serna as Secretary of the Board and align the District's records with the requirements of the Administrative Code.

ALTERNATIVES:

Not applicable

FISCAL ANALYSIS:

Not Applicable

ENVIRONMENTAL REQUIREMENTS:

None

1.G

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.G: **Review of Financial Statements - July 31, 2026**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Karrie Swaine, Controller

RECOMMENDATIONS:

This item is presented for the Finance and Audit Committee's (Committee) review, acceptance, and recommendation to the Board of Directors for approval.

DISCUSSION:

Attached for the Committee's review is a summary of Rancho California Water District's financial results as of July 31, 2026.

ALTERNATIVES:

Take no action

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Financial Statements Monthly Review
2. Statement of Net Position
3. Statement of Revenues, Expenses, and Changes in Net Position
4. Statement of Cash Flows

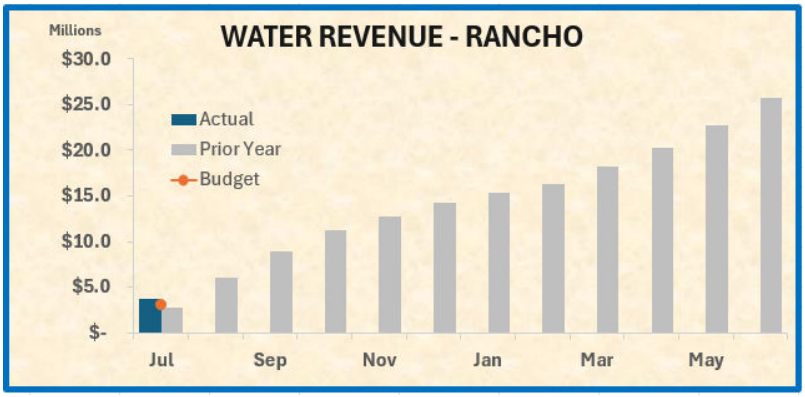
Financial Statements Monthly Review

July 31, 2026

The District's financial statements as of July 31, 2026, are included for the Committee's review. The following is a highlight summary of their contents.

Rancho Water Division

Operating Revenues: Water sales are 359 acre-feet (AF), or 9 percent, over budget, with demand exceeding budget across all categories. Actual water revenue is $623,871, or 20 percent, over budget, and energy revenue is $14,209, or 6 percent over budget.





SALES MIX (AF) - RANCHO DIVISION	BUDGET TO DATE	ACTUAL TO DATE	OVER/ (UNDER)
Ag	239	382	143
Ag/Dom	269	418	149
Domestic	1,858	1,873	16
Other	911	948	36
Recycled	427	442	15
Total	3,704	4,063	359

Energy revenue represents 129.4 percent of booster energy costs allocated to the Rancho Division.

Source of Supply Costs: Purchased Water Joint Facility costs are $623,638, or 16 percent, over budget due to higher water demand during warmer weather. Purchased Water costs for the Santa Margarita River flow releases are currently under budget by $146,399, or 66 percent. These costs reflect the District's obligation to fulfill the flow regime requirements, which fluctuate throughout the year under the Cooperative Water Resources Management Agreement (CWRMA). CWRMA establishes the flow requirement based on watershed hydrologic conditions. This year has been designated as a critical dry year with minimum flow requirements.

As this is the first month of the fiscal year, most functional categories are under budget because planned maintenance activities are scheduled throughout the year. Expenditures are expected to trend closer to budget as these activities occur. The functional categories are summarized below:

- **Booster Pumping Costs** are under budget by $37,588 or 14 percent.
- **Transmission & Distribution Costs** are under budget by $100,294, or 17 percent.
- **Customer Service Costs** are under budget by $12,060, or 4 percent.
- **Recycled Water Costs** are under budget by $57,621 or 25 percent.

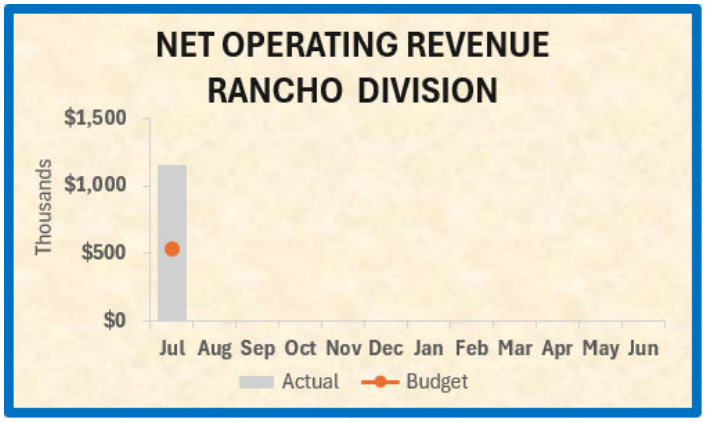
- **Support & Engineering Costs** are $270,481, or 31 percent, under budget, primarily due to lower-than-budgeted engineering support costs within the Resource Division. Resource Division general support costs represent overhead allocations distributed to functional categories based on direct labor. The general support costs are under budget resulting from lower expenditure on software, training and seminars, and staffing vacancies.

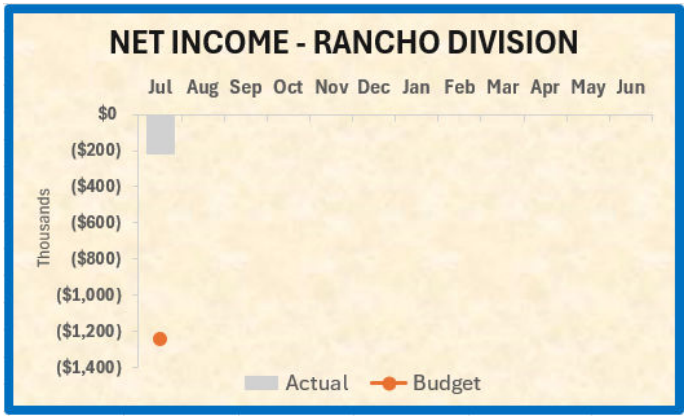
Net Operating Revenue/(Deficit): The Rancho Division reported net operating revenue of $1,159,533, compared to budgeted revenue of $535,844.

Non-Operating: Total non-operating revenue is $302,152, or 101 percent, over budget, primarily due to $1,056,579 in grant revenue, partially offset by lower tax and interest revenue recognized during the first month of the fiscal year. Tax and interest revenue are expected to trend closer to budget as the year progresses.

Total non-operating expenses are $90,717, or 6 percent, under budget, primarily due to changes in joint venture investments and other expenses. Unbudgeted grant expenses are offset by corresponding grant revenues.

Net Income/(Loss): The Rancho Division has a net deficit of $222,341 compared to a budgeted net deficit of $1,238,899. In accordance with GASB 33, capacity fees and capital contributions are reported as increases to net assets and are presented separately from operating revenue.

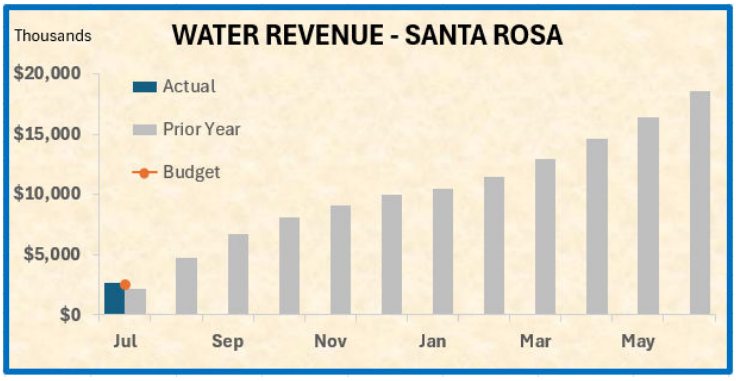




Santa Rosa Division

Operating Revenue:

Actual water revenue is over budget by $65,352, or 2.6 percent. Energy revenue is under budget by $23,716, or 7 percent. Water sales quantities are 201 AF, or 9 percent less than budgeted amounts in all areas except Domestic and Other, as reflected in the "Sales Mix" chart.





SALES MIX (AF) - SANTA ROSA	BUDGET TO DATE	ACTUAL TO DATE	OVER/ (UNDER)
Ag	1,086	921	(165)
Ag/Dom	460	439	(22)
Domestic	405	413	8
Other	216	223	7
Recycled	158	128	(30)
Total	2,326	2,125	(201)

Energy Revenue represents 300.0 percent of total energy costs allocated to the Santa Rosa Division.

Source of Supply Costs: Purchased Water Joint Facility costs are under budget by $237,356, or 8 percent. Purchased Water for the Santa Margarita River flow releases are under budget by $36,600, or 66 percent. These costs reflect the District's obligation to fulfill the flow regime requirements, which fluctuate throughout the year under the Cooperative Water Resources Management Agreement (CWRMA). CWRMA establishes the flow requirement based on watershed hydrologic conditions.

As this is the first month of the fiscal year, most functional categories are under budget because planned maintenance activities are scheduled throughout the year. Expenditures are expected to trend closer to budget as these activities occur. The functional categories are summarized below:

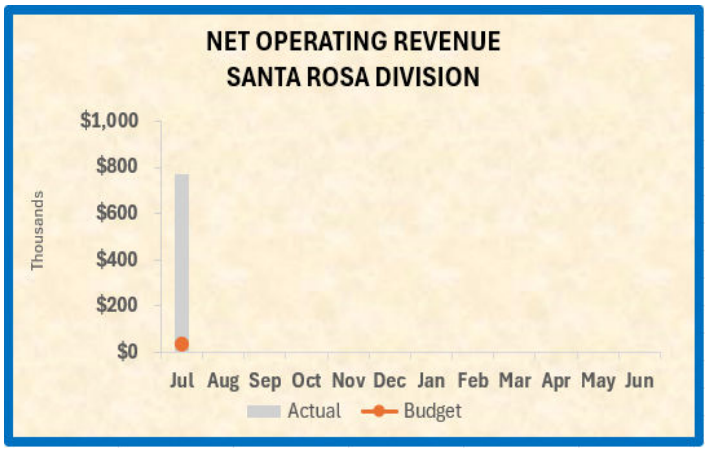
- **Booster Pumping Costs** are under budget by $166,448, or 55 percent.
- **Transmission & Distribution Costs** are under budget by $176,123, or 43 percent.
- **Customer Service Costs** are under budget by $18,914, or 17 percent.
- **Recycled Water Costs** are under budget by $31,075 or 25 percent.
- **Support & Engineering Costs** are under budget by $78,853, or 29 percent.

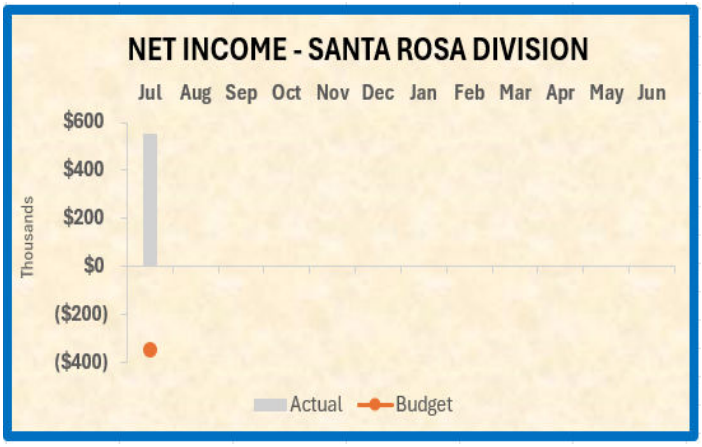
Net Operating Revenue/(Deficit): The Santa Rosa Division reports a net operating revenue of $767,641 compared to a budgeted net operating revenue of $35,241.

Non-Operating: Total non-operating revenue is over budget by $110,393 or 15 percent, primarily due to the timing of tax receipts, partially offset by grant revenue.

Total non-operating expenses are under budget by $255,582 or 19 percent, mainly due to bond interest expense. Although grant expenses were not budgeted, they are offset by corresponding non-operating grant revenues.

Net Income/(Loss): The Santa Rosa Division has a net income of $554,050, compared to a budgeted net deficit of $544,325. In accordance with GASB 33, capacity fees and capital contributions are recorded as increases to net assets and are presented separately from operating revenue.





RESOURCE DIVISION

Total water sales are 173 AF over budget and potable water production is 255 AF over budget.

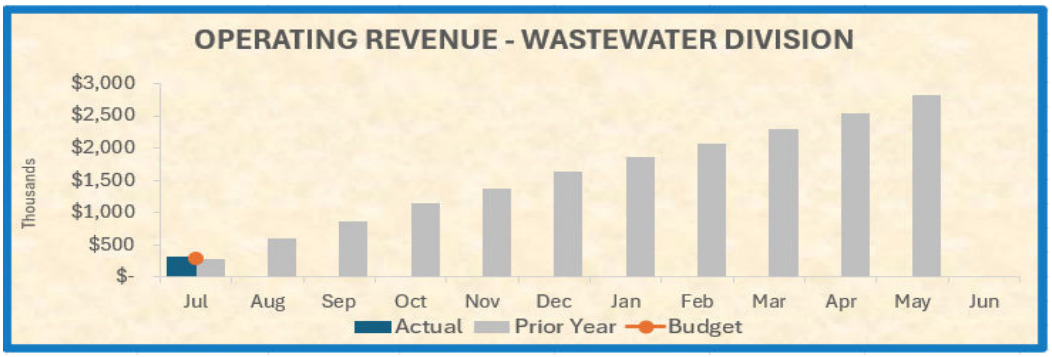
POTABLE SALES, PRODUCTION, & WATER LOSS	BUDGET TO DATE	ACTUAL TO DATE	OVER/ (UNDER) BUDGET
Sales	5,445	5,618	173
Production	5,755	6,010	255
Unaccounted	310	392	82
Water Loss	5.4%	6.5%	

Native well production is 226 AF under budget, while recharge well is 8 AF over budget. Imported water is 472 AF over budget, and recycled water is 62 AF under budget.

WATER PRODUCTION MIX (AF)	BUDGET TO DATE	ACTUAL TO DATE	OVER/(UNDER) BUDGET
Native Well	1,480	1,254	(226)
Recharge Well	1,975	1,983	8
Cyclic Storage	-	-	-
Import	2,300	2,772	472
Recycled	615	553	(62)
Total	6,370	6,563	193

WASTEWATER DIVISION (SRWRF)

OPERATING REVENUES: Wastewater service charges are $9,274 or 5 percent over budget.



INFORMATIONAL REPORTING FOR THE WASTEWATER DIVISION

TREATMENT COSTS: The District's financial statements present primary and secondary treatment separately from tertiary treatment. However, the table below consolidates all operational expenses of the plant to provide a more comprehensive view of overall plant performance relative to budget. The total operational expenses are under budget by $76,129, or 11 percent.

TREATMENT COSTS (NET OF SRRRA ACTIVITY)			
	BUDGET TO DATE	TOTAL TREATMENT EXP. INCURRED	OVER/(UNDER) BUDGET
Primary/Secondary	$ 410,394	$ 372,636	$ (37,758)
Tertiary	160,636	134,350	(26,286)
Other	119,672	107,588	(12,085)
Total	$ 690,702	$ 614,573	$ (76,129)

UTILITY COSTS are under budget by $6,771, or 6 percent.

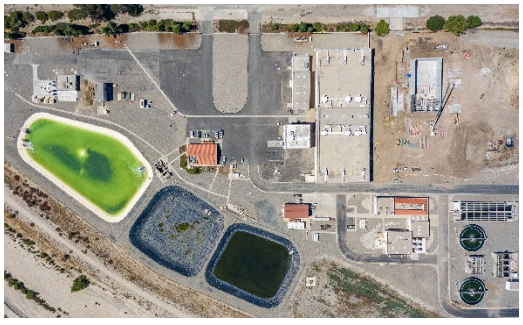
PRIMARY/SECONDARY COSTS are under budget by $37,758, or 9 percent.

TERTIARY COSTS are under budget by $26,286, or 16 percent.

OTHER COSTS are under budget by $12,085, or 10 percent. These costs are from the Resource Division allocation of various District support efforts, which are allocated to functional categories as overhead based on direct labor and divisional charges.

SRRRA COSTS: The District's treatment costs paid to the SRRRA are based on budgeted, annually established rates, which are adjusted to actual flow data at the end of each fiscal year.





DISTRICTWIDE

CORRECTIVE MAINTENANCE: The Corrective Maintenance budget includes both planned and emergency corrective work, with emergency work comprising 95 percent of the budget. Total emergency corrective maintenance expenses are $184,429 or 3 percent of the budget, as of July 31, 2026.

CORRECTIVE MAINTENANCE	BUDGET HOURS	ACTUAL HOURS	BUDGET	ACTUAL TO DATE
Source of Supply	1,030	-	$ 267,861	$ 1,356
Transmission & Distribution	23,772	753	4,650,739	145,785
Booster	563	44	175,408	-
Reclaimed	2,769	42	409,066	9,341
Wastewater	284	-	130,628	27,946
Total	28,418	838	$ 5,633,703	$ 184,429

CAPITAL ACQUISITION BUDGET: FY 2026/2027 has an approved Capital Acquisition budget of $2,255,000. As of July 31, 2026, $89 has been expended.

2026/2027 CAPITAL ACQUISITIONS REPLACEMENT	APPROVED FUNDING	EXPENDED TO DATE	REMAINING AMOUNT
Fleet	$ 1,450,000	$ -	$ 1,450,000
Construction	138,000		138,000
Wastewater/ Testing & Equipment	-		-
Computers/Office	256,000		256,000
Sub-Total	$ 1,844,000	$ -	$ 1,844,000
NEW	APPROVED FUNDING	EXPENDED TO DATE	REMAINING AMOUNT
Fleet	$ 250,000		$ 250,000
Construction	151,000	89	150,911
Wastewater/ Testing & Equipment	-		-
Computers/Office	10,000		10,000
Sub-Total	$ 411,000	$ 89	$ 410,911
Total	$ 2,255,000	$ 89	$ 2,254,911

Rancho Water

STATEMENT OF NET POSITION

As of July 31, 2026

	COMBINED TOTAL	RANCHO	SANTA ROSA	RESOURCE	SRWRF
CURRENT ASSETS-CASH:					
Cash & Investments	$ 46,501,914	$ 29,461,950	$ 15,894,138	$ -	$ 1,145,826
Reserve for Other	-	-	-	-	-
Replacement Fund	5,459,893	725,221	4,220,891	-	513,781
TOTAL CURRENT ASSETS - CASH	51,961,807	30,187,171	20,115,029	-	1,659,607
CURRENT ASSETS-OTHER:					
Taxes & Assessments Rec.	1,826,320	1,055,403	712,050	-	58,865
Accounts Rec. Water Sales	17,287,175	8,703,265	7,959,183	-	624,727
Accounts Rec. Other	20,257,408	14,646,001	5,067,922	-	543,486
Notes Receivable	-	-	-	-	-
Intercompany	-	-	-	-	-
Inter-Division Loan Receivable	18,672,657	18,672,657	-	-	-
Accrued Interest Rec.	2,351,336	1,865,785	433,564	-	51,988
Water Inventory	22,629,813	11,314,906	11,314,906	-	-
Materials Inventory	3,724,905	1,862,452	1,862,452	-	-
Prepaid Expenses	4,591,251	2,180,516	2,180,516	-	230,218
TOTAL CURRENT ASSETS - OTHER	91,340,865	60,300,986	29,530,593	-	1,509,284
TOTAL CURRENT ASSETS	143,302,672	90,488,157	49,645,622	-	3,168,891
RESTRICTED ASSETS:					
Cash & Investments Construction	57,446,093	33,841,664	21,697,833	-	1,906,596
Debt Service/Capital Improvement Fund	198,591,930	211,971,532	(17,368,286)	-	3,988,683
Capacity Fees	-	-	-	-	-
Bond Trust Reserves	66,392,003	19,882,958	46,115,090	-	393,955
Pension Trust Reserve	11,009,044	5,561,587	3,433,789	-	2,013,668
Deferred Comp.-Employees	20,379,861	10,189,930	10,189,930	-	-
TOTAL RESTRICTED ASSETS	353,818,932	281,447,672	64,068,357	-	8,302,903
UTILITY PLANT ASSETS:					
Construction in Progress	95,563,689	46,570,337	48,943,693	-	49,659
Fixed Assets less Accm Depr.	516,874,698	324,589,266	178,257,754	-	14,027,679
TOTAL UTILITY PLANT ASSETS	612,438,387	371,159,603	227,201,446	-	14,077,338
OTHER ASSETS:					
Other Assets- Adv Conn Chgs	1,007,934	573,982	433,953	-	-
Investment in Joint Venture	8,606,443	1,100,177	471,504	-	7,034,762
OPEB Asset	1,404,424	554,962	531,952	-	317,510
TOTAL OTHER ASSETS	11,018,801	2,229,121	1,437,409	-	7,352,272
TOTAL ASSETS	1,120,578,792	745,324,552	342,352,834	-	32,901,404
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Amount on Refunding	11,716,593	5,352,568	7,060,283	-	(696,258)
Deferred Outflows Pension	13,840,313	7,324,609	4,092,812	-	2,422,892
Deferred Outflows OPEB	5,143,868	2,724,092	1,522,706	-	897,070
Deferred Outflows Leases	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,151,279,566	760,725,821	355,028,635	-	35,525,108

Rancho Water

STATEMENT OF NET POSITION

As of July 31, 2026

	COMBINED TOTAL	RANCHO	SANTA ROSA	RESOURCE	SRWRF
CURRENT LIABILITIES:					
Accounts Payable	$ 13,808,264	$ 7,523,732	$ 5,098,229	$ -	$ 1,186,303
Unearned Tax Revenue	-	-	-	-	-
Inter-Division Loan Payable	18,672,657	-	17,524,976	-	1,147,681
Accrued Payroll	3,673,201	1,836,601	1,836,601	-	-
Construction & Service Dep.	740,655	282,816	455,136	-	2,703
Inter-Company Payable	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
TOTAL CURRENT LIABILITIES	36,894,777	9,643,149	24,914,942	-	2,336,687
RESTRICTED LIABILITIES:					
Accrued Interest Payable	3,749,314	1,625,202	2,072,090	-	52,021
Advance Connection Fees	63,349	-	-	-	63,349
Deferred Comp.-Employees	20,379,861	10,189,930	10,189,930	-	-
TOTAL RESTRICTED LIABILITIES	24,192,523	11,815,132	12,262,021	-	115,370
LONG-TERM LIABILITIES:					
A/P Advance Connection Chg.	929,276	521,173	408,103	-	-
Certificates of Participation	-	-	-	-	-
Revenue Bonds Payable	270,344,307	113,923,313	153,482,638	-	2,938,356
Pension Liability	29,877,056	16,053,506	8,766,431	-	5,057,119
OPEB Liability	-	-	-	-	-
Other Long-Term Liability	910,529	455,265	455,265	-	-
TOTAL LONG-TERM LIABILITIES	302,061,168	130,953,256	163,112,437	-	7,995,475
TOTAL LIABILITIES	363,148,468	152,411,538	200,289,399	-	10,447,532
DEFERRED INFLOWS:					
Deferred Amount on Refunding	-	-	-	-	-
Deferred Inflows Pension	3,751,213	1,841,523	1,181,903	-	727,788
Deferred Inflows OPEB	7,729,945	4,083,300	2,315,376	-	1,331,270
Deferred Inflows Leases	14,978,774	11,397,662	3,581,112	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	389,608,400	169,734,022	207,367,789	-	12,506,590
NET POSITION:					
Net Investment of Capital Assets	352,978,803	262,186,402	80,349,677	-	10,442,724
Restricted	306,462,123	250,881,576	43,726,103	-	11,854,444
Unrestricted	102,230,238	77,923,821	23,585,067	-	721,351
TOTAL NET POSITION	$ 761,671,164	$ 590,991,799	$ 147,660,846	$ -	$ 23,018,518

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE MONTH ENDING JULY 31, 2026

	COMBINED TOTAL	*RANCHO*	*SANTA ROSA*	*RESOURCE*	*SRWRF*
OPERATING REVENUE:					
Water Revenue	$ 6,373,622	$ 3,761,593	$ 2,612,029	$ -	$ -
Capacity Charges	2,316,881	1,456,541	860,339	-	-
Unmetered Construction Water	-	-	-	-	-
Skinner - Export	-	-	-	-	-
Western IDA- Rock Mtn.	4,148	-	4,148	-	-
Energy Charges	573,049	273,478	299,572	-	-
Wastewater Service Charges	212,454	-	-	-	212,454
Temporary Treatment Fees	-	-	-	-	-
New Service Connections	11,670	672	10,998	-	-
Other OP Rev - Billing	178,734	127,737	50,997	-	-
Other OP Rev - Engineering	11,465	8,826	2,639	-	-
Reclass (To)/From Non-Operating	2,544,103	1,917,929	528,465	-	97,709
TOTAL OPERATING REVENUE	12,226,126	7,546,777	4,369,186	-	310,163
OPERATING EXPENSE:					
SOURCE OF SUPPLY:					
Purchased Water - Imported	6,915,100	-	-	6,915,100	-
Purchased Water - J/F	-	4,505,126	2,831,174	(7,336,300)	-
Purchased Water - Santa Margarita	0	76,842	19,211	(96,053)	-
Labor	56,011	-	-	56,011	-
G&A / Fringe Benefits	87,187	-	-	87,187	-
Materials & Supplies	21,816	-	-	21,816	-
Utilities	336,172	-	-	336,172	-
Outside Services	8,014	-	-	8,014	-
Vehicle & Equipment Use	6,696	-	-	6,696	-
Corrective Maint. - Labor	-	-	-	-	-
Corrective Maint. - G&A / FB	-	-	-	-	-
Corrective Maintenance	1,356	-	-	1,356	-
TOTAL SOURCE OF SUPPLY	7,432,352	4,581,968	2,850,385	-	-
BOOSTER PUMPING:					
Labor	14,282	4,492	9,791	-	-
G&A / Fringe Benefits	22,464	7,372	15,092	-	-
Materials & Supplies	3,632	607	3,025	-	-
Utilities	311,278	211,418	99,860	-	-
Outside Services	25,316	1,000	24,316	-	-
Vehicle & Equipment Use	1,751	598	1,153	-	-
Corrective Maint. - Labor	2,189	-	2,189	-	-
Corrective Maint. - G&A / FB	3,361	-	3,361	-	-
Corrective Maintenance	(15,786)	5,446	(21,231)	-	-
TOTAL BOOSTER PUMPING	368,489	230,933	137,556	-	-

Rancho Water

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE MONTH ENDING JULY 31, 2026

	COMBINED TOTAL	*RANCHO*	*SANTA ROSA*	*RESOURCE*	*SRWRF*
SEWAGE TREATMENT:					
Labor	67,699	-	-	-	67,699
G&A / Fringe Benefits	95,622	-	-	-	95,622
Materials & Supplies	15,297	-	-	-	15,297
Utilities	97,089	-	-	-	97,089
Outside Services	61,942	-	-	-	61,942
Vehicle & Equipment Use	7,041	-	-	-	7,041
Inter-Agency Treatment	-	-	-	-	-
Corrective Maint. - Labor	-	-	-	-	-
Corrective Maint. - G&A / FB	-	-	-	-	-
Corrective Maintenance	27,946	-	-	-	27,946
Treatment Reimbursables	(393,916)	-	-	-	(393,916)
Contract Treatment Expense - JPA	230,218	-	-	-	230,218
TOTAL SEWAGE TREATMENT	208,937	-	-	-	208,937
TRANSMISSION & DISTRIBUTION:					
Labor	$ 215,164	$ 150,448	$ 64,715	$ -	$ -
G&A / Fringe Benefits	303,573	213,564	90,009	-	-
Materials & Supplies	17,990	3,783	14,207	-	-
Outside Services	5,244	3,365	1,880	-	-
Vehicle & Equipment Use	23,804	16,810	6,994	-	-
Corrective Maint. - Labor	36,427	24,585	11,842	-	-
Corrective Maint. - G&A / FB	55,943	37,670	18,273	-	-
Corrective Maintenance	53,416	37,112	16,304	-	-
Service Connect. - Labor	1,945	117	1,828	-	-
Service Connect. - G&A / FB	2,989	178	2,811	-	-
Service Connection	6,736	377	6,359	-	-
TOTAL TRANSMISSION & DISTRIBUTION	723,230	488,009	235,221	-	-
CUSTOMER SERVICE:					
Labor	124,052	54,981	18,823	50,247	-
G&A / Fringe Benefits	159,758	79,797	28,695	51,267	-
Materials & Supplies	55,501	46,331	8,898	272	-
Outside Services	59,146	6,599	420	52,126	-
Vehicle & Equipment Use	15,134	6,612	2,393	6,128	-
Resource Customer Support	-	117,956	26,150	(160,041)	15,935
Uncollectible Accounts	18,972	10,625	7,732	-	615
TOTAL CUSTOMER SERVICE	432,563	322,902	93,111	-	16,550

Rancho Water

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE MONTH ENDING JULY 31, 2026

	COMBINED TOTAL	*RANCHO*	*SANTA ROSA*	*RESOURCE*	*SRWRF*
RECYCLED WATER:					
Joint Facility Recycled Water	-	110,350	34,847	(145,197)	-
Purchased Recycled Water	69,499	-	-	69,499	-
Labor	23,276	7,058	2,011	14,207	-
G&A / Fringe Benefits	37,711	10,959	3,084	23,667	-
Materials & Supplies	3,704	1,513	-	2,191	-
Utilities	91,890	38,662	42,397	10,832	-
Outside Services	12,178	6	168	12,003	-
Vehicle & Equipment Use	3,020	834	234	1,952	-
Corrective Maint. - Labor	1,972	80	1,892	-	-
Corrective Maint. - G&A / FB	3,008	121	2,887	-	-
Corrective Maintenance	4,361	9	4,352	-	-
Tertiary Reimbursables	(116,739)	-	-	(116,739)	-
Contract Treatment Expense - JPA	127,586	-	-	127,586	-
TOTAL RECYCLED WATER	261,465	169,592	91,873	-	-
SUPPORT:					
Labor	534,738	-	-	534,738	-
G&A / Fringe Benefits	350,712	-	-	350,712	-
Materials & Supplies	96,920	-	-	96,920	-
Utilities	4,678	-	-	4,678	-
Outside Services	61,384	-	-	61,384	-
Vehicle & Equipment Use	(2,710)	-	-	(2,710)	-
Corrective Maint. - Labor	125	-	-	125	-
Corrective Maint. - G&A / FB	90	-	-	90	-
Corrective Maintenance	4,825	-	-	4,825	-
Direct Support Allocation	(1)	384,240	84,419	(524,793)	56,133
Resource Support	(265,097)	139,324	87,568	(525,970)	33,982
TOTAL SUPPORT	785,664	523,563	171,987	-	90,114
ENGINEERING:					
Labor	77,799	482	874	76,443	-
G&A / Fringe Benefits	79,343	479	860	78,005	-
Materials & Supplies	1,012	-	-	1,012	-
Outside Services	994	-	-	994	-
Vehicle & Equipment Use	9,485	48	99	9,339	-
Engineering O/H CAP/FEE	(76,020)	(28)	-	(75,992)	-
Engineering Closed Jobs	-	-	-	-	-
Resource Engineering Serv.	-	69,296	19,581	(89,799)	922
TOTAL ENGINEERING	92,612	70,277	21,413	-	922

Rancho Water

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE MONTH ENDING JULY 31, 2026

	COMBINED TOTAL	*RANCHO*	*SANTA ROSA*	*RESOURCE*	*SRWRF*
VEHICLE & EQUIPMENT					
Vehicle & Equip. PM Labor	5,968	-	-	5,968	-
Vehicle & Equip. PM G&A /FB	3,808	-	-	3,808	-
Vehicle & Equip. Exp. - PM	35,651	-	-	35,651	-
Vehicle & Equip. CM Labor	6,268	-	-	6,268	-
Vehicle & Equip. CM G&A /FB	4,511	-	-	4,511	-
Vehicle & Equip. Exp. - CM	22,133	-	-	22,133	-
Applied Overhead	(78,341)	-	-	(78,341)	-
TOTAL VEHICLE & EQUIPMENT	-	-	-	-	-
EMPLOYEE FRINGE BENEFITS:					
E/B Vacation/Sick/Holiday	514,358	-	-	514,358	-
Employee Benefits	694,978	-	-	694,978	-
Applied Overhead	(1,209,335)	-	-	(1,209,335)	-
TOTAL EMPLOYEE FRINGE BENEFITS	-	-	-	-	-
TOTAL OPERATING EXPENSE	10,305,313	6,387,244	3,601,545	-	316,524
NET OPERATING REVENUE	1,920,813	1,159,533	767,641	-	(6,361)
NON-OPERATING REVENUE:					
Taxes & Assessments	26,978	22,284	4,694	-	-
Standby Charge	-	-	-	-	-
Interest Revenue	831,474	705,746	103,322	-	22,406
Fire Service Charge	6,121	6,121	-	-	-
Other Income - Government Subsidy	28,341	4,974	23,367	-	-
Other Income - Debt Service	156,274	-	-	-	156,274
Other Income - Capital Replacement Fund	249,194	-	195,675	-	53,520
Other Income - Tier 3 & Tier 4 Programs	113,724	61,366	52,358	-	-
1440 Energy Reimbursement	-	-	-	-	-
Net Contract Revenue - JPA	-	-	-	-	-
Contract Treatment Expense - JPA	-	-	-	-	-
Acreage Assessment Fees	-	-	-	-	-
Reclass (To)/From Oper. Income	(2,544,103)	(1,917,929)	(528,465)	-	(97,709)
Taxes & Assmt. - Annexation	-	-	-	-	-
Primary Facilities	-	-	-	-	-
Vail Lake Operations	32,982	23,088	9,895	-	-
Other Non-Operating Income	(3,947)	(1,417)	(2,530)	-	-
Non-Operating Grant Income	2,113,159	1,056,579	1,056,579	-	-
Gain / Loss Investment Sale	(4,702)	(4,215)	(366)	-	(121)
Interest on Interdivisional Loan	-	47,045	(44,295)	-	(2,750)
Defeasance Gain	-	-	-	-	-
Capacity Lease	-	-	-	-	-
TOTAL NON-OPERATING REVENUE	1,005,496	3,642	870,234	-	131,619

Rancho Water

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE MONTH ENDING JULY 31, 2026

	COMBINED TOTAL	*RANCHO*	*SANTA ROSA*	*RESOURCE*	*SRWRF*
NON-OPERATING EXPENSE:					
Banked Water Purchase	-	-	-	-	-
Depreciation and Amortization	1,918,161	1,084,201	789,218	-	44,741
Bond Discount Amortization	(46,645)	(10,709)	(25,289)	-	(10,647)
Bond Interest	591,028	271,510	310,826	-	8,691
Arbitrage Expense	-	-	-	-	-
Non-Operating Grant Expense	13,569	6,784	6,784	-	-
Changes in Investment in Joint Venture	-	-	-	-	-
Other	22,915	21,359	1,162	-	393
Investment Management Exp.	13,957	12,370	1,125	-	463
TOTAL NON-OPERATING EXPENSE	2,512,984	1,385,516	1,083,826	-	43,641
NET NON-OPERATING REVENUE	(1,507,488)	(1,381,874)	(213,592)	-	87,977
N.I. BEFORE CAPITAL CONTRIBUTIONS	413,325	(222,341)	554,050	-	81,617
CONTRIBUTED CAPITAL:					
Connection Fee	69,907	39,249	14,148	-	16,510
Capital Contributions	29,150	29,150	-	-	-
TOTAL CONTRIBUTED CAPITAL	99,057	68,399	14,148	-	16,510
Special Items	-	-	-	-	-
CHANGES IN NET POSITION	$ 512,383	$ (153,941)	$ 568,198	$ -	$ 98,126

Rancho Water

STATEMENT OF CASH FLOWS

FOR THE MONTH ENDING JULY 31, 2026

	RANCHO	*SANTA ROSA*	*WASTEWATER*	*COMBINED*
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers	$ 5,042,878	$ 2,860,895	$ 164,430	$ 8,068,203
Cash Payments to Suppliers for Goods and Services	(9,107,317)	(6,896,083)	(248,825)	(16,252,225)
Cash Payments to Employees for Services	(374,534)	(225,640)	(72,773)	(672,947)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	(4,438,973)	(4,260,828)	(157,168)	(8,856,969)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital Contributions - Capacity Fees	39,249	14,148	16,510	69,907
Tax Receipts General Purpose	16,910	3,433	-	20,343
Tax Receipts Restricted for Debt Service	11,496	1,261	-	12,756
Other Charges and Fees	1,121,256	1,286,369	209,400	2,617,025
Interdivisional Reallocation of Activities	-	-	-	-
Proceeds from Issuance of Revenue Bonds	-	-	-	-
Acquisition and Construction of Capital Assets	(405,766)	(529,881)	21,159	(914,488)
Deferred Item- Refunding	-	-	(8,187)	(8,187)
Principal Payments on Bonds	14,576,092	38,817,264	8,187	53,401,543
Interest Payments on Bonds	(8,822)	(9,014)	(21)	(17,857)
NET CASH PROVIDED FROM / (USED) FOR CAPITAL RELATED FINANCING ACTIVITIES	15,350,414	39,583,580	247,048	55,181,042
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Investments	842,691	311,716	21,774	1,176,181
Payments on Interdivisional Loans	76,627	(70,131)	(6,496)	-
NET CASH PROVIDED FROM INVESTING ACTIVITIES	497,877	176,022	15,278	689,177
NET INC/(DEC) IN CASH AND CASH EQUIVALENTS	11,409,318	35,498,774	105,158	47,013,250
BEGINNING CASH AND CASH EQUIVALENTS	290,035,595	38,494,682	9,857,352	337,477,100
CASH AND CASH EQUIVALENTS AT As of July 31, 2026	301,444,913	73,993,456	9,962,510	384,490,350

Rancho Water

STATEMENT OF CASH FLOWS

FOR THE MONTH ENDING JULY 31, 2026

	RANCHO	*SANTA ROSA*	*WASTEWATER*	*COMBINED*
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating Income(Loss)	$ 1,159,532	$ 767,641	$ (6,360)	$ 1,920,813
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Reclassification of Interest & Tax Revenue	(1,917,929)	(528,465)	(97,708)	(2,544,102)
Changes in Assets and Liabilities:				
Inc/Dec in Accounts Receivable	(585,970)	(979,828)	(48,023)	(1,613,821)
Inc/Dec in Inventory	22,308	22,308	-	44,616
Inc/Dec in Prepaid Expenses	(1,956,154)	(1,956,154)	-	(3,912,308)
Inc/Dec in Accounts Payable	(656,389)	(1,100,762)	-	(1,757,151)
Inc/Dec in Accrued Payroll	(504,373)	(485,572)	(5,074)	(995,019)
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	(4,438,975)	(4,260,831)	(157,165)	(8,856,971)
NONCASH ACTIVITIES:				
Capital Contributions	29,150	-	-	29,150
Acquisition and Construction of Capital Assets in AP	-	-	-	
Change in Pension-Related Items GASB68	-	-	-	-
Change in OPEB Related Items GASB75	-	-	-	-
Change in Lease Income GASB87	421,441	65,563	-	487,004
Change in Investment in Joint Venture	-	-	-	-
Unrealized Gain/Loss Adjustment	-	-	-	-
Depreciation/Amortization	(1,073,492)	(763,929)	(34,094)	(1,871,515)
TOTAL NON-CASH TRANSACTIONS	(622,901)	(698,366)	(34,094)	(1,355,361)
Current Cash	30,187,171	20,115,029	1,659,607	51,961,807
Restricted Cash	281,447,672	64,068,357	8,302,903	353,818,932
Def Comp	(10,189,930)	(10,189,930)	-	(20,379,860)
Total	$ 301,444,913	$ 73,993,456	$ 9,962,510	$ 385,400,879

1.H

Rancho Water

COMMITTEE ACTION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 1.H: **Review and Ratification of the Register of Audited Demands (July 18, 2026 - August 14, 2026) and Approval of Purchasing Card Transactions Report (June 30, 2026 - July 30, 2026)**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Karrie Swaine, Controller

RECOMMENDATIONS:

Staff requests the Finance and Audit Committee (Committee) recommend the Board of Directors' (Board) ratification of the Register of Audited Demands and the Purchasing Card Transactions Report, as presented.

DISCUSSION:

Attached for the Committee's review and recommendation to the Board for ratification and approval are: (1) the Register of Audited Demands (July 18, 2026 - August 14, 2026), with a net distribution totaling $6,050,198.81 and a Payment Plus net distribution of $47,809.12; and (2) the Purchasing Card Transactions Report (June 30, 2026 - July 30, 2026), reflecting total expenditures of $35,300.60.

ALTERNATIVES:

Take no action

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Warrant List - July 18, 2026 - August 14, 2026
2. Purchasing Card Transactions Report - June 30, 2026 - July 30, 2026

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181513	1020	GEORGE MIRANDA	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 280.15	ISSUED
181513 Total					**$ 280.15**	
181514	1020	JAMES G. DEMOS	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 31.45	ISSUED
181514 Total					**$ 31.45**	
181515	1020	JOHN & CHRIS TESKOSKI	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 96.34	ISSUED
181515 Total					**$ 96.34**	
181516	1020	STEPHEN BILELLO	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 78.34	ISSUED
181516 Total					**$ 78.34**	
181517	1020	HEE KUN PARK	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 10.00	ISSUED
181517 Total					**$ 10.00**	
181518	1020	FRANK GENEVIEVE	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 5.98	ISSUED
181518 Total					**$ 5.98**	
181519	1020	JUSTIN HAMILTON	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 10.00	ISSUED
181519 Total					**$ 10.00**	
181520	1020	SUPERIOR ELECTRICAL MECHANICAL AND PLUMB	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 122.15	ISSUED
181520 Total					**$ 122.15**	
181521	1020	SUPERIOR ELECTRICAL MECHANICAL AND PLUMB	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 162.11	ISSUED
181521 Total					**$ 162.11**	
181522	1020	SUPERIOR ELECTRICAL MECHANICAL AND PLUMB	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 25.67	ISSUED
181522 Total					**$ 25.67**	
181523	1020	ELIZABETH AND ZACCARY GRIFFIN	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 86.33	ISSUED
181523 Total					**$ 86.33**	
181524	1020	CHERYL SYAS	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 1,291.43	ISSUED
181524 Total					**$ 1,291.43**	
181525	1020	JUDITH TURCO	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 135.65	ISSUED
181525 Total					**$ 135.65**	
181526	1020	LEE KORNEGAY	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 106.03	ISSUED
181526 Total					**$ 106.03**	
181527	1020	ROBERT EASTER	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 48.88	ISSUED
181527 Total					**$ 48.88**	
181528	1020	MONTANYA INVESTMENT LLC	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 110.02	ISSUED
181528 Total					**$ 110.02**	
181529	1020	C&M CONTRACTING INC	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 501.65	ISSUED
181529 Total					**$ 501.65**	
181530	1020	NEW POINTE INVESTMENT 59 LLC	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 615.96	ISSUED
181530 Total					**$ 615.96**	
181531	1020	4900 EDISON	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 37.70	ISSUED
181531 Total					**$ 37.70**	
181532	1020	RICHMOND AMERICAN HOMES	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 81.81	ISSUED
181532 Total					**$ 81.81**	
181533	1020	ARMSTRONG BUILDING	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 22.89	ISSUED
181533 Total					**$ 22.89**	
181534	1020	ROY SALAMEH	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 855.14	ISSUED
181534 Total					**$ 855.14**	
181535	1020	DANIEL SEGURA	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 65.20	ISSUED
181535 Total					**$ 65.20**	
181536	1020	FERREIRA CONSTRUCTION	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 670.59	ISSUED
181536 Total					**$ 670.59**	
181537	1020	THE NATURE CONSERVANCY	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 2,164.53	ISSUED
181537 Total					**$ 2,164.53**	
181538	1020	PETERS PAVING AND GRADING	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 2,134.23	ISSUED
181538 Total					**$ 2,134.23**	
181539	1020	STU MCINTOSH CONSTRUCTION	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 2,165.71	ISSUED
181539 Total					**$ 2,165.71**	
181540	1020	VICTOR WECHTER	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 16.89	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181540 Total					**$ 16.89**	
181541	1020	HARDY & HARPER INC.	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 991.88	ISSUED
181541 Total					**$ 991.88**	
181542	1020	FERREIRA CONSTRUCTION	CUSTOMER ACCOUNT REFUND	7/23/2026	$ 1,046.54	ISSUED
181542 Total					**$ 1,046.54**	
181543	1019	SOUTHERN CALIFORNIA GAS CO.	SRRRA	7/23/2026	$ 132.93	ISSUED
181543 Total					**$ 132.93**	
181544	1026	BEST BEST & KRIEGER	CONTRACT REVIEW	7/23/2026	$ 2,967.90	ISSUED
181544	1026	BEST BEST & KRIEGER	GENERAL	7/23/2026	$ 20,066.41	ISSUED
181544 Total					**$ 23,034.31**	
181545	1142	CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	CABLE CUTTER	7/23/2026	$ 363.27	ISSUED
181545 Total					**$ 363.27**	
181546	1154	CENTRAL COMMUNICATIONS	MONTHLY ANSWERING SERVICE	7/23/2026	$ 1,027.95	ISSUED
181546 Total					**$ 1,027.95**	
181547	1204	ACWA JPIA	MEMBERS CLAIM PAYMENTS	7/23/2026	$ 3,078.00	ISSUED
181547 Total					**$ 3,078.00**	
181548	1204	ACWA JPIA	MEDICAL INS-JULY 2026	7/23/2026	$ 455,354.68	ISSUED
181548 Total					**$ 455,354.68**	
181549	1246	COUNTY OF RIVERSIDE	PERMIT FEES	7/23/2026	$ 878.44	ISSUED
181549 Total					**$ 878.44**	
181550	1264	CR & R INC.	TRASH SERVICE	7/23/2026	$ 1,179.89	ISSUED
181550	1264	CR & R INC.	TRASH SERVICE	7/23/2026	$ 70.54	ISSUED
181550 Total					**$ 1,250.43**	
181551	1313	CINTAS	FIRST AID SUPPLIES	7/23/2026	$ 862.92	ISSUED
181551 Total					**$ 862.92**	
181552	1341	DE LUZ CSD	DE LUZ PERMITS	7/23/2026	$ 330.00	ISSUED
181552 Total					**$ 330.00**	
181553	1346	C WELLS PIPELINE MATERIALS INC	VALVES	7/23/2026	$ 3,906.30	ISSUED
181553 Total					**$ 3,906.30**	
181554	1386	EASTERN MUNICIPAL WATER DIST.	EM13 EM20 EM21-JUNE 2026	7/23/2026	$ 1,776,090.05	ISSUED
181554 Total					**$ 1,776,090.05**	
181555	1397	CHANDLER ASSET MANAGEMENT INC.	MANAGEMENT FEES-115 TRUST	7/23/2026	$ 542.69	ISSUED
181555	1397	CHANDLER ASSET MANAGEMENT INC.	MANAGEMENT FEES-GENERAL	7/23/2026	$ 11,246.45	ISSUED
181555	1397	CHANDLER ASSET MANAGEMENT INC.	MANAGEMENT FEES-RETIREMENT MEDICAL	7/23/2026	$ 2,272.37	ISSUED
181555 Total					**$ 14,061.51**	
181557	1568	FERGUSON ENTERPRISES, LLC	VALVES	7/23/2026	$ 7,485.87	ISSUED
181557	1568	FERGUSON ENTERPRISES, LLC	VALVES	7/23/2026	$ 9,787.50	ISSUED
181557 Total					**$ 17,273.37**	
181558	1568	FERGUSON ENTERPRISES, LLC	HOSE ASSEMBLIES	7/23/2026	$ 543.54	ISSUED
181558 Total					**$ 543.54**	
181559	1608	WELLS FARGO	CREDIT CARD-J HAESSLY	7/23/2026	$ 1,824.30	ISSUED
181559 Total					**$ 1,824.30**	
181560	1638	EMISSION COMPLIANT CONTROLS CORP	ACE BOWEN REPAIR	7/23/2026	$ 9,963.15	ISSUED
181560	1638	EMISSION COMPLIANT CONTROLS CORP	ACE BOWEN REPAIR	7/23/2026	$ 32,429.42	ISSUED
181560 Total					**$ 42,392.57**	
181561	1734	GEOSCIENCE SUPPORT SERV. INC.	CWRMA MODEL UPDATE AND REFINEMENT	7/23/2026	$ 6,281.00	ISSUED
181561 Total					**$ 6,281.00**	
181562	1751	GRAINGER INC.	VALVE	7/23/2026	$ 369.64	ISSUED
181562 Total					**$ 369.64**	
181563	1757	GRAYBAR ELECTRIC CO.	COMPRESSION LUGS-DIESEL LOCOMOTIVE CABLES	7/23/2026	$ 2,556.51	ISSUED
181563	1757	GRAYBAR ELECTRIC CO.	EV CHARGER INSTALLATION MATERIAL	7/23/2026	$ 3,033.97	ISSUED
181563 Total					**$ 5,590.48**	
181564	1758	GENERAL LOGISTICS SYSTEMS US	OVERNIGHT DELIVERY SERVICE	7/23/2026	$ 5.50	ISSUED
181564 Total					**$ 5.50**	
181565	1864	IVA SOLUTIONS INC.	CYBER AUDIT SOFTWARE-CYBER KEYS & LOCKS	7/23/2026	$ 2,220.00	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181565 Total					**$ 2,220.00**	
181566	1895	KRIEGER & STEWART INC.	JOAQUIN RANCH PUMP STATION DISINFECTION IMPROVEMENTS	7/23/2026	$ 6,017.00	ISSUED
181566	1895	KRIEGER & STEWART INC.	UVDC WELL 173-174-175	7/23/2026	$ 2,572.50	ISSUED
181566 Total					**$ 8,589.50**	
181567	1943	LSA ASSOCIATES, INC.	VAIL DAM SEISMIC AND HYDROLOGIC REMEDIATION	7/23/2026	$ 1,040.00	ISSUED
181567 Total					**$ 1,040.00**	
181568	2230	NAPA AUTO PARTS	AIR FILTERS	7/23/2026	$ 40.25	ISSUED
181568	2230	NAPA AUTO PARTS	BRAKE PADS	7/23/2026	$ 96.04	ISSUED
181568	2230	NAPA AUTO PARTS	COOLANT	7/23/2026	$ 20.58	ISSUED
181568	2230	NAPA AUTO PARTS	FUEL CAP	7/23/2026	$ 13.99	ISSUED
181568 Total					**$ 170.86**	
181569	2245	PETES ROAD SERVICE INC.	FLAT TIRE REPAIR	7/23/2026	$ 188.61	ISSUED
181569	2245	PETES ROAD SERVICE INC.	TIRES (3)	7/23/2026	$ 2,307.39	ISSUED
181569	2245	PETES ROAD SERVICE INC.	TIRES (4)	7/23/2026	$ 1,016.20	ISSUED
181569	2245	PETES ROAD SERVICE INC.	TIRES (4)	7/23/2026	$ 998.23	ISSUED
181569	2245	PETES ROAD SERVICE INC.	TIRES (4)	7/23/2026	$ 1,437.45	ISSUED
181569	2245	PETES ROAD SERVICE INC.	TIRES (4)	7/23/2026	$ 1,089.22	ISSUED
181569 Total					**$ 7,037.10**	
181570	2302	WM CORPORATE SERVICES, INC.	TRASH SERVICE	7/23/2026	$ 920.01	ISSUED
181570 Total					**$ 920.01**	
181571	2309	E.S. BABCOCK AND SONS INC.	LAB REPORTS	7/23/2026	$ 11,939.00	ISSUED
181571 Total					**$ 11,939.00**	
181572	2319	BADGER METER INC.	METERS	7/23/2026	$ 2,394.00	ISSUED
181572 Total					**$ 2,394.00**	
181573	2339	VERIZON WIRELESS	CELLULAR PHONE USAGE	7/23/2026	$ 8,543.09	ISSUED
181573 Total					**$ 8,543.09**	
181574	2444	HARRIS COMPUTER CORPORATION	CAY OPS ELITE PROGRAM	7/23/2026	$ 105,000.00	ISSUED
181574 Total					**$ 105,000.00**	
181575	2634	NUTRIEN AG SOLUTIONS INC.	WEED EATER HEAD	7/23/2026	$ 44.58	ISSUED
181575 Total					**$ 44.58**	
181576	2680	CANYON SPRINGS ENTERPRISES	EQUIPPING NEW WELL 173	7/23/2026	$ 94,453.48	ISSUED
181576	2680	CANYON SPRINGS ENTERPRISES	EQUIPPING NEW WELL 174	7/23/2026	$ 82,435.98	ISSUED
181576	2680	CANYON SPRINGS ENTERPRISES	EQUIPPING NEW WELL 175	7/23/2026	$ 71,149.99	ISSUED
181576 Total					**$ 248,039.45**	
181577	2881	CIVICPLUS LLC	WEBSITE HOSTING-RCWD	7/23/2026	$ 14,455.09	ISSUED
181577 Total					**$ 14,455.09**	
181578	2954	PRIME SYSTEMS INDUSTRIAL AUTOMATION, INC.	SCADA SUPPORT	7/23/2026	$ 17,662.50	ISSUED
181578 Total					**$ 17,662.50**	
181579	2981	PARADISE CHEVROLET & CADILLAC	CENTER CONSOLE LID	7/23/2026	$ 160.88	ISSUED
181579 Total					**$ 160.88**	
181580	3003	CASAGA ELECTRIC INC.	PM-DE LUZ PUMP STATION	7/23/2026	$ 1,610.00	ISSUED
181580	3003	CASAGA ELECTRIC INC.	PM-DE LUZ RESERVOIR	7/23/2026	$ 248.00	ISSUED
181580	3003	CASAGA ELECTRIC INC.	PM-PRADO RESERVOIR	7/23/2026	$ 248.00	ISSUED
181580	3003	CASAGA ELECTRIC INC.	PM-VIA VAQUERO PUMP STATION	7/23/2026	$ 1,263.00	ISSUED
181580	3003	CASAGA ELECTRIC INC.	PM-VIA VAQUERO RESERVOIR	7/23/2026	$ 248.00	ISSUED
181580 Total					**$ 3,617.00**	
181581	3351	FRONTIER	SCADA LANDLINE-FIOS SERVICES	7/23/2026	$ 355.87	ISSUED
181581 Total					**$ 355.87**	
181582	3371	DCSE INC.	UTILITY NETWORK GIS COMPONENT	7/23/2026	$ 11,000.40	ISSUED
181582 Total					**$ 11,000.40**	
181583	3382	FACTORY LOT SWEEPING SERVICE	SWEEPING SERVICE	7/23/2026	$ 556.50	ISSUED
181583 Total					**$ 556.50**	
181584	3388	GHA TECHNOLOGIES	HP CARE PACK SUPPORT	7/23/2026	$ 196.24	ISSUED
181584 Total					**$ 196.24**	
181585	3448	APPLE INC.	IPADS	7/23/2026	$ 7,632.89	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181585 Total					**$ 7,632.89**	
181586	3481	QUINN COMPANY	BACKHOE BUCKET EDGE	7/23/2026	$ 392.40	ISSUED
181586	3481	QUINN COMPANY	OIL FILTER-AIR FILTER	7/23/2026	$ 58.48	ISSUED
181586	3481	QUINN COMPANY	WASHERS-NUTS-BOLTS	7/23/2026	$ 42.55	ISSUED
181586 Total					**$ 493.43**	
181589	3648	LOWE'S	SOD	7/23/2026	$ 10.32	ISSUED
181589	3648	LOWE'S	WALL PLATES	7/23/2026	$ 8.31	ISSUED
181589 Total					**$ 18.63**	
181590	3744	VELOCITYEHS	ANNUAL SUBSCRIPTION 2026-2027	7/23/2026	$ 17,892.13	ISSUED
181590 Total					**$ 17,892.13**	
181591	3785	LAGERLOF LLP	LEGAL-SRRRA	7/23/2026	$ 1,445.00	ISSUED
181591 Total					**$ 1,445.00**	
181592	3797	GEOTAB USA INC.	ASSET TRACKER PLAN SUPPORT	7/23/2026	$ 2,205.25	ISSUED
181592 Total					**$ 2,205.25**	
181593	3810	CALIFORNIA MUNICIPAL UTILITIES	ANNUAL DUES 2026-2027	7/23/2026	$ 13,422.00	ISSUED
181593 Total					**$ 13,422.00**	
181594	3841	AMERICAN EAGLE TROPHIES	NAMEPLATES	7/23/2026	$ 117.45	ISSUED
181594 Total					**$ 117.45**	
181595	3856	CW SOUTHWEST, LLC	SERVICE CALL-CRANE	7/23/2026	$ 3,523.50	ISSUED
181595 Total					**$ 3,523.50**	
181596	3899	CCS DISASTER RECOVERY SERVICES	DISASTER RECOVERY-8/28/26-8/27/27	7/23/2026	$ 3,420.00	ISSUED
181596 Total					**$ 3,420.00**	
181597	3958	MARC COHEN TRUCKING, INC.	3/4 TON ROCK	7/23/2026	$ 572.36	ISSUED
181597	3958	MARC COHEN TRUCKING, INC.	3/4 TON ROCK	7/23/2026	$ 588.68	ISSUED
181597	3958	MARC COHEN TRUCKING, INC.	CLASS II BASE	7/23/2026	$ 817.78	ISSUED
181597	3958	MARC COHEN TRUCKING, INC.	CLASS II BASE	7/23/2026	$ 400.53	ISSUED
181597 Total					**$ 2,379.35**	
181598	3964	TUSKER METALS LLC	STEEL SHEET	7/23/2026	$ 113.64	ISSUED
181598 Total					**$ 113.64**	
181599	3980	TKE ENGINEERING, INC.	RELOCATING DRAIN LINES-DE PORTOLA RESERVOIR	7/23/2026	$ 2,925.00	ISSUED
181599 Total					**$ 2,925.00**	
181600	3983	ARDURRA GROUP INC.	SEWER FLOW MONITORING-DIAZ ROAD	7/23/2026	$ 2,500.00	ISSUED
181600 Total					**$ 2,500.00**	
181601	3990	AMAZON CAPITAL SERVICES INC.	ANTENNAS	7/23/2026	$ 23.02	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	BATTERIES	7/23/2026	$ 155.86	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	BINDING COVERS	7/23/2026	$ 35.66	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	BLUETOOTH ADAPTER-EARBUDS	7/23/2026	$ 748.67	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	CABLE LOCKS-LOCKOUT DEVICE	7/23/2026	$ 95.21	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	CHAIR	7/23/2026	$ 97.86	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	CLEANER-PLASTIC SPOONS-PLASTIC CUPS-RESPIRATOR-COFFEE CUPS	7/23/2026	$ 499.60	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	CLEANING WIPES	7/23/2026	$ 21.68	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	CLIPBOARDS-BEAKERS	7/23/2026	$ 84.58	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	FILE CABINET	7/23/2026	$ 150.06	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	IPAD CASES	7/23/2026	$ 944.64	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	KEYBOARD CASES	7/23/2026	$ 682.43	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	LATCH KITS	7/23/2026	$ 37.27	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	MARKERS-PORTFOLIO BAGS	7/23/2026	$ 1,409.92	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	MONITORS-TRIPOD-NETWORK DOCK-COLORIMETER	7/23/2026	$ 3,959.79	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	RATCHET WRENCH SET	7/23/2026	$ 312.78	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	STORAGE BOXES-MONITOR STAND-MARKERS-PENS-MOUNT-USB HUB	7/23/2026	$ 230.30	ISSUED
181601	3990	AMAZON CAPITAL SERVICES INC.	USB CABLE	7/23/2026	$ 22.60	ISSUED
181601 Total					**$ 9,511.93**	
181602	4074	HYDRAULIC HOSE & SUPPLY INC.	PRESSURE FLEX HOSE- HOSE CRIMP-HOSES	7/23/2026	$ 38.12	ISSUED
181602	4074	HYDRAULIC HOSE & SUPPLY INC.	PVC-CAMLOCK-HOSE	7/23/2026	$ 766.77	ISSUED
181602 Total					**$ 804.89**	

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181603	4103	ECONOMIC DEVELOPMENT COALITION	ANNUAL MEMBERSHIP	7/23/2026	$ 4,000.00	ISSUED
181603 Total					**$ 4,000.00**	
181604	4130	CORELOGIC SOLUTIONS LLC	RECORD REQUEST	7/23/2026	$ 542.56	ISSUED
181604 Total					**$ 542.56**	
181605	4214	CANTEEN	COFFEE	7/23/2026	$ 375.15	ISSUED
181605	4214	CANTEEN	COFFEE	7/23/2026	$ 1,988.37	ISSUED
181605 Total					**$ 2,363.52**	
181606	4242	FULL TRAFFIC MAINTENANCE INC.	TRAFFIC CONTROL-JEFFERSON	7/23/2026	$ 2,300.02	ISSUED
181606 Total					**$ 2,300.02**	
181607	4255	BLUEBEAM INC.	SUBSCRIPTION RENEWAL	7/23/2026	$ 7,040.00	ISSUED
181607 Total					**$ 7,040.00**	
181608	4258	PACIFIC HYDROTECH CORPORATION	UVDC IN-LINE TURBINE GENERATOR HYDROELECTRIC	7/23/2026	$ 168,152.16	ISSUED
181608	4258	PACIFIC HYDROTECH CORPORATION	UVDC REGIONAL PUMP STATION CHLORINE TANK	7/23/2026	$ 100,137.99	ISSUED
181608 Total					**$ 268,290.15**	
181609	4295	SYNAGRO TECHNOLOGIES, INC.	SLUDGE REMOVAL	7/23/2026	$ 34,024.09	ISSUED
181609 Total					**$ 34,024.09**	
181610	4315	ACTION GAS	HIGH PRESSURE CYLINDERS	7/23/2026	$ 14.03	ISSUED
181610 Total					**$ 14.03**	
181611	4321	SIGNARAMA	LIGHT BOX WITH LOGO	7/23/2026	$ 3,526.79	ISSUED
181611 Total					**$ 3,526.79**	
181612	4359	SUNSTRONG COMMERCIAL HOLDINGS LLC	SOLAR-SRRRA	7/23/2026	$ 6,135.79	ISSUED
181612 Total					**$ 6,135.79**	
181613	4406	ENVIROCHECK INC	VISUAL INSPECTION-BUCK MESA PUMP STATION	7/23/2026	$ 695.00	ISSUED
181613 Total					**$ 695.00**	
181614	4431	AMERICAN BUSINESS BANK	PROJECT D1903-UVDC REGIONAL PUMP STATION CHLORINE TANK	7/23/2026	$ 7,112.53	ISSUED
181614 Total					**$ 7,112.53**	
181615	4431	AMERICAN BUSINESS BANK	PROJECT D2181-UVDC IN-LINE TURBINE GENERATOR	7/23/2026	$ 8,850.11	ISSUED
181615 Total					**$ 8,850.11**	
181616	4442	PRISM	EMPLOYEE ASSISTANCE PROGRAM QUARTERLY	7/23/2026	$ 951.51	ISSUED
181616 Total					**$ 951.51**	
181617	4486	SC FUELS	FUEL	7/23/2026	$ 23,620.12	ISSUED
181617 Total					**$ 23,620.12**	
181618	4548	HPS PLUMBING SERVICES	JOAQUIN RANCH PUMP STATION DISINFECTION IMPROVEMENTS	7/23/2026	$ 64,476.50	ISSUED
181618 Total					**$ 64,476.50**	
181619	4575	BENEFIT COORDINATORS CORPORATION	EMPLOYEE COVERAGE	7/23/2026	$ 17,133.50	ISSUED
181619 Total					**$ 17,133.50**	
181620	4588	GARLAND/DBS, INC.	SRWRF ROOF REPAIRS	7/23/2026	$ 113,266.22	ISSUED
181620 Total					**$ 113,266.22**	
181621	4634	BRAD THOMAS	CROPSWAP-AVOCADO ROOTSTOCK UPGRADE	7/23/2026	$ 13,500.00	ISSUED
181621 Total					**$ 13,500.00**	
181625	1016	SOUTHERN CALIFORNIA EDISON	BELLE CHAINE LOOP	7/30/2026	$ 72.72	ISSUED
181625	1016	SOUTHERN CALIFORNIA EDISON	HEADQUARTERS	7/30/2026	$ 3,765.45	ISSUED
181625 Total					**$ 3,838.17**	
181626	1019	SOUTHERN CALIFORNIA GAS CO.	HEADQUARTERS	7/30/2026	$ 214.74	ISSUED
181626	1019	SOUTHERN CALIFORNIA GAS CO.	SHOP	7/30/2026	$ 231.69	ISSUED
181626 Total					**$ 446.43**	
181627	1039	BANK OF NEW YORK MELLON	ADMIN FEES-CUSTODIAL	7/30/2026	$ 7,089.11	ISSUED
181627	1039	BANK OF NEW YORK MELLON	ADMIN FEES-SECTION 115 TRUST	7/30/2026	$ 325.05	ISSUED
181627 Total					**$ 7,414.16**	
181628	1142	CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	CONNECTORS-ADAPTERS	7/30/2026	$ 61.13	ISSUED
181628 Total					**$ 61.13**	
181629	1204	ACWA JPIA	4TH QUARTER WORKERS' COMPENSATION	7/30/2026	$ 49,887.56	ISSUED
181629 Total					**$ 49,887.56**	
181630	1204	ACWA JPIA	JPIA LEADERSHIP ESSENTIALS TRAINING-K LAROCCHIA	7/30/2026	$ 2,195.00	ISSUED
181630 Total					**$ 2,195.00**	

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181631	1246	COUNTY OF RIVERSIDE	PERMIT FEES	7/30/2026	$ 868.00	ISSUED
181631	1246	COUNTY OF RIVERSIDE	SUPPLEMENTAL DEPOSIT AND INSPECTION FEES	7/30/2026	$ 6,000.00	ISSUED
181631 Total					**$ 6,868.00**	
181632	1298	BRENNTAG PACIFIC INC.	SODIUM HYPOCHLORITE SODIUM	7/30/2026	$ 7,188.93	ISSUED
181632 Total					**$ 7,188.93**	
181633	1346	C WELLS PIPELINE MATERIALS INC	FIRE HYDRANTS	7/30/2026	$ 9,831.00	ISSUED
181633	1346	C WELLS PIPELINE MATERIALS INC	FLANGES	7/30/2026	$ 428.48	ISSUED
181633	1346	C WELLS PIPELINE MATERIALS INC	VALVES	7/30/2026	$ 3,121.13	ISSUED
181633 Total					**$ 13,380.61**	
181634	1387	EWLES MATERIALS	TEN WHEELER DUMP	7/30/2026	$ 960.00	ISSUED
181634 Total					**$ 960.00**	
181635	1409	UMETECH INC.	MONTHLY COMPUTER SUPPORT	7/30/2026	$ 10,485.00	ISSUED
181635	1409	UMETECH INC.	OFFSITE DISASTER STORAGE	7/30/2026	$ 50.00	ISSUED
181635 Total					**$ 10,535.00**	
181637	1475	DOWNSTREAM SERVICE INC.	SHOAL CREEK SEWER LATERAL REPAIR	7/30/2026	$ 27,946.00	ISSUED
181637 Total					**$ 27,946.00**	
181638	1505	FEDEX	OVERNIGHT DELIVERY SERVICE	7/30/2026	$ 81.90	ISSUED
181638 Total					**$ 81.90**	
181639	1638	EMISSION COMPLIANT CONTROLS CORP	ACE BOWEN EMISSION TESTING	7/30/2026	$ 1,650.00	ISSUED
181639	1638	EMISSION COMPLIANT CONTROLS CORP	WATER DAILY INSPECTION	7/30/2026	$ 5,856.28	ISSUED
181639 Total					**$ 7,506.28**	
181640	1751	GRAINGER INC.	BAND SAW BLADE	7/30/2026	$ 273.24	ISSUED
181640	1751	GRAINGER INC.	FAN-TOOLBOX-THERMOSTAT SWITCH	7/30/2026	$ 335.40	ISSUED
181640	1751	GRAINGER INC.	VALVE	7/30/2026	$ 448.22	ISSUED
181640 Total					**$ 1,056.86**	
181641	1758	GENERAL LOGISTICS SYSTEMS US	OVERNIGHT DELIVERY SERVICE	7/30/2026	$ 15.06	ISSUED
181641	1758	GENERAL LOGISTICS SYSTEMS US	OVERNIGHT DELIVERY SERVICE	7/30/2026	$ 7.53	ISSUED
181641	1758	GENERAL LOGISTICS SYSTEMS US	OVERNIGHT DELIVERY SERVICE	7/30/2026	$ 30.77	ISSUED
181641	1758	GENERAL LOGISTICS SYSTEMS US	OVERNIGHT DELIVERY SERVICE	7/30/2026	$ 23.93	ISSUED
181641 Total					**$ 77.29**	
181642	1814	PIONEER AMERICAS LLC	SODIUM HYPOCHLORITE	7/30/2026	$ 11,256.61	ISSUED
181642	1814	PIONEER AMERICAS LLC	SODIUM HYPOCHLORITE	7/30/2026	$ 11,600.28	ISSUED
181642 Total					**$ 22,856.89**	
181643	1895	KRIEGER & STEWART INC.	UVDC WELL 173-174-175	7/30/2026	$ 15,631.25	ISSUED
181643 Total					**$ 15,631.25**	
181644	1914	INFO SEND INC.	BILLING SERVICE	7/30/2026	$ 52,126.49	ISSUED
181644 Total					**$ 52,126.49**	
181645	1984	NPG CORPORATION	ASPHALT REPAIR-WASHINGTON AVENUE	7/30/2026	$ 9,480.00	ISSUED
181645 Total					**$ 9,480.00**	
181646	2007	PACIFIC PIPELINE SUPPLY	FLANGES	7/30/2026	$ 1,711.77	ISSUED
181646	2007	PACIFIC PIPELINE SUPPLY	FLANGES	7/30/2026	$ 967.53	ISSUED
181646	2007	PACIFIC PIPELINE SUPPLY	FLANGES	7/30/2026	$ 1,461.81	ISSUED
181646	2007	PACIFIC PIPELINE SUPPLY	GASKETS	7/30/2026	$ 489.38	ISSUED
181646 Total					**$ 4,630.49**	
181647	2070	RANCH MUFFLER ACCESSORIES INC.	CATALYTIC CONVERTER	7/30/2026	$ 185.00	ISSUED
181647 Total					**$ 185.00**	
181648	2191	CA DEPT OF TAX AND FEE ADMIN	SALES/USE TAX-Q2 JUNE 2026	7/30/2026	$ 1,757.00	ISSUED
181648 Total					**$ 1,757.00**	
181649	2230	NAPA AUTO PARTS	GASKET	7/30/2026	$ 5.81	ISSUED
181649	2230	NAPA AUTO PARTS	SUPPORT BAR-GASKET SET	7/30/2026	$ 217.27	ISSUED
181649 Total					**$ 223.08**	
181650	2237	TEMECULA VALLEY PIPE & SUPPLY	COUPLINGS-VALVES-FITTINGS	7/30/2026	$ 7,246.92	ISSUED
181650	2237	TEMECULA VALLEY PIPE & SUPPLY	VALVES	7/30/2026	$ 9,580.88	ISSUED
181650 Total					**$ 16,827.80**	
181651	2245	PETES ROAD SERVICE INC.	TIRES (2)	7/30/2026	$ 1,111.68	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181651 Total					**$ 1,111.68**	
181652	2301	MICHAEL R. WELCH PH.D. P.E.	PRETREATMENT PROGRAM LOCAL LIMITS FOR SRRRA	7/30/2026	$ 1,020.00	ISSUED
181652 Total					**$ 1,020.00**	
181653	2302	WM CORPORATE SERVICES, INC.	TRASH SERVICE	7/30/2026	$ 290.41	ISSUED
181653 Total					**$ 290.41**	
181654	2327	TEMECULA VALLEY LASER REPAIR	TONER	7/30/2026	$ 144.58	ISSUED
181654 Total					**$ 144.58**	
181655	2411	TOTAL AIR ANALYSIS INC.	PERFORM ICE TEST-ACE BOWEN PUMP STATION	7/30/2026	$ 7,565.00	ISSUED
181655 Total					**$ 7,565.00**	
181656	2444	HARRIS COMPUTER CORPORATION	COGNOS REPORT WRITER TRAINING	7/30/2026	$ 1,595.00	ISSUED
181656 Total					**$ 1,595.00**	
181657	2452	BHA INC.	SURVEYING AND MAPPING SERVICES-UVDCP	7/30/2026	$ 26.95	ISSUED
181657 Total					**$ 26.95**	
181658	2590	ONESOURCE DISTRIBUTORS LLC	CORNER PLATE-NUTS-TAPE	7/30/2026	$ 236.67	ISSUED
181658 Total					**$ 236.67**	
181659	2751	DYNA WEAR	PANTS-D WELLS	7/30/2026	$ 172.86	ISSUED
181659	2751	DYNA WEAR	PANTS-J KUSHNER	7/30/2026	$ 120.68	ISSUED
181659	2751	DYNA WEAR	PANTS-R LOYA	7/30/2026	$ 201.13	ISSUED
181659 Total					**$ 494.67**	
181660	2915	EH WACHS	VALVE OPERATOR-CONTROLLER KIT-KEY ASSEMBLY	7/30/2026	$ 27,711.70	ISSUED
181660 Total					**$ 27,711.70**	
181661	3044	MPS SECURITY	SECURITY SERVICES	7/30/2026	$ 7,768.56	ISSUED
181661	3044	MPS SECURITY	SECURITY SERVICES	7/30/2026	$ 6,450.26	ISSUED
181661	3044	MPS SECURITY	SECURITY SERVICES	7/30/2026	$ 6,948.58	ISSUED
181661 Total					**$ 21,167.40**	
181662	3186	SOUTHWEST FIRE PROTECTION	WEED ABATEMENT	7/30/2026	$ 3,500.00	ISSUED
181662	3186	SOUTHWEST FIRE PROTECTION	WEED ABATEMENT	7/30/2026	$ 2,000.00	ISSUED
181662 Total					**$ 5,500.00**	
181663	3204	STADIUM PIZZA JEFFERSON	PIZZAS-PUMP AND WELL TRAINING-SAFETY TRAINING	7/30/2026	$ 238.38	ISSUED
181663 Total					**$ 238.38**	
181664	3249	INTERSTATE SWEEPING SERVICES	SWEEPING SERVICE	7/30/2026	$ 800.00	ISSUED
181664 Total					**$ 800.00**	
181665	3351	FRONTIER	FIBER INTERNET-PHONE SERVICE	7/30/2026	$ 948.42	ISSUED
181665	3351	FRONTIER	MONTHLY ALARM LINES-DIAZ ROAD	7/30/2026	$ 178.51	ISSUED
181665 Total					**$ 1,126.93**	
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 408.78	ISSUED
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 279.30	ISSUED
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 408.78	ISSUED
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 281.57	ISSUED
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 408.78	ISSUED
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 281.57	ISSUED
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 408.78	ISSUED
181666	3352	UNIFIRST CORPORATION	UNIFORMS-MATS-TOWELS	7/30/2026	$ 281.57	ISSUED
181666 Total					**$ 2,759.13**	
181667	3375	RPI CONSULTANTS LLC	INFOR CLOUDSUITE WAVE 2	7/30/2026	$ 92.50	ISSUED
181667 Total					**$ 92.50**	
181668	3448	APPLE INC.	IPADS	7/30/2026	$ 35,789.41	ISSUED
181668 Total					**$ 35,789.41**	
181669	3450	WOOD RODGERS INC.	OLD TOWN PIPELINE REPLACEMENT TRAFFIC CONTROL	7/30/2026	$ 320.00	ISSUED
181669 Total					**$ 320.00**	
181670	3481	QUINN COMPANY	NUT-BOLT	7/30/2026	$ 2.59	ISSUED
181670	3481	QUINN COMPANY	SHOE TRACKS-PAD	7/30/2026	$ 426.43	ISSUED
181670 Total					**$ 429.02**	
181671	3486	KENT HARRIS TRUCKING	CLASS II BASE	7/30/2026	$ 594.68	ISSUED
181671	3486	KENT HARRIS TRUCKING	CLASS II BASE	7/30/2026	$ 575.38	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181671	3486	KENT HARRIS TRUCKING	CLASS II BASE	7/30/2026	$ 1,187.31	ISSUED
181671 Total					**$ 2,357.37**	
181673	3497	ADAME LANDSCAPE INC.	MONTHLY LANDSCAPING SERVICE	7/30/2026	$ 7,298.38	ISSUED
181673 Total					**$ 7,298.38**	
181674	3581	INDUCTIVE AUTOMATION LLC	SUPPORT PLAN-SRRRA WASTEWATER	7/30/2026	$ 6,982.20	ISSUED
181674 Total					**$ 6,982.20**	
181675	3648	LOWE'S	LUMBER	7/30/2026	$ 71.38	ISSUED
181675 Total					**$ 71.38**	
181676	3651	SC FUELS	EXHAUST FLUID	7/30/2026	$ 380.27	ISSUED
181676 Total					**$ 380.27**	
181677	3658	RELEVANT INDUSTRIAL LLC	POWER SUPPLY	7/30/2026	$ 2,209.84	ISSUED
181677 Total					**$ 2,209.84**	
181678	3739	APPLIED ENGINEERING CONCEPTS	MAINTENANCE-BREAKER TEST	7/30/2026	$ 7,534.00	ISSUED
181678 Total					**$ 7,534.00**	
181679	3742	LANCE PICOTTE SAFETY CONSULTNG	2026 ACP & SILICA TRAINING-2 DAYS	7/30/2026	$ 2,500.00	ISSUED
181679 Total					**$ 2,500.00**	
181680	3804	MITCHELL 1	PRODEMAND ONLY GOVERNMENT SUBSCRIPTION	7/30/2026	$ 2,268.00	ISSUED
181680 Total					**$ 2,268.00**	
181681	3837	NATIONAL ELECTRIC WORKS INC.	RCWD PRESSURE REDUCING VALVE PROJECT	7/30/2026	$ 4,554.00	ISSUED
181681	3837	NATIONAL ELECTRIC WORKS INC.	RCWD PRESSURE REDUCING VALVE PROJECT	7/30/2026	$ 1,518.00	ISSUED
181681 Total					**$ 6,072.00**	
181682	3880	RHINO NETWORKS LLC	DUO HARDWARE TOKENS	7/30/2026	$ 678.17	ISSUED
181682 Total					**$ 678.17**	
181683	3904	ICONIX WATERWORKS (US) INC.	OUTLET	7/30/2026	$ 196.41	ISSUED
181683	3904	ICONIX WATERWORKS (US) INC.	REDUCING VALVE	7/30/2026	$ 9,987.72	ISSUED
181683 Total					**$ 10,184.13**	
181684	3950	CHARTER COMMUNICATIONS	FIBER INTERNET-PHONE SERVICE	7/30/2026	$ 1,601.34	ISSUED
181684 Total					**$ 1,601.34**	
181685	3976	WL CONSTRUCTION SUPPLY INC.	DIAMOND BLADES	7/30/2026	$ 2,252.65	ISSUED
181685 Total					**$ 2,252.65**	
181686	3983	ARDURRA GROUP INC.	JEFFERSON AVENUE VALVE REPLACEMENT	7/30/2026	$ 16,486.50	ISSUED
181686 Total					**$ 16,486.50**	
181687	3990	AMAZON CAPITAL SERVICES INC.	ADAPTERS-COMPUTER SWITCHES	7/30/2026	$ 105.55	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	ADAPTERS-HEADPHONES	7/30/2026	$ 113.01	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	AIR FRESHENERS-SAW BLADES-PIPE CUTTER-DRY ERASE BOARD	7/30/2026	$ 201.76	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	BATTERY	7/30/2026	$ 76.01	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	BOOM POLE-BOX SWITCH	7/30/2026	$ 317.40	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	CHAIR WHEELS	7/30/2026	$ 25.00	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	COAT RACK-PUSH PINS	7/30/2026	$ 12.94	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	DESK MOUNT-BOOK STAND	7/30/2026	$ 133.20	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	FUSE PULLER-TIME DELAY FUSE	7/30/2026	$ 135.87	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	HEADLAMP-TOWER LIGHT-BATTERY	7/30/2026	$ 489.46	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	LAPTOP STAND-PHONE STAND-DESK PROTECTOR-PEN HOLDER	7/30/2026	$ 72.77	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	PHONE CASE-SCREEN PROTECTOR	7/30/2026	$ 38.04	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	PIPE WRENCH-HOSE NOZZLE	7/30/2026	$ 125.24	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	RATCHET SETS-SOCKET SETS-WRENCH SETS-HAMMER SET-PLIERS	7/30/2026	$ 4,161.79	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	SPEAKERS	7/30/2026	$ 20.19	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	STAMP	7/30/2026	$ 44.88	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	THERMAL PAPER	7/30/2026	$ 42.58	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	TOWER FAN-INDEX CARDS	7/30/2026	$ 94.65	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	VALVES	7/30/2026	$ 333.60	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	VOLTAGE TESTER-CABLE TIE TOOL-CRIMPER-CONNECTOR	7/30/2026	$ 106.67	ISSUED
181687	3990	AMAZON CAPITAL SERVICES INC.	WATER PUMP	7/30/2026	$ 86.99	ISSUED
181687 Total					**$ 6,737.60**	
181688	3999	SPECIALTY SEALS & ACCESSORIES	MECHANICAL SEALS	7/30/2026	$ 5,445.53	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181688 Total					**$ 5,445.53**	
181689	4000	CPS HR CONSULTING	BASE FEE-CONSULTING SERVICES	7/30/2026	$ 1,942.20	ISSUED
181689 Total					**$ 1,942.20**	
181690	4010	PDQ.COM CORPORATION	PQD DEPLOY-INVENTORY LICENSE	7/30/2026	$ 3,432.00	ISSUED
181690 Total					**$ 3,432.00**	
181692	4074	HYDRAULIC HOSE & SUPPLY INC.	COUPLERS	7/30/2026	$ 19.94	ISSUED
181692	4074	HYDRAULIC HOSE & SUPPLY INC.	EXPANDER	7/30/2026	$ 2.71	ISSUED
181692 Total					**$ 22.65**	
181693	4075	HOCH CONSULTING APC	OLD TOWN FRONT STREET PIPELINE REPLACEMENT	7/30/2026	$ 5,955.00	ISSUED
181693	4075	HOCH CONSULTING APC	OLD TOWN FRONT STREET PIPELINE REPLACEMENT	7/30/2026	$ 3,870.00	ISSUED
181693 Total					**$ 9,825.00**	
181694	4081	USABLUEBOOK	CHLORINE-CHEMKEY-TEST STRIPS-AMMONIA	7/30/2026	$ 2,764.16	ISSUED
181694 Total					**$ 2,764.16**	
181695	4097	STAPLES	TONER	7/30/2026	$ 270.33	ISSUED
181695	4097	STAPLES	TONER	7/30/2026	$ 263.15	ISSUED
181695	4097	STAPLES	TONER	7/30/2026	$ 176.68	ISSUED
181695	4097	STAPLES	TONER-CASE-WIPES	7/30/2026	$ 1,113.67	ISSUED
181695 Total					**$ 1,823.83**	
181696	4120	WHITE CAP LP	SHOVEL	7/30/2026	$ 146.35	ISSUED
181696	4120	WHITE CAP LP	SHOVELS	7/30/2026	$ 482.25	ISSUED
181696 Total					**$ 628.60**	
181697	4241	GEI CONSULTANTS INC.	VAIL DAM SEISMIC AND HYDROLOGIC REMEDIATION	7/30/2026	$ 369.50	ISSUED
181697 Total					**$ 369.50**	
181698	4319	GILLIS + PANICHAPAN ARCHITECTS INC.	ATRIUM ROOF REPLACEMENT	7/30/2026	$ 7,065.00	ISSUED
181698 Total					**$ 7,065.00**	
181699	4325	CARBON HEALTH PRIMARY CARE OF CALIFORNIA	DRUG SCREEN	7/30/2026	$ 221.00	ISSUED
181699 Total					**$ 221.00**	
181700	4329	JACOBS PROJECT MANAGEMENT CO.	MANAGEMENT SERVICES FOR WATER RESOURCES PROGRAM	7/30/2026	$ 83,879.60	ISSUED
181700 Total					**$ 83,879.60**	
181701	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-AVENIDA DEL REPOSO	7/30/2026	$ 200.00	ISSUED
181701	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-CAMINO SECO	7/30/2026	$ 200.00	ISSUED
181701	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-OAKLINGTON ROAD	7/30/2026	$ 200.00	ISSUED
181701	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-PARADO DEL SOL DRIVE	7/30/2026	$ 200.00	ISSUED
181701	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-RANCHO CALIFORNIA ROAD	7/30/2026	$ 200.00	ISSUED
181701	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-SANDALWOOD CIRCLE	7/30/2026	$ 200.00	ISSUED
181701	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-VIA DE LOS ARBOLES	7/30/2026	$ 200.00	ISSUED
181701 Total					**$ 1,400.00**	
181702	4378	ATLAS TECHNICAL CONSULTANTS LLC	UVDC AND WASHINGTON AVENUE IN-LINE TURBINE GENERATOR	7/30/2026	$ 671.00	ISSUED
181702 Total					**$ 671.00**	
181704	4453	ORANGE COUNTY WINWATER WORKS	BOLT KITS	7/30/2026	$ 4,583.01	ISSUED
181704	4453	ORANGE COUNTY WINWATER WORKS	COUPLINGS-ADAPTERS	7/30/2026	$ 4,211.66	ISSUED
181704	4453	ORANGE COUNTY WINWATER WORKS	SADDLE	7/30/2026	$ 226.60	ISSUED
181704	4453	ORANGE COUNTY WINWATER WORKS	VALVE EXERCISER-SOCKET	7/30/2026	$ 6,399.94	ISSUED
181704	4453	ORANGE COUNTY WINWATER WORKS	VALVES	7/30/2026	$ 4,878.35	ISSUED
181704 Total					**$ 20,299.56**	
181705	4475	KAISER PREMIER LLC	AIR FILTER-HOSE-RELIEF VALVE	7/30/2026	$ 3,270.49	ISSUED
181705 Total					**$ 3,270.49**	
181706	4483	CARBON HEALTH MEDICAL GROUP OF CALIFORNIA	DRUG TESTING	7/30/2026	$ 270.00	ISSUED
181706 Total					**$ 270.00**	
181707	4615	HILL CRANE SERVICE, INC.	CRANE RENTAL	7/30/2026	$ 2,271.45	ISSUED
181707 Total					**$ 2,271.45**	
181708	4627	CARDIO PARTNERS	AED	7/30/2026	$ 1,445.29	ISSUED
181708 Total					**$ 1,445.29**	
181709	4633	DONOVAN KISLING	CROPSWAP-AVOCADO TREE REJUVENATION	7/30/2026	$ 20,250.00	ISSUED
181709 Total					**$ 20,250.00**	

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181710	4635	MICHAEL J LISTER	CROPSWAP-AVOCADO ROOTSTOCK UPGRADE-UNIFORMITY IMPROVEMENT	7/30/2026	$ 27,550.00	ISSUED
181710 Total					**$ 27,550.00**	
181711	4636	ROBERT SHELDON	CROPSWAP-COMPREHENSIVE CROP CONVERSION (CITRUS TO OLIVE)	7/30/2026	$ 7,500.00	ISSUED
181711 Total					**$ 7,500.00**	
181712	2460	NCRC MURRIETA FAMILY HOUSING, LP	REFUND ON METER DEPOSIT	8/5/2026	$ 62,665.34	ISSUED
181712 Total					**$ 62,665.34**	
181713	1016	SOUTHERN CALIFORNIA EDISON	ADAMS N. INTERTIE M.M.	8/5/2026	$ 24.08	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	ADAMS S. INTERTIE M.M.	8/5/2026	$ 22.95	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	CAL OAKS 1 LIFT STATION	8/5/2026	$ 1,004.57	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	CAL OAKS 1 M.M.	8/5/2026	$ 18.57	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	CAL OAKS 2 M.M.	8/5/2026	$ 18.68	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	CAL OAKS 3 M.M.	8/5/2026	$ 17.67	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	EVMWD M.M.	8/5/2026	$ 14.04	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	MURRIETA 1 M.M.	8/5/2026	$ 18.65	ISSUED
181713	1016	SOUTHERN CALIFORNIA EDISON	SRWRF-HEADWORKS	8/5/2026	$ 15,695.16	ISSUED
181713 Total					**$ 16,834.37**	
181714	1026	BEST BEST & KRIEGER	CONTRACT REVIEW	8/5/2026	$ 6,072.70	ISSUED
181714 Total					**$ 6,072.70**	
181715	1039	BANK OF NEW YORK MELLON	ADMIN FEES-BONDS 2011A	8/5/2026	$ 2,348.80	ISSUED
181715	1039	BANK OF NEW YORK MELLON	ADMIN FEES-BONDS 2016A	8/5/2026	$ 1,625.00	ISSUED
181715	1039	BANK OF NEW YORK MELLON	ADMIN FEES-BONDS 2016C	8/5/2026	$ 1,375.00	ISSUED
181715	1039	BANK OF NEW YORK MELLON	ADMIN FEES-CUSTODIAL	8/5/2026	$ 6,820.19	ISSUED
181715	1039	BANK OF NEW YORK MELLON	ADMIN FEES-CFD 99-1A	8/5/2026	$ 874.50	ISSUED
181715 Total					**$ 13,043.49**	
181716	1142	CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	DOWNLIGHTS	8/5/2026	$ 634.23	ISSUED
181716	1142	CONSOLIDATED ELECTRICAL DISTRIBUTORS, INC	SEALS-CLAMPS-STRUTS	8/5/2026	$ 209.80	ISSUED
181716 Total					**$ 844.03**	
181717	1202	FIELDMAN ROLAPP & ASSOCIATES	CDAR FEES	8/5/2026	$ 1,500.00	ISSUED
181717 Total					**$ 1,500.00**	
181718	1298	BRENNTAG PACIFIC INC.	AQUALAS	8/5/2026	$ 1,566.83	ISSUED
181718 Total					**$ 1,566.83**	
181719	1346	C WELLS PIPELINE MATERIALS INC	ADAPTER	8/5/2026	$ 3,053.70	ISSUED
181719	1346	C WELLS PIPELINE MATERIALS INC	FITTINGS-ELBOW WELDS	8/5/2026	$ 2,267.44	ISSUED
181719	1346	C WELLS PIPELINE MATERIALS INC	WELD ELBOWS	8/5/2026	$ 375.19	ISSUED
181719 Total					**$ 5,696.33**	
181720	1356	LINCOLN NATIONAL LIFE INS CO	VOLUNTARY INSURANCE	8/5/2026	$ 1,503.42	ISSUED
181720	1356	LINCOLN NATIONAL LIFE INS CO	VOLUNTARY INSURANCE	8/5/2026	$ 1,503.42	ISSUED
181720 Total					**$ 3,006.84**	
181721	1409	UMETECH INC.	OFFSITE DISASTER STORAGE	8/5/2026	$ 50.00	ISSUED
181721 Total					**$ 50.00**	
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ACE BOWEN EMISSION TESTING	8/5/2026	$ 3,465.00	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-BEAR CREEK STANDBY UNIT	8/5/2026	$ 773.19	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-FMPS	8/5/2026	$ 1,108.68	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-HQ BUILDING C	8/5/2026	$ 1,132.83	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-PORTABLE 328 STANDBY	8/5/2026	$ 1,575.18	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-PORTABLE 329 STANDBY	8/5/2026	$ 1,579.17	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-VVPS	8/5/2026	$ 1,294.12	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-WELL 138	8/5/2026	$ 1,166.06	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	ANNUAL SERVICE-WELL 309	8/5/2026	$ 1,297.60	ISSUED
181722	1638	EMISSION COMPLIANT CONTROLS CORP	WATER DAILY INSPECTION	8/5/2026	$ 6,990.08	ISSUED
181722 Total					**$ 20,381.91**	
181723	1751	GRAINGER INC.	BOLTS-FITTINGS	8/5/2026	$ 164.75	ISSUED
181723	1751	GRAINGER INC.	ROLLER GUIDE	8/5/2026	$ 84.79	ISSUED
181723	1751	GRAINGER INC.	SEAL	8/5/2026	$ 168.21	ISSUED
181723 Total					**$ 417.75**	

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181724	1757	GRAYBAR ELECTRIC CO.	COUPLINGS-CONDUIT OUTLET	8/5/2026	$ 141.41	ISSUED
181724	1757	GRAYBAR ELECTRIC CO.	ELECTRIC MODULES	8/5/2026	$ 1,882.89	ISSUED
181724 Total					**$ 2,024.30**	
181725	1763	HACH COMPANY	CHLORINE ANALYZER-TURBIDITY SENSOR	8/5/2026	$ 11,419.00	ISSUED
181725 Total					**$ 11,419.00**	
181726	1864	IVA SOLUTIONS INC.	ALARM SERVICE TICKET	8/5/2026	$ 309.46	ISSUED
181726 Total					**$ 309.46**	
181727	1914	INFO SEND INC.	BILLING SERVICE	8/5/2026	$ 13,784.07	ISSUED
181727 Total					**$ 13,784.07**	
181728	1920	KENNEDY / JENKS CONSULTANTS	WORKFLOW-REPORTING INTEGRATION INITIATIVE	8/5/2026	$ 9,325.00	ISSUED
181728 Total					**$ 9,325.00**	
181729	1943	LSA ASSOCIATES, INC.	VAIL DAM SEISMIC AND HYDROLOGIC REMEDIATION	8/5/2026	$ 4,342.90	ISSUED
181729 Total					**$ 4,342.90**	
181730	1952	MISSION ELECTRIC SUPPLY INC.	BUSHINGS	8/5/2026	$ 92.89	ISSUED
181730 Total					**$ 92.89**	
181731	1984	NPG CORPORATION	ASPHALT REPAIR-AVENIDA VISTA LADERA	8/5/2026	$ 433.00	ISSUED
181731	1984	NPG CORPORATION	ASPHALT REPAIR-CADENZA DRIVE	8/5/2026	$ 22,452.60	ISSUED
181731	1984	NPG CORPORATION	ASPHALT REPAIR-CADENZA DRIVE	8/5/2026	$ 10,251.68	ISSUED
181731	1984	NPG CORPORATION	ASPHALT REPAIR-CALLE CORVETTA	8/5/2026	$ 1,715.75	ISSUED
181731	1984	NPG CORPORATION	ASPHALT REPAIR-VIA DE ORO ROAD	8/5/2026	$ 3,337.75	ISSUED
181731	1984	NPG CORPORATION	ASPHALT REPAIR-VIDETTE CIRCLE	8/5/2026	$ 1,719.52	ISSUED
181731 Total					**$ 39,910.30**	
181732	2093	RIGHTWAY SITE SERVICES INC.	PORTABLE TOILETS	8/5/2026	$ 1,442.48	ISSUED
181732 Total					**$ 1,442.48**	
181733	2230	NAPA AUTO PARTS	AIR FILTER	8/5/2026	$ 31.16	ISSUED
181733	2230	NAPA AUTO PARTS	AIR FILTER-FUEL FILTER	8/5/2026	$ 74.83	ISSUED
181733	2230	NAPA AUTO PARTS	AIR FILTER-OIL FILTER-FUEL FILTER	8/5/2026	$ 107.64	ISSUED
181733	2230	NAPA AUTO PARTS	CONNECTOR	8/5/2026	$ 90.03	ISSUED
181733	2230	NAPA AUTO PARTS	FLUSH MOUNT	8/5/2026	$ 91.16	ISSUED
181733	2230	NAPA AUTO PARTS	FUEL INJECTION GAUGE	8/5/2026	$ 72.37	ISSUED
181733	2230	NAPA AUTO PARTS	GROMMETS	8/5/2026	$ 12.12	ISSUED
181733	2230	NAPA AUTO PARTS	LIFT SUPPORT	8/5/2026	$ 193.36	ISSUED
181733	2230	NAPA AUTO PARTS	RADIATOR-RADIATOR CAP	8/5/2026	$ 197.58	ISSUED
181733	2230	NAPA AUTO PARTS	STARTER	8/5/2026	$ 169.30	ISSUED
181733	2230	NAPA AUTO PARTS	SUSPENSION STABILIZER BAR LINK	8/5/2026	$ 75.02	ISSUED
181733	2230	NAPA AUTO PARTS	WHEEL SEAL-ROTORS-DUST CAPS-CONES	8/5/2026	$ 556.97	ISSUED
181733 Total					**$ 1,671.54**	
181734	2237	TEMECULA VALLEY PIPE & SUPPLY	FITTINGS-COUPLINGS	8/5/2026	$ 1,254.03	ISSUED
181734	2237	TEMECULA VALLEY PIPE & SUPPLY	VALVES-CONTROLLER	8/5/2026	$ 6,432.87	ISSUED
181734	2237	TEMECULA VALLEY PIPE & SUPPLY	VALVES-ROTORS-BUSHINGS	8/5/2026	$ 260.57	ISSUED
181734 Total					**$ 7,947.47**	
181735	2245	PETES ROAD SERVICE INC.	TIRE	8/5/2026	$ 338.73	ISSUED
181735	2245	PETES ROAD SERVICE INC.	TIRES (3)	8/5/2026	$ 1,197.49	ISSUED
181735 Total					**$ 1,536.22**	
181736	2477	CA MUNICIPAL STATISTICS INC	DIRECT-OVERLAPPING DEBT STATEMENT	8/5/2026	$ 600.00	ISSUED
181736 Total					**$ 600.00**	
181737	2590	ONESOURCE DISTRIBUTORS LLC	CIRCUIT BREAKER	8/5/2026	$ 297.04	ISSUED
181737	2590	ONESOURCE DISTRIBUTORS LLC	CONNECTORS-CONDUIT	8/5/2026	$ 602.24	ISSUED
181737 Total					**$ 899.28**	
181739	2981	PARADISE CHEVROLET & CADILLAC	MOLDING-STEP SUPPORT PANEL	8/5/2026	$ 163.31	ISSUED
181739	2981	PARADISE CHEVROLET & CADILLAC	SENSOR	8/5/2026	$ 321.69	ISSUED
181739	2981	PARADISE CHEVROLET & CADILLAC	STEP SUPPORT PANEL	8/5/2026	$ 143.13	ISSUED
181739 Total					**$ 628.13**	
181740	3003	CASAGA ELECTRIC INC.	EV CHARGERS MAINTENANCE	8/5/2026	$ 3,934.75	ISSUED
181740 Total					**$ 3,934.75**	

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181741	3204	STADIUM PIZZA JEFFERSON	PIZZA-FALL PROTECTION TRAINING	8/5/2026	$ 94.07	ISSUED
181741 Total					**$ 94.07**	
181742	3213	SUPERIOR GATE SERVICES	GATE REPAIRS-ACE BOWEN-HEADQUARTERS	8/5/2026	$ 5,675.00	ISSUED
181742 Total					**$ 5,675.00**	
181743	3497	ADAME LANDSCAPE INC.	IRRIGATION REPAIRS	8/5/2026	$ 601.94	ISSUED
181743	3497	ADAME LANDSCAPE INC.	IRRIGATION REPAIRS	8/5/2026	$ 792.43	ISSUED
181743	3497	ADAME LANDSCAPE INC.	IRRIGATION REPAIRS	8/5/2026	$ 1,161.79	ISSUED
181743	3497	ADAME LANDSCAPE INC.	IRRIGATION REPAIRS	8/5/2026	$ 335.80	ISSUED
181743	3497	ADAME LANDSCAPE INC.	IRRIGATION REPAIRS	8/5/2026	$ 166.06	ISSUED
181743 Total					**$ 3,058.02**	
181744	3651	SC FUELS	RED DYE DIESEL	8/5/2026	$ 5,540.75	ISSUED
181744 Total					**$ 5,540.75**	
181746	3707	RED WING BUSINESS ADVANTAGE	WORK BOOTS-G FRANCESCHINI	8/5/2026	$ 242.42	ISSUED
181746 Total					**$ 242.42**	
181747	3790	ASBURY ENVIRONMENTAL SERVICES	OIL SERVICE	8/5/2026	$ 153.00	ISSUED
181747 Total					**$ 153.00**	
181749	3875	FLEETPRIDE INC.	CYLINDERS-VALVE	8/5/2026	$ 419.76	ISSUED
181749 Total					**$ 419.76**	
181752	3983	ARDURRA GROUP INC.	CARANCHO PUMP STATION DESIGN	8/5/2026	$ 18,595.50	ISSUED
181752 Total					**$ 18,595.50**	
181753	3990	AMAZON CAPITAL SERVICES INC.	CHAIR MAT	8/5/2026	$ 71.13	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	CLEANER-COFFEE CUPS	8/5/2026	$ 667.08	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	COFFEE FILTERS-COFFEE CREAMER-COFFEE K-CUPS	8/5/2026	$ 127.87	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	CORD PROTECTOR	8/5/2026	$ 15.98	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	CORK BOARDS-ORGANIZERS-DRY ERASE MARKERS-DRY ERASE BOARD	8/5/2026	$ 263.77	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	IPAD CASE	8/5/2026	$ 128.98	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	IPHONE CASE	8/5/2026	$ 13.97	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	JEANS-SHORTS-COVERALL	8/5/2026	$ 444.86	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	MONITOR	8/5/2026	$ 875.99	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	MONITOR STAND RISER	8/5/2026	$ 23.91	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	PANTS-SHORTS-COVERALL	8/5/2026	$ 373.33	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	RECEIVERS-ADAPTER	8/5/2026	$ 88.55	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	RETURN-BLUETOOTH RECEIVER	8/5/2026	$ (14.91)	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	RETURN-BLUETOOTH RECEIVER	8/5/2026	$ (14.92)	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	RETURN-BLUETOOTH RECEIVER	8/5/2026	$ (14.92)	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	RETURN-BLUETOOTH RECEIVER	8/5/2026	$ (14.92)	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	RETURN-COMPUTER SPEAKERS	8/5/2026	$ (19.13)	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	SAFETY GLASSES-PLASTIC BOTTLES	8/5/2026	$ 151.09	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	SHORTS	8/5/2026	$ 43.49	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	SHORTS-COVERALL	8/5/2026	$ 307.19	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	SPRINKLER CONTROLLERS	8/5/2026	$ 6,523.52	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	TAPE-SCREEN PROTECTOR-SPEAKERS	8/5/2026	$ 37.78	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	TIME DELAY FUSES	8/5/2026	$ 184.87	ISSUED
181753	3990	AMAZON CAPITAL SERVICES INC.	T-SHIRTS	8/5/2026	$ 176.13	ISSUED
181753 Total					**$ 10,440.69**	
181754	4074	HYDRAULIC HOSE & SUPPLY INC.	HOSES	8/5/2026	$ 100.44	ISSUED
181754	4074	HYDRAULIC HOSE & SUPPLY INC.	NYLON HOSE-TEE	8/5/2026	$ 16.30	ISSUED
181754 Total					**$ 116.74**	
181755	4101	RD HYDROJET PLUMBING & DRAIN INC	PLUMBING REPAIR-OLD HEADQUARTERS BUILDING	8/5/2026	$ 9,800.00	ISSUED
181755 Total					**$ 9,800.00**	
181756	4136	EIC INC.	REPAIR-SOFT START	8/5/2026	$ 4,494.50	ISSUED
181756 Total					**$ 4,494.50**	
181757	4198	ELECTRIC & GAS INDUSTRIES ASSC	MONTHLY MAINTENANCE AND SERVICE	8/5/2026	$ 1,000.00	ISSUED
181757 Total					**$ 1,000.00**	
181758	4214	CANTEEN	WATER FILTERS	8/5/2026	$ 1,027.69	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181758 Total					**$ 1,027.69**	
181759	4231	PAM'S DONUTS	DONUTS-ALL STAFF-BOD-PAC-SAFETY MEETINGS	8/5/2026	$ 557.00	ISSUED
181759 Total					**$ 557.00**	
181760	4276	AUTOZONE PARTS, INC	A/C COMPRESSOR KIT	8/5/2026	$ 225.10	ISSUED
181760	4276	AUTOZONE PARTS, INC	TOOLBOX LID	8/5/2026	$ 17.27	ISSUED
181760 Total					**$ 242.37**	
181761	4290	PIPELINE PLUMBING & DRAIN SPECIALISTS INC.	WATER LEAK DETECTION ASSISTANCE-CAMINO GALLEGOS	8/5/2026	$ 250.00	ISSUED
181761	4290	PIPELINE PLUMBING & DRAIN SPECIALISTS INC.	WATER LEAK DETECTION ASSISTANCE-CAMINO MAREA	8/5/2026	$ 250.00	ISSUED
181761	4290	PIPELINE PLUMBING & DRAIN SPECIALISTS INC.	WATER LEAK DETECTION ASSISTANCE-RANCHO CHRISTINA ROAD	8/5/2026	$ 250.00	ISSUED
181761 Total					**$ 750.00**	
181762	4299	GOSCH FORD OF TEMECULA	FUEL CAP ASSEMBLY	8/5/2026	$ 51.33	ISSUED
181762	4299	GOSCH FORD OF TEMECULA	HVAC CONTROLS	8/5/2026	$ 372.36	ISSUED
181762	4299	GOSCH FORD OF TEMECULA	NUTS-TIE ROD ENDS	8/5/2026	$ 780.31	ISSUED
181762	4299	GOSCH FORD OF TEMECULA	POTENTIOMETER	8/5/2026	$ 124.49	ISSUED
181762 Total					**$ 1,328.49**	
181763	4319	GILLIS + PANICHAPAN ARCHITECTS INC.	ATRIUM ROOF REPLACEMENT	8/5/2026	$ 14,825.00	ISSUED
181763 Total					**$ 14,825.00**	
181764	4329	JACOBS PROJECT MANAGEMENT CO.	MANAGEMENT SERVICES FOR WATER RESOURCES PROGRAM	8/5/2026	$ 63,515.65	ISSUED
181764 Total					**$ 63,515.65**	
181765	4356	RANCHO TWO-WAY RADIO	2-WAY RADIO MAINTENANCE	8/5/2026	$ 480.00	ISSUED
181765 Total					**$ 480.00**	
181766	4378	ATLAS TECHNICAL CONSULTANTS LLC	UVDC AND WASHINGTON AVENUE IN-LINE TURBINE GENERATOR	8/5/2026	$ 2,824.75	ISSUED
181766 Total					**$ 2,824.75**	
181767	4453	ORANGE COUNTY WINWATER WORKS	ADAPTERS	8/5/2026	$ 827.22	ISSUED
181767 Total					**$ 827.22**	
181768	4486	SC FUELS	FUEL	8/5/2026	$ 24,151.19	ISSUED
181768 Total					**$ 24,151.19**	
181769	4575	BENEFIT COORDINATORS CORPORATION	EMPLOYEE COVERAGE	8/5/2026	$ 17,767.26	ISSUED
181769 Total					**$ 17,767.26**	
181770	4608	SOLITUDE LAKE MANAGEMENT LLC	RECYCLED WATER QUALITY TESTING	8/5/2026	$ 2,805.00	ISSUED
181770 Total					**$ 2,805.00**	
181771	4618	C.G. LANDSCAPE, INC.	MONTHLY GARDEN MAINTENANCE	8/5/2026	$ 1,351.00	ISSUED
181771 Total					**$ 1,351.00**	
181772	4640	FAZENDA LULU LLC	CROPSWAP-AVOCADO TREE REJUVENATION	8/5/2026	$ 13,500.00	ISSUED
181772 Total					**$ 13,500.00**	
181773	4642	KAMILA BAJERSKI	CROPSWAP-AVOCADO TREE REJUVENATION	8/5/2026	$ 6,750.00	ISSUED
181773 Total					**$ 6,750.00**	
181774	4643	BRIAN GAGLIARDI	CROPSWAP-AVOCADO TREE REJUVENATION	8/5/2026	$ 18,000.00	ISSUED
181774 Total					**$ 18,000.00**	
181778	1016	SOUTHERN CALIFORNIA EDISON	MCC1	8/13/2026	$ 48,433.90	ISSUED
181778 Total					**$ 48,433.90**	
181779	1026	BEST BEST & KRIEGER	GENERAL	8/13/2026	$ 11,763.20	ISSUED
181779 Total					**$ 11,763.20**	
181780	1086	R & B AUTOMATION INC.	ACTUATOR INSTALLATION	8/13/2026	$ 6,262.50	ISSUED
181780 Total					**$ 6,262.50**	
181781	1095	CALIFORNIA-NEVADA SECTION, AMERICAN WATER WORKS ASSOCIATION	D2-D4 MATH REVIEW-D WEBER	8/13/2026	$ 210.00	ISSUED
181781	1095	CALIFORNIA-NEVADA SECTION, AMERICAN WATER WORKS ASSOCIATION	D2-D4 MATH REVIEW-J JACKSON	8/13/2026	$ 210.00	ISSUED
181781	1095	CALIFORNIA-NEVADA SECTION, AMERICAN WATER WORKS ASSOCIATION	D3-D4 REVIEW-D WEBER	8/13/2026	$ 210.00	ISSUED
181781	1095	CALIFORNIA-NEVADA SECTION, AMERICAN WATER WORKS ASSOCIATION	D3-D4 REVIEW-J JACKSON	8/13/2026	$ 210.00	ISSUED
181781 Total					**$ 840.00**	
181782	1246	COUNTY OF RIVERSIDE	PERMIT FEES	8/13/2026	$ 868.00	ISSUED
181782 Total					**$ 868.00**	
181783	1550	KC GRAPHICS	ENVELOPES	8/13/2026	$ 1,661.03	ISSUED
181783 Total					**$ 1,661.03**	
181785	1751	GRAINGER INC.	LASHING RING	8/13/2026	$ 122.48	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181785	1751	GRAINGER INC.	SCREW	8/13/2026	$ 9.84	ISSUED
181785	1751	GRAINGER INC.	SEALS-SCREWS	8/13/2026	$ 247.49	ISSUED
181785 Total					**$ 379.81**	
181786	1757	GRAYBAR ELECTRIC CO.	ETHERNET MODULES	8/13/2026	$ 4,137.68	ISSUED
181786 Total					**$ 4,137.68**	
181787	1896	DEPARTMENT OF JUSTICE	FINGERPRINTING SERVICE	8/13/2026	$ 32.00	ISSUED
181787 Total					**$ 32.00**	
181788	1931	LAYNE CHRISTENSEN CO.	ACE BOWEN REBUILD	8/13/2026	$ 21,938.70	ISSUED
181788 Total					**$ 21,938.70**	
181789	1984	NPG CORPORATION	ASPHALT REPAIR-DANBURY COURT	8/13/2026	$ 2,337.75	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-DEER MEADOW ROAD	8/13/2026	$ 1,449.00	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-DIAZ ROAD	8/13/2026	$ 1,372.75	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-JEFFERSON AVENUE	8/13/2026	$ 9,842.50	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-JOHN WARNER ROAD	8/13/2026	$ 1,619.50	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-SAN FERMIN PLACE	8/13/2026	$ 1,111.88	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-VIA EL PAIS BONITA	8/13/2026	$ 3,136.00	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-VIA PUESTA DEL SOL	8/13/2026	$ 1,084.00	ISSUED
181789	1984	NPG CORPORATION	ASPHALT REPAIR-VIA TAFALLA	8/13/2026	$ 1,933.50	ISSUED
181789 Total					**$ 23,886.88**	
181790	2230	NAPA AUTO PARTS	FUEL TANK BUSHING	8/13/2026	$ 3.45	ISSUED
181790 Total					**$ 3.45**	
181791	2237	TEMECULA VALLEY PIPE & SUPPLY	LID REMOVER	8/13/2026	$ 228.59	ISSUED
181791 Total					**$ 228.59**	
181792	2302	WM CORPORATE SERVICES, INC.	TRASH SERVICE	8/13/2026	$ 2,013.00	ISSUED
181792 Total					**$ 2,013.00**	
181793	2327	TEMECULA VALLEY LASER REPAIR	PRINTER REPAIRS	8/13/2026	$ 3,317.44	ISSUED
181793 Total					**$ 3,317.44**	
181794	2444	HARRIS COMPUTER CORPORATION	NEXGEN INTEGRATION	8/13/2026	$ 2,200.00	ISSUED
181794 Total					**$ 2,200.00**	
181795	2680	CANYON SPRINGS ENTERPRISES	EQUIPPING NEW WELL 173	8/13/2026	$ 95,004.95	ISSUED
181795	2680	CANYON SPRINGS ENTERPRISES	EQUIPPING NEW WELL 174	8/13/2026	$ 107,716.04	ISSUED
181795	2680	CANYON SPRINGS ENTERPRISES	EQUIPPING NEW WELL 175	8/13/2026	$ 69,118.24	ISSUED
181795 Total					**$ 271,839.23**	
181796	2782	HDR ENGINEERING INC	PIPELINE CONDITION ASSESSMENT	8/13/2026	$ 28,280.75	ISSUED
181796 Total					**$ 28,280.75**	
181797	2954	PRIME SYSTEMS INDUSTRIAL AUTOMATION, INC.	SCADA SUPPORT	8/13/2026	$ 4,162.50	ISSUED
181797 Total					**$ 4,162.50**	
181798	3003	CASAGA ELECTRIC INC.	REHAB-WELL 164	8/13/2026	$ 8,663.23	ISSUED
181798 Total					**$ 8,663.23**	
181799	3062	CONSERV INC	WUE EVALUATION	8/13/2026	$ 1,975.00	ISSUED
181799 Total					**$ 1,975.00**	
181800	3213	SUPERIOR GATE SERVICES	GATE REPAIRS-ACE BOWEN-HEADQUARTERS-300 ACRES	8/13/2026	$ 2,625.00	ISSUED
181800 Total					**$ 2,625.00**	
181801	3481	QUINN COMPANY	DOZER RENTAL	8/13/2026	$ 6,078.21	ISSUED
181801	3481	QUINN COMPANY	RETURN-DOZER RENTAL	8/13/2026	$ (5,328.21)	ISSUED
181801 Total					**$ 750.00**	
181802	3486	KENT HARRIS TRUCKING	3/4 TON ROCK	8/13/2026	$ 852.05	ISSUED
181802 Total					**$ 852.05**	
181803	3529	PEST OPTIONS INC.	WEED ABATEMENT	8/13/2026	$ 1,190.00	ISSUED
181803 Total					**$ 1,190.00**	
181804	3599	EVENT MASSAGE SERVICES	HEALTH FAIR MASSAGE SERVICE	8/13/2026	$ 810.00	ISSUED
181804 Total					**$ 810.00**	
181805	3648	LOWE'S	BLINDS	8/13/2026	$ 245.91	ISSUED
181805	3648	LOWE'S	BLINDS	8/13/2026	$ 335.77	ISSUED
181805	3648	LOWE'S	CANVAS COVER-FRAMES-STIRRING STICKS-BRUSH-PAIL	8/13/2026	$ 61.23	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181805	3648	LOWE'S	COAT HOOK RAIL	8/13/2026	$ 28.91	ISSUED
181805	3648	LOWE'S	WASHER-DRYER-HOSE-INSTALL KIT	8/13/2026	$ 1,282.13	ISSUED
181805	3648	LOWE'S	WINDOW TINT	8/13/2026	$ 150.26	ISSUED
181805 Total					**$ 2,104.21**	
181806	3750	ENERGAGE LLC	ANNUAL SUBSCRIPTION	8/13/2026	$ 5,456.10	ISSUED
181806 Total					**$ 5,456.10**	
181807	3787	PURETEC INDUSTRIAL WATER	D1 TANK RENTAL	8/13/2026	$ 42.50	ISSUED
181807 Total					**$ 42.50**	
181808	3837	NATIONAL ELECTRIC WORKS INC.	RCWD PRESSURE REDUCING VALVE PROJECT	8/13/2026	$ 3,036.00	ISSUED
181808	3837	NATIONAL ELECTRIC WORKS INC.	RCWD RANCHO CALIFORNIA PUMP STATION 1-1 REPAIR	8/13/2026	$ 3,036.00	ISSUED
181808 Total					**$ 6,072.00**	
181809	3990	AMAZON CAPITAL SERVICES INC.	BACKPACK-CHARGE CORD	8/13/2026	$ 119.39	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	EARBUDS	8/13/2026	$ 606.81	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	FILE FOLDERS	8/13/2026	$ 11.61	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	FUEL TANK CAP	8/13/2026	$ 46.15	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	GATORADE-SANITIZER-CLEANER-HOSE REPAIR KIT-PAPER PLATES	8/13/2026	$ 939.66	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	INK-PAPER	8/13/2026	$ 186.05	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	MOUSE-VOICE RECORDER	8/13/2026	$ 239.51	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	PANTS	8/13/2026	$ 152.20	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	PENS-FOLDERS-DESK ORGANIZER	8/13/2026	$ 285.88	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	PHONE CASE	8/13/2026	$ 27.18	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	RATCHET	8/13/2026	$ 86.11	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	SHORTS	8/13/2026	$ 253.11	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	STEERING WHEEL COVER	8/13/2026	$ 32.61	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	TOUCHPAD	8/13/2026	$ 46.51	ISSUED
181809	3990	AMAZON CAPITAL SERVICES INC.	WEBCAM	8/13/2026	$ 30.98	ISSUED
181809 Total					**$ 3,063.76**	
181810	4011	KLINGSPOR ABRASIVES INC	GRINDING DISCS	8/13/2026	$ 147.87	ISSUED
181810 Total					**$ 147.87**	
181812	4025	ALLIANT INSURANCE SERVICES INC	CONSULTING FEE	8/13/2026	$ 2,500.00	ISSUED
181812	4025	ALLIANT INSURANCE SERVICES INC	CONSULTING FEE	8/13/2026	$ 2,500.00	ISSUED
181812 Total					**$ 5,000.00**	
181813	4095	PHOENIX NAP LLC	CLOUD BACKUP FOR VEEAM	8/13/2026	$ 714.00	ISSUED
181813 Total					**$ 714.00**	
181814	4098	UNITED RENTALS (NORTH AMERICA),INC.	HOSES-PUMP-BERMS-TANK	8/13/2026	$ 4,632.76	ISSUED
181814 Total					**$ 4,632.76**	
181815	4130	CORELOGIC SOLUTIONS LLC	RECORD REQUEST	8/13/2026	$ 542.56	ISSUED
181815 Total					**$ 542.56**	
181816	4226	RE CHAFFEE CONSTRUCTION INC.	EQUIPPING NEW WELL 172	8/13/2026	$ 106,165.80	ISSUED
181816 Total					**$ 106,165.80**	
181817	4258	PACIFIC HYDROTECH CORPORATION	UVDC IN-LINE TURBINE GENERATOR HYDROELECTRIC	8/13/2026	$ 158,777.52	ISSUED
181817	4258	PACIFIC HYDROTECH CORPORATION	UVDC REGIONAL PUMP STATION AND CHLORINE TANK	8/13/2026	$ 504,971.15	ISSUED
181817 Total					**$ 663,748.67**	
181818	4295	SYNAGRO TECHNOLOGIES, INC.	SLUDGE REMOVAL	8/13/2026	$ 32,843.03	ISSUED
181818 Total					**$ 32,843.03**	
181819	4327	MYERS & SONS CONSTRUCTION LLC	CARANCHO PUMP STATION EXPANSION AND IMPROVEMENT	8/13/2026	$ 114,992.23	ISSUED
181819 Total					**$ 114,992.23**	
181820	4357	POST AND JAM LLC	COMMUNITY OUTREACH VIDEO	8/13/2026	$ 7,733.00	ISSUED
181820	4357	POST AND JAM LLC	COMMUNITY OUTREACH VIDEOS	8/13/2026	$ 2,750.00	ISSUED
181820 Total					**$ 10,483.00**	
181821	4359	SUNSTRONG COMMERCIAL HOLDINGS LLC	SOLAR-SRRRA	8/13/2026	$ 11,024.10	ISSUED
181821 Total					**$ 11,024.10**	
181822	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-AVENIDA CAROLINAS	8/13/2026	$ 200.00	ISSUED
181822	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-COLINA VERDE	8/13/2026	$ 200.00	ISSUED
181822	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-COREY CIRCLE	8/13/2026	$ 200.00	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
181822	4367	LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL-VIA NORTE	8/13/2026	$ 200.00	ISSUED
181822 Total					**$ 800.00**	
181823	4431	AMERICAN BUSINESS BANK	PROJECT D1903-UVDC REGIONAL PUMP STATION CHLORINE TANK	8/13/2026	$ 27,261.64	ISSUED
181823 Total					**$ 27,261.64**	
181824	4431	AMERICAN BUSINESS BANK	PROJECT D2181-UVDC IN-LINE TURBINE GENERATOR	8/13/2026	$ 8,356.71	ISSUED
181824 Total					**$ 8,356.71**	
181825	4450	RANDHAWA RANCH, LLC	CROPSWAP-AVOCADO TREE REJUVENATION	8/13/2026	$ 27,000.00	ISSUED
181825 Total					**$ 27,000.00**	
Net Distributions					**$ 6,050,198.81**	

Vendor Payments Remitted Through Electronic US Bank Payment Plus Program (these payments are remitted electronically to vendors through US Bank and the District then issues a warrant to US Bank to reimburse for such payments)

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
8815	1027	BEST FOR LESS TIRES	ALIGNMENT	7/23/2026	$ 129.95	ISSUED
8815 Total					**$ 129.95**	
8816	1114	CAMERON WELDING SUPPLY	CARBON DIOXIDE	7/23/2026	$ 275.00	ISSUED
8816 Total					**$ 275.00**	
8817	1765	HANK'S HARDWARE AND LUMBER INC.	BALL VALVE-DOOR HOLDER	7/23/2026	$ 189.81	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	BOTTLED WATER	7/23/2026	$ 921.67	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	CAP SCREWS-FUNNEL-GREASE	7/23/2026	$ 54.44	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	CLAMP-SAWZALL BLADE	7/23/2026	$ 52.17	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	FLAP DISCS-CUTTING WHEELS-MARKING PAINT	7/23/2026	$ 51.35	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	GASKETS	7/23/2026	$ 2.70	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	PAINT-FLASHLIGHTS	7/23/2026	$ 249.81	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	ROLLER REFILL-COVER	7/23/2026	$ 11.07	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	ROLLER-LINER	7/23/2026	$ 14.97	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	STEEL PLUG-TOOL-ADAPTERS-REAR INLET	7/23/2026	$ 77.36	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	TAPE-WASHER-BOLT-HARDWARE-RAZOR-GAS	7/23/2026	$ 35.45	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	TARP STRAP-BOLT-NUTS	7/23/2026	$ 56.39	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	WD-40	7/23/2026	$ 4.34	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	WEATHERSTRIP	7/23/2026	$ 26.07	ISSUED
8817	1765	HANK'S HARDWARE AND LUMBER INC.	WEATHERSTRIP	7/23/2026	$ 26.07	ISSUED
8817 Total					**$ 1,773.67**	
8818	2695	CALIFORNIA T'S	HATS	7/23/2026	$ 1,174.50	ISSUED
8818	2695	CALIFORNIA T'S	SHIRT-POLO	7/23/2026	$ 20.66	ISSUED
8818	2695	CALIFORNIA T'S	SHIRTS-POLOS	7/23/2026	$ 451.31	ISSUED
8818	2695	CALIFORNIA T'S	SHIRTS-POLOS	7/23/2026	$ 116.36	ISSUED
8818	2695	CALIFORNIA T'S	SWEATSHIRT-JACKET	7/23/2026	$ 80.48	ISSUED
8818	2695	CALIFORNIA T'S	T-SHIRTS	7/23/2026	$ 639.45	ISSUED
8818 Total					**$ 2,482.76**	
8819	3048	OREILLY AUTO PARTS	BATTERY	7/23/2026	$ 368.20	ISSUED
8819	3048	OREILLY AUTO PARTS	BATTERY	7/23/2026	$ 206.06	ISSUED
8819	3048	OREILLY AUTO PARTS	BATTERY	7/23/2026	$ 264.12	ISSUED
8819	3048	OREILLY AUTO PARTS	BLOWER MOTOR	7/23/2026	$ 58.07	ISSUED
8819	3048	OREILLY AUTO PARTS	GASKETS-ENGINE SUPPORT	7/23/2026	$ 488.29	ISSUED
8819	3048	OREILLY AUTO PARTS	SWITCH	7/23/2026	$ 91.59	ISSUED
8819	3048	OREILLY AUTO PARTS	TIE ROD	7/23/2026	$ 103.18	ISSUED
8819	3048	OREILLY AUTO PARTS	TIE RODS-STABILIZER-DRAG LINK	7/23/2026	$ 376.61	ISSUED
8819 Total					**$ 1,956.12**	
8820	3208	BAVCO	VALVES-VALVE TEST KIT	7/23/2026	$ 2,501.20	ISSUED
8820 Total					**$ 2,501.20**	
8821	1114	CAMERON WELDING SUPPLY	OXYGEN-ACETYLENE-CARBON DIOXIDE	7/30/2026	$ 2,186.80	ISSUED
8821	1114	CAMERON WELDING SUPPLY	TIG ROD	7/30/2026	$ 33.94	ISSUED
8821 Total					**$ 2,220.74**	

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
8822	1229	CALOLYMPIC	GLOVES	7/30/2026	$ 1,166.78	ISSUED
8822 Total					**$ 1,166.78**	
8823	1336	CS-AMSCO	VALVES	7/30/2026	$ 4,474.49	ISSUED
8823 Total					**$ 4,474.49**	
8824	1765	HANK'S HARDWARE AND LUMBER INC.	AIR FRESHENER-ANGLE	7/30/2026	$ 23.46	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	BLADE-TOWEL-TIE DOWN RATCHET-UTILITY JUG	7/30/2026	$ 130.01	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	BUCKETS-TOWELS-CONTAINERS	7/30/2026	$ 36.79	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	COMPOUND-OUTLETS-COVERS	7/30/2026	$ 48.88	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	CONCRETE MIX	7/30/2026	$ 338.25	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	CONTAINERS-BUCKETS-LUBRICANT-TIE DOWN RATCHET-AXE-CHAIN	7/30/2026	$ 292.06	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	DRYWALL-BLADE	7/30/2026	$ 46.73	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	HANDLE EXTENSION-SOCKET SET	7/30/2026	$ 57.17	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	HOG RINGS-TOOL	7/30/2026	$ 40.20	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	LUMBER	7/30/2026	$ 538.31	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	PLIERS-WIRE-NOZZLE	7/30/2026	$ 53.68	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	SINK AUGER	7/30/2026	$ 6.51	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	TAPE-AIR FRESHENER-RATCHET STRIP-BROOM-BLADE	7/30/2026	$ 211.96	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	TARPS	7/30/2026	$ 165.28	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	TOWELS	7/30/2026	$ 21.71	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	TWINE	7/30/2026	$ 5.43	ISSUED
8824	1765	HANK'S HARDWARE AND LUMBER INC.	VALVES-FITTINGS-BUSHINGS	7/30/2026	$ 327.62	ISSUED
8824 Total					**$ 2,344.05**	
8825	2120	RYAN HERCO PRODUCTS CORP.	DAMPENER	7/30/2026	$ 2,594.76	ISSUED
8825	2120	RYAN HERCO PRODUCTS CORP.	FILTER CARTRIDGE	7/30/2026	$ 963.93	ISSUED
8825	2120	RYAN HERCO PRODUCTS CORP.	FLOW METERS-PVC PIPE	7/30/2026	$ 549.87	ISSUED
8825	2120	RYAN HERCO PRODUCTS CORP.	VALVES-GASKETS	7/30/2026	$ 2,546.83	ISSUED
8825 Total					**$ 6,655.39**	
8826	2513	ULINE	COOLING VESTS	7/30/2026	$ 1,919.50	ISSUED
8826	2513	ULINE	COOLING VESTS-FAN	7/30/2026	$ 1,406.98	ISSUED
8826	2513	ULINE	COOLING VESTS-INSERTS	7/30/2026	$ 848.25	ISSUED
8826 Total					**$ 4,174.73**	
8827	2878	KONECRANES INC.	CRANE INSPECTION	7/30/2026	$ 3,303.75	ISSUED
8827 Total					**$ 3,303.75**	
8828	3048	OREILLY AUTO PARTS	AC CONDENSER	7/30/2026	$ 123.74	ISSUED
8828	3048	OREILLY AUTO PARTS	BATTERY	7/30/2026	$ 894.31	ISSUED
8828 Total					**$ 1,018.05**	
8829	3081	LATEST CONCEPTS & DESIGNS	FITTING	7/30/2026	$ 380.63	ISSUED
8829 Total					**$ 380.63**	
8830	3354	BOOT BARN INC.	WORK BOOTS-A NOWICKI	7/30/2026	$ 210.37	ISSUED
8830	3354	BOOT BARN INC.	WORK BOOTS-S DREW	7/30/2026	$ 250.00	ISSUED
8830 Total					**$ 460.37**	
8831	3610	ENDRESS+HAUSER INC.	DISPLAY MODULE	7/30/2026	$ 651.40	ISSUED
8831	3610	ENDRESS+HAUSER INC.	ELECTROMAGNETIC FLOWMETER REPLACEMENT KIT	7/30/2026	$ 5,290.94	ISSUED
8831 Total					**$ 5,942.34**	
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 122.47	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 11.93	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 31.48	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 12.43	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 75.12	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 35.98	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 85.79	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 24.49	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 14.37	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 18.60	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 7.07	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 46.41	ISSUED
8832	3812	SOUTH COAST COPY SYSTEMS	MONTHLY COPIER CHARGES	7/30/2026	$ 34.19	ISSUED
8832 Total					**$ 520.33**	
8833	1027	BEST FOR LESS TIRES	TIE ROD ENDS	8/5/2026	$ 189.95	ISSUED
8833 Total					**$ 189.95**	
8834	1066	ALLIED TRAFFIC & EQUIP RENTAL	SAFETY VEST-SIGNS	8/5/2026	$ 113.64	ISSUED
8834 Total					**$ 113.64**	
8835	1765	HANK'S HARDWARE AND LUMBER INC.	BRASS	8/5/2026	$ 28.26	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	BUNGEE CORD-STRAP	8/5/2026	$ 16.68	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	CHISEL SET	8/5/2026	$ 14.13	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	CONTAINER-BUCKET-CLEANER	8/5/2026	$ 33.52	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	FITTING	8/5/2026	$ 46.96	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	HAMMER DRILL BITS-UTILITY KNIFE	8/5/2026	$ 38.14	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	HARDWARE	8/5/2026	$ 23.91	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	HARDWARE	8/5/2026	$ 2.52	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	HOG RINGS	8/5/2026	$ 11.95	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	HOG RINGS-SCREWS	8/5/2026	$ 12.05	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	LUMBER	8/5/2026	$ 26.89	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	PAINT-COUPLINGS-CHISEL-PIPE	8/5/2026	$ 166.74	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	PIPE WRAP-ZIP TIES	8/5/2026	$ 126.36	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	PLIERS-HEX KEY SET-SPRING-GLUE-CLEANER	8/5/2026	$ 89.64	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	RETURN-BOLT	8/5/2026	$ (4.37)	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	SPACERS-BOLTS-WASHERS-PAINT-STEEL TAP	8/5/2026	$ 111.18	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	SPOUT-CONTAINER	8/5/2026	$ 51.09	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	SPRAY-HAT	8/5/2026	$ 140.10	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	TRENCHING BLADE-HARDWARE	8/5/2026	$ 30.09	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	WHEEL CASTERS-BOLT-WASHER-NUT	8/5/2026	$ 83.69	ISSUED
8835	1765	HANK'S HARDWARE AND LUMBER INC.	WIRE	8/5/2026	$ 91.13	ISSUED
8835 Total					**$ 1,140.66**	
8836	1884	LESLIE'S POOLMART INC	POOL WATER CLARIFIER	8/5/2026	$ 50.99	ISSUED
8836 Total					**$ 50.99**	
8837	2695	CALIFORNIA T'S	SHIRTS	8/5/2026	$ 47.85	ISSUED
8837 Total					**$ 47.85**	
8838	3048	OREILLY AUTO PARTS	A/C CONDENSER-VALVE	8/5/2026	$ 150.51	ISSUED
8838	3048	OREILLY AUTO PARTS	A/C SEAL KIT	8/5/2026	$ 20.70	ISSUED
8838	3048	OREILLY AUTO PARTS	AIR CONTROL VALVE	8/5/2026	$ 74.60	ISSUED
8838	3048	OREILLY AUTO PARTS	AIR CONTROL VALVE	8/5/2026	$ 100.98	ISSUED
8838	3048	OREILLY AUTO PARTS	BATTERY	8/5/2026	$ 192.13	ISSUED
8838	3048	OREILLY AUTO PARTS	BULB	8/5/2026	$ 19.55	ISSUED
8838	3048	OREILLY AUTO PARTS	COOLANT CAP	8/5/2026	$ 10.20	ISSUED
8838	3048	OREILLY AUTO PARTS	COOLANT HOSE	8/5/2026	$ 66.45	ISSUED
8838	3048	OREILLY AUTO PARTS	COOLANT-STRUT ASSEMBLY	8/5/2026	$ 635.64	ISSUED
8838	3048	OREILLY AUTO PARTS	CUTOFF SWITCH	8/5/2026	$ 15.97	ISSUED
8838	3048	OREILLY AUTO PARTS	FAN CLUTCHES	8/5/2026	$ 310.14	ISSUED
8838	3048	OREILLY AUTO PARTS	FILTER	8/5/2026	$ 72.29	ISSUED
8838	3048	OREILLY AUTO PARTS	LIFT SUPPORT	8/5/2026	$ 40.35	ISSUED
8838	3048	OREILLY AUTO PARTS	OIL SEAL	8/5/2026	$ 12.21	ISSUED
8838	3048	OREILLY AUTO PARTS	RADIATOR	8/5/2026	$ 205.92	ISSUED
8838	3048	OREILLY AUTO PARTS	RESISTOR	8/5/2026	$ 98.84	ISSUED
8838	3048	OREILLY AUTO PARTS	RETURN-AIR CONTROL VALVE	8/5/2026	$ (100.98)	ISSUED
8838	3048	OREILLY AUTO PARTS	RETURN-BATTERY CORE	8/5/2026	$ (44.00)	ISSUED
8838	3048	OREILLY AUTO PARTS	RETURN-BATTERY CORE	8/5/2026	$ (22.00)	ISSUED
8838	3048	OREILLY AUTO PARTS	RETURN-COOLANT RESERVE-MICRO V BELT	8/5/2026	$ (278.25)	ISSUED
8838	3048	OREILLY AUTO PARTS	SEALER	8/5/2026	$ 12.82	ISSUED
8838	3048	OREILLY AUTO PARTS	SPARK PLUG-SPARK PLUG WIRE	8/5/2026	$ 57.09	ISSUED

Cash Disbursements for the Period July 18, 2026 to August 14, 2026

CHECK NUMBER	VENDOR	NAME	DESCRIPTION	CHECK DATE	AMOUNT	STATUS
8838	3048	OREILLY AUTO PARTS	WIPER BLADES	8/5/2026	$ 165.03	ISSUED
8838 Total					**$ 1,816.19**	
8839	1765	HANK'S HARDWARE AND LUMBER INC.	ANCHORS-HOOKS-HOSE	8/13/2026	$ 121.01	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	CLAMPS-CONNECTORS-CONDUIT HANGERS-BOX COVER	8/13/2026	$ 84.15	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	CONTAINER-SAW BLADE	8/13/2026	$ 62.14	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	COUPLER-FITTING-TIRE CLEANER-AIR FRESHENER	8/13/2026	$ 148.93	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	GASKET-PAINT	8/13/2026	$ 61.90	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	GLOVES-MURIATIC ACID	8/13/2026	$ 35.85	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	HARDWARE	8/13/2026	$ 21.74	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	HARDWARE-TAPE MEASURER-MENDING PLATE	8/13/2026	$ 54.78	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	KEYS	8/13/2026	$ 15.18	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	PAIL-VACUUMS	8/13/2026	$ 200.60	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	PAINT-GLOVES	8/13/2026	$ 140.14	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	PEST DETERRENT	8/13/2026	$ 7.60	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	SLINGS-SHACKLES-SCREW PIN	8/13/2026	$ 406.58	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	SPRING-MAGNET	8/13/2026	$ 11.83	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	TAPE	8/13/2026	$ 28.23	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	TAPE-AIR FRESHENER-GLOVES	8/13/2026	$ 63.44	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	TAPE-CABLE TIES	8/13/2026	$ 82.13	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	TAPE-SOLVENT-BLADES	8/13/2026	$ 22.79	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	VALVE-FUEL FILTER	8/13/2026	$ 13.35	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	VINEGAR	8/13/2026	$ 20.98	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	WASHERS-BOLTS-NUTS-PEST DETERRENT-D RINGS	8/13/2026	$ 98.38	ISSUED
8839	1765	HANK'S HARDWARE AND LUMBER INC.	WATERING CAN-WATER COOLER	8/13/2026	$ 53.27	ISSUED
8839 Total					**$ 1,755.00**	
8840	1884	LESLIE'S POOLMART INC	SODA ASH	8/13/2026	$ 55.25	ISSUED
8840 Total					**$ 55.25**	
8841	3048	OREILLY AUTO PARTS	BATTERIES	8/13/2026	$ 712.34	ISSUED
8841	3048	OREILLY AUTO PARTS	FUEL PUMP	8/13/2026	$ 196.78	ISSUED
8841	3048	OREILLY AUTO PARTS	RETURN-TIE ROD	8/13/2026	$ (49.88)	ISSUED
8841 Total					**$ 859.24**	
Net Distributions					**$ 47,809.12**	

PURCHASING CARD TRANSACTION LIST

STATEMENT PERIOD 06/30/26-07/30/26

CARDHOLDER	TRANSACTION DATE	MERCHANT NAME	STATE	PURPOSE OF THE CHARGE	AMOUNT
Bryson Cahill	07/15/2026	The Home Depot #1028	CA	Utility knife	$ 18.45
Bryson Cahill Total					**18.45**
Danielle Coats	07/27/2026	Southwes	TX	CASA Conference - Flight	426.81
Danielle Coats	07/20/2026	Eb *cmua Utility Execu	CA	CMUA Utility Executive Summit - Registration, Danielle Coats	75.00
Danielle Coats	07/10/2026	Cci	MA	Constant Contact Subscription	589.00
Danielle Coats Total					**1,090.81**
Eileen Dienzo	07/14/2026	Acwa Jpia	CA	ACWA JPIA Training Conference - Registration, Vicente De La Torre	309.00
Eileen Dienzo Total					**309.00**
Steven Drew	07/24/2026	Lowes #00907	NC	Refrigerator, Distribution Operations	**1,186.46**
Steven Drew	07/09/2026	Inland Kenworth	CA	Repair wire spool	**808.68**
Steven Drew	07/07/2026	Bc Wire & Rope	CA	Wire rope for broken rig at Well 126	**1,707.84**
Steven Drew Total					**3,702.98**
Justin Haessly	07/16/2026	Www.Doodle.Com	ZUR	Calendar coordination software	**15.15**
Justin Haessly	07/05/2026	Openai *chatgpt Subscr	CA	ChatGPT Subscription	**175.00**
Justin Haessly	07/03/2026	Twilio Sendgrid	CA	Email activity history and API access for Water Use Efficiency	**101.95**
Justin Haessly Total					**292.10**
Kyle Jeffries	07/24/2026	Kalaveras Moreno Valley	CA	Western Water Efficiency Workgroup Meeting - Lunch - Kyle Jeffries and Yolanda Vejar	**69.60**
Kyle Jeffries Total					**69.60**
Todd Landen	07/28/2026	Ebay O*06-14823-83247	CA	Electrical Parts, Domenic Antonellis - Refund as order not fulfilled	**(1,226.21)**
Todd Landen	07/27/2026	Ebay O*06-14823-83247	CA	Electrical Parts, Domenic Antonellis - Refund as order not fulfilled	**(357.80)**
Todd Landen	07/27/2026	Openai *chatgpt Subscr	CA	District Subscription	**141.41**
Todd Landen	07/23/2026	Lake Elsinore Storm	CA	Tickets, Kate Simmons	**1,240.00**
Todd Landen	07/24/2026	Starlink Internet	CA	Starlink mobile internet service	**330.00**
Todd Landen	07/10/2026	Hudson Temecula Llc	CA	Baseboards for office renovation	**37.93**
Todd Landen Total					**165.33**
Krista Larocchia	07/23/2026	Amazon Reta* Rw95y3v83	WA	Employee Service Awards for August 2026	**525.00**
Krista Larocchia	07/23/2026	Amazon Reta* Y12zu4xx3	WA	Employee Service Awards for August 2026	**150.00**
Krista Larocchia	07/17/2026	76 - Temecula Fuels Corp	CA	ACWA Ernie Avila and Board - District Tour	**31.88**
Krista Larocchia	07/13/2026	Gotprint.Com	CA	Business cards, Pat Elsasser and Robert Behrmann	**66.81**
Krista Larocchia	07/13/2026	Target.Com	MN	Bring Your Kid to Work Day snacks	**135.24**
Krista Larocchia	06/30/2026	Ezcater*jersey Mikes S	MA	Standard & Poor's - Rating presentation meeting	**91.26**
Krista Larocchia	07/01/2026	California Municipal C	CA	Training, Jordin Holmquist-Wilder	**350.00**
Krista Larocchia Total					**1,350.19**
Ethan Lawrence	07/15/2026	Hanks Hdwe And Lbr	CA	Sanitary survey repair parts, Baldaray	**23.03**
Ethan Lawrence	07/09/2026	Hanks Hdwe And Lbr	CA	Sanitary survey repair parts	**72.91**
Ethan Lawrence Total					**95.94**
Colby Lawton	07/28/2026	Southwes	TX	CASA Conference - Flight, Colby Lawton	**356.80**
Colby Lawton	07/28/2026	Budget.Com Prepay	VA	CASA Conference - Rental car, Colby Lawton	**207.46**
Colby Lawton Total					**564.26**
Daniel Lohre	07/28/2026	Gh Pacific Rst & Cc	CA	PARMA Conference - Hotel	**410.03**
Daniel Lohre	07/27/2026	Parma* Ca	CA	PARMA Conference - Registration	**749.00**
Daniel Lohre	07/14/2026	3m	MN	Training material - Fall Protection Authorized User	**3,457.50**
Daniel Lohre	07/13/2026	Gotprint.Com	CA	Business Cards	**44.24**
Daniel Lohre Total					**4,660.77**
Nikolay Lyuber	07/13/2026	Smartsheet* Smartsheet	WA	Smartsheet Engage 2026 Conference - Registration, David McDaniel	**1,675.00**
Nikolay Lyuber	07/09/2026	Alaska Air	WA	2026 Annual Tri-State Conference/Seminar - Registration, David McDaniel	**168.40**
Nikolay Lyuber	07/09/2026	Delta Air	WA	2026 Annual Tri-State Conference/Seminar - Flight, David McDaniel	**140.40**

PURCHASING CARD TRANSACTION LIST

STATEMENT PERIOD 06/30/26-07/30/26

CARDHOLDER	TRANSACTION DATE	MERCHANT NAME	STATE	PURPOSE OF THE CHARGE	AMOUNT
Nikolay Lyuber	07/10/2026	Expedia 73492270389257	WA	2026 Annual Tri-State Conference/Seminar - Booking Fee, David McDaniel	2.39
Nikolay Lyuber	07/04/2026	So Pt Hotel And Casino	NV	2026 Tri-State Conference - Hotel, Steve Estrella	394.05
Nikolay Lyuber	07/01/2026	So Pt Hotel And Casino	NV	2026 Tri-State Conference - Hotel, David McDaniel	125.35
Nikolay Lyuber	07/01/2026	So Pt Hotel And Casino	NV	2026 Tri-State Conference - Hotel, David McDaniel	125.35
Nikolay Lyuber	07/01/2026	Tri-State* Tri-State S	AZ	2026 Tri-State Conference - Registration, David McDaniel	99.00
Nikolay Lyuber	07/01/2026	Www.Cmaanet.Org	VA	CMAA 2026 Conference - Registration, Nik Lyuber	875.00
Nikolay Lyuber Total					**3,604.94**
Jason Martin	07/27/2026	Tst*oscars Brewing Co	CA	Monthly check in - Director Harkey	58.96
Jason Martin	07/21/2026	La Cocina Bar And Grill	CA	Monthly check in - President Brady	47.78
Jason Martin	07/08/2026	Tst*burgers & Beer - Tem	CA	Monthly check in - Director Hoagland	60.33
Jason Martin	07/07/2026	Tst*mos Egg House New	CA	Breakfast with EVMWD GM Greg Thomas	34.52
Jason Martin	07/06/2026	Bluewater Temecula	CA	Monthly check in - Director Plummer	67.64
Jason Martin	07/01/2026	Bluewater Temecula	CA	Monthly check in - Director Rossi	65.46
Jason Martin Total					**334.69**
Fernando Mata	07/28/2026	Mettler Toledo	OH	Replacement laboratory scale	6,100.88
Fernando Mata	07/28/2026	Mettler Toledo	OH	Freight - replacement laboratory scale	105.43
Fernando Mata Total					**6,206.31**
Bryan Melton	07/30/2026	Gotprint.Com	CA	Recruitment information business cards	44.24
Bryan Melton	07/20/2026	Lcw		New Hire Training - Public Service: Understanding the Roles and Responsibilities of Public Employees	33.33
Bryan Melton	07/09/2026	Bcwj* 3-Job-Package	CA	Recruitment advertising	550.00
Bryan Melton Total					**627.57**
Henry Miller	07/22/2026	Ezcater*panera Bread	MA	Lunch, all attendees of two-day pump training class	528.47
Henry Miller Total					**528.47**
Kathleen Naylor	07/09/2026	Calpers Cvent	CA	CALPERS Educational Forum - Registration, Kathy Naylor	549.00
Kathleen Naylor	07/08/2026	Calpers Cvent	CA	CALPERS Educational Forum - Registration, Bill Moses	549.00
Kathleen Naylor Total					**1,098.00**
Lauren Nelson	07/09/2026	Sq *nexgen Asset Manageme	CA	NexGen Conference - Ashlynn Pattschull and Lauren Nelson	3,500.00
Lauren Nelson Total					**3,500.00**
Lane Parker	07/15/2026	The Home Depot 1028	CA	Tools for Unit 207	341.16
Lane Parker Total					**341.16**
Ashlynn Pattschull	07/15/2026	Stapls7683364689001001	NJ	Office Supplies	57.07
Ashlynn Pattschull	07/13/2026	Gotprint.Com	CA	Business cards, Brett Graham	33.28
Ashlynn Pattschull	07/09/2026	Stapls7916031786002001	NJ	Office Supplies	132.92
Ashlynn Pattschull Total					**223.27**
Sergio Ramirez	07/15/2026	Mfcp Escondido Ca	CA	Hydraulic hose	90.76
Sergio Ramirez	07/10/2026	Surfaceprep	MI	Bag for sand blaster	55.47
Sergio Ramirez	07/07/2026	Mfcp Escondido Ca	CA	Quick connect fittings for hydro ex high pressure gun	227.84
Sergio Ramirez Total					**374.07**
Daniel Ruiz	07/14/2026	Southwes	TX	CASA Conference - Airfare, Dan Ruiz	364.80
Daniel Ruiz Total					**364.80**
Jennifer Serna	07/28/2026	Ezcater*luna Grill	MA	Lunch, Rancho/ WMWD Joint Ad Hoc Meeting	389.91
Jennifer Serna	07/28/2026	California Municipal C	CA	Certified Municipal Clerk Institute Training #1	500.00
Jennifer Serna	07/23/2026	Eb *cmua Utility Execu	CA	CMUA Utility Executive Summit - Registration, Jason Martin	75.00
Jennifer Serna	07/23/2026	Taylorhartmanenterpris	UT	Women in Business Conference - Assessment, Jennifer Serna	15.05
Jennifer Serna	07/22/2026	Taylorhartmanenterpris	UT	Women in Business Conference - Assessment, Bettinna Prescott	15.05
Jennifer Serna	07/21/2026	In *urban Water Institute	CA	UWI Conference - Harbor Cruise, Director Hoagland	75.00
Jennifer Serna	07/18/2026	Asap	ME	Board Governance for Admins Webinar, Bettinna Prescott	395.00

PURCHASING CARD TRANSACTION LIST

STATEMENT PERIOD 06/30/26-07/30/26

CARDHOLDER	TRANSACTION DATE	MERCHANT NAME	STATE	PURPOSE OF THE CHARGE	AMOUNT
Jennifer Serna	07/16/2026	Ezcater*luna Grill	MA	Lunch - ACWA President, for Ernie Avila, Visit and Tour	299.78
Jennifer Serna	07/08/2026	Its Tabu Sushi Bar & Gri	CA	Department Vision Lunch Meeting, Bettinna Prescott	74.17
Jennifer Serna	07/08/2026	Flower Bowl Florist	CA	Sympathy Flowers to ACWA President Ernie Avila	145.35
Jennifer Serna Total					**1,984.31**
Karrie Swaine	07/30/2026	Government Finance Office	IL	GFOA, Budget award application fee	490.00
Karrie Swaine	07/08/2026	Calpers Cvent	CA	CalPERS Educational Forum - Registration, Carli Covey, Julia Ruelas, and Nazuki Elliott	1,647.00
Karrie Swaine Total					**2,137.00**
Kimberly Wall	07/28/2026	Etsy.Com*lemonbells	NY	Bottle labels	38.13
Kimberly Wall	07/23/2026	Py *california T S	CA	Uniforms, Jaylani Miller	78.31
Kimberly Wall	07/15/2026	Namebadge.Com	FL	Business cards, Jaylani Miller	31.57
Kimberly Wall Total					**148.01**
Tom Wallace	07/30/2026	City Of*murrieta Ca	CA	City of Murrieta permit fees	80.85
Tom Wallace	07/30/2026	Tyl*murrieta Serv Fee	TX	City of Murrieta permit processing fee	4.69
Tom Wallace	07/30/2026	Tyl*murrieta Serv Fee	TX	City of Murrieta processing fee	3.03
Tom Wallace	07/22/2026	In-N-Out Temecula	CA	Dinner for crew on an after-hours job	122.89
Tom Wallace	07/10/2026	In-N-Out Temecula	CA	Dinner - emergency mainline leak on Calle De Lobo	138.11
Tom Wallace	06/30/2026	City Of*murrieta Ca	CA	City of Murrieta Permit Fees	78.35
Tom Wallace	06/30/2026	Tyl*murrieta Serv Fee	TX	City of Murrieta Permit Fees	2.94
Tom Wallace Total					**430.86**
Justin Weeks	07/27/2026	Apple.Com/Bill	CA	iCloud back up for District cell	0.99
Justin Weeks	07/24/2026	Simply Dents, Inc	CA	Paintless dent removal, Unit 242	800.00
Justin Weeks	07/09/2026	Opc State Wb Fee	NE	D5 renewal, fee	4.26
Justin Weeks	07/09/2026	State Water Board	CA	D5 renewal	155.00
Justin Weeks Total					**960.25**
Daniel Zarate-Poore	07/18/2026	Onset Computer Corp	MA	Temperature probe for stratification study	106.88
Daniel Zarate-Poore	07/16/2026	Hanks Hdwe And Lbr	CA	Parts for VDC salt hopper	10.58
Daniel Zarate-Poore Total					**117.46**
Grand Total					**$ 35,300.60**

Rancho Water

COMMITTEE INFORMATION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 2.A: **Presentation of Fiscal Year 2025/2026 Results Summary**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Karrie Swaine, Controller

RECOMMENDATIONS:

The attached summary report is presented for the Finance and Audit Committee's (Committee) review and information.

DISCUSSION:

Included herewith is staff's summary presentation of the finanial results of the Rancho California Water District (Rancho Water/ District) and its three operating divisions for the fiscal year ended June 30, 2026. Staff will provide a PowerPoint presentation highlighting the major factors of Rancho Water's results summary and will respond to any inquiries or comments by the Committee.

ALTERNATIVES:

Not applicable

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Fiscal Year 2025/2026 Results Summary

Rancho Water

WORKING FOR OUR COMMUNITY

FISCAL YEAR 2025/2026 RESULTS SUMMARY









42135 Winchester Road, Temecula, CA 92590

(951)296-6900 | www.RanchoWater.com

Rancho Water Fiscal-Year Results Summary

Below is a summary of the results for Rancho California Water District (Rancho Water/District) for fiscal year (FY) ending June 30, 2026. The District is comprised of three primary divisions (Rancho, Santa Rosa, and Wastewater). The report compares the consolidated FY 2025/2026 operating results to the previous FY 2024/2025 operating results.

The major Districtwide operational factors that contributed to the FY 2025/2026 results were:

- Decrease of 24 percent in wastewater treatment costs;
- Decrease of 13 percent in general and administrative support costs;
- Decrease of 4 percent in water consumption;
- Decrease of 4 percent in source of supply costs attributed to savings resulting from the participation in the Reverse Cyclic Program in partnership with Metropolitan Water District of Southern California (MWD);
- Corrective maintenance costs decreased by 22 percent;
- Increase of 7 percent in taxes and assessment revenue;
- Decrease of 39 percent in investment income;
- Decrease in non-operating revenue by 59 percent due to the $26 million Pechanga Settlement received in prior fiscal year;
- Decrease of $1.7 million in capital contributions; and
- Non-Cash Accounting Adjustments:
    - Pension and Other Post-Employment Benefits (OPEB) year-end adjustments;
    - Fair market value investment year-end adjustments; and
    - Valuation of future leases and subscriptions.

Rancho Water Fiscal-Year Results Summary

PRELIMINARY ANNUAL AUDIT RESULT

	Final 2026	*Final* 2025	$ Change	% change
Operating Revenues:				
Water Sales	$ 48,737,930	$ 48,587,991	$ 149,939	0.3%
Water Availability Charges	26,352,000	24,987,037	1,364,963	5%
Other Services and Abatements	5,142,129	5,087,925	54,204	1%
Reclass From / (To) Non-Operating Expense	17,670,723	15,189,767	2,480,957	16%
Total Operating Revenues	97,902,782	93,852,719	4,050,063	4%
Operating Expenses:				
Source of Supply	54,291,108	56,633,944	(2,342,836)	-4.1%
General and Administrative	12,994,098	14,854,489	(1,860,391)	-12.5%
Transmission and Distribution	10,702,337	10,425,538	276,799	2.7%
Other Operating and Support Services	5,779,655	5,221,283	558,372	10.7%
Booster & Pumping	4,661,073	4,934,761	(273,688)	-5.5%
Reclaimed Water	2,889,330	3,080,431	(191,101)	-6.2%
Wastewater Treatment	1,381,344	1,827,577	(446,232)	-24.4%
Total Operating Expenses	92,698,947	96,978,023	(4,279,077)	-4.4%
Net Operating Income/(Loss)	**5,203,835**	**(3,125,304)**	**8,329,139**	**-266.5%**
Non-Operating Revenues and (Expenses):				
Taxes, Assessments, & Standby Charge	64,492,702	60,329,248	4,163,454	6.9%
Investment Income	12,032,572	19,744,329	(7,711,757)	-39.1%
Government Subsidy	340,093	340,093	-	0.0%
Capital Replacement	3,747,700	3,985,693	(237,993)	-6.0%
Investment in Joint Venture	(1,855,071)	(1,457,941)	(397,129)	27.2%
Vail Operations Income / (Expense)	455,608	447,504	8,103	1.8%
Depreciation	(24,169,891)	(23,700,356)	(469,535)	2.0%
Interest Expense	(7,544,478)	(7,515,573)	(28,905)	0.4%
Reclass From / (To) Operating Expense	(17,670,723)	(15,189,767)	(2,480,957)	16.3%
Other	11,163,922	27,064,062	(15,900,140)	-58.8%
Net Non-operating income / (Loss)	**40,992,433**	**64,047,291**	**(23,054,859)**	**-36.0%**
Change in Net Position Before Capital Contributions	**46,196,268**	**60,921,987**	**(14,725,719)**	**-24%**
Capital Contributions	1,557,300	3,244,076	(1,686,775)	-52.0%
Change in Net Position	**$ 47,753,568**	**$ 64,166,063**	**$ (16,412,495)**	**-25.6%**

Executive Summary

For FY 2025/2026, the District increased its Net Position by $47.8 million, resulting from a net operating income of $5.2 million, non-operating income of $41 million, and $1.6 million in capital contributions. The change in net position includes non-cash accounting year-end adjustments related to pension; OPEB; new Government Accounting Standards Board (GASB) accounting requirements related to lease and IT subscriptions; and the unrealized fair market value (FMV) investments adjustment. The net of these non-cash adjustments was minimal this year, totaling $16,000. Below is a breakdown showing the increase in net position of $47.8 million without the accounting adjustments:

Change in Net Position 6/30/2026	$	47,753,568
Add back accounting adjustments:		
Operating		
GASB Change to Pension and OPEB Expense		(862,135)
Non-Operating		
GASB Change for Leases		(341,659)
GASB Change for Subscriptions		383,242
Unrealized FMV of Investments Adjustment		804,169
		(16,382)
Increase in Net Position Without Accounting Adjustments	**$**	**47,737,186**

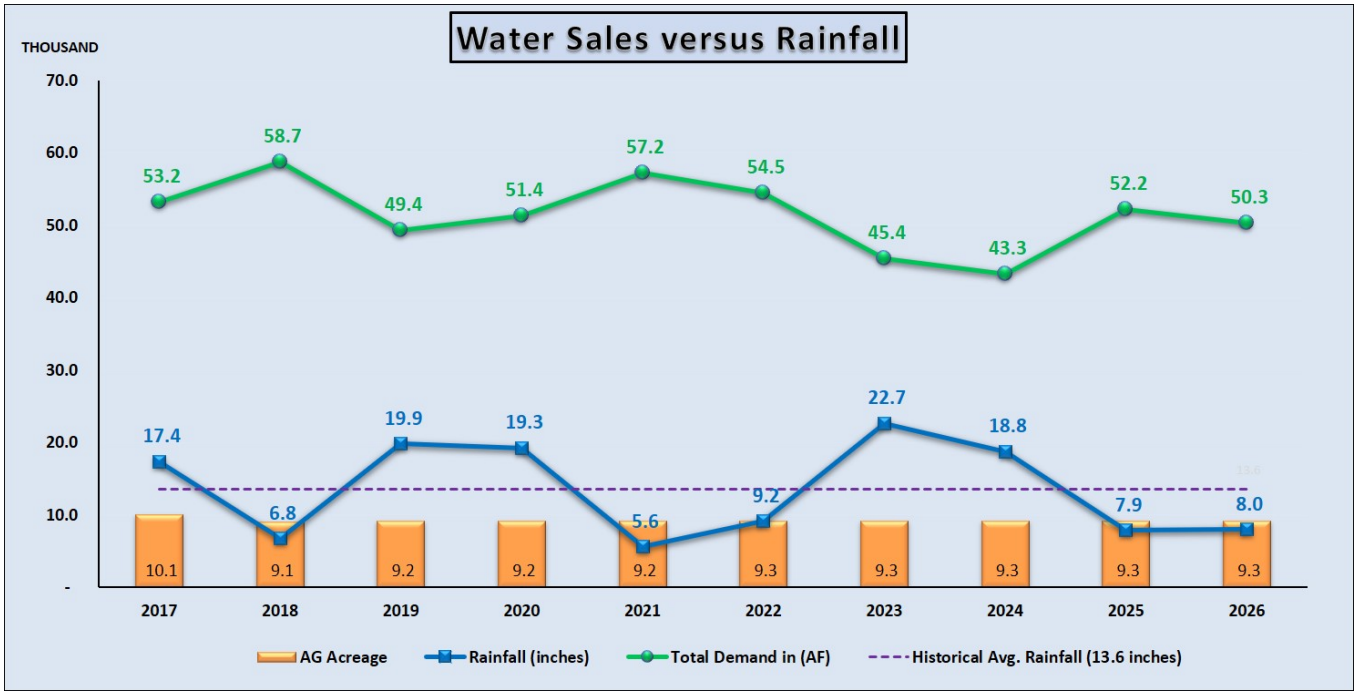
Rancho Water recorded a net operating income of $5.2 million in FY 2025/2026, representing an increase in net income of $8.3 million as compared to the prior year. Excluding year-end non-cash accounting adjustments, operations would have resulted in a net operating income of $4.3 million. Operating results are heavily influenced by water consumption and the production mix of purchased versus native water. Water consumption declined this fiscal year as compared to prior year despite similar average rainfall. The five-year rate study planned for fluctuations due to weather conditions and the FY 2025/2026 budget included a reserve use of $1.7 million.

The District's growth remained flat at 0.1 percent, adding 43 new water services this year, bringing the total to 45,742 water customers. The number of accounts within the District's wastewater service area also experienced minimal growth this year with the addition of twelve units, resulting in a total of 8,405 equivalent dwelling units (EDUs). The District is reimbursed for operating costs for the Santa Rosa Regional Resources

Authority (SRRRA) to treat wastewater. The Wastewater Division and both water divisions contribute funds to the SRRRA to cover their proportional share of operating results, debt service, and capital replacement/ acquisition costs.

Water Sales

In FY 2025/2026, California continues to experience warmer weather, with rainfall in the District's service area only slightly increased from 7.9 to 8.0 inches compared to the prior year. Water consumption declined from 52,224 acre-feet (AF) to 50,279 AF. The total decrease in water consumption is 1,945 AF or 4 percent. Although water consumption decreased, total water sales increased by $150,000 or 0.3 percent due to water rate increases.

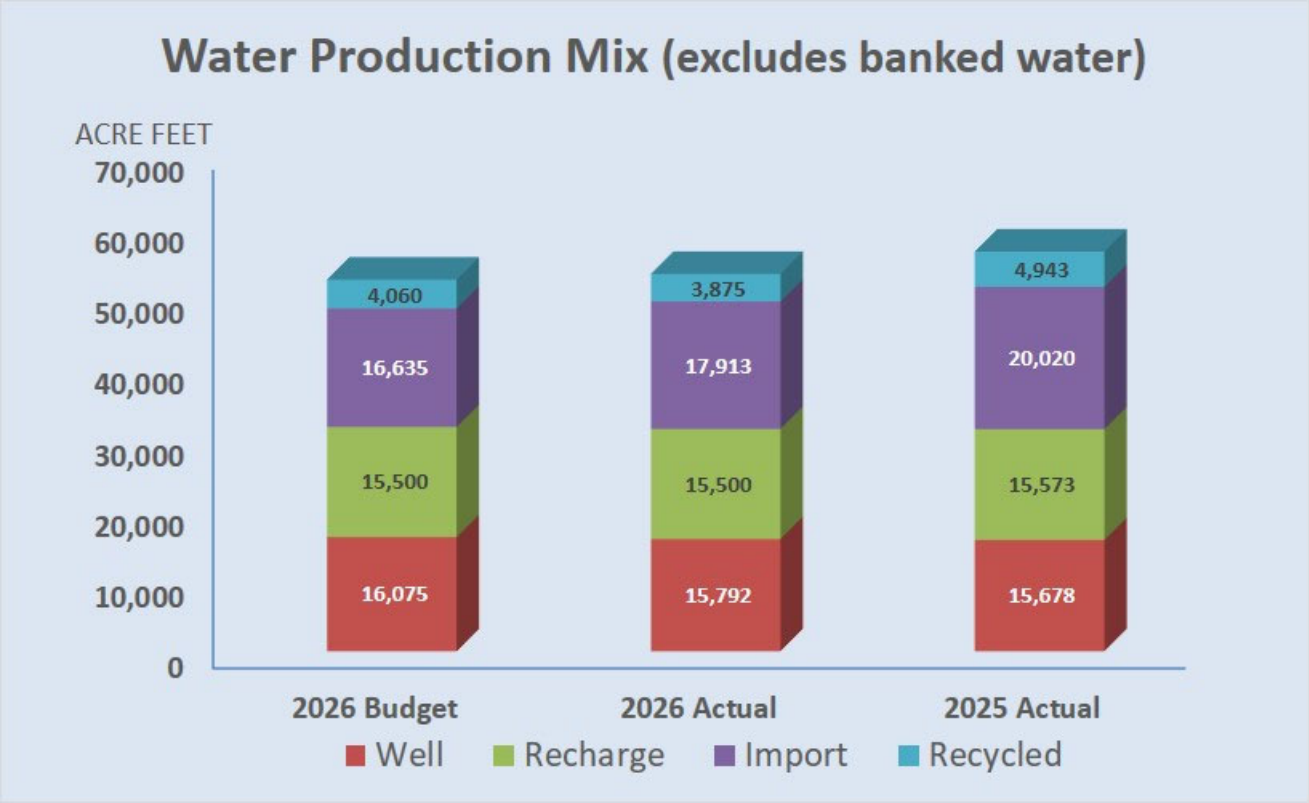


Water Supply and Efficiency

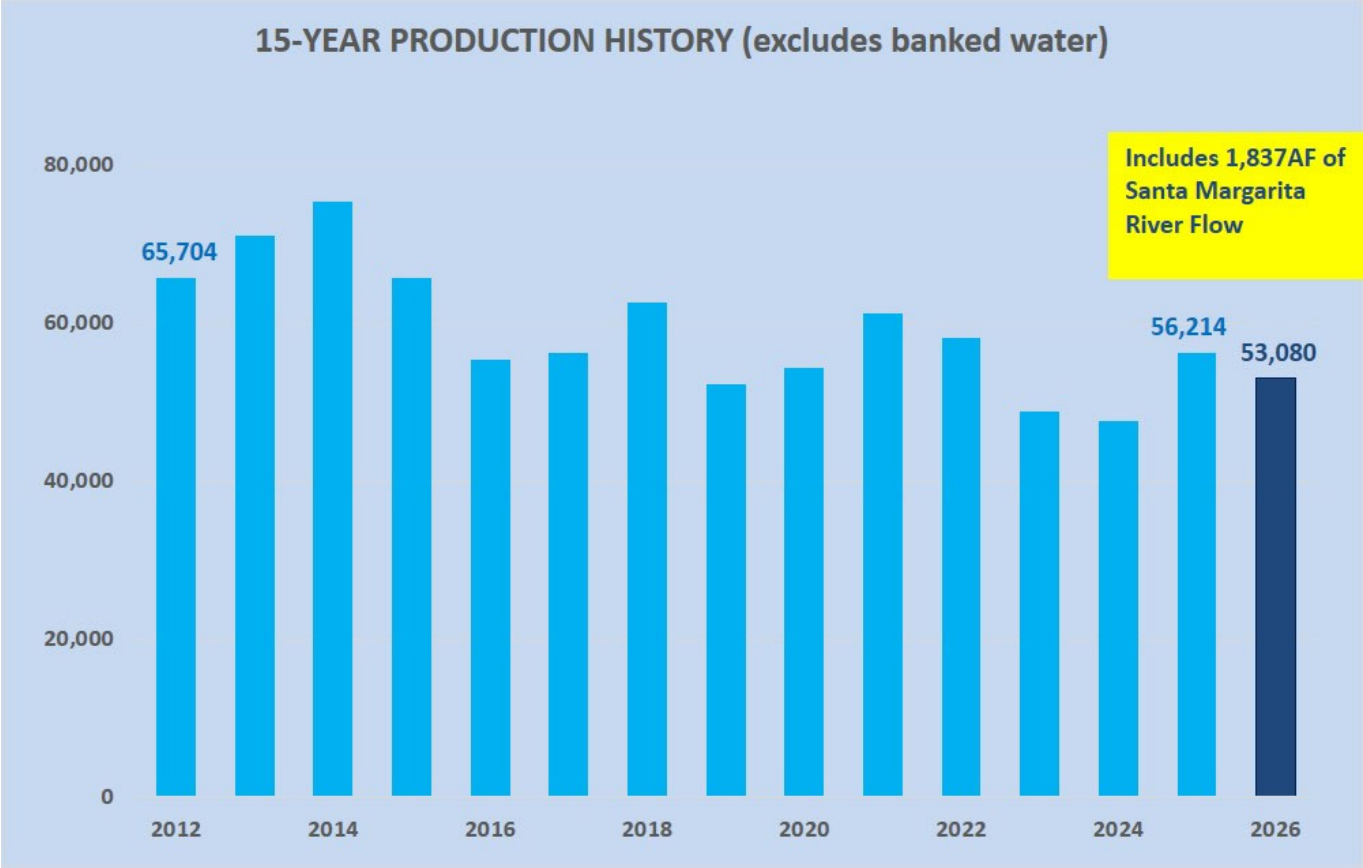
Managing the groundwater basin remains a top priority for the District, particularly considering the extreme drought cycles experienced over the past two decades. Although the region experienced some relief with increased rainfall in 2023 and 2024, Southern California continued to experience a dry FY 2025/2026. As a result, the District remains committed to promoting conservation and sustainable water use practices.

Groundwater continues to be the most cost-effective water source for the District. As such, operational efforts are focused on minimizing reliance on imported (purchased) treated water. The District's goal remains optimizing water production within the limits established by an annual groundwater audit. This

audit assesses the safe yield of groundwater levels, ensuring that total groundwater production, including both recharge and native groundwater, remains sustainable. Any additional water required to meet customer demand beyond what is produced from groundwater is supplemented by purchases of treated-imported water. In FY 2025/2026, groundwater accounted for 15,792 AF or 30 percent of the total water delivered to District customers, reflecting a 2 percent increase compared to the previous year. In contrast, the share of imported water decreased by 2 percent, comprising 34 percent of the total supply for the year.



Additionally, the District participated in the Reverse Cyclic Program in FY 2024/2025 in partnership with the Metropolitan Water District of Southern California (MWD) by pre-purchasing 3,854 AF or $4.9 million from Eastern Municipal Water District (EMWD) and 3,961 AF or $5 million from Western Municipal Water District (WMWD), which was recorded as water inventory and did not impact net operating expenses at that time. The Reverse Cyclic Program enabled the District to pre-purchase imported water at current full-service rates for deferred delivery over the next five years. Given the ongoing inflationary environment, securing water at earlier prices led to significant future cost savings. In FY 2025/2026, EMWD delivered 2129 AF, resulting in $579,000 savings and WMWD delivered 3,961 AF, resulting in $1.1 million in savings. To date, Rancho Water has 1,725 AF from EMWD remaining in inventory.



Source of Supply costs totaled $54.3 million (excluding related G&A costs), a decrease of $2.3 million, or 4 percent, from the prior year. Despite an approximately 9-percent increase in the average cost of purchased water, with treated water increasing from $1,415 to $1,548 per AF and untreated water increasing from $924 to $996 per AF, overall costs declined primarily due to savings from participation in the Reverse Cyclic Program and lower production and maintenance costs, as operational efforts were focused on other areas of water operations. Santa Margarita water deliveries decreased by 2,266 AF, or 55 percent, primarily due to lower flow requirements associated with the fiscal year's dry-year designation. Required flows fluctuate based on the flow regime established under the Cooperative Water Resources Management Agreement (CWRMA).

The water production comparison for FY 2025/2026 shows a decrease in total production quantities by 3,134 AF, or 6 percent, compared to the previous year. The District continues to manage the groundwater basin sustainably through its cyclic storage and banked-water programs. As of FY 2025/2026, the District still holds a total of 23,388 AF of banked water. Beginning in FY 2026/2027, the District budgeted to use 500 AF of banked water estimated to cost $400,000.

Other Operating Income

Other Services and Abatements operating the income category is slightly higher than the prior year by $54,000. This revenue category mostly consists of wastewater service charges, site lease revenue, service connections, delinquent fees, and billing charges. Wastewater service revenues slightly increased by $23,000 primarily due to the increase in the operating component of wastewater rates, as detailed below and the addition of 12 EDUs and other miscellaneous service revenues.

Wastewater Rate Component	FY 2025/2026	FY 2024/2025	Change
O&M	$ 23.84	$ 23.57	$ 0.27
Replacement	6.37	4.91	1.46
Capital/ Debt Service	18.60	18.90	(0.30)
Total	**$ 48.81**	**$ 47.38**	**$ 1.43**

Other Operating Costs

Overall, total operating expenses for FY 2025/2026 declined by $4.3 million as compared to the prior year, as illustrated in the table below:

Operating Expenses

	FY 2025/2026	FY 2024/2025	$ Change	% Change
Source of Supply	$ 54,291,108	$ 56,633,944	$ (2,342,836)	-4%
Other Operating Costs				
General and Administrative	12,994,098	14,854,489	(1,860,391)	-13%
Transmission and Distribution	10,702,337	10,425,538	276,799	3%
Other Operating and Support Services	5,779,655	5,221,283	558,372	11%
Booster & Pumping	4,661,073	4,934,761	(273,688)	-6%
Reclaimed Water	2,889,330	3,080,431	(191,101)	-6%
Wastewater Treatment	1,381,344	1,827,577	(446,232)	-24%
	38,407,838	40,344,079	(1,936,241)	-5%
Total Operating Expenses	**$ 92,698,947**	**$ 96,978,023**	**$ (4,279,077)**	**-4%**

Other than Source of Supply, operating costs decreased by almost $2 million in FY 2025/2026 primarily from lower-than-expected General and Administrative (G&A) costs by $1.9 million offset by increase in Transmission and Distribution (T&D) of $277,000 and Other Operating and Support Services of $559,000, as compared to last year.

District staff is consistently focused on improving efficiency and reducing costs. The G&A category consists of costs such as District support labor, fringe benefits, fleet and equipment. Labor costs are incorporated within each functional cost category, as well as capital projects. The current year's administrative costs decreased by approximately $1.9 million, attributed to several vacancies of key positions resulting from retirements toward the end of last fiscal year and the GASB adjustments. The accounting adjustments from GASB Statement 68 pension and GASB Statement 75 OPEB decreased the pension and OPEB recorded expenses by $863,000 compared to actual contributions paid. These GASB statements do not change contribution rates or cash flow; they merely require that the expenses are reflected by a financial reporting measure that accelerates deferred items over a shorter amortization period than the actuarial calculations.

The increases in T&D and Other Operating and Support Services were largely driven by continued challenges of aging infrastructure and growing service demands. The distribution system saw a steady increase in both the frequency and severity of leaks and field observations, resulting in 156 total leaks, which included several major pipeline breaks. These events contributed to $3.6 million in corrective maintenance expenditures. These costs were partially mitigated by the deployment of the District's new Hydro Excavator, which allowed staff to locate and assess pipeline breaks more quickly without relying as heavily on outside underground leak detection services. This contributed to the corrective maintenance costs for T&D to be approximately $1.3 million lower than the prior year. The Other Operating and Support Services, which include customer service, engineering, and other functions, increased. The increase was primarily due to higher property insurance costs; additional customer support associated with the major pipeline breaks; and an increase in customer billing system costs.

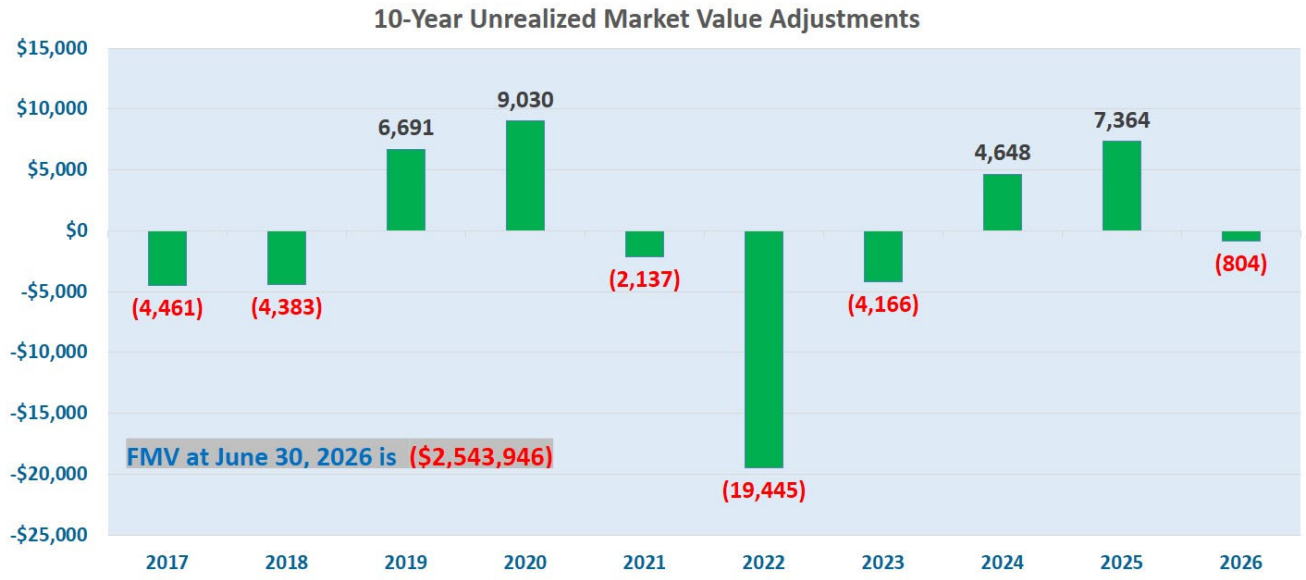
The District's ongoing practice to cost-effectively source materials and services helps mitigate the persistent inflation, particularly in chemical and waste disposal costs. Several planned maintenance activities, such as the solar powered mixers were deferred pending re-evaluation of operational needs and the scheduled algae treatments did not occur, as those services are contingent on weather conditions and system demands. Reclaimed water and wastewater costs declined by $192,000 and $447,000, respectively which include $9,000 in corrective maintenance.

Corrective Maintenance				
	FY 2025/2026	FY 2024/2025	$ Change	% Change
Source of Supply	$ 127,309	$ 99,248	$ 28,061	28%
Transmission & Distribution	3,567,142	4,806,949	(1,239,807)	-26%
Booster	80,137	33,132	47,005	142%
Reclaimed	91,476	47,830	43,646	91%
Wastewater	144,725	179,812	(35,087)	-20%
Total	**$ 4,010,789**	**$ 5,166,971**	**(1,156,182)**	**-22%**

Non-Operating

Net non-operating income for FY 2025/2026 is $41 million, representing a decrease of $ 23.1 million or 36 percent as compared to the prior year. The significant decrease is primarily attributable to the $26 million Pechanga Settlement received last year, $7.7 million decrease in investment income, including the FMV adjustment discussed below, and a combined $3.2 million decrease in other categories including changes in joint ventures, Vail operations, and more. These decreases were partially offset by a $5 million increase in net grant revenues, $4.6 million from the PFAS Settlement, and a $4.2 million increase in taxes, assessments, and standby charges.

As noted in the summary section and graph below, excluding the year-end FMV adjustment, unadjusted net non-operating income amounts to $41.8 million. For FY 2025/2026, the FMV adjustment reflects an unrealized loss of $805,000 compared to an unrealized gain of $7.4 million in the previous year. Although the adjustment shifted from a gain to a loss, the change reflects normal market fluctuations associated with interest rate and economic conditions. The significant FMV gains recognized in recent years largely represented a recovery from the substantial market value decline experienced in 2022. Overall, the cumulative FMV adjustments have been favorable to the District by bringing the market value of its investment portfolio closer to par value. Actual interest income without the unrealized adjustment is $13.2 million compared to $12 million, attributed to the increase in average yield of 3.7 percent compared to 3.3 percent in the previous year.



The current year assessed land values and general-purpose levy increased by 4.5 percent over last year. Property tax revenue, assessments, and standby charges increased from the prior year by $4.2 million or 7 percent. Other non-operating categories such as government subsidies, capital replacement, investment in joint ventures, interest expense, and others decreased by $16.6 million. The change is primarily due to the $26 million Pechanga Settlement received last fiscal year, offset by receipt of $4.6 million in the PFAS Settlement and an increase of $5 million in grant revenues. Depreciation expense increased by $470,000 due to the capitalization of several major capital projects, adding almost $17.1 million in additional new assets.

The current year's activities resulted in an increase in Net Position of $47.8 million compared to the prior year's increase of $64.2 million.

Vail Lake Operations

The District acquired the Vail Lake Property in August 2014 and in 2019 negotiated a long-term lease agreement with KAMP VL with the annual fee to be paid to the District based on an agreed-upon percentage of gross revenue. In FY 2025/2026, KAMP VL paid $461,000 to the District. The only remaining expenses are incurred in maintaining the District's surrounding property.



There are two main categories of operational expenses remaining for the Vail Lake Property, consisting of security and minor operational costs. Annual operational costs were $549 for labor and $4,400 for outside services and materials. The results of total operations for Vail Lake activities were a net income of $456,000 compared to $396,000 in the prior year.

Budget versus Actual Results

The District reported a Net Operating income of $5.2 million, which exceeds the budgeted operating loss of $1.7 million. This positive variance is primarily attributed to $6.1 million lower-than-expected operating expenses, which include a gain of $862,000 from the year-end accounting adjustments for pension and OPEB expenses. Excluding these accounting adjustments, the net operating gain would have been $4.3 million. The District has continued to effectively forecast water revenues utilizing historical data, including over ten years of precipitation trends, along with a strong understanding of water supply conditions, proactive conservation efforts, and the ongoing implementation of the Budget-Based Tiered Rate (BBTR) structure. For FY 2025/2026, budgeted water revenues were based on drought conditions that have persisted in the past years. Although

the District's service area experienced a very dry year, actual water sales remained fairly close to budget, exceeding projections by $918,000 or 2 percent. Actual water consumption for the current year is 50,279 AF compared to a budget of 49,794 AF.

As shown in the table below, water production was over budget by 995 AF in potable water and under budget by 185 AF in recycled water. Although the water production in AF is over budget, the total actual source of supply cost is $54.5 million in the current year compared to a budget of $58.2 million, resulting in costs that were under budget by $3.7 million largely attributed from the savings resulting from the participation in the Reverse Cyclic Program with EMWD and WMWD, and an overall lower-than-expected maintenance support costs for this category, as most of the operational maintenance work were focused in other functions such as Transmission and Distribution.

WATER PRODUCTION MIX (AF)			
	BUDGET TO DATE	ACTUAL TO DATE	OVER/(UNDER) BUDGET
Native Well	16,075	15,792	(283)
Recharge Well	15,500	15,500	0
Cyclic Storage	-	-	-
Import	16,635	17,913	1,278
Recycled	4,060	3,875	(185)
Total	52,270	53,080	810

Net Non-Operating Revenue was $41 million, which is $25.5 million under budget. Non-cash year-end adjustments such as FMV, leases, and IT subscriptions in the amount of $846,000 are included in the actual; however, these are non-budgeted items. Without these year-end adjustments, the net non-operating revenue is $41.8 million as compared to the budget of $66.5 million (the budget includes the $26 million Pechanga Settlement). The budget-to-actual results are attached below.

Comparison of Divisional Operating Results to Budget

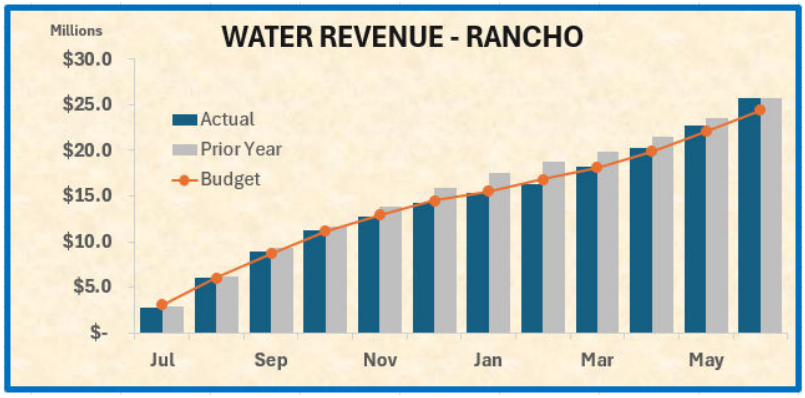
Financial Statements Monthly Review

June 30, 2026

The District's financial statements as of June 30, 2026 are included for the Committee's review. The following is a highlight summary of their contents.

Rancho Water Division

Operating Revenues: The Sales Mix chart shows that demand is over budget in most of the categories, except for Ag which is under budget. Total water sales quantities are 1,560 acre-feet (AF) or 5.5 percent over budget. Actual water revenue is over budget by $1,337,951, or 5.5 percent; the energy revenue is over budget by $109,936, or 5.5 percent.





SALES MIX (AF) - RANCHO DIVISION	BUDGET TO DATE	ACTUAL TO DATE	OVER/ (UNDER)
Ag	1,936	1,835	(101)
Ag/Dom	2,166	2,272	106
Domestic	16,598	17,210	612
Other	7,694	8,637	943
Recycled	2,828	2,828	-
Total	31,222	32,782	1,560

Energy revenue represents 130.2 percent of booster energy costs allocated to the Rancho Division.

Source of Supply Costs: Purchased Water Joint Facility costs are over budget by $798,789, or 2.7 percent as water demand increased due to warmer weather starting in March. Purchased Water costs for the Santa Margarita River flow releases are currently under budget by $1,697,714, or 53.8 percent. These costs reflect the District's obligation to fulfill the flow regime requirements, which fluctuate throughout the year under the Cooperative Water Resources Management Agreement (CWRMA). CWRMA establishes the flow requirement based on watershed hydrologic conditions. This year has been designated as a critical dry year with minimum flow requirements.

Booster Pumping Costs are under budget by $232,067 or 10.0 percent, primarily because planned major and corrective maintenance activities were more focused on the Santa Rosa Division to address increased production meter failures at the pump station serving that area. As a result, fewer maintenance activities were performed within the Rancho Division than originally budgeted.

Transmission & Distribution Costs are over budget by $929,465, or 14.0 percent attributable to increased operational activity within the Rancho Division relative to the Santa Rosa Division. In addition, there were pipeline and roadway repairs resulting from multiple pipeline failures and two separate mainline leaks.

Customer Service Costs are over budget by $89,394, or 2.5 percent due to increased meter repairs, backflow testing, inspections, as well as materials purchases and customer support needed resulting from the multiple pipeline failures and mainline leaks that affected customer service. These increases are partially offset by lower than anticipated resource customer support.

Recycled Water Costs are under budget by $341,431 or 14.2 percent primarily due to reduced expenditures on outside services and corrective maintenance. Planned maintenance associated with the solar powered mixer will be deferred to next fiscal year due to pending re-evaluation of its operational necessity. In addition, the scheduled algae treatment remains contingent on weather conditions and system demands, both of which influence the timing and extent of the required maintenance activities.

Support & Engineering Costs are under budget by $840,258, or 8.6 percent. Although engineering costs associated with plan checks are trending above budget, the overall category remains under budget due to lower-than-budgeted engineering support costs within the Resource Division.

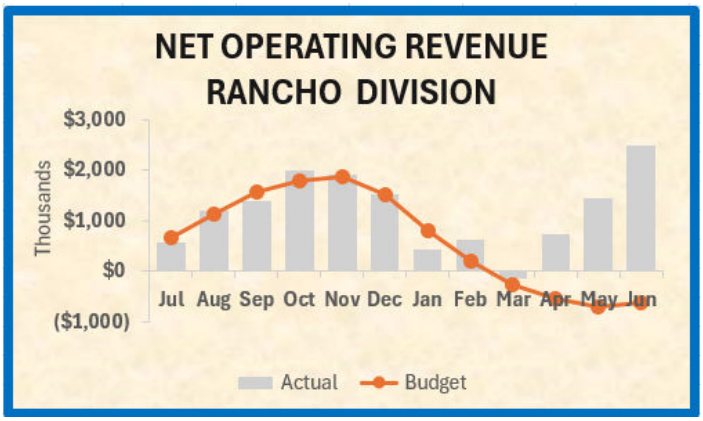
Resource Division general support costs represent overhead allocations distributed to functional categories based on direct labor. The general support costs are under budget resulting from lower expenditure on software, training and seminars, and staffing vacancies.

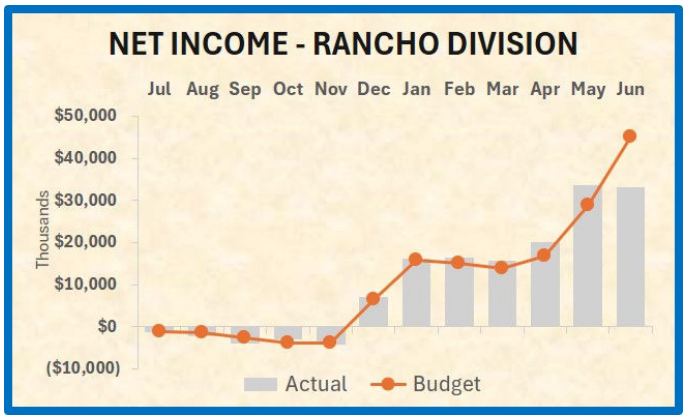
Net Operating Revenue/(Deficit): The Rancho Division reported net operating revenue of $2,487,889, compared to budgeted deficit of $612,512.

Non-Operating: Total non-operating revenue is under budget by $13,336,197 or 20.4 percent, primarily because the $17,230,091 Pechanga Settlement budgeted for the current fiscal year was largely received in the prior fiscal year, with only the remaining $1,275,527 received during the current year. The unfavorable variance also reflects grant revenue of $1,978,684 received below budget. These variances were partially offset by $2,601,240 in unbudgeted PFAS settlement proceeds, $1,387,821 in higher-than-budgeted interest revenue, and $2,070,834 in higher-than-budgeted tax revenue.

Total non-operating expenses are over budget by $1,765,997 or 9.0 percent, mainly due to the $2,174,478 grant-related expenses and $464,663 in recycled retrofit expenses. These expenses were partially offset by the bond interest expense that was $1,159,712 below budget. The FY 2025/26 budget included estimated interest costs for a planned bond issuance; however, the bond was not issued until the following fiscal year. Although grant expenses were not budgeted, they are offset by corresponding non-operating grant revenues and therefore do not have a net impact on overall results.

Net Income/(Loss): The Rancho Division has a net income of $33,112,905 compared to a budgeted net income of $45,114,698. In accordance with GASB 33, capacity fees and capital contributions are reported as increases to net assets and are presented separately from operating revenue.

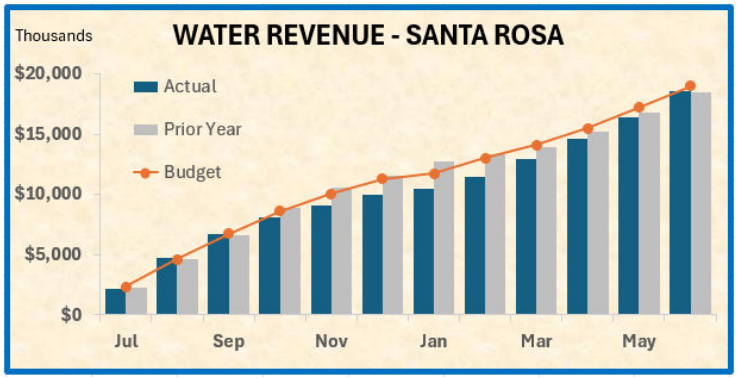




Santa Rosa Division

Operating Revenue:

Actual water revenue is under budget by $420,719, or 2.2 percent. Energy revenue is under budget by $159,117, or2.4 percent. Water sales quantities are 1,298 AF, or 7 percent less than budgeted amounts in all areas except Other, as reflected in the "Sales Mix" chart.





SALES MIX (AF) - SANTA ROSA	BUDGET TO DATE	ACTUAL TO DATE	OVER/ (UNDER)
Ag	8,311	7,408	(903)
Ag/Dom	3,790	3,384	(406)
Domestic	3,657	3,637	(20)
Other	1,804	1,847	43
Recycled	1,010	998	(13)
Total	18,572	17,274	(1,298)

Energy Revenue represents 146.4 percent of total energy costs allocated to the Santa Rosa Division.

Source of Supply Costs: Purchased Water Joint Facility costs are under budget by $2,352,306, or 9.6 percent. Purchased Water for the Santa Margarita River flow releases are under budget by $424,428, or 53.8 percent. These costs reflect the District's obligation to fulfill the flow regime requirements, which fluctuate throughout the year under the Cooperative Water Resources Management Agreement (CWRMA). CWRMA establishes the flow requirement based on watershed hydrologic conditions. This year has been designated as a critical dry year with minimum flow requirements.

Booster Pumping Costs are under budget by $11,204, or 0.4 percent, primarily due to fewer than anticipated materials and supplies purchases and utility costs.

Transmission & Distribution Costs are under budget by $564,379, or 12.3 percent, primarily because maintenance resources were redirected to numerous pipeline and road repairs within the Rancho Division.

Customer Service Costs are under budget by $58,502, or 4.5 percent, as more efforts are diverted to the Rancho Division.

Recycled Water Costs are under budget by $231,122 or 19.8 percent due to reduced expenditures in corrective maintenance. Planned maintenance associated with the solar powered mixer will be deferred to next fiscal year due to pending re-evaluation of its operational necessity. In addition, the scheduled algae treatment remains contingent on weather conditions and system demands, both of which influence the timing and extent of the required maintenance activities.

Support & Engineering Costs are under budget by $685,309, or 22.4 percent. Although engineering costs associated with plan checks are trending above budget, the overall category remains under budget due to lower-than-budgeted engineering support costs within the Resource Division.

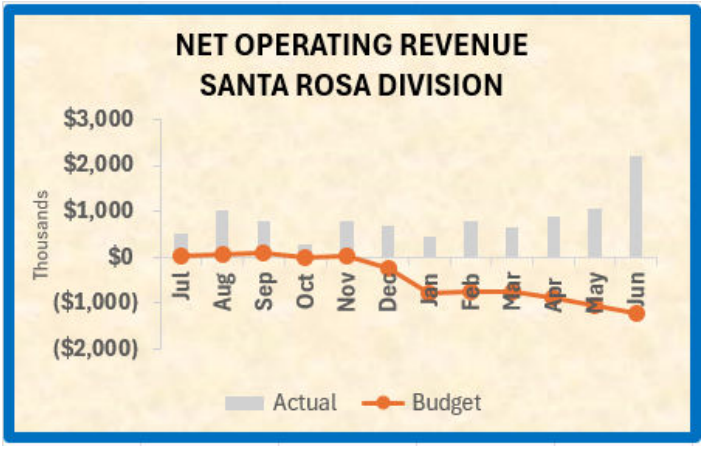
Resource Division general support costs represent overhead allocations distributed to functional categories based on direct labor. The general support costs are under budget resulting from reduced software, training and seminars, and staffing vacancies.

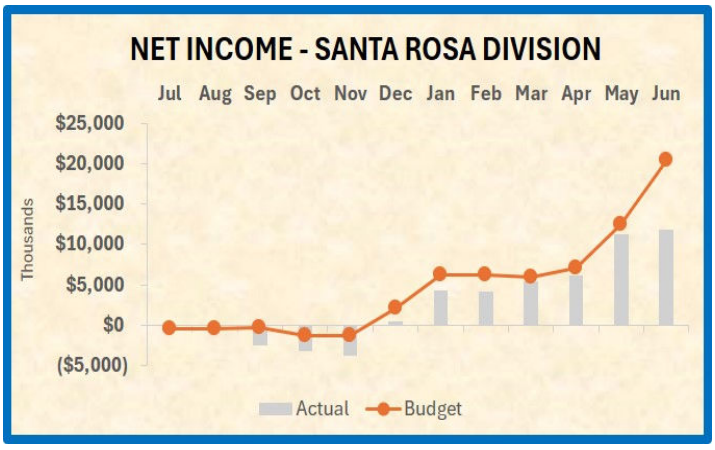
Net Operating Revenue/(Deficit): The Santa Rosa Division reports a net operating revenue of $2,222,233 compared to a budgeted net operating deficit of $1,236,645.

Non-Operating: Total non-operating revenue is under budget by $10,582,131 or 28.3 percent, primarily because the $8,486,462 Pechanga Settlement budgeted for the current fiscal year was largely received in the prior fiscal year, with only the remaining $1,002,200 received during the current year. The unfavorable variance also reflects $3,614,999 grant revenue and $647,081 interest revenue both received below budget. These variances were partially offset by $2,043,915 in unbudgeted PFAS settlement proceeds and $539,005 in higher-than-budgeted tax revenue.

Total non-operating expenses are over budget by $1,534,596 or 9.8 percent, mainly due to the $2,174,478 grant-related expenses and $148,738 in recycled retrofit expenses. These expenses were partially offset by the bond interest expense that was $1,16,606 below budget. The FY 2025/26 budget included estimated interest costs for a planned bond issuance; however, the bond was not issued until the following fiscal year. Although grant expenses were not budgeted, they are offset by corresponding non-operating grant revenues and therefore do not have a net impact on overall results.

Net Income/(Loss): The Santa Rosa Division has a net income of $11,782,978, compared to a budgeted net income of $20,440,827. In accordance with GASB 33, capacity fees and capital contributions are recorded as increases to net assets and are presented separately from operating revenue.





RESOURCE DIVISION

Total potable water production is 995 AF over budget and actual water sales are 48 AF over budget.

POTABLE SALES, PRODUCTION, & WATER LOSS			
	BUDGET TO DATE	ACTUAL TO DATE	OVER/ (UNDER) BUDGET
Sales	45,956	50,279	4,323
Production	48,210	53,080	4,870
Unaccounted	2,254	2,801	547
Water Loss	4.7%	5.3%	

Native and Recharge Well water production is under budget by 283 AF, import water is over budget by 1,278 AF and Recycled Water is under budget by 185 AF.

WATER PRODUCTION MIX (AF)			
	BUDGET TO DATE	ACTUAL TO DATE	OVER/(UNDER) BUDGET
Native Well	16,075	15,792	(283)
Recharge Well	15,500	15,500	0
Cyclic Storage	-	-	-
Import	16,635	17,913	1,278
Recycled	4,060	3,875	(185)
Total	52,270	53,080	810



WASTEWATER DIVISION (SRWRF)

OPERATING REVENUES: Wastewater service charges are $160,825 or 6.3 percent under budget.



INFORMATIONAL REPORTING FOR THE WASTEWATER DIVISION

TREATMENT COSTS: The District's financial statements present primary and secondary treatment separately from tertiary treatment. However, the table below consolidates all operational expenses of the plant to provide a more comprehensive view of overall plant performance relative to budget. The total operational expenses are under budget by $650,772, or 7.7 percent.

TREATMENT COSTS (NET OF SRRRA ACTIVITY)

	BUDGET TO DATE	TOTAL TREATMENT EXP. INCURRED	OVER/(UNDER) BUDGET
Primary/Secondary	$ 4,695,692	$ 4,525,305	$ (170,387)
Tertiary	2,426,036	2,291,416	(134,620)
Other	1,328,312	982,547	(345,765)
Total	$ 8,450,040	$ 7,799,267	$ (650,772)

UTILITY COSTS are under budget by $301,308, or 25.8 percent.

PRIMARY/SECONDARY COSTS are under budget by $170,387, or 3.6 percent, primarily due to lower-than-expected routine operational costs. Operational needs continue to be evaluated, and labor efforts have shifted focus toward capital improvement projects designed to enhance overall treatment plant efficiency. This is partially offset by corrective repair work required to repair the concrete structure for both the SBR and grit pump.

TERTIARY COSTS are under budget by $134,620, or 5.5 percent. Similar to the primary and secondary costs, the operational costs are trending below budget due to continued evaluation of operational requirements and the strategic prioritization of staff resources toward planned capital improvement projects. These efforts are expected to enhance overall system reliability, operational efficiency, and long-term performance.

OTHER COSTS are under budget by $345,765, or 26.0 percent. These costs are from the Resource Division allocation of various District support efforts, which are allocated to functional categories as overhead based on direct labor and divisional charges.

SRRRA COSTS: The District's treatment costs paid to the SRRRA are based on budgeted, annually established rates, which are adjusted to actual flow data at the end of each fiscal year.

DISTRICTWIDE

CORRECTIVE MAINTENANCE: The Corrective Maintenance budget includes both planned and emergency corrective work, with emergency work comprising 95 percent of the budget. Total emergency corrective maintenance expenses are $4,010,789 or 85.9 percent of the budget, as of June 30, 2026.

CORRECTIVE MAINTENANCE	BUDGET HOURS	ACTUAL HOURS	BUDGET	ACTUAL TO DATE
Source of Supply	985	-	$ 237,378	$ 127,309
Transmission & Distribution	18,321	15,525	3,954,520	3,567,142
Booster	465	62	137,996	80,137
Reclaimed	2,564	144	339,172	91,476
Wastewater	14	43	1,603	144,725
Total	22,349	15,774	$ 4,670,670	$ 4,010,789

CAPITAL ACQUISITION BUDGET: FY 2025/2026 has an approved Capital Acquisition budget of $2,565,500. As of June 30, 2026, $2,155,739 has been expended.

2025/2026 CAPITAL ACQUISITIONS REPLACEMENT	APPROVED FUNDING	EXPENDED TO DATE	REMAINING AMOUNT
Fleet	$ 780,000	$ 660,469	$ 119,531
Construction	200,000	171,470	28,530
Wastewater/ Testing & Equipment	35,000	32,682	2,318
Computers/Office	187,000	38,144	148,856
Sub-Total	$ 1,202,000	$ 902,765	$ 299,235
NEW	APPROVED FUNDING	EXPENDED TO DATE	REMAINING AMOUNT
Fleet	$ 1,074,000	$ 946,727	$ 127,273
Construction	166,000	144,091	21,909
Wastewater/ Testing & Equipment	-	-	-
Computers/Office	123,500	162,156	(38,656)
Sub-Total	$ 1,363,500	$ 1,252,974	$ 110,526
Total	$ 2,565,500	$ 2,155,739	$ 409,761

2.B

Rancho Water

COMMITTEE INFORMATION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 2.B: **Quarterly Per Diem and Travel Expense Disclosure Report**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Karrie Swaine, Controller

RECOMMENDATIONS:

This item is presented for the Board of Directors' (Board) review and information.

DISCUSSION:

To comply with Government Code Section 53065.5, attached for the Committee's review and information is the 2025 calendar year fourth quarter report, disclosing per diems and reimbursements paid to any Rancho California Water District employee or Board Member.

ALTERNATIVES:

Not applicable

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Conference/Seminar and Expense Summary Calendar Year 2026 Second Quarter

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

Summary of All Board Members, General Manager and Employees

Name	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Board Members:													
Carol Lee Gonzales-Brady	57	$ 7,350.00	$ -	$ 1,727.16	$ 1,034.98	$ 43.72	$ 163.40	$ 42.50	$ -	$ -	978.30	$ 687.01	$ 11,048.77
Brian Brady	24	5,635.00	-	1,382.71	513.33	161.01	108.67	42.50	-	-	1,002.30	714.25	8,557.47
J.D. Harkey	19	4,655.00	-	160.81	546.38	-	31.00	69.00	-	-	123.20	89.32	5,551.51
John Hoagland	22	5,390.00	-	-	-	-	-	-	-	-	66.40	48.14	5,438.14
William Plummer	22	4,900.00	-	425.80	2,759.84	40.26	28.94	100.00	-	-	121.80	88.31	8,343.15
John Rossi	23	5,635.00	-	-	2,332.70	145.01	-	180.00	-	35.00	1,754.00	1,271.65	9,599.36
William Wilson	17	4,165.00	-	-	-	-	-	-	-	-	-	-	4,165.00
General Manager:													
Jason Martin			-	-	-	-	-	-	-	-	-	-	-
Assistant General Manager:													
Dan Ruiz			-	212.80	-	-	-	-	-	-	-	-	212.80
Employees:													
Antonio Martinez			-	-	-	166.45	-	-	-	-	-	-	166.45
Bryan Melton			-	-	1,183.77	-	85.44	-	-	-	133.60	96.86	1,366.07
Colby Lawton			-	-	2,322.08	102.91	104.83	190.00	-	-	562.60	407.89	3,127.71
Danielle Coats			-	-	-	-	108.49	-	-	-	1,151.20	834.67	943.16
Emily Troike			-	-	68.86	64.31	-	76.00	-	-	-	-	209.17
Giovanni Rodriguez			-	-	-	54.82	-	-	-	-	89.00	64.52	119.34
Josh Scott			-	-	-	-	-	-	-	2,143.69	-	-	2,143.69
Katherine Simmons			-	-	-	182.59	-	100.00	-	-	118.00	85.55	368.14
Kimberly Wall			-	-	1,073.32	280.32	55.84	40.00	-	-	218.00	158.05	1,607.53
Krista LaRocchia			-	-	-	-	-	-	-	-	291.50	211.34	211.34
Luis Armas			-	-	-	-	-	-	-	108.08	-	-	108.08
Natasha Martinez			1,000.00	694.39	610.20	-	-	-	-	-	-	-	2,304.59
Patrick Elsasser			-	-	308.78	19.07	-	-	-	-	160.60	116.44	444.29
Vicente De La Torre			-	-	859.20	110.49	-	75.00	-	-	125.40	90.92	1,135.61
Wendie Heie			1,040.00	580.80	1,682.43	90.29	-	92.00	-	-	406.50	294.72	3,780.24
Yolanda Vejar			-	300.81	566.98	317.14	-	190.00	146.71	2,278.95	134.00	97.15	3,897.74
Total	184	$ 37,730.00	$ 2,040.00	$ 5,485.28	$ 15,862.85	$ 1,778.39	$ 686.61	$ 1,197.00	$ 146.71	$ 4,565.72	7,436.40	$ 5,356.77	$ 74,849.33

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

Carol Lee Gonzales-Brady

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
04/23/2026	03/13/2026	ACWA BOARD OFFICERS	1	$ 245.00											$ 245.00
04/23/2026	03/14/2026	ACWA BOARD DRY RUN	1	245.00											245.00
04/23/2026	03/16/2026	ACWA BOARD OFFICERS*	1	-											-
04/23/2026	03/18/2026	ACWA BOARD OF DIRECTORS DRY RUN*	1	-											-
04/23/2026	03/19/2026	PLANNING AND ADMINISTRATION COMMITTEE / ACWA REGION 1-10 CHAIR AND VICE CHAIR ROUNDTABLE (SACRAMENTO, CA)	1	245.00											245.00
04/23/2026	03/20/2026	ACWA BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE*	1	-											-
04/23/2026	03/23/2026	ACWA BOARD OF DIRECTORS CLOSED SESSION / ACWA LOCAL GOVERNMENT COMMITTEE / ACWA BOARD OFFICERS*	1	-											-
04/23/2026	03/24/2026	BBK SB827 FINANCIAL TRAINING*	1	-											-
04/23/2026	03/25/2026	ACWA MEMBERSHIP COMMITTEE*	1	-											-
04/23/2026	03/26/2026	ENGINEERING AND OPERATIONS COMMITTEE / ACWA REGION CHAIR AND VICE CHAIR / ACWA REGION 9 SLC REVIEW / ACWA JPIA FINANCE COMMITTEE	1	245.00											245.00
04/23/2026	03/27/2026	ACWA JPIA EXECUTIVE COMMITTEE / ACWA STATE LEGISLATIVE COMMITTEE*	1	-											-
04/23/2026	03/28/2026	TEMECULA CHAMBER AWARDS GALA	1	-											-
04/23/2026	03/30/2026	ACWA FIRST ROUND EXECUTIVE DIRECTOR INTERVIEWS*	1	-											-
04/23/2026	04/01/2026	ACWA REGION 2 BOARD OF DIRECTORS	1	245.00											245.00
04/23/2026	04/02/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
04/23/2026	04/06/2026	REGION 9 SPECIAL PRE-MEETING / ACWA SPECIAL STATE LEGISLATIVE COMMITTEE / SCWC LEGISLATIVE TASK FORCE	1	245.00											245.00
04/23/2026	04/07/2026	ACWA BOARD OFFICERS	1	245.00											245.00
04/23/2026	04/08/2026	PRE CLOSED SESSION DISCUSSION / ACWA REGION 1-10 WORK GROUP	1	245.00											245.00
04/23/2026	04/09/2026	BOARD OF DIRECTORS / ACWA TRAVEL DAY TO SACRAMENTO	1	245.00											245.00
05/21/2026	04/10/2026	SCWC EXECUTIVE COMMITTEE / ACWA VISION FOR OUR FUTURE VIDEO FILMING	1	245.00											245.00
05/21/2026	04/13/2026	ACWA REGION 9 BOARD OF DIRECTORS, JPIA AI DISCUSSION, ACWA BOARD OFFICERS*	1	-											-
05/21/2026	04/14/2026	ACWA CONFERENCE SCRIPT REVIEW AND TELEPROMPTER TRAINING	1	245.00											245.00
05/21/2026	04/15/2026	ACWA VISION FOR OUR FUTURE WEBINAR BRIEFING / ACWA BUSINESS DEVELOPMENT COMMITTEE*	1	-											-
05/21/2026	04/16/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
05/21/2026	04/17/2026	ACWA STATE LEGISLATIVE COMMITTEE / ACWA INTERVIEWS FOR EXECUTIVE DIRECTOR*	1	-											-
05/21/2026	04/20/2026	ACWA STAFF RUN THROUGH VFOF / ACWA BOARD OF DIRECTORS*	1	-											-
05/21/2026	04/21/2026	ACWA WEBINAR FILMING VFOF*	1	-											-
05/21/2026	04/22/2026	ACWA CONFERENCE SCRIPT REVIEW*	1	-											-
05/21/2026	04/23/2026	ELECTED WOMEN LEADERSHIP ACWA SCRIPT REVIEW*	1	-											-
05/21/2026	04/24/2026	ACWA REGION 3 BOARD OF DIRECTORS*	1	-											-
05/21/2026	04/25/2026	ACWA BOARD OFFICERS / JPIA EXECUTIVE COMMITTEE*	1	-											-
05/21/2026	04/26/2026	ACWA PROJECTS OF STATEWIDE SIGNIFICANCE SCRIPT REVIEW / RCWD FARM MANAGERS'*	1	-											-

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

Carol Lee Gonzales-Brady

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
05/21/2026	04/29/2026	ACWA FEDERAL AFFAIRS COMMITTEE / ACWA VFOF COALITION*	1	$ -											$ -
05/21/2026	04/30/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
05/21/2026	05/01/2026	OPEN*	1	-											-
05/21/2026	05/03/2026	ACWA / JPIA TRAVEL DAY TO SACRAMENTO	1	245.00											245.00
05/21/2026	05/04/2026	JPIA*	1	-											-
05/21/2026	05/05/2026	ACWA SPRING CONFERENCE DAY 1	1	245.00											245.00
05/21/2026	05/06/2026	ACWA SPRING CONFERENCE DAY 2	1	245.00											245.00
05/21/2026	05/07/2026	ACWA SPRING CONFERENCE DAY 3 / TRAVEL DAY RETURN	1	245.00											245.00
05/21/2026	05/11/2026	ACWA EXECUTIVE COMMITTEE / SCWC LEGISLATIVE TASK FORCE / ACWA BOARD OF DIRECTORS	1	245.00											245.00
05/21/2026	05/13/2026	ACWA PROJECTS OF STATEWIDE SIGNIFICANCE STRATEGIC PLANNING	1	245.00											245.00
05/21/2026	05/14/2026	BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	05/15/2026	SCWC QUARTERLY BOARD OF DIRECTORS AND LUNCHEON	1	245.00											245.00
06/18/2026	05/19/2026	ACWA BOARD OFFICERS	1	245.00											245.00
06/18/2026	05/21/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
06/18/2026	05/22/2026	ACWA STATE LEGISLATIVE COMMITTEE / ACWA PROJECT OF STATEWIDE SIGNIFICANCE TASK FORCE*	1	-											-
06/18/2026	05/27/2026	ACWA DELIVER CRITICAL INFRASTRUCTURE WORK GROUP*	1	-											-
06/18/2026	05/28/2026	TEMECULA STATE OF THE CITY ADDRESS*	1	-											-
06/18/2026	06/01/2026	ACWA BOARD OFFICERS	1	245.00											245.00
06/18/2026	06/02/2026	ACWA PROTECT AFFORDABILITY WORK GROUP	1	245.00											245.00
06/18/2026	06/03/2026	ACWA MODERNIZE WATER WORK GROUP / JPIA PERSONNEL COMMITTEE*	1	-											-
06/18/2026	06/04/2026	ACWA BOARD OF DIRECTORS WORKSHOP (SACRAMENTO)	1	245.00											245.00
06/18/2026	06/05/2026	ACWA EXECUTIVE COMMITTEE (SACRAMENTO) / ACWA BOARD OF DIRECTORS (SACRAMENTO)	1	245.00											245.00
06/18/2026	06/08/2026	ACWA BOARD OFFICERS (ZOOM) / JPIA EXECUTIVE COMMITTEE SIDECAR MODULE 4 DISCUSSION*	1	-											-
06/18/2026	06/10/2026	ACWA DELIVER CRITICAL INFRASTRUCTURE / SCWC SUMMIT WORKSHOP / CONSORTIUM PREPARATION CALL	1	245.00											245.00
06/18/2026	06/11/2026	BOARD OF DIRECTORS / ACWA SLC REGION 9 REVIEW	1	245.00											245.00
		*MET MAXIMUM NUMBER OF MEETINGS													
		Total Number of Meetings	57	$ 7,350.00											$ 7,350.00

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

Carol Lee Gonzales-Brady

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
Conferences/Seminars and Other Non-local Travel															
04/09/2026	10/23/2025	SOUTHERN CALIFORNIA WATER COALITION ANNUAL BOARD OF DIRECTORS AND ANNUAL DINNER											82.60	$ 57.82	$ 57.82
04/09/2026	10/09-10/10/2025	ACWA REGION 6 AND 7 TOUR											203.00	142.10	142.10
04/09/2026	11/13-11/14/2025	ACWA REGIONS 8, 9 AND 10 CONFERENCE					120.48						73.90	51.73	172.21
04/09/2026	08/20-08/21/2025	URBAN WATER INSTITUTE BOARD AND CONFERENCE					153.62						67.70	47.39	201.01
04/09/2026	09/14-09/15/2025	ACWA SELECTION COMMITTEE INTERVIEWS				528.60	190.13		54.00				134.80	94.36	867.09
04/09/2026	09/18-09/19/2025	ACWA EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS				656.96	174.40	27.59	50.45				121.20	84.84	994.24
06/25/2026	01/23/2026	SOUTHERN CALIFORNIA WATER COALITION BOARD AND QUARTERLY LUNCHEON											88.00	63.80	63.80
06/25/2026	12/02-12/04/2025	ACWA FALL CONFERENCE					239.24			42.50			69.50	48.65	330.39
06/25/2026	11/20-11/21/2025	ACWA EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS				541.60	157.11	16.13	58.95				137.60	96.32	870.11
Total				$ 7,350.00	$ -	$ 1,727.16	$ 1,034.98	$ 43.72	$ 163.40	$ 42.50	$ -	$ -	978.30	$ 687.01	$ 11,048.77

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

Brian Brady

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
04/23/2026	03/18/2026	EMWD BOARD - MWD RATE DISCUSSION	1	$ 245.00											$ 245.00
04/23/2026	03/19/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
04/23/2026	03/24/2026	BBK SB827 FINANCIAL TRAINING	1	245.00											245.00
04/23/2026	03/28/2026	TEMECULA CHAMBER AWARDS GALA	1	245.00											245.00
04/23/2026	03/30/2026	GENERAL MANAGER MONTHLY CHECK IN	1	245.00											245.00
04/23/2026	04/02/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
04/23/2026	04/08/2026	PRE BOARD DISCUSSION	1	245.00											245.00
05/21/2026	04/16/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
05/21/2026	04/28/2026	FARM MANAGERS'	1	245.00											245.00
05/21/2026	04/30/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
05/21/2026	05/03/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/04/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/05/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/06/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/07/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/13/2026	PRE BOARD WITH GENERAL MANAGER	1	245.00											245.00
05/21/2026	05/14/2026	BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	05/15/2026	SCWC QUARTERLY LUNCHEON	1	245.00											245.00
06/18/2026	05/18/2026	MONTHLY GENERAL MANAGER CHECK IN	1	245.00											245.00
06/18/2026	05/20/2026	MURRIETA SERVICE AREA AD HOC COMMITTEE*	1	-											-
06/18/2026	05/21/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
06/18/2026	06/04/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
06/18/2026	06/10/2026	PRE BOARD WITH GENERAL MANAGER	1	245.00											245.00
06/18/2026	06/11/2026	BOARD OF DIRECTORS	1	245.00											245.00
		*MET MAXIMUM NUMBER OF MEETINGS													
		Total Number of Meetings	24	$ 5,635.00											$ 5,635.00
Conferences/Seminars and Other Non-local Travel															
04/09/2026	10/23/2025	SOUTHERN CALIFORNIA WATER COALITION ANNUAL DINNER											82.60	$ 57.82	$ 57.82
04/09/2026	11/13-11/14/2025	ACWA REGIONS 8, 9 AND 10 CONFERENCE					120.47						73.90	51.73	172.20
04/09/2026	10/09-10/10/2025	ACWA REGION 6 AND 7 TOUR											203.00	142.10	142.10
04/09/2026	08/20-08/21/2025	URBAN WATER INSTITUTE CONFERENCE					153.62						67.70	47.39	201.01
06/25/2026	12/02-12/04/2025	ACWA FALL CONFERENCE					239.24			42.50			69.50	48.65	330.39
06/25/2026	05/03-05/07/2026	ACWA SPRING CONFERENCE				562.80		106.08	80.80				134.80	97.73	847.41
06/25/2026	02/23-2/26/2026	CASA AND ACWA CONFERENCES				819.91		54.93	27.87				134.80	97.73	1,000.44
06/25/2026	01/26/2026	METROPOLITAN WATER DISTRICT OF ORANGE COUNTY POLICY DINNER											148.00	107.30	107.30
06/25/2026	01/23/2026	SOUTHERN CALIFORNIA WATER COALITION QUARTERLY LUNCHEON											88.00	63.80	63.80
Total				$ 5,635.00	$ -	$ 1,382.71	$ 513.33	$ 161.01	$ 108.67	$ 42.50	$ -	$ -	1,002.30	$ 714.25	$ 8,557.47

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

J.D. Harkey

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
04/23/2026	03/19/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	$ 245.00											$ 245.00
04/23/2026	03/24/2026	BBK SB827 FINANCIAL TRAINING	1	245.00											245.00
04/23/2026	03/26/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
04/23/2026	03/30/2026	MONTHLY GENERAL MANAGER CHECK IN	1	245.00											245.00
04/23/2026	04/02/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
04/23/2026	04/09/2026	BOARD OF DIRECTORS	1	245.00											245.00
05/21/2026	04/16/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
05/21/2026	04/28/2026	FARM MANAGERS'	1	245.00											245.00
05/21/2026	04/30/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
05/21/2026	05/05/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/06/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/07/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/14/2026	BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	05/15/2026	SCWC QUARTERLY LUNCHEON	1	245.00											245.00
06/18/2026	05/21/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
06/18/2026	05/26/2026	MONTHLY GENERAL MANAGER CHECK IN	1	245.00											245.00
06/18/2026	05/28/2026	TEMECULA STATE OF THE CITY ADDRESS	1	245.00											245.00
06/18/2026	06/04/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
06/18/2026	06/11/2026	BOARD OF DIRECTORS	1	245.00											245.00
		Total Number of Meetings	19	$ 4,655.00											$ 4,655.00
Conferences/Seminars and Other Non-local Travel															
05/21/2026	05/05-05/07/2026	ACWA CONFERENCE-SACRAMENTO				$ 160.81	$ 546.38		$ 31.00	$ 69.00			123.20	$ 89.32	$ 896.51
Total				$ 4,655.00	$ -	$ 160.81	$ 546.38	$ -	$ 31.00	$ 69.00	$ -	$ -	123.20	$ 89.32	$ 5,551.51

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

John Hoagland

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
04/23/2026	03/19/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	$ 245.00											$ 245.00
04/23/2026	03/20/2026	MONTHLY GENERAL MANAGER CHECK IN	1	245.00											245.00
04/23/2026	03/24/2026	BBK SB827 FINANCIAL TRAINING	1	245.00											245.00
04/23/2026	03/26/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
04/23/2026	03/27/2026	RIVERSIDE COUNTY WATER TASK FORCE	1	245.00											245.00
04/23/2026	04/02/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
04/23/2026	04/08/2026	CALIFORNIA NATURAL RESOURCES AGENCY-WEBINAR-CALIFORNIA WATER PLAN UPDATE PROCESS WITH CRAIG MILLER AND STATE OFFICIALS	1	245.00											245.00
04/23/2026	04/09/2026	BOARD OF DIRECTORS	1	245.00											245.00
05/21/2026	04/16/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
05/21/2026	04/27/2026	RANCHO / WMWD JOINT AD HOC COMMITTEE	1	245.00											245.00
05/21/2026	04/28/2026	FARM MANAGERS'	1	245.00											245.00
05/21/2026	04/30/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
05/21/2026	05/12/2026	SRRRA BOARD OF DIRECTORS	1	245.00											245.00
05/21/2026	05/13/2026	GENERAL MANAGER BI-MONTHLY UPDATE	1	245.00											245.00
05/21/2026	05/14/2026	BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	05/15/2026	SCWC QUARTERLY LUNCHEON	1	245.00											245.00
06/18/2026	05/20/2026	MURRIETA SERVICE AREA AD HOC COMMITTEE	1	245.00											245.00
06/18/2026	05/21/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
06/18/2026	06/02/2026	RANCHO WATER EMPLOYEE APPRECIATION LUNCH	1	245.00											245.00
06/18/2026	06/04/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
06/18/2026	06/09/2026	SRRRA BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	06/11/2026	BOARD OF DIRECTORS	1	245.00											245.00
		Total Number of Meetings	22	$ 5,390.00											$ 5,390.00
Conferences/Seminars and Other Non-local Travel															
05/28/2026	04/27/2026	WMWD AD HOC JOINT MEETING											66.40	$ 48.14	$ 48.14
Total				$ 5,390.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	66.40	$ 48.14	$ 5,438.14

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

William Plummer

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
04/23/2026	03/19/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	$ 245.00											$ 245.00
04/23/2026	03/26/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
04/23/2026	04/01/2026	MONTHLY GENERAL MANAGER CHECK IN	1	245.00											245.00
04/23/2026	04/02/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
04/23/2026	04/09/2026	BOARD OF DIRECTORS	1	245.00											245.00
05/21/2026	04/28/2026	FARM MANAGERS'	1	245.00											245.00
05/21/2026	04/30/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
05/21/2026	05/03/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/04/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/05/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/06/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/07/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/12/2026	SRRRA BOARD OF DIRECTORS	1	245.00											245.00
05/21/2026	05/14/2026	BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	05/15/2026	SCWC QUARTERLY LUNCHEON	1	245.00											245.00
06/18/2026	05/20/2026	MURRIETA SERVICE AREA AD HOC COMMITTEE	1	245.00											245.00
06/18/2026	05/21/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
06/18/2026	05/27/2026	MONTHLY GENERAL MANAGER CHECK IN*	1	-											-
06/18/2026	05/28/2026	TEMECULA STATE OF THE CITY ADDRESS*	1	-											-
06/18/2026	06/04/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
06/18/2026	06/09/2026	SRRRA BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	06/11/2026	BOARD OF DIRECTORS	1	245.00											245.00
		*MET MAXIMUM NUMBER OF MEETINGS													
		Total Number of Meetings	22	$ 4,900.00											$ 4,900.00
Conferences/Seminars and Other Non-local Travel															
06/04/2026	05/05-05/07/2026	ACWA CONFERENCE-SACRAMENTO				$ 425.80	$ 2,759.84	$ 40.26	$ 28.94	$ 100.00			121.80	$ 88.31	$ 3,443.15
Total				$ 4,900.00	$ -	$ 425.80	$ 2,759.84	$ 40.26	$ 28.94	$ 100.00	$ -	$ -	121.80	$ 88.31	$ 8,343.15

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

John Rossi

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
04/23/2026	03/19/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	$ 245.00											$ 245.00
04/23/2026	03/22/2026	CMUA CONFERENCE IN MONTEREY	1	245.00											245.00
04/23/2026	03/23/2026	CMUA CONFERENCE IN MONTEREY	1	245.00											245.00
04/23/2026	03/24/2026	CMUA CONFERENCE IN MONTEREY	1	245.00											245.00
04/23/2026	03/26/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
04/23/2026	03/27/2026	RIVERSIDE COUNTY WATER TASK FORCE SPEAKER SERIES: BALANCING ACT	1	245.00											245.00
04/23/2026	03/31/2026	GENERAL MANAGER MONTHLY CHECK IN	1	245.00											245.00
04/23/2026	04/02/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
04/23/2026	04/09/2026	BOARD OF DIRECTORS	1	245.00											245.00
05/21/2026	04/16/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
05/21/2026	04/30/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
05/21/2026	05/04/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/05/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/06/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/07/2026	ACWA SPRING CONFERENCE	1	245.00											245.00
05/21/2026	05/12/2026	EMWD / RANCHO WATER JOINT AD HOC	1	245.00											245.00
05/21/2026	05/14/2026	BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	05/15/2026	SCWC QUARTERLY LUNCHEON	1	245.00											245.00
06/18/2026	05/21/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
06/18/2026	05/28/2026	TEMECULA STATE OF THE CITY ADDRESS	1	245.00											245.00
06/18/2026	05/29/2026	MONTHLY GENERAL MANAGER CHECK IN	1	245.00											245.00
06/18/2026	06/04/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
06/18/2026	06/11/2026	BOARD OF DIRECTORS	1	245.00											245.00
		Total Number of Meetings	23	$ 5,635.00											$ 5,635.00
Conferences/Seminars and Other Non-local Travel															
04/09/2026	03/22-03/25/2026	CMUA ANNUAL CONFERENCE-MONTEREY					$ 1,170.90	$ 67.41				$ 18.00	812.00	$ 588.70	$ 1,845.01
05/21/2026	05/04-05/07/2026	ACWA CONFERENCE-SACRAMENTO					1,161.80	77.60		180.00		17.00	942.00	682.95	2,119.35
Total				$ 5,635.00	$ -	$ -	$ 2,332.70	$ 145.01	$ -	$ 180.00	$ -	$ 35.00	1,754.00	$ 1,271.65	$ 9,599.36

Rancho Water

Conference/Seminar and Expense Summary
Calendar Year 2026
Second Quarter

William Wilson

Check Date	Date Incurred	Description/Location	# of Mtgs	Per Diem	Registration Fees	Airfare	Lodging	Meals	Public Transp.	Parking Fees	Car Rental	Other	Mileage Reimb # Miles	Mileage Reimb Amount	Total
04/23/2026	03/19/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	$ 245.00											$ 245.00
04/23/2026	03/24/2026	BBK SB827 FINANCIAL TRAINING	1	245.00											245.00
04/23/2026	03/26/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
04/23/2026	03/28/2026	TEMECULA CHAMBER AWARDS GALA	1	245.00											245.00
04/23/2026	04/02/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
05/21/2026	04/16/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
05/21/2026	04/28/2026	FARM MANAGERS'	1	245.00											245.00
05/21/2026	04/30/2026	ENGINEERING AND OPERATIONS COMMITTEE	1	245.00											245.00
05/21/2026	05/12/2026	EMWD / RANCHO WATER JOINT AD HOC	1	245.00											245.00
05/21/2026	05/13/2026	MONTHLY GENERAL MANAGER CHECK IN	1	245.00											245.00
05/21/2026	05/14/2026	BOARD OF DIRECTORS	1	245.00											245.00
06/18/2026	05/15/2026	SCWC QUARTERLY LUNCHEON	1	245.00											245.00
06/18/2026	05/21/2026	PLANNING AND ADMINISTRATION COMMITTEE	1	245.00											245.00
06/18/2026	05/28/2026	TEMECULA STATE OF THE CITY ADDRESS	1	245.00											245.00
06/18/2026	06/02/2026	RANCHO WATER EMPLOYEE APPRECIATEION LUNCH	1	245.00											245.00
06/18/2026	06/04/2026	FINANCE AND AUDIT COMMITTEE	1	245.00											245.00
06/18/2026	06/11/2026	BOARD OF DIRECTORS	1	245.00											245.00
		Total Number of Meetings	17	$ 4,165.00											$ 4,165.00
Conferences/Seminars and Other Non-local Travel															
Total				$ 4,165.00	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	$ -	$ 4,165.00

2.C

Rancho Water

COMMITTEE INFORMATION

FINANCE AND AUDIT COMMITTEE

September 3, 2026

ITEM 2.C: **Review of Purchasing Reports**

RESPONSIBLE/LEAD STAFF MEMBER(S):

Karrie Swaine, Controller

RECOMMENDATIONS:

These reports are presented for the Finance and Audit Committee's (Committee) review and information.

DISCUSSION:

Attached for the Committee's review and information are the Active Service Agreements and Sole-Source Purchases summary reports.

ALTERNATIVES:

Not applicable

FISCAL ANALYSIS:

Not applicable

ENVIRONMENTAL REQUIREMENTS:

Not applicable

EXHIBITS/ATTACHMENTS:

1. Active Service Agreements Report
2. Sole-Source Purchases Report

RANCHO WATER ACTIVE SERVICE AGREEMENTS - OPERATING

Status As Of : August 17 , 2026

VENDOR	DESCRIPTION	CURRENT BUDGET	REMAINING BUDGET	AGREEMENT FROM	AGREEMENT TO
ADAME LANDSCAPE INC.	MONTHLY LANDSCAPE SERVICES	$87,580.50	$80,282.12	7/1/2026	6/30/2027
AERZEN USA CORP.	DELTA HYBRID BLOWER PM SERVICES	$62,507.49	$62,507.49	7/1/2026	6/30/2027
AQUA BEN CORP.	CATIONIC POLYMER DELIVERIES	$53,633.87	$49,318.50	7/1/2026	6/30/2027
AZTEC JANITORIAL SERVICE	JANITORIAL SERVICES - YEAR 5	$197,062.06	$197,062.06	7/1/2026	6/30/2027
BLAIS & ASSOCIATES	GRANT COMPLIANCE MONITORING SERVICES	$20,000.00	$20,000.00	7/1/2026	6/30/2027
C.G. LANDSCAPE, INC.	MONTHLY GARDEN MAINTENANCE - HQ ENTRY AND COURTYARD	$16,212.00	$14,861.00	7/1/2026	6/30/2027
	AS-NEEDED SERVICES - MULCH, TREE TRIMMING, IRRIGATION REPAIR	$9,778.00	$9,788.00	7/1/2026	6/30/2027
CENTRAL COMMUNICATIONS	AFTER-HOUR ANSWERING SERVICES	$12,300.00	$11,272.05	7/1/2026	6/30/2027
CHARTER COMMUNICATIONS	FIBER INTERNET & PHONE SERVICES	$19,220.00	$17,618.66	7/1/2026	6/30/2027
COMPLETE CONTROL PEST MGMT	PEST CONTROL SERVICES	$9,494.00	$9,494.00	7/1/2026	6/30/2027
CR & R INC.	WASTE MANAGEMENT SERVICES	$25,000.00	$23,749.57	7/1/2026	6/30/2027
CROWN LIFT TRUCKS	FORKLIFT MAINTENANCE SERVICES	$1,200.00	$1,200.00	7/1/2026	6/30/2027

RANCHO WATER ACTIVE SERVICE AGREEMENTS - OPERATING

Status As Of : August 17 , 2026

VENDOR	DESCRIPTION	CURRENT BUDGET	REMAINING BUDGET	AGREEMENT FROM	AGREEMENT TO
DAVIS FARR LLP	ANNUAL AUDITING SERVICES FY 2026 - RCWD	$64,380.00	$56,880.00	7/1/2026	6/30/2027
	ANNUAL AUDITING SERVICES FY 2026 - SRRRA	$10,740.00	$9,040.00	7/1/2026	6/30/2027
DISH NETWORK	EOC COMMUNICATION SERVICES	$1,600.00	$1,476.86	7/1/2026	6/30/2027
E.S. BABCOCK AND SONS INC.	LABORATORY TESTING SERVICES SRRRA - PRIMARY & SECONDARY	$87,000.00	$87,000.00	8/1/2026	6/30/2027
	LABORATORY TESTING SERVICES SRRRA - TERTIARY	$62,000.00	$62,000.00	8/1/2026	6/30/2027
	LABORATORY TESTING SERVICES SRRRA - STORM WATER	$1,000.00	$1,000.00	8/1/2026	6/30/2027
ELECTRIC & GAS INDUSTRIES ASSC	REGIONAL CROPSWAP IT HOSTING, MAINTENANCE & SERVICES	$12,000.00	$12,000.00	7/1/2026	6/30/2027
EUROFINS EATON ANALYTICAL LLC	LABORATORY TESTING SERVICES - WATER QUALITY	$177,185.00	$177,185.00	7/1/2026	6/30/2027
FACTORY LOT SWEEPING SERVICE	PARKING LOT SWEEPING SERVICES	$8,448.00	$7,891.50	7/1/2026	6/30/2027
FEDEX	OVERNIGHT DELIVERY SERVICES - OUTSIDE CA	$3,000.00	$2,862.38	7/1/2026	6/30/2027
FRONTIER	FIBER OPTIC INTERNET CONNECTION SERVICES	$4,212.00	$3,856.13	7/1/2026	6/30/2027
	LANDLINE TELEPHONE SERVICES	$10,800.00	$8,550.44	7/1/2026	6/30/2027

RANCHO WATER ACTIVE SERVICE AGREEMENTS - OPERATING

Status As Of : August 17 , 2026

VENDOR	DESCRIPTION	CURRENT BUDGET	REMAINING BUDGET	AGREEMENT FROM	AGREEMENT TO
GENERAL LOGISTICS SYSTEMS US	OVERNIGHT DELIVERY SERVICES - WITHIN CA	$2,000.00	$1,953.48	7/1/2026	6/30/2027
	PARCEL DELIVERY SERVICES	$1,500.00	$1,500.00	7/1/2026	6/30/2027
GEOTAB USA INC.	FLEET MANAGEMENT SERVICES	$28,024.45	$25,819.20	7/1/2026	6/30/2027
HASA INC.	SODIUM HYPOCHLORITE DELIVERIES	$325,000.01	$325,000.01	7/1/2026	6/30/2027
INFO SEND INC.	BILL PRINT & MAILING SERVICES	$484,000.00	$418,089.44	7/1/2026	6/30/2027
	FINAL NOTICE PRINT & DELIVERY SERVICES	$410,000.00	$410,000.00	7/1/2026	6/30/2027
INTERSTATE SWEEPING SERVICES	STREET SWEEPING SERVICES	$3,480.00	$2,680.00	7/1/2026	6/30/2027
KONECRANES INC.	CRANE REPAIR SERVICES	$13,950.00	$13,950.00	7/1/2026	6/30/2027
LEFT COAST PEST SOLUTIONS CO	BEE REMOVAL SERVICES	$9,500.00	$7,300.00	7/1/2026	6/30/2027
MINUTEMAN PRESS	ON-CALL PRINTING SERVICES	$8,000.00	$8,000.00	7/1/2026	6/30/2027
NORTHSTAR CHEMICAL	ALUMINUM SULFATE DELIVERIES	$58,000.00	$58,000.00	7/1/2026	12/31/2026
NPG CORPORATION	EMERGENCY ASPHALT SERVICES	$400,000.00	$393,442.25	7/1/2026	6/30/2027
PAPER RECYCLING	PAPER SHREDDING SERVICES	$5,000.00	$4,813.00	7/1/2026	6/30/2027

RANCHO WATER ACTIVE SERVICE AGREEMENTS - OPERATING

Status As Of : August 17 , 2026

VENDOR	DESCRIPTION	CURRENT BUDGET	REMAINING BUDGET	AGREEMENT FROM	AGREEMENT TO
PEST OPTIONS INC.	WEED ABATEMENT SERVICES	$160,000.00	$160,000.00	7/1/2026	6/30/2027
PHOENIX NAP LLC	DISASTER RECOVERY STORAGE SERVICES	$8,568.00	$7,854.00	7/1/2026	6/30/2027
PIPELINE PLUMBING & DRAIN SPECIALISTS INC.	LEAK DETECTION ASSISTANCE PROGRAM	$20,000.00	$20,000.00	7/1/2026	6/30/2027
PITNEY BOWES INC.	PITNEY BOWES EQUIPMENT PM SERVICES	$2,500.00	$2,500.00	7/1/2026	6/30/2027
	PITNEY BOWES METER RENTAL FEES	$1,500.00	$1,500.00	7/1/2026	6/30/2027
	POSTAGE RESERVE ACCOUNT	$35,000.00	$35,000.00	7/1/2026	6/30/2027
POSTMASTER	POSTAGE PERMIT FEES	$250.00	$250.00	7/1/2026	6/30/2027
	USPS EXPRESS MAIL FEES	$250.00	$250.00	7/1/2026	6/30/2027
RICHARDSON TECHNOLOGIES INC.	HVAC PM SERVICES	$36,460.00	$36,460.00	7/1/2026	6/30/2027
RIGHTWAY SITE SERVICES INC.	PORTABLE RESTROOM SERVICES	$9,000.00	$7,557.52	7/1/2026	6/30/2027
ROBERTSON'S	EMERGENCY SLURRY & CONCRETE SERVICES	$150,000.00	$150,000.00	7/1/2026	6/30/2027
ROKA PEST MANAGEMENT	BEE REMOVAL SERVICES	$5,000.00	$5,000.00	7/1/2026	6/30/2027
SC FUELS	FLEET FUEL SERVICES	$600,000.00	$552,228.69	7/1/2026	6/30/2027

RANCHO WATER ACTIVE SERVICE AGREEMENTS - OPERATING

Status As Of : August 17 , 2026

VENDOR	DESCRIPTION	CURRENT BUDGET	REMAINING BUDGET	AGREEMENT FROM	AGREEMENT TO
SMASH MY TRASH SOUTHWEST CALIF	TRASH COMPACTION SERVICES	$3,200.00	$3,200.00	7/1/2026	6/30/2027
SOUTH COAST AQMD	ANNUAL AQMD PERMIT FEES	$79,622.00	$76,010.97	7/1/2026	6/30/2027
SOUTH COAST COPY SYSTEMS	COPIER & PRINTER SERVICES	$17,000.00	$16,364.49	7/1/2026	6/30/2027
SOUTHERN CALIFORNIA MULCH INC.	MULCH VOUCHER PROGRAM	$5,000.00	$5,000.00	7/1/2026	6/30/2027
STRONGHOLD ENGINEERING INC.	SOLAR SYSTEM PM SERVICES - HEADQUARTERS	$8,197.00	$8,197.00	7/1/2026	6/30/2027
	SOLAR SYSTEM PM SERVICES - SENGA DOHERTY	$13,968.00	$13,968.00	7/1/2026	6/30/2027
	AS-NEEDED REPAIR SERVICES	$11,000.00	$11,000.00	7/1/2026	6/30/2027
SUPERIOR READY MIX CONCRETE L.P.	EMERGENCY SLURRY & CONCRETE SERVICES	$250,000.00	$250,000.00	7/1/2026	6/30/2027
SYNAGRO TECHNOLOGIES, INC.	BIOSOLIDS MANAGEMENT SERVICES	$408,000.00	$408,000.00	7/1/2026	6/30/2027
UMETECH INC.	APPLICATION DEVELOPMENT AND SUPPORT SERVICES	$130,000.00	$110,875.00	7/1/2026	6/30/2027
UNDERGROUND SERVICE ALERT	UNDERGROUND ALERT SERVICE	$12,000.00	$12,000.00	7/1/2026	6/30/2027
UNIFIRST CORPORATION	UNIFORM, TOWEL, AND MAT RENTAL SERVICES	$30,000.00	$27,240.87	7/1/2026	6/30/2027
VERIZON WIRELESS	CELLULAR PHONE SERVICES	$97,200.00	$88,656.91	7/1/2026	6/30/2027

RANCHO WATER ACTIVE SERVICE AGREEMENTS - OPERATING

Status As Of : August 17 , 2026

VENDOR	DESCRIPTION	CURRENT BUDGET	REMAINING BUDGET	AGREEMENT FROM	AGREEMENT TO
WM CORPORATE SERVICES, INC.	WASTE MANAGEMENT SERVICES	$31,000.00	$28,696.59	7/1/2026	6/30/2027
XYLEM WATER SOLUTIONS USA INC.	SANITAIRE SYSTEM PM SERVICES	$50,000.00	$50,000.00	7/1/2026	6/30/2027
	Total	**$4,879,522.38**	**$4,685,253.18**		

RANCHO WATER SOLE-SOURCE PURCHASES

DATE RANGE INCLUDED ON REPORT: 07/21/26 - 08/17/26

PO NO. / LINE	DATE / LN CHG	VENDOR / LINE DESCRIPTION	PO TOTAL COST	REASON
212323	**7/22/2026**	**EMISSION COMPLIANT CONTROLS CORP**	**$ 60,000.00**	**Approved on SSJ No. 034-2627 - ECCC is uniquely qualified to provide uninterrupted maintenance for the Ace Bowen Pump Station due to its extensive knowledge of the facility, equipment, and maintenance history, enabling immediate and effective support. A temporary 60-day sole-source agreement will ensure continued operational reliability and emissions compliance while the District completes its competitive RFB/RFP process.**
1	7/22/2026	PREVENTIVE MAINTENANCE OF ENGINES AT ACE BOWEN		
212361	**7/27/2026**	**ENDRESS+HAUSER INC.**	**$ 20,970.23**	**Approved on SSJ No. 035-2627 - Endress+Hauser is the District's standardized flow meter platform, providing proprietary equipment that is fully compatible with the existing SCADA system and communication protocols. Procuring these meters directly from the manufacturer ensures operational consistency, accurate data collection, and lifecycle support.**
1	7/27/2026	PROMAG W 400, 5W4C1F, DN150 6"		
2	7/27/2026	PROMAG, GROUNDING DISC/PROTECTION DISC		
3	7/27/2026	LOGISTIC SERVICES		
4	7/27/2026	SUPPLY CHAIN CHARGE		
212365	**7/27/2026**	**R&B AUTOMATION INC.**	**$ 12,714.23**	**Approved on SSJ No. 037-2627 - R&B Automation is the only vendor within the District's service area capable of supplying and installing a complete back-pressure actuator assembly compatible with the District's existing valve infrastructure.**
1	7/27/2026	MOV ACTUATOR - WELL 161		
212366	**7/27/2026**	**ZDA COMMUNICATIONS**	**$ 52,065.58**	**Approved on SSJ No. 036-2627 - Zetawave radios are exclusively distributed through ZDA Communications and have been thoroughly evaluated by District staff, demonstrating superior compatibility with the District's existing SCADA communications infrastructure, reliability requirements, and operational needs.**
1	7/27/2026	SCADA COMM. RADIO REPLACEMENTS (RANCHO)		
2	7/27/2026	SCADA COMM. DUAL RADIO REPLACEMENTS (RANCHO)		
212377	**7/28/2026**	**NATIONAL OILWELL VARCO, L.P.**	**$ 37,204.90**	**Approved on SSJ No. 038-2627 - National Oilwell Varco (NOV) is the sole manufacturer and supplier of the proprietary equipment required for this project. The equipment is specifically engineered to integrate with the existing pump station system, and no other manufacturer can provide a compatible equivalent without significant modification, making NOV the only available source.**
1	7/28/2026	2000 SERIES PACKAGE		
2	7/28/2026	FREIGHT		

RANCHO WATER SOLE-SOURCE PURCHASES

DATE RANGE INCLUDED ON REPORT: 07/21/26 - 08/17/26

PO NO. / LINE	DATE / LN CHG	VENDOR / LINE DESCRIPTION	PO TOTAL COST	REASON
212391	**7/29/2026**	**AERZEN USA CORP.**	**$ 109,001.15**	**Approved on SSJ No. 039-2627 - The Aerzen Delta Hybrid D152S air-end assembly is a proprietary OEM component uniquely designed for the District's existing blower system and is not available from alternative manufacturers.**
1	7/29/2026	AERATION BLOWER AIR-END REPLACEMENT		
2	7/29/2026	FREIGHT		
212409	**7/30/2026**	**ZDA COMMUNICATIONS**	**$ 52,065.58**	**Approved on SSJ No. 036-2627 - Zetawave radios are exclusively distributed through ZDA Communications and have been thoroughly evaluated by District staff, demonstrating superior compatibility with the District's existing SCADA communications infrastructure, reliability requirements, and operational needs.**
1	7/27/2026	SCADA COMM. RADIO REPLACEMENTS (SRRRA)		
2	7/27/2026	SCADA COMM. DUAL RADIO REPLACEMENTS (SRRRA)		