

I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.



DENNIS P. CAFFERTY,
Secretary of the El Toro Water
District and the Board of Directors
thereof



AGENDA

EL TORO WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

April 25, 2024

7:30 a.m.

**BOARDROOM, DISTRICT OFFICE
24251 LOS ALISOS BLVD., LAKE FOREST, CA 92630**

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the virtual component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may attend the meeting in person at the District's office or may observe and address the Meeting by joining at this link:

<https://us02web.zoom.us/j/86210508548> (Meeting ID: 862 1050 8548).

Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above. Please be advised the Meeting is being recorded.

CALL MEETING TO ORDER – President Monin

PLEDGE OF ALLEGIANCE – Director Freshley

ROLL CALL (Determination of a Quorum)

ORAL COMMUNICATIONS/PUBLIC COMMENTS

Members of the public may address the Board at this time or they may reserve this opportunity with regard to an item on the agenda, until said item is discussed by the Board. Comments on other items will be heard at the time set aside for "COMMENTS REGARDING NON-AGENDA ITEMS." The public may identify themselves when called on and limit their comments to three minutes.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

1. Consider Board Member's Request for Remote Participation (AB 2449)

2. Consent Calendar

(All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item)

- a. Consider approving the minutes of the February 8, 2024 Special Board meeting
- b. Consider approving the minutes of the March 28, 2024 Board meeting

Recommended Action: The Board will consider approving the above Consent Calendar.

3. Director Reports for Meetings Attended (Oral Report)

GENERAL MANAGER ACTION ITEMS

4. Resolution No. 24-4-2 El Toro Water District Administrative Code (Reference Materials Included)

Staff will review and comment on proposed revisions to the District Administrative Code.

Recommended Action: The Board of Directors will consider adopting Resolution No. 24-4-2 which adopts the amended El Toro Water District Administrative Code.

RESOLUTION 24-4-2

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
ADOPTING THE AMENDED EL TORO WATER DISTRICT
ADMINISTRATIVE CODE

5. **Empower Administrative Services Agreement - Retirement Savings Plan**
(Reference Materials Included)

Staff will review and comment on the Empower Administrative Services Agreement for the El Toro Water District Retirement Savings Plan.

Recommended Action: Staff recommends the Board authorize the General Manager to execute the Empower Administrative Services Agreement for the El Toro Water District Retirement Savings Plan.

6. **Empower Administrative Services Agreement – Deferred Compensation Plan**
(Reference Materials Included)

Staff will review and comment on the Empower Administrative Services Agreement for the El Toro Water District Deferred Compensation Plan.

Recommended Action: Staff recommends the Board authorize the General Manager to execute the Empower Administrative Services Agreement for the El Toro Water District Deferred Compensation Plan.

GENERAL MANAGER INFORMATION ITEMS

7. **General Manager’s Monthly Report** (Reference Material Included)

Staff will review and comment on the General Manager’s Monthly Report.

8. **Legislative Reports** (Reference Material Included)

Staff and General Counsel will review and comment on the Legislative reports.

9. **Public Education and Outreach Report** (Reference Material Included)

Staff will review and comment on the Public Education and Outreach report.

10. **Water Use Efficiency Report** (Reference Material Included)

Staff will review and comment on the Water Use Efficiency Report.

11. **SOCWA Report** (Reference Material Included)

- a. SOCWA Board Meeting – April 4, 2024
- b. SOCWA Engineering Committee Meeting – April 11, 2024
- c. SOCWA Finance Committee Meeting – April 16, 2024

12. **Municipal Water District of Orange County (MWDOC) Report**
(Reference Material Included)
 - a. MWDOC Planning/Operations Meeting – April 1, 2024
 - b. MWDOC/MET Directors Workshop – April 3, 2024
 - c. MWDOC Admin/Finance Meeting – April 10, 2024
 - d. MWDOC Elected Officials Forum – April 10, 2024
 - e. MWDOC Board Meeting – April 17, 2024
13. **South Orange County Agencies Group Meeting** (Reference Material Included)
Report on the March 28, 2024 South Orange County Agencies Group Meeting.
14. **Local Agency Formation Commission (LAFCO) Report**
(Reference Material Included)
Report on the April 10, 2024 LAFCO meeting
15. **ISDOC Meetings Report** (Reference Material Included)
Report on the April 2, 2024 ISDOC Executive Committee meeting
16. **WACO Meetings Report** (Reference Material Included)
 - a. Report on the April 5, 2024 WACO meeting
 - b. Report on the April 16, 2024 WACO Planning meeting

COMMITTEE AND GENERAL INFORMATION

17. **Dates to Remember for April/May** (Reference Material Included)

COMMENTS REGARDING NON-AGENDA ITEMS

ATTORNEY REPORT

CLOSED SESSION

1. Pursuant to Government Code Section 54956.9(d)(1) to consult with legal counsel and staff regarding the following existing litigation: *Plaintiff, Marlene Jean v. Defendants, Dollar Tree Stores, Inc. et al.*, Superior Court of Los Angeles Case No. 19STCV25234.
2. Pursuant to Government Code Section 564956.9(d)(2) to consult with legal counsel and staff - Potential Litigation (one matter).

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

Mr. Granito will provide an oral report on the Closed Session.

ADJOURNMENT

The agenda material for this meeting is available to the public at the District's Administrative Office, which is located at 24251 Los Alisos Blvd., Lake Forest, Ca. 92630. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.

Request for Disability-Related Modifications or Accommodations

If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, Polly Welsch at (949) 837-7050, extension 225 at least forty-eight (48) hours prior to said meeting. If you prefer, your request may be submitted in writing to El Toro Water District, P.O. Box 4000, Laguna Hills, California 92654, Attention: Polly Welsch.

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

February 8, 2024

At approximately 7:30 a.m. Vice President Gaskins called the regular meeting to order, due to President Monin's remote participation under the just-cause provisions of AB 2449. Director Monin confirmed that there are no minors in the room where he is participating remotely in this meeting.

President Havens led in the Pledge of Allegiance to the flag.

Committee Members KAY HAVENS, KATHRYN FRESHLEY, MIKE GASKINS, FRED ADJARIAN, and MARK MONIN (Zoom) participated.

Also participating were DENNIS P. CAFFERTY, General Manager, JUDY CIMORELL, Human Resources Manager, SCOTT HOPKINS, Operations Superintendent, VISHAV SHARMA, CFO, HANNAH FORD, Director of Engineering, SHERRI SEITZ, Public Affairs Manager (Zoom), MIKE MIAZGA, IT Manager (Zoom), GILBERT J. GRANITO, General Counsel, and POLLY WELSCH, Recording Secretary.

Oral Communications/Public Comment

There were no comments.

Items Received Too Late to be Agendized

Vice President Gaskins asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Information Items

2024-25 Fiscal Year Budget Status Update

Mr. Cafferty stated that staff would discuss budget options and whether to modify rates beyond that described in the Districts existing 3-year Prop 218 Notice. He further discussed budget challenges for Purchased Water and O&M Costs.

Mr. Cafferty stated that Recycled Water Challenges include Increasing Costs, Declining Revenues, and a Declining Reserve Balance.

Mr. Cafferty stated that the 218 Notice described rate increases during the next two fiscal years, including the Commodity Rate and O&M Charges, as well as Capital Charges.

Mr. Cafferty stated that rates would increase 6.6% for single family residences from the 2023/24 fiscal year budget.

Mr. Cafferty stated that proposed increases in purchased water costs due to the MWD proposed budget and increasing O&M costs at the Baker Water Treatment Plant exceed the costs anticipated in the three year 218 Notice distributed last year.

Mr. Cafferty stated that there are three staff positions not being refilled or budgeted for this year. One of the positions is an Engineer position; one is a Wastewater Plant Operator position; and one is a Wastewater Inspector position.

Mr. Cafferty stated that the District is starting a pilot program at the Plant where the staff will go to a 5-day work week instead of a 7-day week for the Operators. He further stated that on the weekends there will be an on-call person who will do rounds and sampling as necessary.

Mr. Cafferty stated that the current truck drivers will continue on their normal 7-day schedules and will be taking samples to the SOCWA lab. He further stated that built into the budget is some overtime for the on-call person and additional costs at SOCWA for the weekend sampling.

At approximately 8:06 a.m. Ms. Ford left the meeting.

Mr. Cafferty stated that Option 1 is to Stay the Course and implement the rate increases described in the 218 Notice, Option 2 is to Increase the Commodity Charge which changes the Water Supply Charge and would require a new Prop 218 Notice, and Option 3 is to Increase Commodity & O&M Charges.

Director Havens asked what the cost difference would be between Option 2 and Option 3. Mr. Cafferty replied that it could be approximately \$30,000 - \$40,000 in the Rate Study alone, but staff will receive a Rate Study proposal from Raftelis once an Option has been chosen.

Mr. Cafferty stated that his recommendation is Option 2 which would be a relatively small impact on the water cost center deficit. He further stated that Option 3 would require a full Rate Study and Prop 218 Notice.

Director Freshley asked what is in the O&M Charges. Mr. Cafferty replied that everything that is not Capital and Purchased Water is in the O&M Charges, such as chemicals, power, software, insurance, purchasing valves, and manhole replacements.

The Board recommended that Option 2 is the best way to proceed with the new Rate Study and Prop 218 Notice.

Mr. Cafferty stated that Recycled Water Challenges include Increasing Costs, Declining Revenues, and Declining Reserve Balance. He further stated that the Recycled Water Enterprise is weather driven.

President Monin suggested that staff review and possibly delay some Capital Projects to a later date, and stated that he would like to see a detailed report on which Capital projects are the most critical.

Adjournment

There being no further business the Special Board meeting was closed at approximately 9:20 a.m.

Respectfully submitted

POLLY WELSCH
Recording Secretary

APPROVED:

MARK MONIN, President
of the El Toro Water District and the
Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and the
Board of Directors thereof

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
March 28, 2024

President Monin called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 a.m.

Director Havens led in the Pledge of Allegiance to the flag.

Directors KAY HAVENS, MIKE GASKINS, MARK MONIN, FRED ADJARIAN, and KATHRYN FRESHLEY participated.

Also present were DENNIS P. CAFFERTY, General Manager, HANNAH FORD, Director of Engineering, GILBERT J. GRANITO, General Counsel, MIKE MIAZGA, IT Manager (Zoom), HARVEY DE LA TORRE, MWDOC Assistant General Manager (Zoom), MELISSA BAUM-HAILEY, MWDOC Representative (Zoom), and POLLY WELSCH, Recording Secretary.

Determination of a Quorum

Five Board members were present for the meeting, therefore a quorum was determined.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

President Monin asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Consent Calendar

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Director Freshley to approve the Consent Calendar.

Roll Call Vote:

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Directors Reports for Meetings Attended

Director Havens stated that she attended the WACO meeting, the MWDOC/MET Directors workshop, the Laguna Woods Third Landscape Committee meeting, a presentation on PFAS from Water Use, Budget Committee #1, Budget Committee #2, the MWDOC Board meeting, the LF Meet the Mayor/State of the City meeting, the regular ETWD Board meetings, and she will be attending the SOCAG meeting this afternoon and the LWV TV-6 tomorrow.

Director Freshley stated that she attended the MWDOC Planning/Operations meeting, the MWDOC/MET Directors workshop, the MWDOC Board meeting, the RRC meeting, two SOCWA Board meetings, the SOCWA Finance meeting, WACO, the OCWA luncheon, LAFCO, the Laguna Woods City Council meeting, the LF Meet the Mayor/State of the City meeting, and the regular ETWD Board meetings.

Vice President Gaskins stated that he attended the WACO meeting, the ISDOC Executive Committee meeting, the RRC meeting, the Agenda Review meeting, the SOCWA Board meeting, LAFCO, the MWDOC Planning/Operations meeting, the

MWDOC/MET Directors workshop, the MWDOC Board meeting, Budget Committee #1, Budget Committee #2, the LF Meet the Mayor/State of the City meeting, the regular ETWD Board meetings, the OCWA luncheon, and will be attending SOCAG this afternoon.

Director Adjarian stated that he attended the MWDOC Planning/Operations meeting, the OCWA luncheon, the regular ETWD Board meetings, and the WACO meeting.

President Monin stated that he attended the LF Meet the Mayor/State of the City meeting, the Lake Forest and Laguna Woods City Council meetings, the Agenda Review meeting, the OCWA luncheon, the MWDOC Planning/Operations meeting, the MWDOC/MET Directors workshop, the MWDOC Admin/Finance meeting, the ISDOC Executive Committee meeting, WACO, the WACO Planning Committee meeting, and the regular ETWD Board meetings.

Metropolitan Water District Biennial Budget and Rates – 2025/26

Mr. Cafferty and Harvey De La Torre of MWDOC provided a presentation on MET's proposed fiscal year 2024/25 and 2025/26 Biennial budget associated rates and the projected impact to ETWD. The presentation included proposed water rates and charges for calendar years 2025 and 2026, an overview of rates and charges, and a ten-year forecast.

Mr. Cafferty stated that MET's presentation reflects ten different Rate Alternatives. He further stated that these alternatives include assumption on sales, and a variety of property tax rates.

Mr. Cafferty stated that MET is also looking at the potential for new revenue and potential O&M reductions.

After in-depth discussion between staff, MWDOC representatives, and the Board it was decided not necessary for the General Manager to provide a response letter to the MET Board.

At approximately 8:30 a.m. Mr. De la Torre and Ms. Baum-Hailey left the meeting.

Resolution No. 24-3-1 Revisions to ETWD's Employee Handbook

Mr. Cafferty reviewed and commented on changes to the Employee Handbook.

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Vice President Gaskins to adopt Resolution No. 24-3-1 which amends the Districts Employee Handbook.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Resolution No. 24-3-2 ETWD Administrative Code

President Monin asked for a Motion.

Motion: Director Adjarian made a Motion, seconded by Director Havens to adopt Resolution No. 24-3-2 which adopts the amended ETWD Administrative Code.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Resolution No. 24-3-3 First Amendment to the ETWD Retirement Savings Plan

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Freshley to adopt Resolution No. 24-3-3 adopting the first amendment to the ETWD Retirement Savings Plan.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Resolution No. 24-3-4 First Amendment to the ETWD Deferred Compensation Plan

President Monin asked for a Motion.

Motion: Director Havens made a Motion, seconded by Director Freshley adopting the first amendment to the ETWD Deferred Compensation Plan.

Roll Call Vote

Director Adjarian	aye
Director Freshley	aye
Director Havens	aye
Vice President Gaskins	aye
President Monin	aye

Nomination of a Candidate for the OC LAFCO Regular Special District Member Seat

No candidate was nominated.

General Manager Information Items

General Manager's Monthly Report

There were no comments.

Legislative Reports

There were no comments.

Public Education and Outreach Report

Director Havens stated that she found the cloud seeding article to be of interest as there has been some concerned residents on the impact of cloud seeding.

Director Adjarian complemented Ms. Seitz on a presentation she put together for UCLA's geography department.

Mr. Cafferty stated that the Laguna Woods Village Earth Day will be on April 18th from 12:00 pm – 2:30 pm in Clubhouse 5.

Vice President Gaskins commented on ETWD's Adopt-a-Channel signage and stated that clean-up will be handled quarterly by a youth group from the County.

Water Use Efficiency Report

There were no comments.

SOCWA Reports

Director Freshley stated that SOCWA received discussion from SCWD regarding the conflict with the Regional Treatment Plant ownership.

Mr. Cafferty stated that SOCWA has been working on their budget and there is a parallel push on the majority of agencies on the Administrative Costs, and the language in the JPA Agreement.

MWDOC Reports

There were no comments.

LAFCO

Director Freshley stated that they discussed their budget which is paid 1/3 by the County Supervisors, 1/3 by the Cities, and the remaining 1/3 by the Special Districts.

Director Freshley stated that the LAFCO website has been redone and now includes results from the MSR's from each agency. She further stated that next month they will be discussing the Commissioners Handbook, and Legislative Affairs regarding LAFCO's.

ISDOC

President Monin stated that they discussed a scholarship update and a quarterly meeting with associate displays.

WACO

President Monin stated that there was a presentation on the Water Blueprint for the San Joaquin Valley.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for March/April

There were no comments.

Comments Regarding Non-Agenda Items

There were no comments.

Attorney Report

Mr. Granito reported that there is no need for a Closed Session today and as such Regular Session continued.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 9:11 a.m.

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

MARK MONIN, President of
the El Toro Water District and the
Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and
the Board of Directors thereof



STAFF REPORT

To: Board of Directors

Meeting Date: April 25, 2024

From: Dennis Cafferty, General Manager

Subject: Administrative Code Amendment

At the November 2023 Board meeting the Board approved the initial version of the El Toro Water District Administrative Code. Staff continues to work to transition existing policies into the Administrative Code with revisions or updates as appropriate.

The current proposal moves the following existing policy to the recently created and adopted Administrative Code:

Current Policy Designation		Administrative Code Reference
2006-22 (IV)	Fraud in the Workplace Policy	Section 9000
2020-22 (IV)	District Meeting Rooms Use Policy	Section 9010

The attached redline documents show only the excerpt from the Administrative Code in which changes or additions are proposed and identifies potential updates to the existing policy language subject to discussion by the Board.

Recommended Action: The Board of Directors will consider adopting Resolution No. 24-4-2 which adopts the amended El Toro Water District Administrative Code.

RESOLUTION 24-4-2

RESOLUTION OF THE BOARD OF DIRECTORS
 OF THE EL TORO WATER DISTRICT
 ADOPTING THE AMENDED EL TORO WATER DISTRICT
 ADMINISTRATIVE CODE

RESOLUTION NO. 24-4-2

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
ADOPTING THE AMENDED EL TORO WATER DISTRICT
ADMINISTRATIVE CODE**

WHEREAS, the Board of Directors of the El Toro Water District adopted an Administrative Code defining the policies the El Toro Water District in November, 2023; and

WHEREAS, it is in the best interest of the District that the District's Administrative Code be amended in its entirety to incorporate updates to, and additional policies in, the existing Administrative Code; and

WHEREAS, the Board of Directors of the El Toro Water District has reviewed the Administrative Code which is incorporated herein by this reference.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the El Toro Water District does hereby adopt the Amended El Toro Water District Administrative Code effective April 25, 2024.

ADOPTED, SIGNED AND APPROVED this 25th day of April 2024.

MARK MONIN, President
El Toro Water District and of the
Board of Directors thereof

ATTEST:

DENNIS P. CAFFERTY, Secretary
El Toro Water District and of the
Board of Directors there of

EL TORO WATER DISTRICT



ADMINISTRATIVE CODE

Adopted

~~March 28~~ April 25, 2024

DISTRICT

1000 Principal Office
1010 Seal

BOARD OF DIRECTORS

2000 General Authority
2010 Membership
2020 Terms of Office
2030 Elections
2040 Meetings
2050 Quorum: Votes Necessary
2060 Compensation
2070 Board Staff Relationship
2080 Guidelines for Board Conduct
2090 Committees of the Board

BOARD OFFICERS AND EMPLOYEES

3000 Officers Other Than Directors
3010 Elimination
3020 President (Term of Office)
3030 Succession to Presidency
3040 Vice President (Election – Term of Office – Succession to Presidency)
3050 Secretary
3060 Treasurer
3070 Duties and Powers of President
3080 Duties and Powers of Vice President
3090 Employees
3100 District Legal Counsel
3110 District Auditors

ETWD DIRECTORS

4000 Directors' Compensation
4010 Directors' Benefits
4020 Directors' Travel & Expense Reimbursement

ETHICS

5000 Ethics Training

FINANCIAL MATTERS

- 6000 District Claim Procedures
- 6010 Board Authorization of Fund Transfers With the District Capital Budget
- 6020 Budget Policy
- 6030 Designated Staff Credit Card Issuance / Usage Policy
- 6040 Cash Reserve Policy
- 6050 Debt Management Policy
- 6060 Capitalization Policy for Capital Assets
- 6070 Disposal of Surplus Property
- 6080 Investment Policy
- 6090 Electronic Funds Transfer Policy

SERVICE AND RATE

- 7000 Statement of Service Outside of District Boundaries
- 7010 Statement of Construction of Water and Sewer

PERSONNEL MATTERS

- 8000 Employee Handbook (Incorporated by Reference)

ORGANIZATION, FUNCTIONS & GENERAL PROVISIONS

- 9000 Fraud in the Workplace
- 9010 District Meeting Rooms Use Policy

ORGANIZATION, FUNCTIONS & GENERAL PROVISIONS

§9000 FRAUD IN THE WORKPLACE

1. PURPOSE AND SCOPE

To establish policy and procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other related dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution and recoveries.

2. GENERAL

A. The El Toro Water District ("District") is committed to protecting its assets against the risk of loss or misuse. Accordingly, it is the policy of the District to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the District and, when appropriate, to pursue legal remedies available under the law.

B. DEFINITIONS

1. Fraud – Fraud and other similar irregularities include, but are not limited to:
 - a. Claim for reimbursement of expenses that are not job-related or authorized by the current Personnel Manual.
 - b. Forgery or unauthorized alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.).
 - c. Misappropriation of District assets (funds, securities, supplies, furniture, equipment, etc.).
 - d. Improprieties in the handling or reporting of money transactions.
 - e. Authorizing or receiving payment for goods not received or services not performed.
 - f. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of District-owned software.
 - g. Misrepresentation of information on documents.
 - h. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.

- i. Seeking or accepting anything of material value from those doing business with the District including vendors, consultants, contractors, lessees, applicants, and grantees. Materiality is determined by the District's Guidelines for Board Conduct policy which incorporates the Fair Political Practices Commission's regulations.
 2. Employee – In this context, employee refers to any individual or group of individuals who receive compensation, either full- or part-time, from the District. The term also includes any volunteer who provides services to the District through an official arrangement with the District or a District organization.
 3. Management – In this context, management refers to any administrator, manager, director, supervisor, or other individual who manages or supervises funds or other resources, including human resources.
 4. Internal Auditor – In this context, Internal Auditor refers to any person or persons assigned by the General Manager to investigate any fraud or similar activity.
 5. External Auditor – In this context, External Auditor refers to independent audit professionals who perform quarterly and/or annual audits of the District's financial statements.
- C. It is the District's intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, length of service or relationship with the District of any party who might be or become involved in or becomes the subject of such investigation.
- D. Each department of the District is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.
- E. The Internal Auditor, in conjunction with the District's Attorney, has the primary responsibility for the investigation of all activity as defined in this policy.
- F. Throughout the investigation, the Internal Auditor will inform the General Manager of pertinent investigative findings.
- G. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the District nor any person acting on behalf of the District shall:

1. Dismiss or threaten to dismiss the employee;
2. Discipline, suspend, or threaten to discipline or suspend the employee;
3. Impose any penalty upon the employee; or
4. Intimidate or coerce the employee.

Violations of the whistle-blower protection will result in discipline up to and including dismissal.

- H. Upon conclusion of the investigation, the results will be reported to the General Manager.
- I. The General Manager, following review of the investigation results, will take appropriate action regarding employee misconduct. Disciplinary action can include termination, and referral of the case to the District's Attorney's Office for possible prosecution.
- J. The District will pursue every reasonable effort, including court ordered restitution, to obtain recovery of District losses from the offender, or other appropriate sources.

3. **PROCEDURES**

A. Members of the Board of Directors

1. If a Board member has reason to suspect that a fraud has occurred, he or she shall immediately contact the General Manager.
2. The Board member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the General Manager.
3. The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the General Manager in consultation with the District's Attorney and the Internal Auditor.

B. Management Responsibilities

1. Management is responsible for being alert ~~to, and~~ to and reporting fraudulent or related dishonest activities in their areas of responsibility.
2. Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in his or her area.

3. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
4. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor.
5. Supervisors should inform the General Manager.
6. Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
7. Management should support the District's responsibilities and cooperate fully with the Internal Auditor, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
8. Management must give full and unrestricted access to all necessary records and personnel. All District furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
9. In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:
 - a. Incorrect accusations.
 - b. Alerting suspected individuals that an investigation is underway.
 - c. Treating employees unfairly.
 - d. Making statements that could lead to claims of false accusations or other offenses.
10. In handling dishonest or fraudulent activities, management has the responsibility to:
 - a. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the crime", "the fraud", "the misappropriation", etc.

- b. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the District, unless specifically directed to do so by the District's Attorney.
- c. Avoid discussing the case with anyone inside the District other than employees who have a need to know such as the General Manager, Internal Auditor, or District's Attorney or law enforcement personnel.
- d. Direct all inquiries from the suspected individual, or his or her representative, to the General Manager or District's Attorney. All inquiries by an attorney of the suspected individual should be directed to the District's Attorney. All inquiries from the media should be directed to the General Manager.
- e. Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with Human Resources, in conformance with the District's Personnel Policies and Procedures.

C. Employee Responsibilities

1. A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
2. When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management and/or the General Manager.
3. The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the General Manager, Internal Auditor, District's Attorney or law enforcement personnel.

D. Internal Auditor Responsibilities

1. Upon assignment by the General Manager, the Internal Auditor will promptly investigate the alleged fraud.
2. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Internal Auditor, in consultation with the District's Attorney, will contact the Sheriff's Department.
3. The Internal Auditor shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.

4. If evidence is uncovered showing possible dishonest or fraudulent activities, the Internal Auditor will proceed as follows:
 - a. Discuss the findings with ~~management and the Department Director~~ the General Manager.
 - b. Advise ~~management~~ the General Manager, if the case involves staff members, to meet with Human Resources (or his/her designated representative) to determine if disciplinary actions should be taken.
 - c. Report to the External Auditor such activities in order to assess the effect of the illegal activity on the District's financial statements.
 - d. Coordinate with the District's ~~Risk-risk~~ Risk Management personnel regarding notification to insurers and filing of insurance claims.
 - e. Take immediate action, in consultation with the District's Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 1. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
 2. Preventing the individual suspected of committing the fraud from having access to the records.
5. In consultation with the District's Attorney and the Sheriff's Department, the Internal Auditor may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
6. If the Internal Auditor is contacted by the media regarding an alleged fraud or audit investigation, the Internal Auditor will consult with the General Manager and the District's Attorney, as appropriate, before responding to a media request for information or interview.
7. At the conclusion of the investigation, the Internal Auditor will document the results in a confidential memorandum report to the General Manager and the District's Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the Sheriff's Department.
8. Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential

particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Internal Auditor no later than seven calendar days after notice is received.

9. The Internal Auditor will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
10. Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Internal Auditor to that department.

4. EXCEPTIONS

There will be no exceptions to this policy unless provided and approved by the General Manager and the District's Attorney.

R 06-9-1 09/28/06; R 24-4-2 04/25/24

§9000 DISTRICT MEETING ROOMS USE POLICY

1. The District Meeting Rooms may be used by individuals, nonprofit corporations/associations, or other outside organizations or groups that were formed, and are primarily operating, for a purpose other than for profit ("Organization").
2. An Organization shall make a request to use the Meeting Rooms by completing an application provided by the District ("Application"). ~~An example of the Application is attached hereto marked Exhibit "A".~~
 - A. The Application may be requested over the phone at (949) 837-7050, by mail at P.O. Box 4000 Laguna Hills, CA 92654, or in person at the District's administrative offices.
 - B. A request for use will only be granted to persons 21 years and older.
 - C. The person signing the Application must be present at the event.
 - D. The Application form shall include the following language:

Applicant shall be solely responsible for any and all injuries, damages, and claims to persons or property arising out of its use of the Meeting Rooms. Applicant shall defend, hold harmless, and indemnify the District or its Directors, Officers, employees or volunteers against any and all such injuries, damages, and claims. This indemnification shall not be restricted to any insurance proceeds. Applicant must attach to this Application the

Certificate of Insurance and additional insured endorsement as required by the District Meeting Rooms Use Policy.

- 2.3. The Board hereby delegates to the General Manager, or a representative or agent of the General Manager as so deemed by the General Manager, the authority to implement this Policy for the management, direction, and control of the Meeting Rooms. The Policy shall be comprised of the terms and conditions of this Resolution, the Application, and the Schedule of Costs referred to in Section Paragraph 10 below.
- 3.4. The General Manager shall notify an Organization in the event ~~of~~ a submitted Application is incomplete and shall state what information is needed in order for said Application to be deemed complete.
- 4.5. Upon receipt of a completed Application, the General Manager shall determine whether the Meeting Rooms are an appropriate facility for the proposed use and if so, whether the Meeting Rooms are available on the requested date and time. The General Manager shall determine whether the Organization and the proposed use meet the Policy's standards of this Policy.
- 5.6. Meeting Rooms may be used after District regular business hours, Monday through Friday from 4:00 p.m to 10:00 p.m. Meeting rooms are also available on Saturday and Sunday from 9:00 a.m. to 9:00 p.m. Exceptions to this schedule must be approved by the General Manager.
- 6.7. The maximum allowed in the Multipurpose Room in the Field Administration Office is 84 persons. The maximum allowed in the Board of Directors Room is 30 persons.
- 7.8. In the event the Organization is granted use of the Meeting Rooms, the Organization shall be notified of the time period for use and the amount of the charge. The General Manager shall determine the terms for payment which in most cases, shall require payment of the total costs in advance of the use. The Organization shall also be notified in the event a request is rejected and the basis for said rejection.
- 8.9. The charging of fees by users of the meeting rooms and the solicitation of contributions are each prohibited. In addition, no products or services may be sold on the premises. No District meeting rooms may be used for political activities including but not limited to political campaigning or fundraising. The District Meeting Rooms may be used as a Voting Center by the Orange County Registrar of Voters with the approval of the General Manager.
- 9.10. No alcohol is permitted on the premises. No firearms are permitted on the premises. Smoking is prohibited inside and outside (within 20 feet of an exit or entrance). Animals will not be permitted in the meeting rooms unless they are a service animal accompanying a person with a disability.
- 10.11. A clean-up deposit will be required prior to use of the Meeting Rooms. The Meeting Rooms must be cleaned up and left in the same condition as found; all

furniture and fixtures in the room are to remain in place. Portable furniture may be moved to accommodate the Organization's needs but must be restored to its original location by the Organization. If an Organization fails to do so, the actual cost will be deducted from the clean-up deposit.

~~11-12.~~ In the event the General Manager determines that an approved use is interfering, or will interfere, with the District's activities, the Organization shall cease use of the Meeting Rooms. Upon completion of the District's particular activities, the Organization may be allowed to resume its use.

~~12-13.~~ A District employee or employees will be required to be present during the Organization's use of the Meeting Rooms to oversee the use of the Meeting Rooms as well as to safely direct traffic and parking as deemed necessary by the General Manager. The General Manager will determine the number of employees to be present. The charge imposed for use of the Meeting Rooms shall include an amount to cover the District's employee's involvement. The District reserves the right to full access by its personnel to all activities at any time in order to ensure the Policy is being observed.

~~14.~~ The charge to be imposed for use of the Meeting Rooms shall be pursuant to the Schedule of Costs attached hereto marked Exhibit "B". The charge for use of the Meeting Rooms shall include a daily fee, charges for the presence of District employees and a cleaning deposit as follows:

A. The daily charge for use of the Meeting Rooms shall be \$50.00 per day of use;

B. The charges for the presence of District employees shall be \$50.00 per hour, per District Employee, in the event any District employees or representatives are required to be involved. The requirement for the involvement of District employees and the number of District employees involved shall be at the sole discretion of the General Manager. Such an hourly charge will not be pro-rated for less than an hour.

~~A.C.~~ The Schedule of Costs sets forth calculations of the costs for use of the Meeting Rooms which are reflected in the amount imposed on the Organization. Said costs The charge for the use of the Meeting Rooms may further include the costs of supplies, utilities, security janitorial services, services of any other District employees or representatives, and salaries paid District employees necessitated by the Organization's use of the Meeting Rooms and accompanying facilities and grounds. The amount of the cleaning deposit (refundable) is \$100.00. A single deposit may be made and held by the District, to apply to continuing uses over a period of item, for as long as the Meeting Room is left in a neat, clean, and undamaged condition after each use. The Board may elect to change the amount, or other terms of the charge, by adopting amendments or revisions to Exhibit "B".

~~13-15.~~ Pursuant to California law, the Meeting Rooms shall not be used in a manner that would prohibit the admittance of any person, or persons, on the basis of race,

religions creed, color, national origin, ancestry, or sex, or which would make the Meeting Rooms inaccessible to disabled persons, or where members of the public may not be present without making payment or purchase. In addition, the general public may not be excluded from attending any meetings or other functions of an Organization during its use of the Meeting Rooms.

14-16. An Organization shall be solely responsible for any and all injuries, damages, and claims to persons or property arising out of its use of the Meeting Rooms. An Organization shall defend, hold harmless, and indemnify the District or its Directors, Officers, employees or volunteers against any and all such injuries, damages, and claims. This indemnification shall not be restricted to any insurance proceeds. The District is not responsible for the loss, damage, or theft of equipment or articles owned by an Organization. Any person or Organization causing damage to District property or equipment will be required to pay for same based on current cost, repair, or replacement.

15-17. An Organization shall provide and maintain:

- A. General Liability - General Liability Coverage including property damage, bodily injury and personal & advertising injury with limits of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If Commercial General Liability Insurance or other form with a general aggregate limit, either the general aggregate limit shall apply separately to the project/location or insurer's equivalent endorsement provided to El Toro Water District or the general aggregate limit shall be twice the required occurrence limit.
- B. Automobile Liability - Auto Coverage covering any auto with limit of one million dollars (\$1,000,000) for bodily injury and property damage each accident.
- C. Workers' Compensation Insurance -. The Event Holder shall provide workers' compensation coverage as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. Waiver of Subrogation: The insurer(s) named above agree to waive all rights of subrogation against the El Toro Water District, its directors, officers, employees, and authorized volunteers for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency, but this provision applies regardless of whether or not the El Toro Water District has received a waiver of subrogation from the insurer.

The District, its Officers employees or agents shall be named as additional insureds. An Organization shall provide the District with a Certificate of Insurance and additional insured endorsement before use of the Meeting Room. Any insurance, self-insurance or other coverage maintained by the District shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of at least A-:VII.



STAFF REPORT

To: Board of Directors

Meeting Date: April 25, 2024

From: Dennis Cafferty, General Manager

Subject: Empower Administrative Services Agreement - Retirement Savings Plan

On April 1, 2022, Empower acquired the full-service retirement business of Prudential Retirement. Empower recently completed the migration of the District plans to the Empower recordkeeping platform.

The relationship between the District and Empower will be defined in an Administrative Services Agreement. Staff has been working with Empower and the District's ERISA counsel, Heather Bader, on the language of the Agreement.

There are two separate agreements specific individually to the Retirement Savings Plan (401k Plan) and the Deferred Compensation Plan (457 Plan). The language in the Administrative Services Agreement for the Retirement Savings Plan is now satisfactory to District staff and counsel.

Recommended Action: Staff recommends the Board authorize the General Manager to execute the Empower Administrative Services Agreement for the El Toro Water District Retirement Savings Plan.



ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (“Agreement”) sets forth the general terms and conditions under which Empower Annuity Insurance Company (“Empower”) will provide administrative services to the El Toro Water District with respect to the El Toro Water District Retirement Savings Plan (the “Plan” or “Plans”) established pursuant to Code section 401(a), 401(k) or 457(b) (as applicable).

1. Definitions

“Agreement” includes this base Administrative Services Agreement as well as the attached Schedule of Services and a separately executed fee schedule or fee proposal (“Fee Schedule”).

“Business Day” means any day, and only for as many hours as, the New York Stock Exchange is open.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Empower” refers to Empower Annuity Insurance Company and its affiliates with respect to products and services offered in the retirement markets, including but not limited to recordkeeping and communication services.

“Participant” shall mean an employee, former employee, Plan participant, participant, former participant, beneficiary or alternate payee who is or may be entitled to participate in or receive benefits under the Plan.

“Plan Sponsor” and “Employer” refer to the undersigned Employer, the Plan Sponsor, Plan Administrator, named fiduciaries, and other delegates of the Employer (other than Empower), as dictated by the context.

2. Services Provided by Empower

2.1. Services. Empower will provide the services set forth in this Agreement (collectively the “Services”). In the performance of the Services, Empower will act as a non-discretionary service provider directed by the Plan Sponsor in compliance with applicable laws and regulations. The parties agree that the purchase and sale of securities for the Plan, except for employer stock and unaffiliated self-directed brokerage, will be effected through Empower Financial Services, Inc., a broker/dealer affiliate of Empower.

2.2. Non-Fiduciary Status. Plan Sponsor acknowledges that the Services are ministerial and are not intended to involve the exercise of any discretion that would cause Empower to be a fiduciary or Plan Administrator as defined under the Code, the Investment Advisors Act of 1940, or state law, as applicable. Nothing in this Agreement or otherwise shall result in Empower having any discretionary authority or responsibility for the administration of the Plan, including management of the Plan or disposition of Plan assets. Empower shall not render, or have any authority or responsibility to render, investment advice for a fee or other compensation, direct or indirect, with respect to any Plan assets.

2.3. No Tax or Legal Advice. Nothing in this Agreement is intended to constitute legal or tax advice from Empower to Plan Sponsor, or to any other party. Plan Sponsor understands that Empower has not given and may not give legal advice. All issues should be reviewed and discussed with Plan Sponsor’s legal counsel and/or tax adviser.

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3. Responsibilities of Plan Sponsor

Plan Sponsor acknowledges that Empower cannot effectively perform the Services without Plan Sponsor's cooperation. Accordingly, Plan Sponsor acknowledges and agrees that it will fulfill the following duties and obligations.

3.1. Plan Administrator. Plan Sponsor, a designated employee or committee, or a third party retained by Plan Sponsor or named in the Plan (other than Empower or one of its affiliates) will be the "Plan Administrator" and "named fiduciary" as defined by applicable law.

3.2. Provision of Information. Plan Sponsor or its designee, including any third parties retained by or on behalf of the Plan or Plan Sponsor, will provide all information necessary for Empower to perform the Services in a manner and format that does not require manual intervention or manipulation by Empower. Plan Sponsor acknowledges and agrees that Empower shall not bear any responsibility for any penalties or other costs incurred as a result of Plan Sponsor's failure to provide such information in a timely manner. Plan Sponsor further acknowledges and agrees that Empower may charge an additional fee if any necessary information is not provided on a timely basis, or in an electronic format usable by Empower without any manual intervention or manipulation. Plan Sponsor agrees that Empower shall be entitled to fully rely upon the accuracy and completeness of information Plan Sponsor submits and that Empower shall have no duty or responsibility to verify such information. If, as a result of incorrect or incomplete information furnished by Plan Sponsor, it becomes necessary to repeat any calculation or service, complete any new forms or revise any completed forms, Empower reserves the right to charge an additional fee. Each party agrees to bear its own interconnect transmission costs and is solely responsible for its own acts and omissions relating to transmitting, receiving, storing and handling documents and information, including the maintenance of all equipment, software and testing necessary to effectively, reliably and securely send and receive such documents and information.

3.3. Remitting Contributions and Allocation Instructions. Plan Sponsor agrees that it is solely responsible for collecting and remitting all initial and recurring contributions and loan repayments to Empower electronically via Empower's plan sponsor website, or another mutually agreed-upon manner within the time prescribed by applicable law. Plan Sponsor acknowledges that Empower is not responsible for monitoring the amount and/or timeliness of such contributions and loan repayments. In the event that a Plan participant ("Participant") does not elect investment options, Plan Sponsor directs Empower to invest the contribution in the default investment option under the Plan at the time the contribution is received. Plan Sponsor acknowledges that Empower reserves the right to either reject contributions remitted via ACH without proper proceeds or to assess an additional processing charge, and that in such event Empower further reserves the right to reject all future ACH contribution remittances from Plan Sponsor. With respect to Plan- or Plan Sponsor-initiated distributions or rollovers, Plan Sponsor hereby instructs and authorizes Empower to rely upon the information on Empower's recordkeeping system for purposes of tax reporting and withholding, and to treat payees with U.S. addresses as U.S. persons and payees with foreign addresses as foreign persons. Plan Sponsor certifies that such information is accurate and compliant with the Foreign Account Tax Compliance Act (FATCA) and the Code, and that required documentation supporting such information has been collected by Plan Sponsor.

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3.4. Plan Document and Compliance Responsibilities. Plan Sponsor has the responsibility to ensure that the Plan documents are accurate and complete and that the Plan is being operated in accordance with its terms and applicable law. Plan Sponsor shall provide Empower with a signed copy of the Plan document and all amendments to the Plan document within thirty (30) days after such document and/or amendment is adopted. Plan Sponsor acknowledges that it is responsible for reviewing the accuracy and completeness of all Plan document services performed by Empower, if any. Plan Sponsor is solely responsible for ensuring that the Plan is qualified under the Code.

3.5. Disclosures. Plan Sponsor agrees to comply with all of its notice and disclosure responsibilities under applicable law with the assistance of Empower as set forth on the Schedule of Services.

3.6. Investment Options. Plan Sponsor is responsible for the selection of all investment options made available under the Plan (“Investment Options”) based on Plan Sponsor’s independent evaluation, or that of its registered investment advisor, consultant, broker or other agent, as applicable. Plan Sponsor must notify Empower in writing of the Investment Options intended to be serviced by Empower and such Investment Option services are only provided as agreed upon by Empower and may be subject to certain limitations or conditions. Plan Sponsor acknowledges that the Plan’s transition to Empower may be delayed if there is a change in the Investment Option selections.

As part of the Services provided by Empower, the Plan’s assets may be invested in a group annuity contract and/or array of funds offered by Empower, its affiliates or other investment providers (the “Investment Program”). Empower may add, delete and/or replace available investment options offered under the Investment Program with at least sixty (60) days written notice to Plan Sponsor or the Plan fiduciary. This notice will explain the fund change, communicate the timeline and effective date of the fund change, provide information on fees received by Empower or an affiliate from a fund company, and explain Plan Sponsor’s or the Plan fiduciary’s right to opt out of the change. Plan Sponsor or the Plan fiduciary will be deemed to have approved such change unless Plan Sponsor’s or Plan fiduciary’s written objection is received by Empower within the sixty (60) day notice period. If Plan Sponsor or the Plan fiduciary objects to the fund change, Empower may terminate this Agreement, but will continue to provide services for at least sixty (60) days after the effective date of the fund change.

If allowed within the Investment Program, Plan Sponsor may request an addition, deletion, and/or replacement with respect to investment options available in the Plan. Plan Sponsor must provide Empower with notice of the intended change sixty (60) days prior to the intended date of the fund lineup modification. Empower must confirm, in writing, its ability to administer any requested fund additions, deletions and/or replacements prior to these changes being implemented. Once Empower receives notice of such fund change request, Empower will assess the Plan’s pricing and the selected fund company’s administrative requirements. Empower reserves the right to decline a fund change request if Empower is unable to administer the fund requested. Additionally, Empower reserves the right to reevaluate and modify the Fee Schedule as part of the request, and the Plan Sponsor acknowledges that such a request could impact the fees paid by the Plan or Plan Sponsor. The Plan Sponsor shall provide sufficient notice of the Plan’s desired fund change to provide Empower with the opportunity to conduct the necessary review and to ensure that Plan participants can be provided with notification of fund changes at least thirty (30) days prior to the effective date of the change. If applicable, Plan Sponsor agrees to cooperate with Empower to create and deliver all necessary participant communications, and acknowledges that there may be an additional cost for such communications.

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If Plan Sponsor offers Plan Investment Options that are recordkept outside of this Agreement (“Outside Assets”), Plan Sponsor hereby instructs Empower to restrict any and all transfers between the Outside Assets and the Plan assets recordkept under this Agreement. If Plan Sponsor has selected an Empower annuity product, Plan Sponsor agrees that any provision(s) of the group annuity contract to the contrary are inoperable with respect to the Plan.

Plan Sponsor acknowledges that Empower or its affiliates may receive fees from mutual fund families or other Investment Option sponsors or their affiliates for providing certain administrative or other services thereto (“Fund Service Fees”). Plan Sponsor may request additional information regarding such fees at any time. If the provider of an Investment Option causes an Investment Option to become unavailable, Empower will notify Plan Sponsor as soon as practicable after the Investment Option Sponsor notifies Empower. If any employer securities are included as an Investment Option or are otherwise contributed under the Plan, (i) Plan Sponsor shall be responsible for any Securities and Exchange Commission (the “SEC”) or state registration, prospectus delivery or Form 11-K annual reporting requirements; and (ii) Empower shall not be responsible for the enforcement of or compliance with any SEC or Employer regulations or policies related to insider trading in Employer securities or the reporting of such trading. Plan Sponsor acknowledges that the SEC requires mutual fund companies to establish procedures to prevent market timing and excessive trading. Plan Sponsor agrees to adhere to the terms and conditions of such procedures included with this Agreement, as amended from time to time.

3.7. Payment of Plan Expenses. Plan Sponsor may direct Empower in writing to deduct Plan expenses from the Plan to the extent Plan Sponsor has determined that deduction is specifically allowed by the Plan document and applicable law, and to remit to the party designated by the Plan Sponsor.

3.8. Direction by Plan Sponsor. In performing the Services, Empower is acting at the direction of the Plan Sponsor or other named fiduciary of the Plan. Plan Sponsor agrees to provide direction in a manner reasonably requested by Empower, and Empower may rely upon any such direction, whether provided electronically or in writing, by a person that Empower reasonably believes to be authorized to act on behalf of the Plan Sponsor or other named fiduciary. Plan Sponsor agrees that all services and procedures to be followed by Empower as set forth in any service profile, summary plan description (if applicable), plan administrative guide, administrative form or other similar document will constitute direction by the Plan Sponsor to Empower, unless Plan Sponsor indicates otherwise. Plan Sponsor specifically intends that Empower will have no discretionary authority with respect to such “deemed” approved transactions, and that Empower’s responsibility is limited solely to confirming it has been provided in good order and in accordance with the procedure.

3.9. Electronic Delivery. Empower will deliver plan-related documents to Participants under the Agreement in an electronic manner as described below.:

3.9.1. Plan notices to be delivered by Empower will be delivered via an email notice of the availability of the plan-related document on the Participant website sent to an email address provided to Empower by the Participant or by the Plan Sponsor. If Empower is not provided with an email address, notices will be delivered to the Participant via regular mail.

3.9.2. Empower will send an initial notification of default electronic delivery via regular mail to each Participant at least 10 days prior to delivering any plan-related documents via email. The initial notice of SAGWTPAGOV0822



default electronic delivery will include the participant's email address that will be used to deliver notices of the availability of plan-related documents, a statement of the Participant's right to request and obtain a paper version of the documents and a statement of the option to opt out of electronic delivery and receive only paper versions of the documents.

3.9.3. If an email notice of availability of a plan-related document is returned undeliverable, Empower will send the notice to another email on file for the Participant. If no other email is on file for the Participant or such other email is also returned undeliverable, plan related documents will be delivered via regular mail to the Participant until such time as Empower is provided another email address for the Participant.

3.9.4. Participants may request to receive one paper copy of a plan-related document for no cost. In addition, Participants may opt out of electronic delivery and request that their plan-related documents be delivered via regular mail at any time.

3.9.5. Empower will maintain access to plan-related documents on the Participant website as required under Department of Labor regulation Section 2520-104b-31(e).

3.10. Review of Reports. The Plan Sponsor is responsible for reviewing and monitoring reports made available by Empower (whether provided electronically, by posting on an Empower website, or otherwise) regarding Plan activity, transactions and investments to verify that the investments indicated in the reports properly reflect the investment directions provided by the Plan Sponsor or the investment elections made by Participants, as applicable. The parties acknowledge that Participants may also have certain duties to review reports such as transaction confirmations and account statements, as applicable, and provide notification to Empower of any error they discover. Empower's performance of its obligations under this Agreement shall be conclusively presumed to be accurate unless Plan Sponsor or a Participant provides Empower with proper notice of discrepancies.

3.11. Error Correction.

3.11.1. Transactional and Operational Errors.

a. Transactional Errors. If Empower does not accurately process contribution, distribution, or investment instructions provided in good order by a Participant or the Plan Sponsor (e.g., investment allocation of Plan contributions, investment exchanges or transfers, or timely processing of a Plan distribution) and the issue is timely brought to Empower's attention, Empower will, at its own expense, retroactively correct the Plan or Participant account to reflect its adjusted financial position had the error not occurred, including any investment earnings and reduced by any investment losses. If the issue is not timely brought to Empower's attention, Empower may correct the error by adjusting the Plan or Participant account prospectively.

b. Plan Operational Errors. If Empower is timely notified that it has made an error that creates an operational or fiduciary issue for the Plan, Empower will, within a reasonable time after being notified of or discovering such error, notify the Plan Sponsor and describe the corrective option that Empower proposes to employ that is consistent with the Internal Revenue Service, Department of Labor, or other agency correction guidelines, where applicable, and Plan Sponsor shall review the proposed correction option. Unless the Plan Sponsor objects to such proposed correction and requests an alternate correction option within ten (10) business days after

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receiving notice of Empower's suggested corrective option, the Plan Sponsor Directs Empower to promptly process the correction in accordance with the proposal, at Empower's expense. If Empower's proposed correction is consistent with Internal Revenue Service, Department of Labor, other agency correction guidelines, or other guidance, but the Plan Sponsor requests an alternate correction method resulting in expenses in excess of what Empower would have incurred under its proposed correction, the Plan Sponsor shall bear such additional expenses (including without limitation any attorney's fees, regulatory filing costs and additional net loss resulting from such method).

3.11.2. Trading Errors. If Empower does not accurately process a trade with the mutual fund company as Directed by the Plan Sponsor or as instructed by a Participant, then Empower will correct the share position at the mutual fund company as if the error had not occurred. In the event there are multiple funds or related errors in one or more funds involved, Empower will net gains and losses across all funds involved in the associated error(s). If the Plan Sponsor utilizes the services of a third-party trustee and/or custodian ("**Third-Party Trustee**"), Empower shall in no event be required to perform any correction: (i) for a trading error that results from an error or omission by the Third-Party Trustee, (ii) to be performed under the terms of any service arrangements between the Plan Sponsor and such Third-Party Trustee (the "**Third-Party Trust Agreement**"), (iii) that falls within error tolerance ranges under the Third-Party Trust Agreement, or (iv) that otherwise would exceed any requirements for error correction by the Third-Party Trustee under the Third-Party Trust Agreement.

3.11.3. The parties acknowledge and agree that Empower will have no liability for an error caused by acts or omissions of the Plan Sponsor, Participants or any other third party.

3.11.4. Duty to Mitigate. The parties acknowledge and agree that the Plan Sponsor, the Plan Administrator and Participants each have a duty to mitigate any errors so as to minimize the expenses that may be incurred to correct such errors by promptly reviewing transaction confirmations, account statements and other Plan reports, as applicable, and providing notification of any error, providing timely approval of correction measures and taking such other reasonable steps as may be necessary (e.g., proactively transferring account holdings into the appropriate Investment Option).

3.11.5. Transactional Gain/Loss Compensation Policies for Error Correction. Empower may incur a gain or loss in the process of adjusting a Plan or Participant account to correct certain errors due to changes in the share/unit price of an Investment Option between the original transaction date and the correction date. The adjusted position of Plan and Participant accounts are not impacted by transactional gains or losses incurred by Empower to settle the Investment Option positions in the course of correcting the account. Empower will net any Investment Option pricing differences as part of the correction process. If a correction is made at Empower's expense, Empower, not the Plan or Participant, will incur any transactional loss and Empower will retain any transactional gain.

3.12. Requirement to Appoint a Trustee. Plan Sponsor is responsible for determining whether to appoint a trustee to provide trust services to the Plan and for selecting the trustee. If Plan Sponsor chooses to fund the Plan exclusively through an Empower group annuity contract, if available, the annuity contract may be used in lieu of a separate trust agreement, and Plan Sponsor will be considered the deemed trustee. If a trust agreement is used, Plan Sponsor agrees to have the trustee execute such agreement and all other documents required to establish and operate the trust.

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Any trustee or custodian selected by Plan Sponsor for the Plan must be able to interface with Empower's recordkeeping system in a "passive" role and all assets must be transferred to the omnibus custodial bank account. Plan Sponsor agrees to require the trustee or custodian to provide to Empower all information in the possession of the trustee or custodian that is necessary for the performance of Empower's duties under this Agreement.

If Plan Sponsor chooses to retain Empower Trust Company, LLC ("ETC") to serve as a Plan trustee or custodian, Plan Sponsor agrees to execute any and all documents required to establish the trust or custodial account. If Plan Sponsor, another entity or named employees serve as trustee of the Plan and ETC does not serve as a trustee, Plan Sponsor agrees to enter into a custodial agreement or other applicable agreement with ETC for the receipt of contributions.

3.12.1. Trustee/Custodian Services. If Trustee or Custodian services are provided by ETC, the compensation received by ETC for such services is reflected in the Plan's fee disclosure report provided by Empower and the Empower Trust Company Bank Credits below. Additional fees may be reflected in the trust or agreement between ETC and Plan Sponsor. If Plan Sponsor selects a trustee or custodian that requires changes to any procedures or services in the Agreement, Empower reserves the right to change fees in this Section.

3.12.2. Account Protection. Empower, Plan Sponsor or the Participant will promptly notify the other parties if it discovers that an unauthorized distribution was made from the Participant's account. Empower will conduct an investigation and take any appropriate steps, which may include working with law enforcement, to determine the root cause of the unauthorized distribution. Plan Sponsor agrees to cooperate in any such investigation and will comply with reasonable requests for information. To the extent Empower offers Participants protection against account losses that result from unauthorized transactions, Empower will restore losses as of the date of the account loss once Empower has had sufficient time to conduct a preliminary investigation and attempt to ascertain the root cause. Such protection is not available (i) if Plan Sponsor refuses or neglects to follow commercially reasonable security practices; implement, support, and maintain appropriate physical and logical security measures designed to secure Data; undertake commercially reasonable organizational and technical steps to protect against unlawful and unauthorized processing of Personal Data; or (ii) if the loss resulted from a compromise of the systems or security protocols of Plan Sponsor or its third party service providers (other than Empower).

3.12.3. Empower Trust Company Bank Credits. If Plan assets pass through a bank account held by the trustee or custodian or its Affiliates, the trustee or custodian may earn credits and/or interest on Plan assets awaiting investment or pending distribution. Any credits or interest earned by the trustee or custodian are aggregated with credits and/or interest earned by the trustee or custodian's Affiliates and will be used to defray the aggregate expenses for the maintenance of bank accounts. The trustee or custodian will not retain credits and/or interest earned in excess of such maintenance expenses. Credits and/or interest are earned from the use of (i) uninvested contributions received too late in the day or not received in good order to be invested same-day and (ii) proceeds from Investment Option redemptions where Plan distribution checks have not been presented for payment by Participants. Credits and/or interest (i) begin to accrue on contributions on the date such amounts are deposited into the bank account and end on the date such amounts are invested pursuant to Participant instructions, and (ii) begin to accrue on distributions on the date the check is written or on the ACH date, as applicable, and end on the date the check is presented for payment or when the ACH clears against the account, as applicable. Earnings of credits and/or interest are at the rate the bank provides from time to time.

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Plan Sponsor acknowledges that any change to the trustee and/or custodial setup or relationships during implementation may delay the Effective Date.

4. Fees & Charges

4.1. Fees. Plan Sponsor agrees to pay Empower for the Services, excluding any applicable sales, use, excise, services, consumption and other taxes or duties as described in Section 4.2 below. To the extent not paid by the Plan, Plan Sponsor agrees to pay Empower within thirty (30) days of Empower's invoice to the Plan Sponsor for services provided to the Plan. In the event any charges or fees reasonably and properly chargeable under the terms of the Agreement remain unpaid after sixty (60) days after the date billed, Plan Sponsor directs Empower to deduct such expense charges from the Plan and Plan Sponsor affirms that the Plan document specifically allows such deduction from the Plan. To the extent that the forfeiture or other Plan accounts would not pay Plan expenses under the Plan document or the Plan accounts are insufficient, Plan Sponsor directs Empower to allocate such fees to the Participant accounts, and to the investment choices in which the Participant accounts are invested, on a pro rata basis using Participant account and investment option balance ratios as of the date of deduction. Plan Sponsor agrees to amend the Plan, if necessary, to provide for the payment of expenses from Plan assets consistent with the foregoing. Empower reserves the right to change its fees upon ninety (90) days' advance written notice to Plan Sponsor.

Plan Sponsor directs Empower to debit from the Plan the amount of fees payable to any outside third parties retained by Plan Sponsor to provide plan administration, investment advisory, or other services ("Plan Service Providers"), as detailed in the Fee Schedule, and to remit the fees directly to the Plan Service Provider.

4.2. Taxes. Unless Plan Sponsor provides Empower with a valid and applicable exemption certificate, Plan Sponsor will reimburse Empower for sales, use, excise, services, consumption and other taxes or duties that Empower is required to collect from the Plan Sponsor and which are assessed on the purchase, license and/or supply of Services. Plan Sponsor and Empower shall each bear sole responsibility for all taxes, assessments and other real property related levies on its owned or leased real property, personal property (including software), franchise and privilege taxes on its business, and taxes based on its net income or gross receipts. If applicable, Plan Sponsor and Empower shall reasonably cooperate to more accurately determine each party's tax liability and to minimize such liability to the extent legally permissible.

5. Confidentiality & Data Privacy

5.1. In order to perform the Services, both parties may have access to certain information of the other party, including, without limitation, trade secrets, commercial and competitively sensitive information of the party related to business methods or practices, and proprietary software or websites of the party ("Confidential Information"). For the purpose of clarity, any software or website owned, licensed or made available by Empower ("Empower Software") is Confidential Information of Empower. The parties mutually agree to hold all Confidential Information of the other party in confidence and not to disclose any Confidential Information of the other party to anyone except the parties' affiliates, suppliers, and respective personnel in connection with the performance or receipt of Services hereunder or as directed or approved by the other party or its agents. Confidential Information does not include: information that is otherwise in the public domain through no action of the non-disclosing party;

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information that is acquired by a party from a person other than the other party or its agents without any obligation of confidentiality; or information that is independently developed by a party without reference to the Confidential Information of the other party.

5.2. In the event a party is required to make a legally required disclosure of the other party's Confidential Information, such party shall notify the other party of the disclosure as soon as reasonably practicable, and shall cooperate with any efforts by such party to obtain protective treatment of such Confidential Information to the extent permitted by law. The foregoing shall not apply to broad-based regulatory examinations associated with a party's general business or operations, to disclosures made in conjunction with a law enforcement investigation, or where notice is prohibited by law.

5.3. Empower and Plan Sponsor each agree to maintain and hold in confidence all Nonpublic Personal Information received in connection with the performance of Services under this Agreement ("NPI"). Empower and Plan Sponsor agree that their collection, use and disclosure of any and all NPI is and will be at all times conducted in compliance with all applicable data protection and/or privacy laws, rules and/or regulations. NPI includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act. Plan Sponsor authorizes Empower to disclose NPI to its affiliates, service providers, and Plan Services Providers in connection with Empower's performance of Services under this Agreement. In addition, Plan Sponsor authorizes Empower to disclose NPI to Plan Sponsor's advisors, third-party administrators, service providers (such as payroll providers) and representatives authorized by Plan Sponsor in writing to receive such Data. Empower may use and disclose, for benchmarking and research purposes, de-identified NPI that is aggregated with other anonymized data of a similar nature across Empower's client base in a manner that makes such NPI unidentifiable to a particular individual or plan. Empower's current Privacy Notice is attached to this Agreement, but shall not lessen any of Empower's obligations regarding NPI hereunder. Plan Sponsor agrees that any changes to the Privacy Notice may be delivered to Plan Sponsor through the Plan Service Center.

5.4. Empower shall implement reasonable administrative, physical, and technical safeguards to help protect Non-Public Participant-level Information as prescribed by applicable Data Protection Laws and accepted industry practices such as ISO/IEC 27002 (Information Technology – Code of Practice for Information Security Management).

5.5. The parties will promptly notify the other in the event of (i) any confirmed breach of the party's security measures that results in unauthorized access to or theft of NPI; (ii) the consequences of the breach, including (without limitation) any potential impact on the other party's security measures, systems, data (including but not limited to NPI) or the Empower Software (defined above); and (iii) the corrective action taken to remedy the breach. In addition to the foregoing, Plan Sponsor will notify Empower immediately upon discovering a compromise of the security and/or log-on credentials of any Plan Sponsor employee or agent that has a plan administration role in Empower's system.

5.6. Plan Sponsor acknowledges that Empower maintains security and fraud mitigation protocols (such as multi-factor authentication) designed to comply with statutory obligations and to safeguard Participant identities, Participant accounts, or access to Empower Software. Empower may update these protocols as needed to address new or evolving threats and statutory obligations. Plan Sponsor agrees to cooperate with Empower to implement,

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support, or otherwise cooperate in the implementation of any such updates, changes or enhancements. To the extent Empower offers Participants protection against account losses that result from unauthorized transactions, such protection is not available if Plan Sponsor fails to meet the requirements of this provision, or if the loss resulted from a compromise of the systems or security protocols of Plan Sponsor or its third party service providers (other than Empower).

5.7. Plan Sponsor may Direct Empower to provide Plan Sponsor or its designated agent with information (which may include Personal Data) received from or in relation to Participants in connection with the performance of Services under this ASA, which may include private information shared by the Participant during recorded phone calls and written or electronic correspondence.

5.8. For purposes of Rule 14(b)-1 and Rule 14(b)-2 of the Securities Exchange Act of 1934, as amended from time to time, Plan Sponsor authorizes Empower, and/or its affiliates and services providers, to provide the name, address and share position of the Plan with respect to any class of securities registered under the Investment Company Act of 1940 when requested by such SEC registrant for purposes of shareholder meetings. The above-referenced rules prohibit the requesting SEC registrant from using the Plan's name and address for any purpose other than corporate communications of the type contemplated under the rules.

6. Business Continuity & Disaster Recovery

6.1. Empower will maintain business continuity and disaster recovery procedures to address the security, integrity and availability of the technology, operational, financial, human and other resources required to provide the Services. Such procedures shall be designed to enable Empower to continue to perform mission-critical Services in the event of a natural disaster or other interruption of normal business operations. Such procedures will be tested at least once annually.

6.2. Empower Financial Services, Inc.'s current Business Continuity Plans Notice is attached to this Agreement. By executing this Agreement, Plan Sponsor acknowledges receipt of this Notice.

7. Records & Audit

7.1. Record Retention. Empower shall retain all records in its custody and control that are pertinent to performance under this Agreement in accordance with its record retention policy and as required by applicable law. Subject to the foregoing, each party agrees to return or destroy the other party's Confidential Information and NPI once it is no longer required for the purpose of performing or receiving the Services, provided that the parties are not obligated to destroy copies of Confidential Information or NPI that must be retained for audit, legal or regulatory purposes, or is stored in non-readily accessible electronic format, such as on archival systems.

7.2. SSAE 18. Each year upon the request of Plan Sponsor, Empower will provide Plan Sponsor with a copy of the review performed by Empower's external auditors under the "Statement of Standards for Attestation Engagements Number 18, Attestation Standards: Clarification and Recodification" of the American Institute of Certified Public Accountants (SSAE18) SOC 1, or any new or replacement standard or protocol established by the American Institute of Certified Public Accountants.

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8. Intellectual Property Rights

8.1. Plan Sponsor Materials. As between the parties hereto, excluding the Empower Materials (as defined below), Plan Sponsor shall own all trademarks, trade names, logos, trade dress, and other Confidential Information provided or made accessible by Plan Sponsor to Empower in providing the Services (collectively, the "Plan Sponsor Materials"). Plan Sponsor grants to Empower a nonexclusive, nontransferable and non-sublicensable license to use Plan Sponsor Materials in connection with its provision of the Services. Nothing contained herein shall prohibit Empower from referencing client partnerships in the normal course of public-relations communications or in materials prepared at the request of prospective clients.

8.2. Empower Materials. As between the parties hereto, Empower and its affiliates shall own all materials, documentation, user guides, forms, templates, business methods, trademarks, trade names, logos, websites, Empower Software, technology, computer codes, domain names, text, graphics, photographs, artwork, interfaces, and other information or material provided by Empower or its affiliates hereunder (collectively, the "Empower Materials"). Empower grants to Plan Sponsor and Participants (as applicable) a nonexclusive, non-transferable and non-sublicensable license to use the Empower Materials during the term of the Agreement solely for purposes of using Empower's Services hereunder and subject to the terms and conditions set forth in this Agreement and any terms of use associated with Empower Software. All rights with respect to the Empower Materials not specifically granted hereunder are reserved by Empower.

9. Liability & Indemnification

9.1. Empower agrees to indemnify the Plan Sponsor from and against any and all expenses, costs, reasonable attorneys' fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, "Damages") to the extent resulting from Empower's breach of this Agreement, negligence, or willful misconduct. Notwithstanding anything to the contrary herein, Empower shall not be liable to Plan Sponsor for any Damages resulting from: 1) any acts or omissions undertaken at the direction of the Plan Sponsor or any agent or any third party authorized by Plan Sponsor to provide direction to Empower, including but not limited to prior service providers, investment advisors, or any authorized agent thereof; 2) any performance of the Services that is in strict compliance with the terms of this Agreement; or 3) Plan Sponsor's or its designee's failure to provide accurate documents, material, information or data to Empower or its affiliates, as applicable on a timely basis.

Plan Sponsor acknowledges that Empower and its directors, officers, employees and authorized representatives are not responsible for the investment performance of any Investment Options under the Plan.

9.2. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFIT) EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.



9.3. Insurance. Empower will, at its own cost and expense, procure and maintain in full force and effect throughout the term of this Agreement insurance coverage that is reasonably appropriate to the Services provided under this Agreement, including but not limited to cybersecurity insurance. The requirements in this section are not intended to, and will not in any way, limit or qualify the liabilities and obligations of Empower under this Agreement.

10. Dispute Resolution

The parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Agreement. If the parties are unable to agree between themselves, the parties will submit the dispute to non-binding mediation conducted by a private mediator agree to by both parties. If the parties cannot agree on a mediator, the mediator may be selected by a nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The costs of mediation shall be borne equally by the parties, and each party shall pay its own expenses. If the parties are unable to resolve the dispute through non-binding mediation, either party may initiate litigation; provided, however, that if one party requests mediation and the other party rejects the proposal or refuses to participate, the requesting party may initiate litigation immediately upon such refusal.

11. Termination

11.1. Effective Date. This Agreement will be effective as of the Effective Date specified in the Signature Page and will continue in effect for the initial term, if any, specified in the Fee Schedule and will continue thereafter until terminated in accordance with the termination provisions of this Agreement.

11.2. Termination. This Agreement may be terminated by either party, in whole or in part, by delivering sixty (60) days advance written notice to the other party. Plan Sponsor directs Empower to deduct any and all outstanding expenses and fees owed to Empower from the Plan's trust on the termination date, unless paid by Plan Sponsor. Plan Sponsor agrees to amend the Plan, if necessary, to provide for the payment of expenses from the Plan consistent with the foregoing. Plan Sponsor acknowledges that after the termination of this Agreement, Plan Sponsor will be responsible for performing all actions required to be taken with respect to the Plan including, but not limited to: processing of contributions, loans and distributions, and the distribution of forms to Participants. On and after the actual date of termination of this Agreement, Empower shall have no further obligations hereunder except as set forth in this subsection. Notwithstanding the foregoing, upon a written request by Plan Sponsor, Empower will provide Plan Sponsor, or a designated successor service provider, with Plan data and other information residing on Empower's recordkeeping system in Empower's standard format or another mutually agreeable format. Any request for Empower to provide information other than in its standard format shall be at Empower's sole discretion, and Plan Sponsor agrees to pay all fees, costs and expenses associated with such a request.

11.3. Plan Termination. If the Plan terminates, Empower may utilize any procedures promulgated by the U.S. Department of Labor or other applicable regulatory agencies for abandoned or orphaned plans, including the facilitation of distributions to payees and any other required plan termination requirements.

12. Miscellaneous

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12.1. Affiliates & Agents. Plan Sponsor acknowledges and agrees that Empower may utilize the services of affiliates, agents, vendors and suppliers selected by Empower. Empower's use of any such party will not relieve Empower of its obligations hereunder, and Empower shall at all times remain liable for the performance of the Services hereunder.

12.2. Relationship of the Parties. The relationship between the parties is that of independent contractors. Neither Empower nor its personnel shall be considered employees of Plan Sponsor for any purpose. None of the provisions of this Agreement shall be construed to create an agency, partnership or joint venture relationship between the parties or the partners, officers, members or employees of the other party by virtue of either this Agreement or actions taken pursuant to this Agreement.

12.3. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and their affiliates and is not intended to confer any rights or remedies upon any other person.

12.4. Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties, their affiliates, successors and permitted assigns; provided, however, that neither party may assign its rights or obligations hereunder without the other party's prior written consent. Notwithstanding the foregoing, a party may assign this Agreement in connection with: (i) the sale of substantially all of its assets or the assets of any business unit to an entity that assumes the assignor's obligations under this Agreement; (ii) a merger, acquisition or divestiture; and/or (iii) a transfer to a parent or affiliate, in each case without the other party's consent.

12.5. Entire Agreement. This Agreement, including all Exhibits, Schedules, notices and attachments, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services. Except as otherwise provided herein, this Agreement may be modified only by an Amendment signed by authorized representatives of each party. Notwithstanding the foregoing, Empower may unilaterally amend the Agreement in order to comply with applicable laws, to add or enhance the Services, or to update the method of providing the Services, by providing written notice to Plan Sponsor at least 30 days in advance of the effective date of such change. If applicable, service elections or modifications that alter the terms of the Schedule of Services or the Fee Schedule may be reflected in a new version of such document, which will be produced by Empower and made available to Employer, and which shall replace all prior versions of such document(s). Any Empower notices or policies that are attached to or referenced in this Agreement may be modified by Empower at any time. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of such provision or any other provision hereof and no waiver shall be effective unless made in writing.

12.6. Governing Law; Waiver of Jury Trial. This Agreement shall be construed and enforced in accordance with and governed by the laws of the state of California, without regard to conflict of law principles, and any claim arising under or related to this Agreement shall be subject to the exclusive jurisdiction of the federal and state courts located in California. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim arising out of, connected with, related to or incidental to this Agreement to the fullest extent permitted by law. Plan Sponsor agrees that to the extent it can assert sovereign immunity under applicable law, it waives such sovereign immunity to the extent necessary to permit Empower to enforce the terms and conditions of



this Agreement under the dispute resolution mechanism specified herein. Plan Sponsor further agrees to not assert sovereign immunity as a defense to any claim or action that Empower may bring relating to this Agreement.

12.7. Unclaimed Property. With respect to any checks issued from Plan assets during the term of this Agreement, Plan Sponsor directs Empower to follow state unclaimed property regulations and escheat such assets to the Plan's or the Participant's state of residence based on Empower's records. However, Plan Sponsor may direct Empower, in writing, to treat the Plan's uncashed checks in a different manner. Plan Sponsor is solely responsible for determining the appropriate handling of uncashed checks and any unclaimed property under the applicable federal and state laws including the determination and handling of amounts related to lost Participants.

12.8. Website Services. Empower will, as part of the Services, host, maintain and make certain information available to Plan Sponsor and Participants on a website or websites (the "Website Services"). Plan Sponsor will not use or permit any use of the Website Services (i) in any unlawful or illegal manner; (ii) in any way that could impair the Website Services or any other party's use thereof; or (iii) to distribute, sell, resell, license or transfer any of Plan Sponsor's rights to access or use the Website Services or make the Website Services available to any third party. Any user credentials, including user identification and passwords, established by Plan Sponsor and its delegates or any Participant (each a "User ID") is issued to a specific user and may not be shared or used by any individual other than that user. Plan Sponsor will be responsible for the compliance by its users with the applicable terms of this Section. Empower may terminate the User ID, or portions thereof, for any user involved in a breach of this Section. Plan Sponsor acknowledges that transmissions through the internet are inherently unsecure, that virus protection software, firewalls and other security measures are not foolproof, and that the Website Services and their content are not invulnerable to fraud or hacking. In addition, Plan Sponsor acknowledges that Empower shall from time to time perform scheduled or emergency repairs, maintenance, and disaster recovery testing on the websites, and that such activity, or other circumstances beyond Empower's reasonable control, may cause the Website Services to be unavailable or delayed. Plan Sponsor agrees that Empower shall not be liable for any such delays or downtime in the Website Services, or for any virus or malicious access to the Website Services by third parties, provided that Empower has implemented and maintained security features with respect to the Website Services that are consistent with this Agreement, the Data Security and Privacy Addendum, and commercially reasonable industry standards.

12.9. Force Majeure. Neither Empower nor Plan Sponsor shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control, including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, pandemics, epidemics, explosions, sabotage, acts of God, civil disturbance, governmental restriction, transportation problems, failure of power or other utilities including phones, internet disruptions, fire or other casualty, natural disasters, or disruptions in orderly trading on any relevant exchange or market, or any other cause that is beyond the reasonable control of either party.

12.10. Severability. The provisions of this Agreement are severable, and if for any reason a clause, sentence, paragraph or provision of this Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement that can be given effect without the invalid provision.

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12.11. Notices. All formal notices required by this Agreement will be in writing and shall be sent to Empower as set forth below and to the most current Plan Sponsor and trustee address on file with Empower. All notices sent shall be effective upon receipt.

Notice To Empower:

Empower Annuity Insurance Company
Empower
8515 East Orchard Road
Greenwood Village, CO 80111

With a copy to:

Empower Annuity Insurance Company
8515 East Orchard Road
Greenwood Village, CO 80111
Attn: General Counsel

12.12. Headings; Defined Terms; Counterparts. Section headings used in this Agreement are intended for reference purposes only and shall not affect the interpretation of this Agreement. Unless the context requires otherwise, capitalized terms defined in this Agreement have the meanings set forth herein for all purposes of this Agreement including any Schedules or Exhibits. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original.

12.13. Survival. The provisions of the following sections shall survive the termination of this Agreement: Fees & Charges; Confidential Information; Privacy & Data Security; Record Retention; Intellectual Property Rights; Indemnification; Limitation of Liability; Dispute Resolution; Governing Law; Waiver of Jury Trial; Unclaimed Property; Website Services; Survival; Severability; No Third-Party Beneficiaries; and any other section that would by its context be reasonably expected to survive termination.

12.14. Signatures/Corporate Authenticity. Plan Sponsor has been provided a signature page ("Signature Page") that applies to this Agreement as well as to certain other documents, which are listed thereon. By signing the Signature Page, the parties certify that they have read and understood this Agreement, that they agree to be bound by its terms, and that they have the authority to sign it. This Agreement is not binding on either party until signed by both parties.

12.15. Electronic Signatures. Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures reasonably believed to be genuine on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.



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BUSINESS CONTINUITY PLAN NOTICE

Empower Financial Services, Inc. ("Empower"), a subsidiary of Empower Annuity Insurance Company of America and affiliate of Empower Life & Annuity Insurance Company of New York* and Empower Annuity Insurance Company, maintains a comprehensive business continuity plan designed to respond reasonably and effectively to events that lead to significant business disruption, such as natural disasters, power outages, or other events of varying scope. This plan defines critical functions and systems, alternate work locations, vital books and records, and staff resources, and provides for the continuation of business operations with minimal impact, depending on the severity and scope of the disruption. The plan is reviewed and tested no less than once annually to ensure that the information in the plan is kept current and that documented recovery and continuity strategies adequately support its business operations. Of utmost importance to the plan is the ability for customers to maintain access to securities accounts and assets in those accounts.

In the event that one of the contact centers or back office operation facilities becomes unavailable for any reason, calls would be re-routed to one of the firm's alternative contact center or operations facilities.

In the event of a significant business disruption to the primary office and/or data center, access to customer accounts will be provided via the Company's Web site and voice response system, operated from an alternative data center. Customer service will continue to be provided by re-routing telephone calls to a contact center located in one or more alternative sites located outside of the region. Secure work from home solutions are available for all staff.

While no contingency plan can eliminate the risk of business interruption, or prevent temporary delays with account access, the firm's continuity plan is intended to mitigate all reasonable risk and resume critical business operations within 24 hours or the next business day, whichever is later.

* Record keeping and administrative services are provided by Empower Annuity Insurance Company, and in New York, Empower Life & Annuity Insurance Company of New York, or one of its subsidiaries or affiliates. Securities offered in your account may be offered through another broker/dealer firm other than Empower Financial Services, Inc., a wholly owned subsidiary of Empower Annuity Insurance Company of America. Please contact your investment provider for more information if needed.

This disclosure is subject to modification at any time. The most current version of this disclosure can be found on the Company's website or can be obtained by requesting a written copy by mail.

BCP – Empower Customer Notice (Ed. August 2022)



Procedures for Complying with Fund Company

Market Timing and Excessive Trading

The prospectuses, policies and/or procedures of certain fund companies require retirement plan providers offering their fund(s) to agree to restrict market timing and/or excessive trading (“prohibited trading”) in their funds. The following procedures describe how we, as your recordkeeper, will comply with fund company instructions designed to prevent or minimize prohibited trading.

Various fund companies instruct intermediaries to perform standardized trade monitoring while others perform their own periodic monitoring and request trading reports when they suspect that an individual is engaging in prohibited trading. If an individual’s trading activity is determined to constitute prohibited trading, as defined by the applicable fund company, the individual will be notified that a trading restriction will be implemented if prohibited trading does not cease. (Some funds may require that trading restrictions be implemented immediately without warning, in which case notice of the restriction will be provided to the individual and plan, if applicable). If the individual continues to engage in prohibited trading, the individual will be restricted from making transfers into the identified fund(s) for a specified time period, as determined by the applicable fund company. Individuals are always permitted to make transfers out of the identified fund(s) to other available investment options. When the fund company’s restriction period has been met, the individual will automatically be allowed to resume transfers into the identified fund(s).

Additionally, if prohibited trading persists, the fund company may reject all trades initiated by the plan, including trades of individuals who have not engaged in prohibited trading.

Note: certain plan sponsors have or may elect to implement plan level restrictions to prevent or minimize individual prohibited trading. To the extent that such procedures are effective, we may not receive requests for information from the fund companies or requests to implement the restrictions described above.

10/16/07



Schedule of Services

Services provided by Empower

A. Recordkeeping Services - Core Services. The following services are core recordkeeping and communication services available to all plans.

Implementation Services:

Empower will provide the following conversion services prior to the receipt of assets:

- Gathering initial plan information;
- Coordinating conversion assets from a prior service provider;
- Reconciling plan assets;
- Loading records onto the recordkeeping system; and
- Assisting Employer's payroll office or payroll vendor to process the next scheduled payroll to Empower on or after the implementation period.

Implementation Period:

ACH Automation:

Plan Sponsor Directs Empower to accept a transfer of Plan records that reflects Participant ACH banking information as provided by the Plan Sponsor or by the Plan's prior service provider, without any further review and validation of the ACH information provided.

In Directing Empower to accept a transfer of existing Participant ACH banking information to its recordkeeping system, the Plan Sponsor certifies the following:

- The Participant has previously authorized the Plan to process an ACH debit and/or credit of the Participant's account at the designated financial institution ("Account") in connection with all applicable Plan transactions and has authorized the designated financial institution, in the form of electronic fund transfer, to credit and/or debit the same to such Account.
- The Participant has not revoked the ACH authorization for the Account prior to the transfer and the Plan shall treat the Participant's ACH authorization for the Account as remaining in effect until Empower receives a notice of cancellation from the Participant.
- Plan Sponsor Directs Empower to administer all ACH transactions for all Plan purposes under the terms of Empower's separate ACH Agreement, which the Plan Sponsor has adopted as the Plan's terms and conditions governing all applicable ACH transactions processed on the Empower platform.

Merging Plan:

An existing Employer Plan that is converting to Empower will be subject to an implementation period to facilitate the movement of Participant, Alternate Payee and Beneficiary records and Plan assets from the prior record keeper and/or trustee to Empower.

Blackout Notice Services:



Initial Blackout Notices:

Empower will assist in the preparation of the initial transition blackout notice and will provide the blackout notice to the Plan Sponsor for distribution to Participants, Alternate Payees and Beneficiaries, as requested by the Plan Sponsor. A "Blackout Period" is defined as any period of more than three consecutive Business Days during which the Participant, Beneficiaries and Alternate Payees are prohibited or restricted from exercising certain otherwise available rights, such as directing investment of their accounts, obtaining loans or making distributions. During the implementation period, Plan Sponsor's prior record keeper's improper reporting or incomplete transferred records may impact the blackout period end date. Such an impact may cause an extension of the blackout period, resulting in a second notice. Empower may agree to provide this additional blackout notice if the parties agree in writing.

Future Blackout Notices:

If mutually agreed to in writing, Empower may provide blackout notices to the Plan Sponsor for distribution to Participants, Alternate Payees and Beneficiaries for fund or other ongoing plan changes that result in a period of more than three (3) consecutive Business Days where the Participant, Alternate Payee and Beneficiary are restricted from exercising certain otherwise available rights such as directing investments of their accounts, obtaining loans or taking distributions.

Establishment of Accounts:

1. Participant Accounts:

- a. Participant accounts shall be established and maintained for each Employer-approved new enrollee and each employee or former employee with a balance in the plan ("Participant"). Each Participant's account record shall consist of the Participant's name, Social Security number ("SSN"), mailing address, date of birth, and any such other information as required from time to time for provision of services to the Plan.
- b. On and after the receipt of assets, Empower shall maintain a record of each Participant's investment option allocation and transaction received in good order to the recordkeeping system, including:
 - (i) Current and historical investment allocations and percentages for each available investment option.
 - (ii) Current account balances of each Participant in each available investment option and money source.
 - (iii) An accounting of each transaction made to each available investment option and money source.



- c. Empower shall provide each Participant with access to his or her account and investment information via a Web site, the voice response unit (“VRU”) and the Client Service Center domestic toll-free number and international toll number. Participants may use these services to change allocations of future deferrals and/or initiate transfers between and among investment options available under the Plan(s).
- d. Empower shall make available to each Participant a quarterly account statement in Empower’s standard format.

Additionally, confirmation will be provided of every completed change requested by a Participant. Participants will also have access to their account activity via the VRU and the Web site.

- e. If applicable, Empower will include vesting information on Participant statements, provided that Plan Sponsor provides Empower with all vesting information required under applicable law.

2. Beneficiary Accounts

If elected by the Beneficiary(ies) in good order and in a manner satisfactory to Empower, Empower will establish a Beneficiary account pursuant to the terms of the Plan requirements in effect on the date of establishment.

Contribution Processing:

Receipt and Investment of Contributions. Empower will credit contributions for allocation to Participant accounts in accordance with direction from the Plan Sponsor and as set forth below. Empower will allocate or otherwise apply forfeitures under the Plan accounts, if any, as directed by the Plan Sponsor. Empower will pass directions to invest such contributions, and to execute appropriate transactions related to forfeitures, to the Plan trustee or custodian in accordance with investment directions of the Plan Sponsor.

Timing Requirements for Contributions Funded via ACH, Check or Wire. Contributions received by Empower in good order prior to the close of any Business Day will be processed effective that Business Day, at that Business Day’s net asset / unit values. Contributions not received by Empower prior to the close of Business Day will be processed effective the next Business Day.

Distributions and Forfeitures:

Empower will create and maintain a record of any distribution, including the distribution reason, from the Plan made with respect to each Payee. If applicable, Empower will provide a Code §402(f) Notice of Special Tax Rules on Distributions to the Payee at the time of distribution. Unless otherwise agreed to in writing, Empower is not responsible for issuing any other Participant, Alternate Payee or Beneficiary notice required by the Code, as applicable. Distributions will be made within two (2) Business Days if Empower receives instructions in good order.



1. Participant Distributions

Empower will make distributions to Participants pursuant to the Plan Sponsor's and Participant's distribution requests received in good order.

2. Beneficiary Distributions

Plan Sponsor instructs Empower to pay the claimant listed on the Death Benefit Claim form signed by the Plan Sponsor unless there is a conflict between the designation on file with Empower and the claimant listed on the Death Benefit Claim form. In the event of a conflict, the Plan Sponsor will determine which Beneficiary designation will control.

3. Forfeiture Processing

If applicable, Empower will calculate forfeiture amounts based upon the Participant's vesting and will place the forfeiture amounts in a separate Plan account as instructed by the Plan Sponsor.

4. Participant Termination Services

If the services described in this subsection is made available to the Plan Sponsor by Empower, and if the Plan provides for de minimis Participant accounts to be distributed after termination, then the Plan Sponsor instructs Empower to distribute communication material to the terminated Participant informing them of their distribution options. Such information includes communicating to the Participant that if he/she does not take a distribution of the account that it will be automatically rolled over into the Plan Sponsor-elected de minimis IRA. Plan Sponsor also instructs Empower to automatically roll any monies remaining in the Plan after a certain period of time following these communications to the rollover provider selected by the Plan Sponsor.

Plan Sponsor permits Empower to send out communication material to terminated participants informing them of their distribution options.

Transfers:

Participant, Alternate Payee and Beneficiary-initiated transfers will be processed and effective the Business Day they are received at Empower's home office, if received before the close of the New York Stock Exchange (typically 4:00 p.m. Eastern Time or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation). If transfers are received at Empower's home office after the close of the New York Stock Exchange, transfers will be processed and be effective the next Business Day (or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation).

Tax Reporting of Distributions:

1. Plan Sponsor appoints Empower as its agent to perform income tax withholding and reporting for all Payee distributions and agrees to provide all necessary information needed by Empower to perform these services.



2. Empower shall deposit the income tax withheld with the Internal Revenue Service (“IRS”) and other appropriate governmental entities, as applicable, on or before the applicable due dates for such remittances.
3. Empower will complete necessary tax reporting forms for Payee distributions, file the tax reporting forms with the IRS and send copies to the Payee.

Plan Loans:

Empower will process Participant account reduction loans pursuant to the Plan’s loan policy and Empower’s loan procedures, as amended from time to time. Plan Sponsor agrees to provide an authorization for all Participant loan requests.

Ongoing Plan Resources:

1. Empower will provide the Plan Sponsor access to Plan information and electronic approval capabilities via the PSC.
2. Empower will provide the Plan Sponsor access to a Plan Services Representative for assistance with plan questions.
3. Empower shall provide periodic Employer Plan Reports in Empower’s standard format.

Participant Rollover Contributions:

Plan Sponsor directs Empower to process Participant rollover contributions received in good order pursuant to the Participant’s direction in accordance with procedures provided by Empower to the Plan Sponsor and without any further Plan Sponsor approval or authorization.

Communication and Education (subject to applicable law):

1. Standard forms, notices and other information necessary for the service provided to the Plan will be provided to Plan Sponsor and to Participants via the PSC and/or through enrollment meetings.
2. Empower will provide investment education and communication materials, which may include education and planning tools, newsletters, brochures, or other materials.

Distribution Education Services:

Empower or its affiliates will make retirement education consultants available to Participants to provide distribution education services and may contact Participants who are eligible to receive distributions from the Plan to provide information regarding distribution options under the Plan including rollover services and products offered by Empower.

Financial Services & Tools:



Empower will provide employee plan and investment education and communications materials, including education and planning tools.

1. Empower Participant Experience

With certain exceptions, Empower provides Participants with an estimated hypothetical monthly retirement income and goal based on a number of factors including the Participant's Plan assets, Plan contribution rates and compensation data on the Participant website.

2. Health Cost Estimator

With certain exceptions, Empower will provide Participants access to Empower's Health Cost Estimator (as defined below) on the Participant website. Health Cost Estimator provides Participants with estimated monthly health care expenses based on retirement age and certain personal health condition information provided to Empower by Participants ("Health Cost Estimator"). All health care costs and projections are provided by an unrelated third party vendor. Plan Sponsor agrees that the Health Insurance Portability and Accountability Act of 1996 does not apply to any personal health condition information provided to Empower by Participants. Plan Sponsor also acknowledges that such health condition information is owned by the Participant and not the Plan Sponsor and that Empower will not disclose any health condition information provided to Empower by Participants to Plan Sponsor without the Participant's consent. Empower agrees that, except as provided in the preceding sentence, it will otherwise treat such health condition information as NPI in accordance with the Section entitled Confidentiality & Data Privacy in this Agreement. Plan Sponsor further agrees not to use any information it obtains through Health Cost Estimator other than for Plan purposes, contribution rates and compensation data.

3. Personalized Participant Communications

Except as otherwise agreed by the parties, Empower will send certain action-oriented Participant education communications according to a Participant's behavior, preferences, and information. Messaging will include: (i) information about the tools and services available in the Plan and what actions a Participant may take to build individual savings, and will address topics such as enrollment, beneficiary designation, contribution increases, asset allocation, catch-up contributions and more; (ii) general financial topics that a Participant may find helpful while striving to reach financial and savings goals, and will include budgeting, debt management, investing basics, emergency funds, National Retirement Security Week and more; and (iii) the opportunity to view additional options available that may provide a Participant with a more comprehensive savings strategy, and will include information about healthcare savings accounts, estate planning, college saving and more. A Participant must have an email address on file with Empower in order to receive such communications via email. The Participant can opt out of receiving these emails at any time as required by applicable law.

My Financial Path:

Empower's financial wellness program provides Participants with tools and services to review overall financial wellness including tools that allow Participants to complete a personalized online assessment, the output of which provides the user with ideas on the next steps they can take to address financial concerns they identified when completing the assessment and educational resources to learn more about



financial topics of interest, including a learning center with educational content on certain financial wellness topics. Empower or its affiliates may make retirement education consultants available to Participants to provide financial wellness consultations and may contact Participants to offer financial wellness consultations. Consultations involve topics such as (but not limited to): budgeting, saving, student debt, debt prioritization, life insurance, managing investments and consolidating assets. Empower's financial wellness tools, services and consultations may include information on financial products and services made available by Empower or third-party providers. Participants may pay fees if they choose certain products. Empower may receive fees and other payments from the products selected by Participants. More information on the applicable financial wellness products and the fees and payments that may be received by Empower is available upon request.

Participant Fiduciary Services:

Empower may offer investment advice and provide recommendations as a fiduciary under applicable law to Participants on certain Plan transactions, such as point-in-time investment advice on designated investment alternatives, investment advisory services available under the Plan, and recommendations on distribution and rollover options, which may include services and products offered by Empower and its affiliates. When Empower acts as a fiduciary, it will do so in the best interest of the Participants. Empower will provide such fiduciary services pursuant to applicable law.

B. Elective Services. The following elective services are available upon Plan Sponsor meeting certain requirements. Additional fees may apply.

1. Eligibility Determination

Plan Sponsor can instruct Empower to calculate Participant eligibility based on Plan Sponsor's instructions as to the Plan's eligibility requirements. Plan Sponsor instructs Empower to reject the enrollment of any Participant determined to be ineligible. For each ineligible determination, Plan Sponsor instructs Empower to notify the Participant to contact the Plan Sponsor if he or she wishes to appeal the determination.

2. Online Enrollment

Plan Sponsor can instruct and authorize Empower to allow online Participant enrollment. Plan Sponsor instructs Empower to issue a Personal Identification Number ("PIN") to every eligible employee, allowing enrollment in the Plan through the Web site and VRU.

3. Automatic Enrollment

Empower can perform automatic enrollment and deferral increase services, and create and mail initial and annual automatic enrollment notices, as elected by Plan Sponsor in good order and in a form acceptable to Empower.

4. Deferral Processing

Plan Sponsor can instruct and authorize Empower to provide for deferral processing by the Plan Sponsor via the Web site. Participants may access the Web site to input the required payroll deferral



amount/percentage information. Plan Sponsor acknowledges that the Deferral Processing service described in this Section shall only be available as long as Empower is the sole record keeper for the Plan.

If Plan Sponsor uses Empower's Automatic Enrollment services, Deferral Processing does not require separate election.

5. Vesting Services

Plan Sponsor needs to provide Empower all information necessary to perform vesting services. Employer hereby instructs and authorizes Empower to:

- a. Maintain each Participant's vesting percentage on Empower's recordkeeping system;
- b. Display the Participant's vested account balance on the quarterly statements; and
- c. Calculate and process withdrawals and/or loans according to the vested percentage.

6. Loan Approval

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, Participant loan requests submitted in a manner acceptable to Empower. If the Plan is subject to spousal consent requirements, loans may only be initiated by paper forms and not online or by VRU. Plan Sponsor agrees to specifically authorize each principal residence loan request.

7. Distribution Processing

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, requests for distributions in good order and in a manner acceptable to Empower. If Plan Sponsor does not provide the Participant's termination date or other required information, Plan Sponsor instructs Empower to route the request to Plan Sponsor for approval before processing the distribution.

8. In-Service Distributions at Age 59½

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, Participant age 59½ in-service distribution requests received in good order and in a manner acceptable to Empower. If the Participant's birth date information has not been provided, or if there is a discrepancy between the birth date on the system and the birth date on the form, Empower is instructed to rely on the birth date specified by the Participant on the form.

9. Voluntary In-Service DeMinimus Distributions (for Governmental 457(b) Plans Only)

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, Participant initiated DeMinimus distribution requests received in good order and in a manner acceptable to Empower. If vesting is applicable and the Participant's birth date information has not been provided, or if there is a discrepancy between the birth date on the system and the birth date on the form, Empower is instructed to rely on the birth date specified by the Participant form.

10. Automated Mandatory Distributions (De Minimis)



Empower can perform automated mandatory distributions of small account balances, as elected by Plan Sponsor in good order and in a form acceptable to Empower.

11. Required Minimum Distributions (RMDs)

Plan Sponsor can instruct Empower to provide a notice to Participants who, based on Plan Sponsor records reflected on Empower's recordkeeping platform, may be RMD eligible. If the Participant does not timely provide an election for the RMD as described in the notice, the Plan Sponsor acknowledges and agrees that it must provide timely direction to Empower with respect to processing any RMD payments prior to the regulatory deadline. Empower will process RMDs upon receipt of a Participant or Plan Sponsor request in good order.

12. Beneficiary Record Keeping

If Empower is and remains the sole record keeper for the Plan during the term of this Agreement, Plan Sponsor can instruct and authorize Empower to accept, maintain and file, without Plan Sponsor's signature, Beneficiary Designation forms received by Empower in good order and in a manner acceptable to Empower. Upon request, Plan Sponsor agrees to provide Empower with any and all Beneficiary information filed with the Plan by the Participant prior to the Effective Date of this Agreement.

If the spousal consent rules apply, Plan Sponsor shall provide Empower with instructions as to the portion of the Participant account for which a Beneficiary may be designated without spousal consent under the Plan. Plan Sponsor instructs Empower to rely on the marital status specified by the Participant on the Beneficiary Designation form and to obtain spousal consent, when applicable.

13. Investment Advisory-Related Services

If the Plan Sponsor meets the relevant underwriting and other requirements, Empower Advisory Group, LLC ("EAG"), a federally registered investment adviser and wholly owned subsidiary of Empower Annuity Insurance Company of America ("EAIC"), may offer fund performance data and/or similar services regarding the investment options in the Plan through the Plan's recordkeeping and administrative relationship with Empower.

EAG, may separately offer Empower Retirement Advisory Services (Online Investment Guidance, Online Investment Advice and Managed Account service) to the Participants in the Plan through the Plan's recordkeeping and administrative relationship with Empower. Plan Sponsor may instruct EAG to make Empower Retirement Advisory Services available to Plan Participants in accordance with the terms and conditions of the Empower Retirement Advisory Services Agreement between EAG and Plan Sponsor.

14. Missing Participant Administrative Services

Plan Sponsor is solely responsible for identifying and locating missing Participants. Upon request by Plan Sponsor, Empower will provide reports or other information to the Plan Sponsor with respect to Participants with undeliverable addresses as reflected in Empower's records. Also at Plan Sponsor's



request, Empower will provide a description of administrative services and associated fees, as updated from time to time, to assist the Plan Sponsor with identifying and locating missing Participants and reissuing benefit payments to Participants. The administrative services may include performing Participant address searches using a commercial locator service, updating Participant address records and attempting to contact Participants using certified U.S. mail. Plan Sponsor may select such services and agree to the associated fees via a separate letter of direction.

15. Empower Health Reimbursement Account

Empower has partnered with a third-party custodian and administrator (“Service Provider”) to provide an integrated end-to-end health reimbursement account solution for employers and their employees (“Empower HRA”). The Service Provider is the custodian and administrator of the Empower HRA, and the Service Provider and Empower will share health reimbursement account (“HRA”) information as necessary to streamline the user experience. In no event will Empower receive Health Insurance Portability and Accountability Act (“HIPAA”) protected information from the Service Provider.

The specific services, available based on Plan type, that may be provided by Service Provider as Directed by Employer can include: (i) prepare documentation for the Plan in accordance with the Code or applicable law; (ii) prepare trust documentation for the Plan; (iii) administrative duties, as applicable; (iv) Plan amendments; (v) perform a discrimination test annually; (vi) summary of benefit coverage, as needed; (vii) prepare Form 990 on an annual basis for filing; (viii) prepare and submit Form 5500 to electronic filing service for filing; and (ix) provide certain COBRA administration services.

Changes to HRA contribution amounts may be made directly between the Service Provider and Plan Sponsor (“Employer” for this Section). Additionally, Employer can Direct Empower to take HRA contribution changes directly from employees and transmit such changes to the Employer. Empower will forward updated deferral information to Employer according to the schedule elected by Employer.

Service Provider will charge certain fees to Employer and Participants for the HRA Services, such fees are available upon request. On behalf of Service Provider, Empower will invoice Employer for any Employer listed fees and Participant listed fees will be deducted from their account balance.

QDRO Review and Determination Services.

If the Plan accepts Qualified Domestic Relations Orders (“QDROs”, Plan Sponsor directs and authorizes Empower to handle QDRO correspondence to and from involved parties and attorneys, including phone, email and other written communication. Plan Sponsor directs Empower to distribute QDRO Procedures and Model QDRO to involved parties and attorneys. Plan Sponsor directs Empower to place benefit holds as soon as administratively feasible pursuant to the Plan’s adopted QDRO procedures. Plan Sponsor directs Empower to acknowledge receipt of a DRO and review the terms of the DRO to determine whether the order meets the requirements of applicable federal law and satisfies the requirements contained in the Plan’s adopted QDRO Procedures. After review of a DRO, Plan Sponsor directs Empower to prepare and distribute approval, pre-approval or denial letters to the involved parties and attorneys. Plan Sponsor directs Empower to maintain QDRO records during the term of service, including Pre-Approval, Approval and/or rejection letter(s).



Plan Sponsor directs Empower to process the QDRO, without Plan Sponsor's further approval, by establishing a separate account for the alternate payee or making a lump sum distribution to the alternate payee. Plan Sponsor further directs Empower to process, without Plan Sponsor's further approval, all requests, received in good order and in a manner acceptable to Empower, for distributions from alternate payee accounts established before or after the Effective Date. Plan Sponsor directs Empower to calculate any alternate payee's QDRO amount based solely on the Participant's account records on Empower's recordkeeping system. Plan Sponsor further directs Empower to process, without the Plan Sponsor's further approval, distribution requests received in good order and in a manner acceptable to Empower, with respect to alternate payee accounts established before the Effective Date pursuant to QDROs previously processed by Empower. The Plan Sponsor directs Empower to calculate any alternate payee's QDRO amount based solely on the Participant's account records on Empower's recordkeeping system.

If the alternate payee's awarded share exceeds the value of the Participant's core investment account(s) under the Plan, Empower shall notify the Participant in writing to liquidate and transfer the necessary remaining sum from the SDB into the core investment options, to enable the processing of the QDRO. If the Participant fails to transfer the necessary amount within fifteen (15) Business Days of the date of the notification, and if the necessary amount is available in the SDB money market, Plan Sponsor directs Empower to transfer such amount into the Default Investment Option. If there are insufficient available funds in the SDB money market, Plan Sponsor directs Empower to notify the SDB provider to liquidate all of the Participant's SDB investments and to transfer the entire amount into the Default Investment Option.

For each qualified and processed QDRO, the Participant's portion of the fee will be deducted from the Participant's account balance, and the alternate payee's portion of the fee will be deducted from the alternate payee's account or from the lump sum distribution, as applicable.

Special Investment Options:

1. Self-Directed Brokerage Accounts

Plan Sponsor can choose to offer a self-directed brokerage option ("SDB"). Plan Sponsor agrees to complete and execute all documents required to activate the SDB.

2. Life Insurance

If, at the time of conversion, the Plan has existing life insurance policies, limited services may be available as described in Empower's life insurance guidelines and policies, as updated from time to time. If Empower determines that such services will be offered, Empower will remit insurance premiums to the applicable life insurance provider pursuant to Plan Sponsor's instructions as to the timing and manner of premium remittance. Plan Sponsor may be required to retain a third-party administrator to perform certain compliance and other services. Life insurance cannot be added to an existing Plan. Additional fees may apply.

C. Plan Document Services



Empower will offer a volume submitter plan document, a standard summary plan description and plan document amendments required by changes in applicable laws and regulations. If Plan Sponsor declines to use Empower's volume submitter plan document, it acknowledges that Empower will not be responsible for providing plan document updates or other plan document services as described in the Agreement.

D. Designation of Third Party Administrator as Agent of Employer; Authorization

Plan Sponsor represents, acknowledges, and agrees that Plan Sponsor may retain a Third Party Administrator ("TPA") to provide certain administrative and compliance services for the Plan under a separate agreement between the TPA and Plan Sponsor. If Plan Sponsor retains a TPA, Plan Sponsor agrees to provide Empower with proper notice and information regarding the services to be provided by such TPA. In order for Empower to implement such services, Plan Sponsor hereby designates the TPA as an agent of Plan Sponsor, and authorizes and directs Empower to grant the TPA access to Plan and Participant information and to reports produced by Empower. Such access permits the TPA to update Plan and Participant information and approve plan operations, including distributions. Plan Sponsor has, in a separate agreement, authorized the TPA as its limited agent and hereby authorizes and directs Empower to (1) construe any TPA directions or certifications as Plan Sponsor directions, and (2) comply with direction provided by the TPA. If the agreement between Plan Sponsor and the TPA is terminated for any reason, the Client shall notify Empower within five (5) business days of such termination. Plan Sponsor acknowledges and understands that it may appoint a successor TPA eligible to participate in Empower's TPA program and may direct the terminated TPA to transfer the Plan's records to the successor TPA selected by Plan Sponsor. Plan Sponsor understands and agrees that, if a successor TPA is appointed, Empower will comply with any successor TPA directions.

Plan Sponsor hereby acknowledges and agrees that, in order for the TPA to provide services to the Plan, Empower may enter into an Agreement with the TPA (the "TPA Agreement") enabling Empower and the TPA to interact and communicate in order to provide services to the Plan. In the event that such TPA Agreement is terminated due to TPA dissolution, bankruptcy, or other reasons, Empower will notify Plan Sponsor as promptly as administratively possible.



**EMPOWER ANNUITY INSURANCE COMPANY
ADMINISTRATIVE SERVICES AGREEMENT ADDENDUM FOR
ELECTRONIC DELIVERY**

This Addendum to the Recordkeeping Service Agreement (“Agreement”) entered into between Empower Annuity Insurance Company and Employer amends the Electronic Delivery section of the Agreement and modifies anything in the Agreement to the contrary effective on or about January 26, 2022.

Electronic Delivery. Empower will deliver plan-related documents to Participants under the Agreement in an electronic manner as described below.

Plan notices to be delivered by Empower will be delivered via an email notice of the availability of the plan-related documents on the Participant website will be sent to an email address provided to Empower by the Participant or by the Plan Sponsor. If Empower is not provided with an email address, notices will be delivered to the Participant via regular mail.

Empower will send an initial notification of default electronic delivery via regular mail to each Participant at least 10 days prior to delivering any plan-related documents via email. The initial notice of default electronic delivery will include the participant’s email address that will be used to deliver notices of the availability of plan-related documents, a statement of the Participant’s right to request and obtain a paper version of the documents and a statement of the option to opt out of electronic delivery and receive only paper versions of the documents.

If an email notice of availability of a plan-related document is returned undeliverable, Empower will send the notice to another email on file for the Participant. If no other email is on file for the Participant or such other email is also returned undeliverable, plan related documents will be delivered via regular mail to the Participant until such time as Empower is provided another email address for the Participant.

Participants may request to receive one paper copy of a plan-related document for no cost. In addition, Participants may opt out of electronic delivery and request that their plan-related documents be delivered via regular mail at any time.

By signing the Agreements/Signature Adoption Page, Employer agrees to all of the above provisions.



DATA SECURITY AND PRIVACY ADDENDUM

This Addendum applies to Empower and its Affiliates and describes how Empower protects Personal Data and Plan Data (the “**Data Security Addendum**” or “**Addendum**”). This Addendum is incorporated within and governed by the terms of the Administrative Services Agreement executed by Empower and Plan Sponsor under which Empower provides services to Plan Sponsor (“**Agreement**”). Capitalized terms used but not otherwise defined herein have the meaning set forth in the Agreement.

1. Definitions. The following terms have the meanings set out below and similar terms shall be construed accordingly:

“**Data**” means Personal Data and Plan Data.

“**Data Protection Laws**” means any law with respect to the protection of Personal Data that is applicable to Empower’s Services under the Agreement or any Schedule thereto.

“**Information Security Breach**” means a confirmed compromise of an information system within the authority or responsibility of Empower that results in: (i) the unauthorized acquisition, disclosure, modification or use of unencrypted Personal Data, or encrypted Personal Data where the encryption key has also been compromised; and (ii) a reasonable likelihood of identity theft or fraud against a data subject in the Plan. An Information Security Breach includes, without limitation, theft and/or malicious use of Data by Empower personnel.

“**Personal Data**” shall mean information that identifies or is reasonably capable of being associated with a Participant and includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act, but excluding data that is publicly-available and data from which individual identities have been removed and that is not linked or reasonably linkable to any individual.

“**Plan Data**” shall mean non-public Plan level information that is provided to Empower in connection with receipt of the Services. Plan Data excludes data that is de-identified and aggregated for benchmarking and research purposes.

“**Subprocessor**” means any person (including any third party service provider and any Empower Affiliate, but excluding personnel employed by such parties) engaged by Empower to process Personal Data.

I. DIRECTION. PLAN SPONSOR DIRECTS EMPOWER AND ITS AFFILIATES (AND AUTHORIZES EMPOWER AND ITS AFFILIATES TO DIRECT EACH SUBPROCESSOR), WHERE APPLICABLE, TO PROCESS PERSONAL DATA AS FOLLOWS: (A) PROCESSING IN ACCORDANCE WITH THE ADMINISTRATIVE AGREEMENT AND ANY AMENDMENTS THERETO AS EXECUTED BY THE PARTIES; AND (B) PROCESSING INITIATED BY PARTICIPANTS IN THEIR USE OF THE SERVICES. PLAN SPONSOR REPRESENTS THAT IT IS AND COVENANTS THAT IT WILL AT ALL RELEVANT TIMES REMAIN DULY AND EFFECTIVELY AUTHORIZED TO GIVE THE DIRECTION SET OUT HEREIN.

Security. In order to protect Personal Data, Empower will implement appropriate technical and organizational measures designed to protect Personal Data in accordance with the requirements of any



Data Protection Laws. In addition to the foregoing, Empower's security program shall conform to the commitments described below.

CCPA Compliance. Each Party hereto agrees and certifies that such Party complies with all applicable sections of the California Consumer Privacy Act of 2018 and its implementing regulations, as amended or superseded (the "**CCPA**"), in connection with this Agreement. Empower will notify Plan Sponsor in the event it determines that it is no longer able meet its obligations under the CCPA.

Empower processes Personal Data to provide the Services under the Agreement for the following purposes: to maintain or service retirement accounts, provide participant service, education and support, to offer financial wellness programs to participants, to maintain online participant accounts, to provide call center services, to respond to inquiries, to provide benchmarking services to Plan Sponsor, and additional specific services as further described in Schedule A-1 (collectively, the "**Business Purpose**").

Except as otherwise permitted by the CCPA, Empower will use, disclose, and retain Personal Data solely for the Business Purpose and will not use, disclose, or retain Personal Data for commercial purposes other than for the Business Purpose. Except as otherwise permitted under the CCPA, Empower will not use, disclose, or retain Personal Data processed in connection with the Services outside the direct business relationship with Plan Sponsor nor combine personal information that it received from, or on behalf of, Plan Sponsor with personal information that it received from another source or collected from its own interaction with the consumer, except as required to provide the Business Purpose or as otherwise permitted by applicable laws.

Empower will not sell or share Personal Data in any manner in violation of the CCPA.

Upon prior written notice to Empower, Plan Sponsor may take reasonable and appropriate steps to (i) ensure Empower uses the Personal Data collected is in a manner that complies with the CCPA and (ii) stop and remediate any unauthorized use of Personal Data by Empower.

Empower shall enable the Plan Sponsor to comply with consumer requests made pursuant to the CCPA to the extent compliance with such requests is required by the CCPA.

In the event the CCPA is pre-empted by Federal laws, the terms of this Section 4 shall no longer be applicable, and upon the request of either party hereto, the parties shall cooperate in good faith to reasonably amend or modify these terms to address future changes to Data Protection Laws that require such amendments.

Empower shall implement security practices and procedures appropriate to the nature of the Personal Data as set forth herein.

Subprocessing. Plan Sponsor hereby agrees that Empower may engage its Affiliates and third parties as Subprocessor in connection with the provision of Services under the Agreement. Empower shall carry out reasonable due diligence as appropriate to the nature of each Subprocessor's services to ensure that the Subprocessor can provide the level of protection for Personal Data required by this Program. Upon request during the Term, Empower shall make available a current list of any material Subprocessors that have



access to Personal Data; the parties hereto agree that such list is the Confidential Information of Empower and subject to the confidentiality provisions of the Agreement.

Data Subject Rights. In the event that Empower receives a request from a Participant relating to an exercise by the Participant of the Participant's rights under applicable Data Protection Laws (such as a "right to know" or "right to delete" request), Empower will Direct such Participant to take the request to the Plan Sponsor. Empower will cooperate with any request by the Plan Sponsor to respond to requests to the extent required by applicable Data Protection Laws.

Data Security. Empower's Information Security Policies and related policies address the management of information security, the security controls employed by the organization. These policies include, without limitation:

An Information Security Board that is responsible for the development, implementation, and ongoing maintenance of Empower's data security.

Documented policies ("**Information Security Policies**") that Empower formally approves, internally publishes, communicates to appropriate personnel and reviews at least annually. Empower's Information Security Policies shall (i) mandate the secure protection and handling of confidential data, (ii) comply with applicable laws, (iii) conform to or exceed applicable industry standards for the retirement plan services industry, and (iv) documented, clear assignment of responsibility and authority for data security-related activities.

Policies covering acceptable computer use, record retention/destruction, information classification, cryptographic controls, access control, network security, removable media, remote access, mobile computing and wireless access.

Regular testing of the key controls, systems and procedures, including (i) testing of information technology general controls (ITGC) at least annually or whenever there is a material change in business practices, and (ii) infrastructure penetration tests and scans against internet-facing points of presence. Empower will correct vulnerabilities or security issues discovered through such assessments in a manner and time frame consistent with established standards.

Policies and procedures designed to protect the security of data that is accessible to, or held by, Empower's third party suppliers. Such policies shall be based on Empower's Information Security Policies, and shall address, as applicable: (i) the identification and risk assessment of such supplier; (ii) minimum cybersecurity standards required to be met by such suppliers; (iii) due diligence processes used to evaluate the adequacy of cybersecurity practices of such suppliers; and (iv) periodic assessment of such suppliers based on the risk they present and the continued adequacy of their cybersecurity practices.

Use of appropriate administrative, technical and operational measures designed to ensure data is secure.

Monitoring, evaluating and adjusting, as appropriate, its data security protocols summarized herein, in light of relevant changes in Data Protection Laws, Services, technology or industry security standards, the sensitivity of data collected or processed by Empower in the provision of its Services, and evolving



internal or external risks. Empower may make such updates to its data security protocols and the terms hereof at any time without notice so long as such updates maintain a comparable or better level of security. Individual measures may be replaced by new measures that serve the same purpose without diminishing the security level protecting Personal Data or Plan Data.

Risk Management. Empower has a risk assessment program that includes regular risk assessments and management for risk identification, analysis, monitoring and reporting.

Human Resources.

Acknowledgements. Empower shall provide training on its information security practices to its personnel at least annually. Empower personnel shall acknowledge their information security and privacy responsibilities under Empower's policies.

Personnel Controls. Empower completes appropriate pre-employment background checks and screening on its personnel, and requires personnel to complete initial security training at the time they are first employed with Empower and annually thereafter. All personnel attest annually to Empower's Code of Business Conduct and Ethics, which enforces the tenets of Empower's Information Security Policies and its privacy policies. Empower has disciplinary processes for violations of information security or privacy requirements, and promptly removes personnel access to Plan Data or Personal Data upon termination or applicable role change.

Physical and Environmental Safety.

Physical and Environmental Security Controls. Empower has appropriate physical and environmental controls to protect Empower's equipment, assets, and facilities used to provision services. Physical Security includes, without limitation (i) physical security in the protection of valuable information assets of the business enterprise; and (ii) the provision of protection techniques for the entire facility, from the outside perimeter to the inside office space, including the datacenters and wiring closets.

Ongoing Operations. Empower protects its facilities and systems containing Data from failures of power, networks, telecommunications, water supply, sewage, heating, ventilation, and air-conditioning.

Communications and Operations Management.

Controls. Empower has policies and procedures in place for communications and operations management controls. Such controls address: hardening, change control, segregation of duties, separation of development and production environments, network security, virus protection, patch management, media controls, data in transit, encryption, audit logs, and time synchronization.

Operations Security. Empower's Information Security Policies mandate ongoing Operations Security requirements, including but not limited to, installing or maintaining (i) security patches for operating systems and applications within standard timeframes based on severity; (ii) industry standard versions of operating systems, software and firmware for system applications and components; and (iii) up-to-date system security agent software which includes updated malware and virus definitions.



Access Control.

Access Control. Empower utilizes access controls designed to ensure that only Empower personnel with the proper need and authority can access its internal recordkeeping system and associated data. Empower's access controls include but are not limited to: limiting access to personnel with a requirement to view Personal Data; establishing least-privilege controls to protect systems and Personal Data; generation of audit trails; periodic review and approval of personnel who need to access the Empower recordkeeping system; and termination of personnel access promptly following severance from employment.

Authentication. Empower authenticates user identity through appropriate authentication controls such as strong passwords, token devices, or biometrics. Passwords must meet minimum length and complexity requirements.

Remote Access to Empower Systems. Empower uses multi-factor authentication for remote access to its systems.

Information Systems Acquisition, Development and Maintenance.

Systems Development Security. Empower addresses security as part of information systems development and operations and follows secure coding methodologies based on application development security best practices.

Software Security Management. Empower's information systems (including operating systems, infrastructure, business applications, off-the-shelf products, services and user-developed applications) adheres to the information security standards set forth in Empower's Information Security Policies.

Vulnerability Assessments/Ethical Hacking. Empower performs vulnerability assessments and penetration testing against Internet-facing points of presence. Empower corrects vulnerabilities or security issues discovered through such assessments in a manner and time frame consistent with established standards set forth in Empower's Information Security Policies.

Cryptography. Empower uses cryptography techniques that assist Empower with preventing the unauthorized capture, modification of or access to data or information. Empower uses standard encryption algorithms that follow up-to-date encryption standards and industry practices. Such cryptography techniques may include but are not limited to: encryption of sensitive data sent across external communication lines; requirement of minimum 128-bit encryption TLS encryption for web browsers; and encryption of Personal Data while stored on laptops, mobile devices, and in recordkeeping databases.

Information Security Breach Management.

Incident Management Program. Empower maintains investigative measures and techniques for incident handling, including but not limited to: a formalized, enterprise-wide Computer Security Incident Response Team ("**CSIRT**"), and CSIRT processes which are tested at least annually.



Information Security Breach Response. Empower will notify Plan Sponsor after becoming aware of any Information Security Breach in accordance with all applicable Data Protection Laws. For the avoidance of doubt, Empower will (i) keep the Plan Sponsor informed of significant developments in connection with the investigation of such incident; (ii) investigate and assist any regulator or other governmental body with oversight over the Information Security Breach in investigating, remediating and taking any other action regarding the Information Security Breach as appropriate or required by law; and (iii) provide Plan Sponsor with information about remedial measures that have been undertaken to prevent such Information Security Breach from reoccurring. In the event that individual or regulatory notifications are required under applicable Data Protection Laws, the parties will cooperate with respect to notifications. To the extent the Information Security Breach is caused by Empower's failure to abide by its obligations as set forth in this Data Security Addendum, Empower shall bear the costs of such notifications and provision of credit monitoring services to affected individuals to the extent required by law or otherwise appropriate in Plan Sponsor's and Empower's reasonable judgment.

Plan Sponsor Assessment Rights.

Assessment via Security Assurance Package. During the Term of the Agreement, within the secure Plan Sponsor website provided by Empower, Empower provides documentation that supports and informs the reader about Empower's current security program and practices. These documents are referred to as the Security Assurance Package ("**SAP**"), which currently consists of the following items: Security Program Overview document, SOC 1 report, SOC 2 report, available IT certification reports (e.g. Verizon CRP), and a completed SIG questionnaire with related supporting materials. (The SIG is a standardized document template created by the Shared Assessments Program, a consortium of leading financial institutions, the Big 4 accounting firms, and companies from a wide array of industries.)

Regulatory Assessment. If Plan Sponsor's governmental regulators require that Plan Sponsor perform an on-site audit of Empower's network security, as supported by evidence provided by Plan Sponsor, Plan Sponsor may conduct an on-site audit of Empower's network security, relevant to the security of Plan Data ("**Regulatory Audit**"). Unless a different notice or frequency is required by Plan Sponsor's governmental regulators, a Regulatory Audit may be conducted by Plan Sponsor once per year at a mutually agreed-upon time with at least 60 days' advance written notice to Empower. If a Regulatory Audit requires the equivalent of more than two business days of Empower Personnel's time to support such audit, Empower may charge Plan Sponsor's an audit fee at Empower's then-current rates for each day thereafter.

Miscellaneous. This Addendum is governed by and incorporated into the Agreement. In the event of any conflict between the Agreement and this Addendum, the Agreement will prevail. Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their respective duly authorized officers as of the date last signed below.

ADDITIONAL INFORMATION

RECORDKEEPING SERVICES ADDENDUM

Spousal Consent Without QJSA. Upon migrating to the new Empower recordkeeping platform spousal consent for distributions will only be supported for plans that are subject to the QJSA provisions. If Empower provides your Plan document services, we will prepare an amendment to your Plan document with an effective date of March 1, 2024 to reflect this change. The amendment will be provided to you for your review and signature through your existing service teams approximately 60 days prior to your Plan's migration date.

If your Plan document is outside drafted (which means that Empower does not provide your Plan document services), please work with your Plan document provider to make the referenced change effective by the time of your Plan's migration. Empower's recordkeeping platform will be updated to reflect this change effective as of March 1, 2024.

Empower Annuity Insurance Company reserves the right to provide communications and documents in an electronic format. Certain documents delivered electronically may still require Plan Sponsor signatures. Plan Sponsor understands and agrees that the Plan Sponsor can elect to receive all communications in paper form.

FEE CALCULATION METHODS

Any asset-based fee calculations will be based on the average daily balance of Plan assets during the assessment period. Per participant fees will be based on participant counts as of the end of the assessment period. Annual account charges and annual self-directed account charges (if applicable) will be moved from annual to quarterly.

SIGNATURELESS SERVICES

General Requirements. This section describes certain services under which Empower will process Participant requests without obtaining Plan Sponsor signature or other further approval. In doing so, Empower will not exercise any fiduciary authority or make any discretionary determinations. Rather, this section will act as Direction by Plan Sponsor for Empower to process all Participant requests that meet the stated criteria. In order to receive the signatureless services detailed in this section Plan Sponsor must utilize the Plan Service Center ("**PSC**") and must provide all necessary information in a PDI file. Plan Sponsor must also provide any additional information or Direction as required by, and in a form acceptable to, Empower. In addition, in most cases, Empower must be the sole recordkeeper for the Plan. If at any time Plan Sponsor does not meet these general requirements or does not meet the specific requirements of any service described in this section, Empower shall not be responsible to continue to provide such service.

Signatureless Distributions Due to Severance from Employment for Reasons Other than Death or Disability. Plan Sponsor Directs Empower to process, without Plan Sponsor's further approval, Participant requests for distribution due to severance of employment for any reason other than death or disability, provided such requests are received in good order and in a manner acceptable to Empower. In order to receive this service, Plan Sponsor must also utilize Empower's vesting tracking service, if the Plan has a vesting schedule. If Plan Sponsor has not provided a Participant's termination date or other required

information, Plan Sponsor Directs Empower to notify Plan Sponsor to obtain missing information before processing the distribution. For spousal consent purposes, Plan Sponsor Directs Empower to rely on the marital status specified by the Participant in the request form, or as stored on Empower's recordkeeping system, as applicable.



FACTS	What does Empower Retirement, LLC (Empower) do with your personal information?
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
WHAT?	<p>The types of personal information we collect, and share depend on the product or service you have with us.</p> <p>This information can include:</p> <ul style="list-style-type: none"> • Social Security number and account balances. • Retirement assets and transaction history. • Employment information and income. <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
HOW?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Empower chooses to share, and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DOES EMPOWER SHARE?	CAN YOU LIMIT THIS SHARING?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share
QUESTIONS?	Call toll-free at 855-756-4738 or go to empower.com/privacy	



WHO WE ARE	
Who is providing this notice?	Empower and its affiliates. A list of companies is provided at the end of this notice.
WHAT WE DO	
How does Empower protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include physical, technical, and procedural safeguards, such as building and system security, and personnel training.
How does Empower collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none"> • Provide account information or apply for a loan. • Enter into an investment advisory contract or seek advice about your investments. • Tell us about your investment or retirement portfolio. We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes — information about your creditworthiness. • Affiliates from using your information to market to you. • Sharing for nonaffiliates to market to you. State laws and individual companies may give you additional rights to limit sharing.
DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Our affiliates include companies with the Empower names, as listed below, and other financial companies such as Empower Advisory Group, LLC.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Empower does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Empower doesn't jointly market.
WHO IS PROVIDING THIS NOTICE?	
Empower Retirement, LLC; Empower Annuity Insurance Company of America; Empower Life & Annuity Insurance Company of New York; Empower Plan Services, LLC; Empower Advisory Group, LLC; Empower Financial Services, Inc.; The Canada Life Assurance Company (U.S. operations); Great-West Life & Annuity Insurance Company of South Carolina; Empower Capital Management, LLC; Empower Funds, Inc.; Empower Trust Company, LLC; Empower Holdings, Inc.; Empower Annuity Insurance Company; Prudential Bank & Trust, FSB (to be merged into Empower Trust Company, LLC in or around March 2023); TBG Insurance Services Corporation; MC Insurance Agency Services, LLC; Mullin TBG Insurance Agency Services, LLC; COMOSA REIT Corp. Empower Personal Wealth, LLC; Empower Services Holdings, LLC; Personal Capital Advisors Corporation (to be merged into Empower Advisory Group, LLC in or around April 2023); and Personal Capital Services Corporation. Empower and/or certain Affiliates also administer certain insurance policies on behalf of other insurance companies as a "Third Party Administrator" in connection with certain acquisitions it has made of businesses previously owned by other companies.	

GEN-FLY-WF-1831220-0223(2332382)

This Automatic Rollover Services Agreement, which includes and incorporates the terms of amendment(s) and exhibit(s), if any, attached hereto (“*Agreement*”) is between Millennium Trust Company, LLC, an Illinois limited liability company (“*Custodian*”), and the undersigned plan fiduciary (“*Plan Fiduciary*”) which is the Plan Sponsor or the Plan Administrator (as that term is defined in Section 3(16) of the Employee Retirement Income Security Act of 1974, as amended (“*ERISA*”), or similar state law in the case of a plan not subject to ERISA), of the plan (“*Plan*”).

All references in this Agreement to “*we*,” “*us*” and “*our*” refer to the Custodian, and all references in this Agreement to “*you*” or “*your*” refer to the Plan Fiduciary. The term Plan also refers to each plan that you may add to this Agreement upon written notice to, and acceptance by, us. This Agreement is effective as of the date of your signed acceptance, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof.

1. Purpose. The Plan provides for certain involuntary distributions of participants’ balances in an active and/or terminating Plan. In either case, a Plan participant may avoid such involuntary distribution by directing a distribution be paid directly to (i) an eligible retirement plan or (ii) such participant (a “*Participant Election*”). In those situations where a Plan participant has not made a Participant Election (such non-electing participant, a “*Participant*”), you desire to distribute such Participant’s balance from the Plan to an individual retirement account (“*IRA*”) custodied by us. All Plan funds that you transfer to us, including those from eligible uncashed benefit distribution checks, will be held by us in IRAs for Participants as provided in this Agreement.

2. Your Responsibilities. You or your authorized agent will be responsible to direct us to open IRAs to receive automatic rollover distributions from the Plan on behalf of Participants. You or your authorized agent will make any such direction through an individual authorized to act for the Plan Fiduciary or authorized agent. The direction will include:

- (a) Information requested by us necessary to establish an IRA for each Participant, which includes, without limitation, the Participant’s (i) full name, (ii) full date of birth, (iii) current address on the books and records of the Plan, (iv) complete United States Social Security Number, and (v) any

information reasonably requested by us to assist us in locating Participants the Plan has been unable to locate (“*Account Opening Information*”); and

- (b) Information on the amount of the automatic rollover distribution for each Participant (which shall be in cash only, unless specifically agreed otherwise) from the most recent records of the Plan.

We will treat each Plan as: (i) an active plan, (ii) a defined contribution plan, and (iii) not including designated Roth accounts, unless in each case you or your authorized agent inform us otherwise, in writing. For rollovers from a Plan that includes designated Roth accounts, you or your authorized agent agree to identify which portion of the rollover is to be placed into a Traditional IRA and which portion is to be placed into a Roth IRA.

You will deliver the Account Opening Information and the funds to be placed in each IRA to us as provided in Section 10 of this Agreement. You or your authorized agent will also provide additional information and data as we may reasonably request, provided that such information is available to you. We will have no obligation to open an IRA for any Participant with respect to which we have received insufficient Account Opening Information.

3. Our Responsibilities. Upon receipt of your or your authorized agent’s direction and the Plan funds for the IRAs to be established, we will open an IRA on behalf of each Participant based upon the information provided. We will not be liable to you for any action taken by us in good faith and in accordance with any direction from you or your authorized agent. We have no responsibility to ascertain whether any direction received by us is in compliance with the terms of the Plan, ERISA, the Internal Revenue Code of 1986, as amended (“*Code*”), or other applicable state or federal rules, regulations or laws (collectively, “*Laws*”).

Upon opening an IRA, if the address provided for the Participant for whom the rollover is made (“*Account Owner*”) passes our standard address verification procedures, we will send relevant information and IRA agreements to the Account Owner related to the establishment of the IRA in accordance with the notification and other applicable requirements of ERISA, the Code and Laws. We reserve the right to change,

from time to time, our account opening and communication processes.

We will update Account Opening Information with any corrected or updated information that is provided to us by an Account Owner. Except as otherwise required by Laws, we undertake no obligation to verify the accuracy of the information provided by you, your authorized agent or any Account Owner.

4. Deceased Participants; Escheat. We cannot open an IRA or receive funds for a Participant known to be deceased at the time of IRA opening. If we discover, or you or your authorized agent informs us, that a Participant of a Plan for whose benefit you established a rollover IRA, died prior to the establishment of the rollover IRA, the intended rollover funds applicable to such Participant will remain assets of the Plan. In this case, you or your authorized agent will direct us regarding the distribution of the deceased Participant's funds. If we do not receive direction from you, we will distribute or escheat such deceased Participant's funds in accordance with our procedure in effect at the time.

5. IRA. Each automatic rollover IRA will be a Traditional or Roth IRA, as applicable, based on the information provided by you in Section 2 above. The applicable custodial agreement will be between us and the Account Owner, and its terms will be enforceable by the Account Owner.

6. Initial Investment of IRA. Pursuant to Department of Labor ("DOL") regulations in Title 29 of the Code of Federal Regulations Section 2550.404a-2(c)(3)(i)-(iii), you direct us initially to invest the rollover IRA funds in one or more FDIC-insured, interest-bearing bank accounts. After the initial investment, the Account Owner will have discretion to direct the investment of the IRA.

7. Fees and Expenses. You have had the opportunity to review the fee schedule applicable to IRAs established pursuant to this Agreement. We may amend the fee schedule that forms a part of the IRA agreements from time to time as provided in the applicable custodial agreement. The IRA fees and expenses, in effect from time to time, for rollover IRAs established pursuant to this Agreement will not exceed the fees and expenses we charge for comparable IRAs established by us in circumstances other than automatic rollover contributions.

8. Representations and Warranties.

(a) You hereby represent and warrant as follows:

- (i) This Agreement has been duly authorized, executed and delivered by you and constitutes a valid and binding agreement of you and the Plan.
- (ii) The Plan is intended to be one of the following: (A) a tax-qualified retirement plan described in section 401(a) of the Code; (B) a plan described in section 403(b) of the

Code; or (C) a plan described in section 457(b) of the Code maintained by a state or local governmental employer described in section 457(e)(1)(A) of the Code (collectively, a "tax-qualified plan"). You have no reason to believe that the Plan would not be treated as a tax-qualified plan and satisfy the requirements of ERISA (if applicable), the Code and any Laws.

(iii) Any automatic rollover contribution made to us will be made pursuant to the terms of the Plan, the Code and any Laws and is an amount eligible for a direct rollover to an IRA under the Code.

(iv) You have taken all steps necessary to allow us to open IRAs based solely upon the Account Opening Information and to satisfy the safe harbor requirements for an automatic rollover contribution as described in Title 29 of the Code of Federal Regulations Sections 2550.404a-2, 404a-3 and Section 401(a)(31) (B) of the Code, as applicable, and any successor provisions or additional regulatory guidance or Laws that may govern with respect to opening IRAs under this Agreement for active and terminating Plans (collectively, the "Safe Harbor").

(v) You have relied on your own legal counsel and/or other tax/employee benefit professionals for advice in taking actions under the Plan, taking actions to meet the Safe Harbor and in executing this Agreement. You have independently concluded that the arrangement for services described in this Agreement satisfies applicable Laws and you have not relied on us and we have not provided any recommendation, investment, legal or tax advice to you in connection with the IRAs to be established pursuant to this Agreement.

(b) We hereby represent and warrant as follows:

(i) This Agreement has been duly authorized, executed and delivered by us and constitutes our valid and binding agreement.

(ii) Each IRA is intended to constitute a Traditional or Roth IRA under the Code, as applicable.

(iii) The IRA agreements will conform in all material respects to the requirements of the Code and Laws applicable to such rollover IRAs.

(iv) Subject to the accuracy of your representations and warranties made above, the IRAs and the services provided under this Agreement are designed to satisfy Safe Harbor for automatic rollover contributions from the Plan to the IRAs.

9. Confidentiality. Each party agrees that all information, including all Account Opening Information, communicated to the other party during the term of this Agreement will be received and held in strict confidence, and will be used only for

the purposes of this Agreement, and no such information will be disclosed to third parties by the recipient party, its employees or its agents without the prior written consent of the other party, except that each may share with its respective vendors and agents such confidential information as required for those vendors or agents to carry out their responsibilities with regard to services involving this Agreement, the IRAs and any Custodial Accounts. Each party agrees to take all reasonable precautions to prevent the disclosure to other third parties of such information, including without limitation, the provisions of this Agreement and the IRA agreements, except as expressly provided herein or as may be necessary by reason of subpoena, court order, legal, accounting or regulatory requirements or applicable Laws. You authorize us to release all records and information upon receipt of any request, audit or exam by the DOL, without the need for additional authorization from the Plan or a subpoena or court order from the DOL. We will notify you of any DOL request for information or documents regarding the Plan prior to complying with any such request.

You acknowledge and agree that from and after the establishment of each IRA, (i) all Account Opening Information supplied by you or an authorized agent, concerning the IRA and its Account Owner, including personally identifiable information, constitutes confidential information belonging to the Account Owner, (ii) such confidential information is not your or the applicable Plan's information; and (iii) our responsibilities as to the protection and confidentiality of such information run solely to the Account Owner and not to you or the applicable Plan.

Custodian has implemented and will maintain an information security program that includes security measures it deems appropriate, including, without limitation, technical, physical, administrative and organizational controls, designed to maintain the confidentiality, security and integrity of Account Owner's confidential information, including Account Opening Information and that are designed to be materially consistent with the cybersecurity recommendations released by the DOL on April 14, 2021, as may be amended or updated from time to time.

10. Computerized Data and Funding Requirements. You or your authorized agent will provide us with electronic files identifying the individuals for whom IRAs are to be established, together with the corresponding funding amount applicable to each individual, in a format acceptable to us. You agree to aggregate the automatic rollover funds from the Plan, including those from uncashed checks, and send them to us via wire transfer, or other method as we may require. The transfer of the electronic files and corresponding rollover amounts will serve as evidence of your direction to establish the IRAs for the Account Owners. Each party will use reasonable practices to avoid introducing any viruses into the other's systems by such

electronic files. It is the responsibility of each party or its authorized agent to encrypt such electronic files to the extent and in a manner necessary to protect the confidentiality of the information contained in such files.

11. Authorized Parties. In addition to the directions provided pursuant to Section 10 of this Agreement, you or your authorized agent may direct us to act upon directions, whether written or oral, by telephone, mail or e-mail, and we may rely upon the direction of any individual whom we reasonably believe is authorized to act on behalf of you or your authorized agent.

12. Indemnification. You will indemnify and hold us harmless from any and all liability, claims, damages, costs or expenses (including reasonable attorneys' fees) (collectively "Damages") arising from or claimed to have arisen from (a) your breach of this Agreement, including any representation or warranty made by you in this Agreement, except for Damages arising from our negligence, bad faith or willful misconduct; (b) your or your authorized agent's negligence, bad faith or willful misconduct; (c) inaccurate information provided by you or your authorized agent about the Account Owner, the Plan, or the funds transferred to the IRA; or (d) any act or omission by us arising out of or resulting from our execution of any direction provided by you or your authorized agent.

We will indemnify and hold you harmless from any and all Damages arising from or claimed to have arisen from (a) our breach of this Agreement, including any representation or warranty made by us in this Agreement, except Damages arising from you or your authorized agent's negligence, bad faith or willful misconduct; or (b) our negligence, bad faith or willful misconduct.

13. Limitation of Liability. In no event shall the terms of the Plan or this Agreement, either expressly or by implication, be deemed to impose upon us any power or responsibility other than those set forth specifically in this Agreement. Nothing in this Agreement is intended to make us a sponsor or administrator of the Plan and, to the contrary, the intent of the parties is that we are not, and will not become, a fiduciary of the Plan under ERISA, the Code or other Laws.

Notwithstanding any other provisions of this Agreement to the contrary, in no event shall either party be liable to the other for any consequential, indirect or special damages of any nature whatsoever. The limitations of liability and exclusion of damages contained in this Agreement are intended to allocate the risks of this Agreement between the parties, is reflected in the pricing of our offering, and is an essential element of the basis of the bargain between the parties.

The terms of these limitations of liability will survive the termination of this Agreement.

14. Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement, or the breach, termination, enforcement, interpretation or validity thereof, including any challenge to the making of this Agreement or the determination of the scope or applicability or enforceability of this Agreement to arbitrate, will be determined by arbitration in Chicago, Illinois, to the exclusion of any other venue or forum, before a sole arbitrator, in accordance with the laws of the State of Illinois. The arbitration will be administered by Judicial Arbitration and Mediation Services (“JAMS”) under its Comprehensive Arbitration Rules and Procedures (“JAMS Rules”) and will be conducted by a retired judge who is experienced in dispute resolution. No consequential or punitive damages will be awarded. Notwithstanding any other rules to the contrary, no arbitration proceeding brought against us will be consolidated with any other arbitration proceeding without our consent. Judgment may be entered upon any award granted in any arbitration in any court of competent jurisdiction in Chicago, Illinois, or in any other court having jurisdiction. Each party shall pay its own costs, fees and expenses (including legal fees); provided, however, that each shall pay one-half of all fees paid to JAMS and the arbitrator. You agree that you and the Plan may bring claims and disputes to arbitration only in your individual capacity or for the Plan, and not as a plaintiff or class member in any purported class or representative arbitration. The parties specifically agree and acknowledge that the JAMS Consumer Arbitration Minimum Standards do not and shall not apply to any arbitration that arises from this Article. This includes, but is not limited to, any provisions of the JAMS Consumer Arbitration Minimum Standards that allocate the costs and fees associated with the arbitration, that set the venue for the arbitration, or any other provision of those Standards that conflicts with the terms of this Agreement.

15. Term. This Agreement may be terminated by either party at any time upon sixty (60) days’ written notice. Termination will not affect any IRA previously established pursuant to this Agreement (prior to the expiration of the 60-day notice period).

16. Miscellaneous.

(a) This Agreement will be governed by and construed in accordance with the laws of the State of Illinois, to the extent not preempted by controlling federal law. Any controversies, claims, counterclaims, crossclaims, or disputes arising out of or in any way related to this Agreement, whether sounding in tort, contract, equity, or statute, shall be governed by the laws of the State of Illinois, without reference to that state’s conflict of law rules or principles. You hereby submit to the jurisdiction of courts of competent jurisdiction located in the State of Illinois.

(b) Neither party will be in breach of this Agreement as a result of, nor will either party be liable to the other party for,

liabilities, damages, or other losses arising out of delays in performance caused by circumstances or events beyond the reasonable control of the delaying party.

(c) Any written notice required to be given pursuant to this Agreement will be deemed effective on the earliest of (i) actual receipt, (ii) the next business day following deposit for overnight delivery with a nationally recognized overnight courier service, and (iii) the same day following transmission of an electronic mail message (“E-mail”) during regular business hours, in each case, with fees, if any, prepaid and addressed to the party and/or the Plan’s authorized agent, recordkeeper, consultant, servicer, or third party administrator, if any, at the address set forth below or at such other address as that party may notify the other of in writing in accordance with this paragraph.

Under this Agreement, an E-mail transmission is a writing, and the term “address” shall include a party’s E-mail address. Each party is entitled to rely on the contact information contained in this Agreement until it has received written notification of a change in such information and has had a reasonable period of time to react to such change. You, your authorized agent or the recordkeeper, consultant, servicer or third-party administrator may provide us with a change of address for the authorized agent, recordkeeper, consultant, servicer, or third-party administrator, respectively.

(d) Either party may assign or transfer this Agreement, or any of its rights and obligations under it upon written notice to the other party, provided the assignee agrees in writing to the obligations of the assigning party set forth in this Agreement.

(e) This Agreement may be amended in any respect and at any time (including retroactively) to comply with the applicable provisions of ERISA, the Code and Laws, without prior notice or consent. This Agreement may be amended for any other reason, which amendment will be deemed effective upon the delivery of the notice of the amendment to you, unless you object thereto by notifying us in writing, within 30 calendar days from the date the notice is delivered.

(f) If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions will continue to be fully effective.

(g) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and the counterparts shall constitute one and the same instrument.

(Signature pages follow)

Failure to check the applicable boxes below and on the Additional Plans page, if attached hereto, may result in delays in the establishment of automatic rollover IRAs.

Contract Number: 890389_P

Complete Legal Plan Name (No Acronyms)– Required:

EL TORO WATER DISTRICT RETIREMENT SAVINGS PLAN

Employer Identification Number (EIN) - Required:

95-2377973

Three-Digit Plan Number (PN) (if applicable):

890389_P

Your Provider Assigned Plan/Contract ID No.(if applicable):

890389_P

Plan Status (Must check one):

Active Plan Terminating Plan

Plan Type (Must check one):

Defined Benefit ¹ Defined Contribution Plan

¹ We are unable to establish IRAs for participants of terminating defined benefit plans, unless the plan is not covered by the Pension Benefit Guaranty Corporation (PBGC). Most private sector defined benefit plans are covered by the PBGC, but there are some exceptions. It is the Plan Fiduciary’s responsibility to determine whether or not the Plan is covered by the PBGC.

Additional Service Provider (check one, if applicable):

Recordkeeper Consultant
 Third Party Administrator Other

Entity Name: Empower

Street Address: 8515 E Orchard Road

City: Greenwood Village

State: Colorado

Zip: 80121

E-mail:

Attn.:

Phone:

Plan Fiduciary (Entity Name, Not an Individual): EL TORO WATER DISTRICT

E-mail: dcafferty@etwd.com

Street Address:

24251 Los Alisos Blvd.

City: Lake Forest

State: CA

Zip: 92630

Phone: (211) 111-1111

Accepted by:

Millennium Trust Company, LLC



By: _____
Signature

Name: Peter Welsh

Title: Head of Retirement Services

Address: 2001 Spring Road, Suite 700

Oak Brook, IL. 60523

Inquires/Notices should be directed to Retirement Services.

E-mail: RS_Sales@mtrustcompany.com

AUTOMATIC ROLLOVER IRA FEE SCHEDULE

(Fees subject to change)

Administration and Custody Account Fees

- Annual Maintenance Fee: \$30 ¹
- Account Closing Fee: \$25 ²
- Annual Paper Statement Fee: \$10 ³ (No charge for electronic statements)

Millennium reserves the right to assess up to a \$25 per transaction processing fee for handling distributions for deceased accountholders, processing divorce decrees and conducting annual searches for accountholders with missing or unconfirmed addresses after the one-year anniversary of account establishment. Additional fees may also be charged in connection with the custody and processing of certain types of assets.

Fees associated with your Account are payable in accordance with your custodial agreement and will be deducted from the Account. If the balance in the Account at any time after the application of all fees then due, equals or is less than the Account Closing Fee, the Account will be closed and the balance charged as the Account Closing Fee.

Cash Sweep Program

Account will initially be invested in one or more FDIC-insured, interest-bearing, demand accounts at banks not affiliated with Millennium Trust, which we refer to as the Cash Sweep Program, and any uninvested cash subsequently in the Account (resulting from the sale of an asset, additional contribution or otherwise) will also be invested in the Cash Sweep Program. Net interest is credited to the Account on a monthly basis based on the average cash balance held by the Account in the Cash Sweep Program for that month. The crediting rate is reviewed and revised periodically by Millennium Trust and will exceed the national average of interest rates paid by FDIC-insured depository institutions on savings or similar accounts for the applicable period, as published by the FDIC. You may obtain the current crediting rate by contacting Millennium Trust. For more information on the Cash Sweep Program, including compensation earned by Millennium in connection with the program, see "Cash Sweep Program, Uninvested Funds, Compensation" in your custodial agreement.

¹ The Annual Maintenance Fee covers the establishment and ongoing administration of the account. It is charged upon account establishment and then annually thereafter. If the funded account balance is less than \$250, the Annual Maintenance Fee shall be waived in the first year and thereafter be reduced to \$20.

² If at the time of closing, the account balance (prior to the application of any fees then due) is less than \$250, the account closing fee shall be reduced to \$10.

³ If the funded account balance is less than \$250, the first year's annual paper statement fee will be waived.



Agreements/Services Signature Page

EL TORO WATER DISTRICT 890389_P-001

By signing this Agreements/Services Signature Page, the parties certify that they have read and understood this Agreement and all applicable documents set forth below, that they agree to be bound by the terms and conditions of these Agreements and applicable documents listed below, and that they have the authority to sign and adopt these Agreements and applicable documents.

DOCUMENTS THAT REQUIRE SUBMISSION TO EMPOWER AND ARE COVERED BY THE SIGNATURE PAGE

- Administrative Services Agreement
- Plan Provisions
- Millennium Trust Company Automatic Rollover Services Agreement

Empower Annuity Insurance Company reserves the right to provide communications and documents in an electronic format. By signing below, Plan Sponsor understands, acknowledges, and consents to the electronic communication of all general Plan Sponsor communications and the electronic delivery of plan and service-related information. Certain documents delivered electronically may still require Plan Sponsor signatures. Plan Sponsor understands and agrees that the Plan Sponsor can elect to receive all communications in paper form.

IN WITNESS WHEREOF, the parties duly execute this Agreement as follows:

PLAN SPONSOR

BY: _____

TITLE: _____

EMPOWER ANNUITY INSURANCE COMPANY

By:  _____

PRINT NAME: Harry Dalessio TITLE: Head of Retirement Plan Services

DATE: March 1, 2024



STAFF REPORT

To: Board of Directors **Meeting Date:** April 25, 2024
From: Dennis Cafferty, General Manager
Subject: Empower Administrative Services Agreement – Deferred Compensation Plan

On April 1, 2022, Empower acquired the full-service retirement business of Prudential Retirement. Empower recently completed the migration of the District plans to the Empower recordkeeping platform.

The relationship between the District and Empower will be defined in an Administrative Services Agreement. Staff has been working with Empower and the District's ERISA counsel, Heather Bader, on the language of the Agreement.

There are two separate agreements specific individually to the Retirement Savings Plan (401k Plan) and the Deferred Compensation Plan (457 Plan). The language in the Administrative Services Agreement for the Deferred Compensation Plan is now satisfactory to District staff and counsel.

Recommended Action: Staff recommends the Board authorize the General Manager to execute the Empower Administrative Services Agreement for the El Toro Water District Deferred Compensation Plan.



ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (“Agreement”) sets forth the general terms and conditions under which Empower Annuity Insurance Company (“Empower”) will provide administrative services to the El Toro Water District with respect to the El Toro Water District Retirement Savings Plan (the “Plan” or “Plans”) established pursuant to Code section 401(a), 401(k) or 457(b) (as applicable).

1. Definitions

“Agreement” includes this base Administrative Services Agreement as well as the attached Schedule of Services and a separately executed fee schedule or fee proposal (“Fee Schedule”).

“Business Day” means any day, and only for as many hours as, the New York Stock Exchange is open.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Empower” refers to Empower Annuity Insurance Company and its affiliates with respect to products and services offered in the retirement markets, including but not limited to recordkeeping and communication services.

“Participant” shall mean an employee, former employee, Plan participant, participant, former participant, beneficiary or alternate payee who is or may be entitled to participate in or receive benefits under the Plan.

“Plan Sponsor” and “Employer” refer to the undersigned Employer, the Plan Sponsor, Plan Administrator, named fiduciaries, and other delegates of the Employer (other than Empower), as dictated by the context.

2. Services Provided by Empower

2.1. Services. Empower will provide the services set forth in this Agreement (collectively the “Services”). In the performance of the Services, Empower will act as a non-discretionary service provider directed by the Plan Sponsor in compliance with applicable laws and regulations. The parties agree that the purchase and sale of securities for the Plan, except for employer stock and unaffiliated self-directed brokerage, will be effected through Empower Financial Services, Inc., a broker/dealer affiliate of Empower.

2.2. Non-Fiduciary Status. Plan Sponsor acknowledges that the Services are ministerial and are not intended to involve the exercise of any discretion that would cause Empower to be a fiduciary or Plan Administrator as defined under the Code, the Investment Advisors Act of 1940, or state law, as applicable. Nothing in this Agreement or otherwise shall result in Empower having any discretionary authority or responsibility for the administration of the Plan, including management of the Plan or disposition of Plan assets. Empower shall not render, or have any authority or responsibility to render, investment advice for a fee or other compensation, direct or indirect, with respect to any Plan assets.

2.3. No Tax or Legal Advice. Nothing in this Agreement is intended to constitute legal or tax advice from Empower to Plan Sponsor, or to any other party. Plan Sponsor understands that Empower has not given and may not give legal advice. All issues should be reviewed and discussed with Plan Sponsor’s legal counsel and/or tax adviser.

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3. Responsibilities of Plan Sponsor

Plan Sponsor acknowledges that Empower cannot effectively perform the Services without Plan Sponsor's cooperation. Accordingly, Plan Sponsor acknowledges and agrees that it will fulfill the following duties and obligations.

3.1. Plan Administrator. Plan Sponsor, a designated employee or committee, or a third party retained by Plan Sponsor or named in the Plan (other than Empower or one of its affiliates) will be the "Plan Administrator" and "named fiduciary" as defined by applicable law.

3.2. Provision of Information. Plan Sponsor or its designee, including any third parties retained by or on behalf of the Plan or Plan Sponsor, will provide all information necessary for Empower to perform the Services in a manner and format that does not require manual intervention or manipulation by Empower. Plan Sponsor acknowledges and agrees that Empower shall not bear any responsibility for any penalties or other costs incurred as a result of Plan Sponsor's failure to provide such information in a timely manner. Plan Sponsor further acknowledges and agrees that Empower may charge an additional fee if any necessary information is not provided on a timely basis, or in an electronic format usable by Empower without any manual intervention or manipulation. Plan Sponsor agrees that Empower shall be entitled to fully rely upon the accuracy and completeness of information Plan Sponsor submits and that Empower shall have no duty or responsibility to verify such information. If, as a result of incorrect or incomplete information furnished by Plan Sponsor, it becomes necessary to repeat any calculation or service, complete any new forms or revise any completed forms, Empower reserves the right to charge an additional fee. Each party agrees to bear its own interconnect transmission costs and is solely responsible for its own acts and omissions relating to transmitting, receiving, storing and handling documents and information, including the maintenance of all equipment, software and testing necessary to effectively, reliably and securely send and receive such documents and information.

3.3. Remitting Contributions and Allocation Instructions. Plan Sponsor agrees that it is solely responsible for collecting and remitting all initial and recurring contributions and loan repayments to Empower electronically via Empower's plan sponsor website, or another mutually agreed-upon manner within the time prescribed by applicable law. Plan Sponsor acknowledges that Empower is not responsible for monitoring the amount and/or timeliness of such contributions and loan repayments. In the event that a Plan participant ("Participant") does not elect investment options, Plan Sponsor directs Empower to invest the contribution in the default investment option under the Plan at the time the contribution is received. Plan Sponsor acknowledges that Empower reserves the right to either reject contributions remitted via ACH without proper proceeds or to assess an additional processing charge, and that in such event Empower further reserves the right to reject all future ACH contribution remittances from Plan Sponsor. With respect to Plan- or Plan Sponsor-initiated distributions or rollovers, Plan Sponsor hereby instructs and authorizes Empower to rely upon the information on Empower's recordkeeping system for purposes of tax reporting and withholding, and to treat payees with U.S. addresses as U.S. persons and payees with foreign addresses as foreign persons. Plan Sponsor certifies that such information is accurate and compliant with the Foreign Account Tax Compliance Act (FATCA) and the Code, and that required documentation supporting such information has been collected by Plan Sponsor.

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3.4. Plan Document and Compliance Responsibilities. Plan Sponsor has the responsibility to ensure that the Plan documents are accurate and complete and that the Plan is being operated in accordance with its terms and applicable law. Plan Sponsor shall provide Empower with a signed copy of the Plan document and all amendments to the Plan document within thirty (30) days after such document and/or amendment is adopted. Plan Sponsor acknowledges that it is responsible for reviewing the accuracy and completeness of all Plan document services performed by Empower, if any. Plan Sponsor is solely responsible for ensuring that the Plan is qualified under the Code.

3.5. Disclosures. Plan Sponsor agrees to comply with all of its notice and disclosure responsibilities under applicable law with the assistance of Empower as set forth on the Schedule of Services.

3.6. Investment Options. Plan Sponsor is responsible for the selection of all investment options made available under the Plan (“Investment Options”) based on Plan Sponsor’s independent evaluation, or that of its registered investment advisor, consultant, broker or other agent, as applicable. Plan Sponsor must notify Empower in writing of the Investment Options intended to be serviced by Empower and such Investment Option services are only provided as agreed upon by Empower and may be subject to certain limitations or conditions. Plan Sponsor acknowledges that the Plan’s transition to Empower may be delayed if there is a change in the Investment Option selections.

As part of the Services provided by Empower, the Plan’s assets may be invested in a group annuity contract and/or array of funds offered by Empower, its affiliates or other investment providers (the “Investment Program”). Empower may add, delete and/or replace available investment options offered under the Investment Program with at least sixty (60) days written notice to Plan Sponsor or the Plan fiduciary. This notice will explain the fund change, communicate the timeline and effective date of the fund change, provide information on fees received by Empower or an affiliate from a fund company, and explain Plan Sponsor’s or the Plan fiduciary’s right to opt out of the change. Plan Sponsor or the Plan fiduciary will be deemed to have approved such change unless Plan Sponsor’s or Plan fiduciary’s written objection is received by Empower within the sixty (60) day notice period. If Plan Sponsor or the Plan fiduciary objects to the fund change, Empower may terminate this Agreement, but will continue to provide services for at least sixty (60) days after the effective date of the fund change.

If allowed within the Investment Program, Plan Sponsor may request an addition, deletion, and/or replacement with respect to investment options available in the Plan. Plan Sponsor must provide Empower with notice of the intended change sixty (60) days prior to the intended date of the fund lineup modification. Empower must confirm, in writing, its ability to administer any requested fund additions, deletions and/or replacements prior to these changes being implemented. Once Empower receives notice of such fund change request, Empower will assess the Plan’s pricing and the selected fund company’s administrative requirements. Empower reserves the right to decline a fund change request if Empower is unable to administer the fund requested. Additionally, Empower reserves the right to reevaluate and modify the Fee Schedule as part of the request, and the Plan Sponsor acknowledges that such a request could impact the fees paid by the Plan or Plan Sponsor. The Plan Sponsor shall provide sufficient notice of the Plan’s desired fund change to provide Empower with the opportunity to conduct the necessary review and to ensure that Plan participants can be provided with notification of fund changes at least thirty (30) days prior to the effective date of the change. If applicable, Plan Sponsor agrees to cooperate with Empower to create and deliver all necessary participant communications, and acknowledges that there may be an additional cost for such communications.

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If Plan Sponsor offers Plan Investment Options that are recordkept outside of this Agreement (“Outside Assets”), Plan Sponsor hereby instructs Empower to restrict any and all transfers between the Outside Assets and the Plan assets recordkept under this Agreement. If Plan Sponsor has selected an Empower annuity product, Plan Sponsor agrees that any provision(s) of the group annuity contract to the contrary are inoperable with respect to the Plan.

Plan Sponsor acknowledges that Empower or its affiliates may receive fees from mutual fund families or other Investment Option sponsors or their affiliates for providing certain administrative or other services thereto (“Fund Service Fees”). Plan Sponsor may request additional information regarding such fees at any time. If the provider of an Investment Option causes an Investment Option to become unavailable, Empower will notify Plan Sponsor as soon as practicable after the Investment Option Sponsor notifies Empower. If any employer securities are included as an Investment Option or are otherwise contributed under the Plan, (i) Plan Sponsor shall be responsible for any Securities and Exchange Commission (the “SEC”) or state registration, prospectus delivery or Form 11-K annual reporting requirements; and (ii) Empower shall not be responsible for the enforcement of or compliance with any SEC or Employer regulations or policies related to insider trading in Employer securities or the reporting of such trading. Plan Sponsor acknowledges that the SEC requires mutual fund companies to establish procedures to prevent market timing and excessive trading. Plan Sponsor agrees to adhere to the terms and conditions of such procedures included with this Agreement, as amended from time to time.

3.7. Payment of Plan Expenses. Plan Sponsor may direct Empower in writing to deduct Plan expenses from the Plan to the extent Plan Sponsor has determined that deduction is specifically allowed by the Plan document and applicable law, and to remit to the party designated by the Plan Sponsor.

3.8. Direction by Plan Sponsor. In performing the Services, Empower is acting at the direction of the Plan Sponsor or other named fiduciary of the Plan. Plan Sponsor agrees to provide direction in a manner reasonably requested by Empower, and Empower may rely upon any such direction, whether provided electronically or in writing, by a person that Empower reasonably believes to be authorized to act on behalf of the Plan Sponsor or other named fiduciary. Plan Sponsor agrees that all services and procedures to be followed by Empower as set forth in any service profile, summary plan description (if applicable), plan administrative guide, administrative form or other similar document will constitute direction by the Plan Sponsor to Empower, unless Plan Sponsor indicates otherwise. Plan Sponsor specifically intends that Empower will have no discretionary authority with respect to such “deemed” approved transactions, and that Empower’s responsibility is limited solely to confirming it has been provided in good order and in accordance with the procedure.

3.9. Electronic Delivery. Empower will deliver plan-related documents to Participants under the Agreement in an electronic manner as described below.:

3.9.1. Plan notices to be delivered by Empower will be delivered via an email notice of the availability of the plan-related document on the Participant website sent to an email address provided to Empower by the Participant or by the Plan Sponsor. If Empower is not provided with an email address, notices will be delivered to the Participant via regular mail.

3.9.2. Empower will send an initial notification of default electronic delivery via regular mail to each Participant at least 10 days prior to delivering any plan-related documents via email. The initial notice of SAGWTPAGOV0822



default electronic delivery will include the participant's email address that will be used to deliver notices of the availability of plan-related documents, a statement of the Participant's right to request and obtain a paper version of the documents and a statement of the option to opt out of electronic delivery and receive only paper versions of the documents.

3.9.3. If an email notice of availability of a plan-related document is returned undeliverable, Empower will send the notice to another email on file for the Participant. If no other email is on file for the Participant or such other email is also returned undeliverable, plan related documents will be delivered via regular mail to the Participant until such time as Empower is provided another email address for the Participant.

3.9.4. Participants may request to receive one paper copy of a plan-related document for no cost. In addition, Participants may opt out of electronic delivery and request that their plan-related documents be delivered via regular mail at any time.

3.9.5. Empower will maintain access to plan-related documents on the Participant website as required under Department of Labor regulation Section 2520-104b-31(e).

3.10. Review of Reports. The Plan Sponsor is responsible for reviewing and monitoring reports made available by Empower (whether provided electronically, by posting on an Empower website, or otherwise) regarding Plan activity, transactions and investments to verify that the investments indicated in the reports properly reflect the investment directions provided by the Plan Sponsor or the investment elections made by Participants, as applicable. The parties acknowledge that Participants may also have certain duties to review reports such as transaction confirmations and account statements, as applicable, and provide notification to Empower of any error they discover. Empower's performance of its obligations under this Agreement shall be conclusively presumed to be accurate unless Plan Sponsor or a Participant provides Empower with proper notice of discrepancies.

3.11. Error Correction.

3.11.1. Transactional and Operational Errors.

a. Transactional Errors. If Empower does not accurately process contribution, distribution, or investment instructions provided in good order by a Participant or the Plan Sponsor (e.g., investment allocation of Plan contributions, investment exchanges or transfers, or timely processing of a Plan distribution) and the issue is timely brought to Empower's attention, Empower will, at its own expense, retroactively correct the Plan or Participant account to reflect its adjusted financial position had the error not occurred, including any investment earnings and reduced by any investment losses. If the issue is not timely brought to Empower's attention, Empower may correct the error by adjusting the Plan or Participant account prospectively.

b. Plan Operational Errors. If Empower is timely notified that it has made an error that creates an operational or fiduciary issue for the Plan, Empower will, within a reasonable time after being notified of or discovering such error, notify the Plan Sponsor and describe the corrective option that Empower proposes to employ that is consistent with the Internal Revenue Service, Department of Labor, or other agency correction guidelines, where applicable, and Plan Sponsor shall review the proposed correction option. Unless the Plan Sponsor objects to such proposed correction and requests an alternate correction option within ten (10) business days after

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receiving notice of Empower's suggested corrective option, the Plan Sponsor Directs Empower to promptly process the correction in accordance with the proposal, at Empower's expense. If Empower's proposed correction is consistent with Internal Revenue Service, Department of Labor, other agency correction guidelines, or other guidance, but the Plan Sponsor requests an alternate correction method resulting in expenses in excess of what Empower would have incurred under its proposed correction, the Plan Sponsor shall bear such additional expenses (including without limitation any attorney's fees, regulatory filing costs and additional net loss resulting from such method).

3.11.2. Trading Errors. If Empower does not accurately process a trade with the mutual fund company as Directed by the Plan Sponsor or as instructed by a Participant, then Empower will correct the share position at the mutual fund company as if the error had not occurred. In the event there are multiple funds or related errors in one or more funds involved, Empower will net gains and losses across all funds involved in the associated error(s). If the Plan Sponsor utilizes the services of a third-party trustee and/or custodian ("**Third-Party Trustee**"), Empower shall in no event be required to perform any correction: (i) for a trading error that results from an error or omission by the Third-Party Trustee, (ii) to be performed under the terms of any service arrangements between the Plan Sponsor and such Third-Party Trustee (the "**Third-Party Trust Agreement**"), (iii) that falls within error tolerance ranges under the Third-Party Trust Agreement, or (iv) that otherwise would exceed any requirements for error correction by the Third-Party Trustee under the Third-Party Trust Agreement.

3.11.3. The parties acknowledge and agree that Empower will have no liability for an error caused by acts or omissions of the Plan Sponsor, Participants or any other third party.

3.11.4. Duty to Mitigate. The parties acknowledge and agree that the Plan Sponsor, the Plan Administrator and Participants each have a duty to mitigate any errors so as to minimize the expenses that may be incurred to correct such errors by promptly reviewing transaction confirmations, account statements and other Plan reports, as applicable, and providing notification of any error, providing timely approval of correction measures and taking such other reasonable steps as may be necessary (e.g., proactively transferring account holdings into the appropriate Investment Option).

3.11.5. Transactional Gain/Loss Compensation Policies for Error Correction. Empower may incur a gain or loss in the process of adjusting a Plan or Participant account to correct certain errors due to changes in the share/unit price of an Investment Option between the original transaction date and the correction date. The adjusted position of Plan and Participant accounts are not impacted by transactional gains or losses incurred by Empower to settle the Investment Option positions in the course of correcting the account. Empower will net any Investment Option pricing differences as part of the correction process. If a correction is made at Empower's expense, Empower, not the Plan or Participant, will incur any transactional loss and Empower will retain any transactional gain.

3.12. Requirement to Appoint a Trustee. Plan Sponsor is responsible for determining whether to appoint a trustee to provide trust services to the Plan and for selecting the trustee. If Plan Sponsor chooses to fund the Plan exclusively through an Empower group annuity contract, if available, the annuity contract may be used in lieu of a separate trust agreement, and Plan Sponsor will be considered the deemed trustee. If a trust agreement is used, Plan Sponsor agrees to have the trustee execute such agreement and all other documents required to establish and operate the trust.

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Any trustee or custodian selected by Plan Sponsor for the Plan must be able to interface with Empower's recordkeeping system in a "passive" role and all assets must be transferred to the omnibus custodial bank account. Plan Sponsor agrees to require the trustee or custodian to provide to Empower all information in the possession of the trustee or custodian that is necessary for the performance of Empower's duties under this Agreement.

If Plan Sponsor chooses to retain Empower Trust Company, LLC ("ETC") to serve as a Plan trustee or custodian, Plan Sponsor agrees to execute any and all documents required to establish the trust or custodial account. If Plan Sponsor, another entity or named employees serve as trustee of the Plan and ETC does not serve as a trustee, Plan Sponsor agrees to enter into a custodial agreement or other applicable agreement with ETC for the receipt of contributions.

3.12.1. Trustee/Custodian Services. If Trustee or Custodian services are provided by ETC, the compensation received by ETC for such services is reflected in the Plan's fee disclosure report provided by Empower and the Empower Trust Company Bank Credits below. Additional fees may be reflected in the trust or agreement between ETC and Plan Sponsor. If Plan Sponsor selects a trustee or custodian that requires changes to any procedures or services in the Agreement, Empower reserves the right to change fees in this Section.

3.12.2. Account Protection. Empower, Plan Sponsor or the Participant will promptly notify the other parties if it discovers that an unauthorized distribution was made from the Participant's account. Empower will conduct an investigation and take any appropriate steps, which may include working with law enforcement, to determine the root cause of the unauthorized distribution. Plan Sponsor agrees to cooperate in any such investigation and will comply with reasonable requests for information. To the extent Empower offers Participants protection against account losses that result from unauthorized transactions, Empower will restore losses as of the date of the account loss once Empower has had sufficient time to conduct a preliminary investigation and attempt to ascertain the root cause. Such protection is not available (i) if Plan Sponsor refuses or neglects to follow commercially reasonable security practices; implement, support, and maintain appropriate physical and logical security measures designed to secure Data; undertake commercially reasonable organizational and technical steps to protect against unlawful and unauthorized processing of Personal Data; or (ii) if the loss resulted from a compromise of the systems or security protocols of Plan Sponsor or its third party service providers (other than Empower).

3.12.3. Empower Trust Company Bank Credits. If Plan assets pass through a bank account held by the trustee or custodian or its Affiliates, the trustee or custodian may earn credits and/or interest on Plan assets awaiting investment or pending distribution. Any credits or interest earned by the trustee or custodian are aggregated with credits and/or interest earned by the trustee or custodian's Affiliates and will be used to defray the aggregate expenses for the maintenance of bank accounts. The trustee or custodian will not retain credits and/or interest earned in excess of such maintenance expenses. Credits and/or interest are earned from the use of (i) uninvested contributions received too late in the day or not received in good order to be invested same-day and (ii) proceeds from Investment Option redemptions where Plan distribution checks have not been presented for payment by Participants. Credits and/or interest (i) begin to accrue on contributions on the date such amounts are deposited into the bank account and end on the date such amounts are invested pursuant to Participant instructions, and (ii) begin to accrue on distributions on the date the check is written or on the ACH date, as applicable, and end on the date the check is presented for payment or when the ACH clears against the account, as applicable. Earnings of credits and/or interest are at the rate the bank provides from time to time.

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Plan Sponsor acknowledges that any change to the trustee and/or custodial setup or relationships during implementation may delay the Effective Date.

4. Fees & Charges

4.1. Fees. Plan Sponsor agrees to pay Empower for the Services, excluding any applicable sales, use, excise, services, consumption and other taxes or duties as described in Section 4.2 below. To the extent not paid by the Plan, Plan Sponsor agrees to pay Empower within thirty (30) days of Empower's invoice to the Plan Sponsor for services provided to the Plan. In the event any charges or fees reasonably and properly chargeable under the terms of the Agreement remain unpaid after sixty (60) days after the date billed, Plan Sponsor directs Empower to deduct such expense charges from the Plan and Plan Sponsor affirms that the Plan document specifically allows such deduction from the Plan. To the extent that the forfeiture or other Plan accounts would not pay Plan expenses under the Plan document or the Plan accounts are insufficient, Plan Sponsor directs Empower to allocate such fees to the Participant accounts, and to the investment choices in which the Participant accounts are invested, on a pro rata basis using Participant account and investment option balance ratios as of the date of deduction. Plan Sponsor agrees to amend the Plan, if necessary, to provide for the payment of expenses from Plan assets consistent with the foregoing. Empower reserves the right to change its fees upon ninety (90) days' advance written notice to Plan Sponsor.

Plan Sponsor directs Empower to debit from the Plan the amount of fees payable to any outside third parties retained by Plan Sponsor to provide plan administration, investment advisory, or other services ("Plan Service Providers"), as detailed in the Fee Schedule, and to remit the fees directly to the Plan Service Provider.

4.2. Taxes. Unless Plan Sponsor provides Empower with a valid and applicable exemption certificate, Plan Sponsor will reimburse Empower for sales, use, excise, services, consumption and other taxes or duties that Empower is required to collect from the Plan Sponsor and which are assessed on the purchase, license and/or supply of Services. Plan Sponsor and Empower shall each bear sole responsibility for all taxes, assessments and other real property related levies on its owned or leased real property, personal property (including software), franchise and privilege taxes on its business, and taxes based on its net income or gross receipts. If applicable, Plan Sponsor and Empower shall reasonably cooperate to more accurately determine each party's tax liability and to minimize such liability to the extent legally permissible.

5. Confidentiality & Data Privacy

5.1. In order to perform the Services, both parties may have access to certain information of the other party, including, without limitation, trade secrets, commercial and competitively sensitive information of the party related to business methods or practices, and proprietary software or websites of the party ("Confidential Information"). For the purpose of clarity, any software or website owned, licensed or made available by Empower ("Empower Software") is Confidential Information of Empower. The parties mutually agree to hold all Confidential Information of the other party in confidence and not to disclose any Confidential Information of the other party to anyone except the parties' affiliates, suppliers, and respective personnel in connection with the performance or receipt of Services hereunder or as directed or approved by the other party or its agents. Confidential Information does not include: information that is otherwise in the public domain through no action of the non-disclosing party;

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information that is acquired by a party from a person other than the other party or its agents without any obligation of confidentiality; or information that is independently developed by a party without reference to the Confidential Information of the other party.

5.2. In the event a party is required to make a legally required disclosure of the other party's Confidential Information, such party shall notify the other party of the disclosure as soon as reasonably practicable, and shall cooperate with any efforts by such party to obtain protective treatment of such Confidential Information to the extent permitted by law. The foregoing shall not apply to broad-based regulatory examinations associated with a party's general business or operations, to disclosures made in conjunction with a law enforcement investigation, or where notice is prohibited by law.

5.3. Empower and Plan Sponsor each agree to maintain and hold in confidence all Nonpublic Personal Information received in connection with the performance of Services under this Agreement ("NPI"). Empower and Plan Sponsor agree that their collection, use and disclosure of any and all NPI is and will be at all times conducted in compliance with all applicable data protection and/or privacy laws, rules and/or regulations. NPI includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act. Plan Sponsor authorizes Empower to disclose NPI to its affiliates, service providers, and Plan Services Providers in connection with Empower's performance of Services under this Agreement. In addition, Plan Sponsor authorizes Empower to disclose NPI to Plan Sponsor's advisors, third-party administrators, service providers (such as payroll providers) and representatives authorized by Plan Sponsor in writing to receive such Data. Empower may use and disclose, for benchmarking and research purposes, de-identified NPI that is aggregated with other anonymized data of a similar nature across Empower's client base in a manner that makes such NPI unidentifiable to a particular individual or plan. Empower's current Privacy Notice is attached to this Agreement, but shall not lessen any of Empower's obligations regarding NPI hereunder. Plan Sponsor agrees that any changes to the Privacy Notice may be delivered to Plan Sponsor through the Plan Service Center.

5.4. Empower shall implement reasonable administrative, physical, and technical safeguards to help protect Non-Public Participant-level Information as prescribed by applicable Data Protection Laws and accepted industry practices such as ISO/IEC 27002 (Information Technology – Code of Practice for Information Security Management).

5.5. The parties will promptly notify the other in the event of (i) any confirmed breach of the party's security measures that results in unauthorized access to or theft of NPI; (ii) the consequences of the breach, including (without limitation) any potential impact on the other party's security measures, systems, data (including but not limited to NPI) or the Empower Software (defined above); and (iii) the corrective action taken to remedy the breach. In addition to the foregoing, Plan Sponsor will notify Empower immediately upon discovering a compromise of the security and/or log-on credentials of any Plan Sponsor employee or agent that has a plan administration role in Empower's system.

5.6. Plan Sponsor acknowledges that Empower maintains security and fraud mitigation protocols (such as multi-factor authentication) designed to comply with statutory obligations and to safeguard Participant identities, Participant accounts, or access to Empower Software. Empower may update these protocols as needed to address new or evolving threats and statutory obligations. Plan Sponsor agrees to cooperate with Empower to implement,

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support, or otherwise cooperate in the implementation of any such updates, changes or enhancements. To the extent Empower offers Participants protection against account losses that result from unauthorized transactions, such protection is not available if Plan Sponsor fails to meet the requirements of this provision, or if the loss resulted from a compromise of the systems or security protocols of Plan Sponsor or its third party service providers (other than Empower).

5.7. Plan Sponsor may Direct Empower to provide Plan Sponsor or its designated agent with information (which may include Personal Data) received from or in relation to Participants in connection with the performance of Services under this ASA, which may include private information shared by the Participant during recorded phone calls and written or electronic correspondence.

5.8. For purposes of Rule 14(b)-1 and Rule 14(b)-2 of the Securities Exchange Act of 1934, as amended from time to time, Plan Sponsor authorizes Empower, and/or its affiliates and services providers, to provide the name, address and share position of the Plan with respect to any class of securities registered under the Investment Company Act of 1940 when requested by such SEC registrant for purposes of shareholder meetings. The above-referenced rules prohibit the requesting SEC registrant from using the Plan's name and address for any purpose other than corporate communications of the type contemplated under the rules.

6. Business Continuity & Disaster Recovery

6.1. Empower will maintain business continuity and disaster recovery procedures to address the security, integrity and availability of the technology, operational, financial, human and other resources required to provide the Services. Such procedures shall be designed to enable Empower to continue to perform mission-critical Services in the event of a natural disaster or other interruption of normal business operations. Such procedures will be tested at least once annually.

6.2. Empower Financial Services, Inc.'s current Business Continuity Plans Notice is attached to this Agreement. By executing this Agreement, Plan Sponsor acknowledges receipt of this Notice.

7. Records & Audit

7.1. Record Retention. Empower shall retain all records in its custody and control that are pertinent to performance under this Agreement in accordance with its record retention policy and as required by applicable law. Subject to the foregoing, each party agrees to return or destroy the other party's Confidential Information and NPI once it is no longer required for the purpose of performing or receiving the Services, provided that the parties are not obligated to destroy copies of Confidential Information or NPI that must be retained for audit, legal or regulatory purposes, or is stored in non-readily accessible electronic format, such as on archival systems.

7.2. SSAE 18. Each year upon the request of Plan Sponsor, Empower will provide Plan Sponsor with a copy of the review performed by Empower's external auditors under the "Statement of Standards for Attestation Engagements Number 18, Attestation Standards: Clarification and Recodification" of the American Institute of Certified Public Accountants (SSAE18) SOC 1, or any new or replacement standard or protocol established by the American Institute of Certified Public Accountants.

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8. Intellectual Property Rights

8.1. Plan Sponsor Materials. As between the parties hereto, excluding the Empower Materials (as defined below), Plan Sponsor shall own all trademarks, trade names, logos, trade dress, and other Confidential Information provided or made accessible by Plan Sponsor to Empower in providing the Services (collectively, the "Plan Sponsor Materials"). Plan Sponsor grants to Empower a nonexclusive, nontransferable and non-sublicensable license to use Plan Sponsor Materials in connection with its provision of the Services. Nothing contained herein shall prohibit Empower from referencing client partnerships in the normal course of public-relations communications or in materials prepared at the request of prospective clients.

8.2. Empower Materials. As between the parties hereto, Empower and its affiliates shall own all materials, documentation, user guides, forms, templates, business methods, trademarks, trade names, logos, websites, Empower Software, technology, computer codes, domain names, text, graphics, photographs, artwork, interfaces, and other information or material provided by Empower or its affiliates hereunder (collectively, the "Empower Materials"). Empower grants to Plan Sponsor and Participants (as applicable) a nonexclusive, non-transferable and non-sublicensable license to use the Empower Materials during the term of the Agreement solely for purposes of using Empower's Services hereunder and subject to the terms and conditions set forth in this Agreement and any terms of use associated with Empower Software. All rights with respect to the Empower Materials not specifically granted hereunder are reserved by Empower.

9. Liability & Indemnification

9.1. Empower agrees to indemnify the Plan Sponsor from and against any and all expenses, costs, reasonable attorneys' fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, "Damages") to the extent resulting from Empower's breach of this Agreement, negligence, or willful misconduct. Notwithstanding anything to the contrary herein, Empower shall not be liable to Plan Sponsor for any Damages resulting from: 1) any acts or omissions undertaken at the direction of the Plan Sponsor or any agent or any third party authorized by Plan Sponsor to provide direction to Empower, including but not limited to prior service providers, investment advisors, or any authorized agent thereof; 2) any performance of the Services that is in strict compliance with the terms of this Agreement; or 3) Plan Sponsor's or its designee's failure to provide accurate documents, material, information or data to Empower or its affiliates, as applicable on a timely basis.

Plan Sponsor acknowledges that Empower and its directors, officers, employees and authorized representatives are not responsible for the investment performance of any Investment Options under the Plan.

9.2. Limitation of Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFIT) EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.



9.3. Insurance. Empower will, at its own cost and expense, procure and maintain in full force and effect throughout the term of this Agreement insurance coverage that is reasonably appropriate to the Services provided under this Agreement, including but not limited to cybersecurity insurance. The requirements in this section are not intended to, and will not in any way, limit or qualify the liabilities and obligations of Empower under this Agreement.

10. Dispute Resolution

The parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Agreement. If the parties are unable to agree between themselves, the parties will submit the dispute to non-binding mediation conducted by a private mediator agree to by both parties. If the parties cannot agree on a mediator, the mediator may be selected by a nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The costs of mediation shall be borne equally by the parties, and each party shall pay its own expenses. If the parties are unable to resolve the dispute through non-binding mediation, either party may initiate litigation; provided, however, that if one party requests mediation and the other party rejects the proposal or refuses to participate, the requesting party may initiate litigation immediately upon such refusal.

11. Termination

11.1. Effective Date. This Agreement will be effective as of the Effective Date specified in the Signature Page and will continue in effect for the initial term, if any, specified in the Fee Schedule and will continue thereafter until terminated in accordance with the termination provisions of this Agreement.

11.2. Termination. This Agreement may be terminated by either party, in whole or in part, by delivering sixty (60) days advance written notice to the other party. Plan Sponsor directs Empower to deduct any and all outstanding expenses and fees owed to Empower from the Plan's trust on the termination date, unless paid by Plan Sponsor. Plan Sponsor agrees to amend the Plan, if necessary, to provide for the payment of expenses from the Plan consistent with the foregoing. Plan Sponsor acknowledges that after the termination of this Agreement, Plan Sponsor will be responsible for performing all actions required to be taken with respect to the Plan including, but not limited to: processing of contributions, loans and distributions, and the distribution of forms to Participants. On and after the actual date of termination of this Agreement, Empower shall have no further obligations hereunder except as set forth in this subsection. Notwithstanding the foregoing, upon a written request by Plan Sponsor, Empower will provide Plan Sponsor, or a designated successor service provider, with Plan data and other information residing on Empower's recordkeeping system in Empower's standard format or another mutually agreeable format. Any request for Empower to provide information other than in its standard format shall be at Empower's sole discretion, and Plan Sponsor agrees to pay all fees, costs and expenses associated with such a request.

11.3. Plan Termination. If the Plan terminates, Empower may utilize any procedures promulgated by the U.S. Department of Labor or other applicable regulatory agencies for abandoned or orphaned plans, including the facilitation of distributions to payees and any other required plan termination requirements.

12. Miscellaneous

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12.1. Affiliates & Agents. Plan Sponsor acknowledges and agrees that Empower may utilize the services of affiliates, agents, vendors and suppliers selected by Empower. Empower's use of any such party will not relieve Empower of its obligations hereunder, and Empower shall at all times remain liable for the performance of the Services hereunder.

12.2. Relationship of the Parties. The relationship between the parties is that of independent contractors. Neither Empower nor its personnel shall be considered employees of Plan Sponsor for any purpose. None of the provisions of this Agreement shall be construed to create an agency, partnership or joint venture relationship between the parties or the partners, officers, members or employees of the other party by virtue of either this Agreement or actions taken pursuant to this Agreement.

12.3. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and their affiliates and is not intended to confer any rights or remedies upon any other person.

12.4. Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties, their affiliates, successors and permitted assigns; provided, however, that neither party may assign its rights or obligations hereunder without the other party's prior written consent. Notwithstanding the foregoing, a party may assign this Agreement in connection with: (i) the sale of substantially all of its assets or the assets of any business unit to an entity that assumes the assignor's obligations under this Agreement; (ii) a merger, acquisition or divestiture; and/or (iii) a transfer to a parent or affiliate, in each case without the other party's consent.

12.5. Entire Agreement. This Agreement, including all Exhibits, Schedules, notices and attachments, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services. Except as otherwise provided herein, this Agreement may be modified only by an Amendment signed by authorized representatives of each party. Notwithstanding the foregoing, Empower may unilaterally amend the Agreement in order to comply with applicable laws, to add or enhance the Services, or to update the method of providing the Services, by providing written notice to Plan Sponsor at least 30 days in advance of the effective date of such change. If applicable, service elections or modifications that alter the terms of the Schedule of Services or the Fee Schedule may be reflected in a new version of such document, which will be produced by Empower and made available to Employer, and which shall replace all prior versions of such document(s). Any Empower notices or policies that are attached to or referenced in this Agreement may be modified by Empower at any time. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of such provision or any other provision hereof and no waiver shall be effective unless made in writing.

12.6. Governing Law; Waiver of Jury Trial. This Agreement shall be construed and enforced in accordance with and governed by the laws of the state of California, without regard to conflict of law principles, and any claim arising under or related to this Agreement shall be subject to the exclusive jurisdiction of the federal and state courts located in California. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim arising out of, connected with, related to or incidental to this Agreement to the fullest extent permitted by law. Plan Sponsor agrees that to the extent it can assert sovereign immunity under applicable law, it waives such sovereign immunity to the extent necessary to permit Empower to enforce the terms and conditions of



this Agreement under the dispute resolution mechanism specified herein. Plan Sponsor further agrees to not assert sovereign immunity as a defense to any claim or action that Empower may bring relating to this Agreement.

12.7. Unclaimed Property. With respect to any checks issued from Plan assets during the term of this Agreement, Plan Sponsor directs Empower to follow state unclaimed property regulations and escheat such assets to the Plan's or the Participant's state of residence based on Empower's records. However, Plan Sponsor may direct Empower, in writing, to treat the Plan's uncashed checks in a different manner. Plan Sponsor is solely responsible for determining the appropriate handling of uncashed checks and any unclaimed property under the applicable federal and state laws including the determination and handling of amounts related to lost Participants.

12.8. Website Services. Empower will, as part of the Services, host, maintain and make certain information available to Plan Sponsor and Participants on a website or websites (the "Website Services"). Plan Sponsor will not use or permit any use of the Website Services (i) in any unlawful or illegal manner; (ii) in any way that could impair the Website Services or any other party's use thereof; or (iii) to distribute, sell, resell, license or transfer any of Plan Sponsor's rights to access or use the Website Services or make the Website Services available to any third party. Any user credentials, including user identification and passwords, established by Plan Sponsor and its delegates or any Participant (each a "User ID") is issued to a specific user and may not be shared or used by any individual other than that user. Plan Sponsor will be responsible for the compliance by its users with the applicable terms of this Section. Empower may terminate the User ID, or portions thereof, for any user involved in a breach of this Section. Plan Sponsor acknowledges that transmissions through the internet are inherently unsecure, that virus protection software, firewalls and other security measures are not foolproof, and that the Website Services and their content are not invulnerable to fraud or hacking. In addition, Plan Sponsor acknowledges that Empower shall from time to time perform scheduled or emergency repairs, maintenance, and disaster recovery testing on the websites, and that such activity, or other circumstances beyond Empower's reasonable control, may cause the Website Services to be unavailable or delayed. Plan Sponsor agrees that Empower shall not be liable for any such delays or downtime in the Website Services, or for any virus or malicious access to the Website Services by third parties, provided that Empower has implemented and maintained security features with respect to the Website Services that are consistent with this Agreement, the Data Security and Privacy Addendum, and commercially reasonable industry standards.

12.9. Force Majeure. Neither Empower nor Plan Sponsor shall be liable to the other for any and all losses, damages, costs, charges, counsel fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control, including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, pandemics, epidemics, explosions, sabotage, acts of God, civil disturbance, governmental restriction, transportation problems, failure of power or other utilities including phones, internet disruptions, fire or other casualty, natural disasters, or disruptions in orderly trading on any relevant exchange or market, or any other cause that is beyond the reasonable control of either party.

12.10. Severability. The provisions of this Agreement are severable, and if for any reason a clause, sentence, paragraph or provision of this Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement that can be given effect without the invalid provision.

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12.11. Notices. All formal notices required by this Agreement will be in writing and shall be sent to Empower as set forth below and to the most current Plan Sponsor and trustee address on file with Empower. All notices sent shall be effective upon receipt.

Notice To Empower:

Empower Annuity Insurance Company
Empower
8515 East Orchard Road
Greenwood Village, CO 80111

With a copy to:

Empower Annuity Insurance Company
8515 East Orchard Road
Greenwood Village, CO 80111
Attn: General Counsel

12.12. Headings; Defined Terms; Counterparts. Section headings used in this Agreement are intended for reference purposes only and shall not affect the interpretation of this Agreement. Unless the context requires otherwise, capitalized terms defined in this Agreement have the meanings set forth herein for all purposes of this Agreement including any Schedules or Exhibits. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original.

12.13. Survival. The provisions of the following sections shall survive the termination of this Agreement: Fees & Charges; Confidential Information; Privacy & Data Security; Record Retention; Intellectual Property Rights; Indemnification; Limitation of Liability; Dispute Resolution; Governing Law; Waiver of Jury Trial; Unclaimed Property; Website Services; Survival; Severability; No Third-Party Beneficiaries; and any other section that would by its context be reasonably expected to survive termination.

12.14. Signatures/Corporate Authenticity. Plan Sponsor has been provided a signature page ("Signature Page") that applies to this Agreement as well as to certain other documents, which are listed thereon. By signing the Signature Page, the parties certify that they have read and understood this Agreement, that they agree to be bound by its terms, and that they have the authority to sign it. This Agreement is not binding on either party until signed by both parties.

12.15. Electronic Signatures. Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures reasonably believed to be genuine on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.



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BUSINESS CONTINUITY PLAN NOTICE

Empower Financial Services, Inc. ("Empower"), a subsidiary of Empower Annuity Insurance Company of America and affiliate of Empower Life & Annuity Insurance Company of New York* and Empower Annuity Insurance Company, maintains a comprehensive business continuity plan designed to respond reasonably and effectively to events that lead to significant business disruption, such as natural disasters, power outages, or other events of varying scope. This plan defines critical functions and systems, alternate work locations, vital books and records, and staff resources, and provides for the continuation of business operations with minimal impact, depending on the severity and scope of the disruption. The plan is reviewed and tested no less than once annually to ensure that the information in the plan is kept current and that documented recovery and continuity strategies adequately support its business operations. Of utmost importance to the plan is the ability for customers to maintain access to securities accounts and assets in those accounts.

In the event that one of the contact centers or back office operation facilities becomes unavailable for any reason, calls would be re-routed to one of the firm's alternative contact center or operations facilities.

In the event of a significant business disruption to the primary office and/or data center, access to customer accounts will be provided via the Company's Web site and voice response system, operated from an alternative data center. Customer service will continue to be provided by re-routing telephone calls to a contact center located in one or more alternative sites located outside of the region. Secure work from home solutions are available for all staff.

While no contingency plan can eliminate the risk of business interruption, or prevent temporary delays with account access, the firm's continuity plan is intended to mitigate all reasonable risk and resume critical business operations within 24 hours or the next business day, whichever is later.

* Record keeping and administrative services are provided by Empower Annuity Insurance Company, and in New York, Empower Life & Annuity Insurance Company of New York, or one of its subsidiaries or affiliates. Securities offered in your account may be offered through another broker/dealer firm other than Empower Financial Services, Inc., a wholly owned subsidiary of Empower Annuity Insurance Company of America. Please contact your investment provider for more information if needed.

This disclosure is subject to modification at any time. The most current version of this disclosure can be found on the Company's website or can be obtained by requesting a written copy by mail.

BCP – Empower Customer Notice (Ed. August 2022)



Procedures for Complying with Fund Company

Market Timing and Excessive Trading

The prospectuses, policies and/or procedures of certain fund companies require retirement plan providers offering their fund(s) to agree to restrict market timing and/or excessive trading (“prohibited trading”) in their funds. The following procedures describe how we, as your recordkeeper, will comply with fund company instructions designed to prevent or minimize prohibited trading.

Various fund companies instruct intermediaries to perform standardized trade monitoring while others perform their own periodic monitoring and request trading reports when they suspect that an individual is engaging in prohibited trading. If an individual’s trading activity is determined to constitute prohibited trading, as defined by the applicable fund company, the individual will be notified that a trading restriction will be implemented if prohibited trading does not cease. (Some funds may require that trading restrictions be implemented immediately without warning, in which case notice of the restriction will be provided to the individual and plan, if applicable). If the individual continues to engage in prohibited trading, the individual will be restricted from making transfers into the identified fund(s) for a specified time period, as determined by the applicable fund company. Individuals are always permitted to make transfers out of the identified fund(s) to other available investment options. When the fund company’s restriction period has been met, the individual will automatically be allowed to resume transfers into the identified fund(s).

Additionally, if prohibited trading persists, the fund company may reject all trades initiated by the plan, including trades of individuals who have not engaged in prohibited trading.

Note: certain plan sponsors have or may elect to implement plan level restrictions to prevent or minimize individual prohibited trading. To the extent that such procedures are effective, we may not receive requests for information from the fund companies or requests to implement the restrictions described above.

10/16/07



Schedule of Services

Services provided by Empower

- A. Recordkeeping Services - Core Services.** The following services are core recordkeeping and communication services available to all plans.

Implementation Services:

Empower will provide the following conversion services prior to the receipt of assets:

- Gathering initial plan information;
- Coordinating conversion assets from a prior service provider;
- Reconciling plan assets;
- Loading records onto the recordkeeping system; and
- Assisting Employer's payroll office or payroll vendor to process the next scheduled payroll to Empower on or after the implementation period.

Implementation Period:

ACH Automation:

Plan Sponsor Directs Empower to accept a transfer of Plan records that reflects Participant ACH banking information as provided by the Plan Sponsor or by the Plan's prior service provider, without any further review and validation of the ACH information provided.

In Directing Empower to accept a transfer of existing Participant ACH banking information to its recordkeeping system, the Plan Sponsor certifies the following:

- The Participant has previously authorized the Plan to process an ACH debit and/or credit of the Participant's account at the designated financial institution ("Account") in connection with all applicable Plan transactions and has authorized the designated financial institution, in the form of electronic fund transfer, to credit and/or debit the same to such Account.
- The Participant has not revoked the ACH authorization for the Account prior to the transfer and the Plan shall treat the Participant's ACH authorization for the Account as remaining in effect until Empower receives a notice of cancellation from the Participant.
- Plan Sponsor Directs Empower to administer all ACH transactions for all Plan purposes under the terms of Empower's separate ACH Agreement, which the Plan Sponsor has adopted as the Plan's terms and conditions governing all applicable ACH transactions processed on the Empower platform.

Merging Plan:

An existing Employer Plan that is converting to Empower will be subject to an implementation period to facilitate the movement of Participant, Alternate Payee and Beneficiary records and Plan assets from the prior record keeper and/or trustee to Empower.

Blackout Notice Services:



Initial Blackout Notices:

Empower will assist in the preparation of the initial transition blackout notice and will provide the blackout notice to the Plan Sponsor for distribution to Participants, Alternate Payees and Beneficiaries, as requested by the Plan Sponsor. A "Blackout Period" is defined as any period of more than three consecutive Business Days during which the Participant, Beneficiaries and Alternate Payees are prohibited or restricted from exercising certain otherwise available rights, such as directing investment of their accounts, obtaining loans or making distributions. During the implementation period, Plan Sponsor's prior record keeper's improper reporting or incomplete transferred records may impact the blackout period end date. Such an impact may cause an extension of the blackout period, resulting in a second notice. Empower may agree to provide this additional blackout notice if the parties agree in writing.

Future Blackout Notices:

If mutually agreed to in writing, Empower may provide blackout notices to the Plan Sponsor for distribution to Participants, Alternate Payees and Beneficiaries for fund or other ongoing plan changes that result in a period of more than three (3) consecutive Business Days where the Participant, Alternate Payee and Beneficiary are restricted from exercising certain otherwise available rights such as directing investments of their accounts, obtaining loans or taking distributions.

Establishment of Accounts:

1. Participant Accounts:

- a. Participant accounts shall be established and maintained for each Employer-approved new enrollee and each employee or former employee with a balance in the plan ("Participant"). Each Participant's account record shall consist of the Participant's name, Social Security number ("SSN"), mailing address, date of birth, and any such other information as required from time to time for provision of services to the Plan.
- b. On and after the receipt of assets, Empower shall maintain a record of each Participant's investment option allocation and transaction received in good order to the recordkeeping system, including:
 - (i) Current and historical investment allocations and percentages for each available investment option.
 - (ii) Current account balances of each Participant in each available investment option and money source.
 - (iii) An accounting of each transaction made to each available investment option and money source.



- c. Empower shall provide each Participant with access to his or her account and investment information via a Web site, the voice response unit (“VRU”) and the Client Service Center domestic toll-free number and international toll number. Participants may use these services to change allocations of future deferrals and/or initiate transfers between and among investment options available under the Plan(s).
- d. Empower shall make available to each Participant a quarterly account statement in Empower’s standard format.

Additionally, confirmation will be provided of every completed change requested by a Participant. Participants will also have access to their account activity via the VRU and the Web site.

- e. If applicable, Empower will include vesting information on Participant statements, provided that Plan Sponsor provides Empower with all vesting information required under applicable law.

2. Beneficiary Accounts

If elected by the Beneficiary(ies) in good order and in a manner satisfactory to Empower, Empower will establish a Beneficiary account pursuant to the terms of the Plan requirements in effect on the date of establishment.

Contribution Processing:

Receipt and Investment of Contributions. Empower will credit contributions for allocation to Participant accounts in accordance with direction from the Plan Sponsor and as set forth below. Empower will allocate or otherwise apply forfeitures under the Plan accounts, if any, as directed by the Plan Sponsor. Empower will pass directions to invest such contributions, and to execute appropriate transactions related to forfeitures, to the Plan trustee or custodian in accordance with investment directions of the Plan Sponsor.

Timing Requirements for Contributions Funded via ACH, Check or Wire. Contributions received by Empower in good order prior to the close of any Business Day will be processed effective that Business Day, at that Business Day’s net asset / unit values. Contributions not received by Empower prior to the close of Business Day will be processed effective the next Business Day.

Distributions and Forfeitures:

Empower will create and maintain a record of any distribution, including the distribution reason, from the Plan made with respect to each Payee. If applicable, Empower will provide a Code §402(f) Notice of Special Tax Rules on Distributions to the Payee at the time of distribution. Unless otherwise agreed to in writing, Empower is not responsible for issuing any other Participant, Alternate Payee or Beneficiary notice required by the Code, as applicable. Distributions will be made within two (2) Business Days if Empower receives instructions in good order.



1. Participant Distributions

Empower will make distributions to Participants pursuant to the Plan Sponsor's and Participant's distribution requests received in good order.

2. Beneficiary Distributions

Plan Sponsor instructs Empower to pay the claimant listed on the Death Benefit Claim form signed by the Plan Sponsor unless there is a conflict between the designation on file with Empower and the claimant listed on the Death Benefit Claim form. In the event of a conflict, the Plan Sponsor will determine which Beneficiary designation will control.

3. Forfeiture Processing

If applicable, Empower will calculate forfeiture amounts based upon the Participant's vesting and will place the forfeiture amounts in a separate Plan account as instructed by the Plan Sponsor.

4. Participant Termination Services

If the services described in this subsection is made available to the Plan Sponsor by Empower, and if the Plan provides for de minimis Participant accounts to be distributed after termination, then the Plan Sponsor instructs Empower to distribute communication material to the terminated Participant informing them of their distribution options. Such information includes communicating to the Participant that if he/she does not take a distribution of the account that it will be automatically rolled over into the Plan Sponsor-elected de minimis IRA. Plan Sponsor also instructs Empower to automatically roll any monies remaining in the Plan after a certain period of time following these communications to the rollover provider selected by the Plan Sponsor.

Plan Sponsor permits Empower to send out communication material to terminated participants informing them of their distribution options.

Transfers:

Participant, Alternate Payee and Beneficiary-initiated transfers will be processed and effective the Business Day they are received at Empower's home office, if received before the close of the New York Stock Exchange (typically 4:00 p.m. Eastern Time or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation). If transfers are received at Empower's home office after the close of the New York Stock Exchange, transfers will be processed and be effective the next Business Day (or such earlier time as may have to be implemented to comply with any applicable future law, rule or regulation).

Tax Reporting of Distributions:

1. Plan Sponsor appoints Empower as its agent to perform income tax withholding and reporting for all Payee distributions and agrees to provide all necessary information needed by Empower to perform these services.



2. Empower shall deposit the income tax withheld with the Internal Revenue Service (“IRS”) and other appropriate governmental entities, as applicable, on or before the applicable due dates for such remittances.
3. Empower will complete necessary tax reporting forms for Payee distributions, file the tax reporting forms with the IRS and send copies to the Payee.

Plan Loans:

Empower will process Participant account reduction loans pursuant to the Plan’s loan policy and Empower’s loan procedures, as amended from time to time. Plan Sponsor agrees to provide an authorization for all Participant loan requests.

Ongoing Plan Resources:

1. Empower will provide the Plan Sponsor access to Plan information and electronic approval capabilities via the PSC.
2. Empower will provide the Plan Sponsor access to a Plan Services Representative for assistance with plan questions.
3. Empower shall provide periodic Employer Plan Reports in Empower’s standard format.

Participant Rollover Contributions:

Plan Sponsor directs Empower to process Participant rollover contributions received in good order pursuant to the Participant’s direction in accordance with procedures provided by Empower to the Plan Sponsor and without any further Plan Sponsor approval or authorization.

Communication and Education (subject to applicable law):

1. Standard forms, notices and other information necessary for the service provided to the Plan will be provided to Plan Sponsor and to Participants via the PSC and/or through enrollment meetings.
2. Empower will provide investment education and communication materials, which may include education and planning tools, newsletters, brochures, or other materials.

Distribution Education Services:

Empower or its affiliates will make retirement education consultants available to Participants to provide distribution education services and may contact Participants who are eligible to receive distributions from the Plan to provide information regarding distribution options under the Plan including rollover services and products offered by Empower.

Financial Services & Tools:



Empower will provide employee plan and investment education and communications materials, including education and planning tools.

1. Empower Participant Experience

With certain exceptions, Empower provides Participants with an estimated hypothetical monthly retirement income and goal based on a number of factors including the Participant's Plan assets, Plan contribution rates and compensation data on the Participant website.

2. Health Cost Estimator

With certain exceptions, Empower will provide Participants access to Empower's Health Cost Estimator (as defined below) on the Participant website. Health Cost Estimator provides Participants with estimated monthly health care expenses based on retirement age and certain personal health condition information provided to Empower by Participants ("Health Cost Estimator"). All health care costs and projections are provided by an unrelated third party vendor. Plan Sponsor agrees that the Health Insurance Portability and Accountability Act of 1996 does not apply to any personal health condition information provided to Empower by Participants. Plan Sponsor also acknowledges that such health condition information is owned by the Participant and not the Plan Sponsor and that Empower will not disclose any health condition information provided to Empower by Participants to Plan Sponsor without the Participant's consent. Empower agrees that, except as provided in the preceding sentence, it will otherwise treat such health condition information as NPI in accordance with the Section entitled Confidentiality & Data Privacy in this Agreement. Plan Sponsor further agrees not to use any information it obtains through Health Cost Estimator other than for Plan purposes, contribution rates and compensation data.

3. Personalized Participant Communications

Except as otherwise agreed by the parties, Empower will send certain action-oriented Participant education communications according to a Participant's behavior, preferences, and information. Messaging will include: (i) information about the tools and services available in the Plan and what actions a Participant may take to build individual savings, and will address topics such as enrollment, beneficiary designation, contribution increases, asset allocation, catch-up contributions and more; (ii) general financial topics that a Participant may find helpful while striving to reach financial and savings goals, and will include budgeting, debt management, investing basics, emergency funds, National Retirement Security Week and more; and (iii) the opportunity to view additional options available that may provide a Participant with a more comprehensive savings strategy, and will include information about healthcare savings accounts, estate planning, college saving and more. A Participant must have an email address on file with Empower in order to receive such communications via email. The Participant can opt out of receiving these emails at any time as required by applicable law.

My Financial Path:

Empower's financial wellness program provides Participants with tools and services to review overall financial wellness including tools that allow Participants to complete a personalized online assessment, the output of which provides the user with ideas on the next steps they can take to address financial concerns they identified when completing the assessment and educational resources to learn more about



financial topics of interest, including a learning center with educational content on certain financial wellness topics. Empower or its affiliates may make retirement education consultants available to Participants to provide financial wellness consultations and may contact Participants to offer financial wellness consultations. Consultations involve topics such as (but not limited to): budgeting, saving, student debt, debt prioritization, life insurance, managing investments and consolidating assets. Empower's financial wellness tools, services and consultations may include information on financial products and services made available by Empower or third-party providers. Participants may pay fees if they choose certain products. Empower may receive fees and other payments from the products selected by Participants. More information on the applicable financial wellness products and the fees and payments that may be received by Empower is available upon request.

Participant Fiduciary Services:

Empower may offer investment advice and provide recommendations as a fiduciary under applicable law to Participants on certain Plan transactions, such as point-in-time investment advice on designated investment alternatives, investment advisory services available under the Plan, and recommendations on distribution and rollover options, which may include services and products offered by Empower and its affiliates. When Empower acts as a fiduciary, it will do so in the best interest of the Participants. Empower will provide such fiduciary services pursuant to applicable law.

B. Elective Services. The following elective services are available upon Plan Sponsor meeting certain requirements. Additional fees may apply.

1. Eligibility Determination

Plan Sponsor can instruct Empower to calculate Participant eligibility based on Plan Sponsor's instructions as to the Plan's eligibility requirements. Plan Sponsor instructs Empower to reject the enrollment of any Participant determined to be ineligible. For each ineligible determination, Plan Sponsor instructs Empower to notify the Participant to contact the Plan Sponsor if he or she wishes to appeal the determination.

2. Online Enrollment

Plan Sponsor can instruct and authorize Empower to allow online Participant enrollment. Plan Sponsor instructs Empower to issue a Personal Identification Number ("PIN") to every eligible employee, allowing enrollment in the Plan through the Web site and VRU.

3. Automatic Enrollment

Empower can perform automatic enrollment and deferral increase services, and create and mail initial and annual automatic enrollment notices, as elected by Plan Sponsor in good order and in a form acceptable to Empower.

4. Deferral Processing

Plan Sponsor can instruct and authorize Empower to provide for deferral processing by the Plan Sponsor via the Web site. Participants may access the Web site to input the required payroll deferral



amount/percentage information. Plan Sponsor acknowledges that the Deferral Processing service described in this Section shall only be available as long as Empower is the sole record keeper for the Plan.

If Plan Sponsor uses Empower's Automatic Enrollment services, Deferral Processing does not require separate election.

5. Vesting Services

Plan Sponsor needs to provide Empower all information necessary to perform vesting services. Employer hereby instructs and authorizes Empower to:

- a. Maintain each Participant's vesting percentage on Empower's recordkeeping system;
- b. Display the Participant's vested account balance on the quarterly statements; and
- c. Calculate and process withdrawals and/or loans according to the vested percentage.

6. Loan Approval

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, Participant loan requests submitted in a manner acceptable to Empower. If the Plan is subject to spousal consent requirements, loans may only be initiated by paper forms and not online or by VRU. Plan Sponsor agrees to specifically authorize each principal residence loan request.

7. Distribution Processing

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, requests for distributions in good order and in a manner acceptable to Empower. If Plan Sponsor does not provide the Participant's termination date or other required information, Plan Sponsor instructs Empower to route the request to Plan Sponsor for approval before processing the distribution.

8. In-Service Distributions at Age 59½

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, Participant age 59½ in-service distribution requests received in good order and in a manner acceptable to Empower. If the Participant's birth date information has not been provided, or if there is a discrepancy between the birth date on the system and the birth date on the form, Empower is instructed to rely on the birth date specified by the Participant on the form.

9. Voluntary In-Service DeMinimus Distributions (for Governmental 457(b) Plans Only)

Plan Sponsor can instruct and authorize Empower to process, without further Plan Sponsor approval, Participant initiated DeMinimus distribution requests received in good order and in a manner acceptable to Empower. If vesting is applicable and the Participant's birth date information has not been provided, or if there is a discrepancy between the birth date on the system and the birth date on the form, Empower is instructed to rely on the birth date specified by the Participant form.

10. Automated Mandatory Distributions (De Minimis)



Empower can perform automated mandatory distributions of small account balances, as elected by Plan Sponsor in good order and in a form acceptable to Empower.

11. Required Minimum Distributions (RMDs)

Plan Sponsor can instruct Empower to provide a notice to Participants who, based on Plan Sponsor records reflected on Empower's recordkeeping platform, may be RMD eligible. If the Participant does not timely provide an election for the RMD as described in the notice, the Plan Sponsor acknowledges and agrees that it must provide timely direction to Empower with respect to processing any RMD payments prior to the regulatory deadline. Empower will process RMDs upon receipt of a Participant or Plan Sponsor request in good order.

12. Beneficiary Record Keeping

If Empower is and remains the sole record keeper for the Plan during the term of this Agreement, Plan Sponsor can instruct and authorize Empower to accept, maintain and file, without Plan Sponsor's signature, Beneficiary Designation forms received by Empower in good order and in a manner acceptable to Empower. Upon request, Plan Sponsor agrees to provide Empower with any and all Beneficiary information filed with the Plan by the Participant prior to the Effective Date of this Agreement.

If the spousal consent rules apply, Plan Sponsor shall provide Empower with instructions as to the portion of the Participant account for which a Beneficiary may be designated without spousal consent under the Plan. Plan Sponsor instructs Empower to rely on the marital status specified by the Participant on the Beneficiary Designation form and to obtain spousal consent, when applicable.

13. Investment Advisory-Related Services

If the Plan Sponsor meets the relevant underwriting and other requirements, Empower Advisory Group, LLC ("EAG"), a federally registered investment adviser and wholly owned subsidiary of Empower Annuity Insurance Company of America ("EAIC"), may offer fund performance data and/or similar services regarding the investment options in the Plan through the Plan's recordkeeping and administrative relationship with Empower.

EAG, may separately offer Empower Retirement Advisory Services (Online Investment Guidance, Online Investment Advice and Managed Account service) to the Participants in the Plan through the Plan's recordkeeping and administrative relationship with Empower. Plan Sponsor may instruct EAG to make Empower Retirement Advisory Services available to Plan Participants in accordance with the terms and conditions of the Empower Retirement Advisory Services Agreement between EAG and Plan Sponsor.

14. Missing Participant Administrative Services

Plan Sponsor is solely responsible for identifying and locating missing Participants. Upon request by Plan Sponsor, Empower will provide reports or other information to the Plan Sponsor with respect to Participants with undeliverable addresses as reflected in Empower's records. Also at Plan Sponsor's



request, Empower will provide a description of administrative services and associated fees, as updated from time to time, to assist the Plan Sponsor with identifying and locating missing Participants and reissuing benefit payments to Participants. The administrative services may include performing Participant address searches using a commercial locator service, updating Participant address records and attempting to contact Participants using certified U.S. mail. Plan Sponsor may select such services and agree to the associated fees via a separate letter of direction.

15. Empower Health Reimbursement Account

Empower has partnered with a third-party custodian and administrator (“Service Provider”) to provide an integrated end-to-end health reimbursement account solution for employers and their employees (“Empower HRA”). The Service Provider is the custodian and administrator of the Empower HRA, and the Service Provider and Empower will share health reimbursement account (“HRA”) information as necessary to streamline the user experience. In no event will Empower receive Health Insurance Portability and Accountability Act (“HIPAA”) protected information from the Service Provider.

The specific services, available based on Plan type, that may be provided by Service Provider as Directed by Employer can include: (i) prepare documentation for the Plan in accordance with the Code or applicable law; (ii) prepare trust documentation for the Plan; (iii) administrative duties, as applicable; (iv) Plan amendments; (v) perform a discrimination test annually; (vi) summary of benefit coverage, as needed; (vii) prepare Form 990 on an annual basis for filing; (viii) prepare and submit Form 5500 to electronic filing service for filing; and (ix) provide certain COBRA administration services.

Changes to HRA contribution amounts may be made directly between the Service Provider and Plan Sponsor (“Employer” for this Section). Additionally, Employer can Direct Empower to take HRA contribution changes directly from employees and transmit such changes to the Employer. Empower will forward updated deferral information to Employer according to the schedule elected by Employer.

Service Provider will charge certain fees to Employer and Participants for the HRA Services, such fees are available upon request. On behalf of Service Provider, Empower will invoice Employer for any Employer listed fees and Participant listed fees will be deducted from their account balance.

QDRO Review and Determination Services.

If the Plan accepts Qualified Domestic Relations Orders (“QDROs”, Plan Sponsor directs and authorizes Empower to handle QDRO correspondence to and from involved parties and attorneys, including phone, email and other written communication. Plan Sponsor directs Empower to distribute QDRO Procedures and Model QDRO to involved parties and attorneys. Plan Sponsor directs Empower to place benefit holds as soon as administratively feasible pursuant to the Plan’s adopted QDRO procedures. Plan Sponsor directs Empower to acknowledge receipt of a DRO and review the terms of the DRO to determine whether the order meets the requirements of applicable federal law and satisfies the requirements contained in the Plan’s adopted QDRO Procedures. After review of a DRO, Plan Sponsor directs Empower to prepare and distribute approval, pre-approval or denial letters to the involved parties and attorneys. Plan Sponsor directs Empower to maintain QDRO records during the term of service, including Pre-Approval, Approval and/or rejection letter(s).



Plan Sponsor directs Empower to process the QDRO, without Plan Sponsor's further approval, by establishing a separate account for the alternate payee or making a lump sum distribution to the alternate payee. Plan Sponsor further directs Empower to process, without Plan Sponsor's further approval, all requests, received in good order and in a manner acceptable to Empower, for distributions from alternate payee accounts established before or after the Effective Date. Plan Sponsor directs Empower to calculate any alternate payee's QDRO amount based solely on the Participant's account records on Empower's recordkeeping system. Plan Sponsor further directs Empower to process, without the Plan Sponsor's further approval, distribution requests received in good order and in a manner acceptable to Empower, with respect to alternate payee accounts established before the Effective Date pursuant to QDROs previously processed by Empower. The Plan Sponsor directs Empower to calculate any alternate payee's QDRO amount based solely on the Participant's account records on Empower's recordkeeping system.

If the alternate payee's awarded share exceeds the value of the Participant's core investment account(s) under the Plan, Empower shall notify the Participant in writing to liquidate and transfer the necessary remaining sum from the SDB into the core investment options, to enable the processing of the QDRO. If the Participant fails to transfer the necessary amount within fifteen (15) Business Days of the date of the notification, and if the necessary amount is available in the SDB money market, Plan Sponsor directs Empower to transfer such amount into the Default Investment Option. If there are insufficient available funds in the SDB money market, Plan Sponsor directs Empower to notify the SDB provider to liquidate all of the Participant's SDB investments and to transfer the entire amount into the Default Investment Option.

For each qualified and processed QDRO, the Participant's portion of the fee will be deducted from the Participant's account balance, and the alternate payee's portion of the fee will be deducted from the alternate payee's account or from the lump sum distribution, as applicable.

Special Investment Options:

1. Self-Directed Brokerage Accounts

Plan Sponsor can choose to offer a self-directed brokerage option ("SDB"). Plan Sponsor agrees to complete and execute all documents required to activate the SDB.

2. Life Insurance

If, at the time of conversion, the Plan has existing life insurance policies, limited services may be available as described in Empower's life insurance guidelines and policies, as updated from time to time. If Empower determines that such services will be offered, Empower will remit insurance premiums to the applicable life insurance provider pursuant to Plan Sponsor's instructions as to the timing and manner of premium remittance. Plan Sponsor may be required to retain a third-party administrator to perform certain compliance and other services. Life insurance cannot be added to an existing Plan. Additional fees may apply.

C. Plan Document Services



Empower will offer a volume submitter plan document, a standard summary plan description and plan document amendments required by changes in applicable laws and regulations. If Plan Sponsor declines to use Empower's volume submitter plan document, it acknowledges that Empower will not be responsible for providing plan document updates or other plan document services as described in the Agreement.

D. Designation of Third Party Administrator as Agent of Employer; Authorization

Plan Sponsor represents, acknowledges, and agrees that Plan Sponsor may retain a Third Party Administrator ("TPA") to provide certain administrative and compliance services for the Plan under a separate agreement between the TPA and Plan Sponsor. If Plan Sponsor retains a TPA, Plan Sponsor agrees to provide Empower with proper notice and information regarding the services to be provided by such TPA. In order for Empower to implement such services, Plan Sponsor hereby designates the TPA as an agent of Plan Sponsor, and authorizes and directs Empower to grant the TPA access to Plan and Participant information and to reports produced by Empower. Such access permits the TPA to update Plan and Participant information and approve plan operations, including distributions. Plan Sponsor has, in a separate agreement, authorized the TPA as its limited agent and hereby authorizes and directs Empower to (1) construe any TPA directions or certifications as Plan Sponsor directions, and (2) comply with direction provided by the TPA. If the agreement between Plan Sponsor and the TPA is terminated for any reason, the Client shall notify Empower within five (5) business days of such termination. Plan Sponsor acknowledges and understands that it may appoint a successor TPA eligible to participate in Empower's TPA program and may direct the terminated TPA to transfer the Plan's records to the successor TPA selected by Plan Sponsor. Plan Sponsor understands and agrees that, if a successor TPA is appointed, Empower will comply with any successor TPA directions.

Plan Sponsor hereby acknowledges and agrees that, in order for the TPA to provide services to the Plan, Empower may enter into an Agreement with the TPA (the "TPA Agreement") enabling Empower and the TPA to interact and communicate in order to provide services to the Plan. In the event that such TPA Agreement is terminated due to TPA dissolution, bankruptcy, or other reasons, Empower will notify Plan Sponsor as promptly as administratively possible.



**EMPOWER ANNUITY INSURANCE COMPANY
ADMINISTRATIVE SERVICES AGREEMENT ADDENDUM FOR
ELECTRONIC DELIVERY**

This Addendum to the Recordkeeping Service Agreement (“Agreement”) entered into between Empower Annuity Insurance Company and Employer amends the Electronic Delivery section of the Agreement and modifies anything in the Agreement to the contrary effective on or about January 26, 2022.

Electronic Delivery. Empower will deliver plan-related documents to Participants under the Agreement in an electronic manner as described below.

Plan notices to be delivered by Empower will be delivered via an email notice of the availability of the plan-related documents on the Participant website will be sent to an email address provided to Empower by the Participant or by the Plan Sponsor. If Empower is not provided with an email address, notices will be delivered to the Participant via regular mail.

Empower will send an initial notification of default electronic delivery via regular mail to each Participant at least 10 days prior to delivering any plan-related documents via email. The initial notice of default electronic delivery will include the participant’s email address that will be used to deliver notices of the availability of plan-related documents, a statement of the Participant’s right to request and obtain a paper version of the documents and a statement of the option to opt out of electronic delivery and receive only paper versions of the documents.

If an email notice of availability of a plan-related document is returned undeliverable, Empower will send the notice to another email on file for the Participant. If no other email is on file for the Participant or such other email is also returned undeliverable, plan related documents will be delivered via regular mail to the Participant until such time as Empower is provided another email address for the Participant.

Participants may request to receive one paper copy of a plan-related document for no cost. In addition, Participants may opt out of electronic delivery and request that their plan-related documents be delivered via regular mail at any time.

By signing the Agreements/Signature Adoption Page, Employer agrees to all of the above provisions.



DATA SECURITY AND PRIVACY ADDENDUM

This Addendum applies to Empower and its Affiliates and describes how Empower protects Personal Data and Plan Data (the “**Data Security Addendum**” or “**Addendum**”). This Addendum is incorporated within and governed by the terms of the Administrative Services Agreement executed by Empower and Plan Sponsor under which Empower provides services to Plan Sponsor (“**Agreement**”). Capitalized terms used but not otherwise defined herein have the meaning set forth in the Agreement.

1. Definitions. The following terms have the meanings set out below and similar terms shall be construed accordingly:

“**Data**” means Personal Data and Plan Data.

“**Data Protection Laws**” means any law with respect to the protection of Personal Data that is applicable to Empower’s Services under the Agreement or any Schedule thereto.

“**Information Security Breach**” means a confirmed compromise of an information system within the authority or responsibility of Empower that results in: (i) the unauthorized acquisition, disclosure, modification or use of unencrypted Personal Data, or encrypted Personal Data where the encryption key has also been compromised; and (ii) a reasonable likelihood of identity theft or fraud against a data subject in the Plan. An Information Security Breach includes, without limitation, theft and/or malicious use of Data by Empower personnel.

“**Personal Data**” shall mean information that identifies or is reasonably capable of being associated with a Participant and includes personally identifiable financial information as defined by Title V of the Gramm-Leach-Bliley Act, but excluding data that is publicly-available and data from which individual identities have been removed and that is not linked or reasonably linkable to any individual.

“**Plan Data**” shall mean non-public Plan level information that is provided to Empower in connection with receipt of the Services. Plan Data excludes data that is de-identified and aggregated for benchmarking and research purposes.

“**Subprocessor**” means any person (including any third party service provider and any Empower Affiliate, but excluding personnel employed by such parties) engaged by Empower to process Personal Data.

I. DIRECTION. PLAN SPONSOR DIRECTS EMPOWER AND ITS AFFILIATES (AND AUTHORIZES EMPOWER AND ITS AFFILIATES TO DIRECT EACH SUBPROCESSOR), WHERE APPLICABLE, TO PROCESS PERSONAL DATA AS FOLLOWS: (A) PROCESSING IN ACCORDANCE WITH THE ADMINISTRATIVE AGREEMENT AND ANY AMENDMENTS THERETO AS EXECUTED BY THE PARTIES; AND (B) PROCESSING INITIATED BY PARTICIPANTS IN THEIR USE OF THE SERVICES. PLAN SPONSOR REPRESENTS THAT IT IS AND COVENANTS THAT IT WILL AT ALL RELEVANT TIMES REMAIN DULY AND EFFECTIVELY AUTHORIZED TO GIVE THE DIRECTION SET OUT HEREIN.

Security. In order to protect Personal Data, Empower will implement appropriate technical and organizational measures designed to protect Personal Data in accordance with the requirements of any



Data Protection Laws. In addition to the foregoing, Empower's security program shall conform to the commitments described below.

CCPA Compliance. Each Party hereto agrees and certifies that such Party complies with all applicable sections of the California Consumer Privacy Act of 2018 and its implementing regulations, as amended or superseded (the "**CCPA**"), in connection with this Agreement. Empower will notify Plan Sponsor in the event it determines that it is no longer able meet its obligations under the CCPA.

Empower processes Personal Data to provide the Services under the Agreement for the following purposes: to maintain or service retirement accounts, provide participant service, education and support, to offer financial wellness programs to participants, to maintain online participant accounts, to provide call center services, to respond to inquiries, to provide benchmarking services to Plan Sponsor, and additional specific services as further described in Schedule A-1 (collectively, the "**Business Purpose**").

Except as otherwise permitted by the CCPA, Empower will use, disclose, and retain Personal Data solely for the Business Purpose and will not use, disclose, or retain Personal Data for commercial purposes other than for the Business Purpose. Except as otherwise permitted under the CCPA, Empower will not use, disclose, or retain Personal Data processed in connection with the Services outside the direct business relationship with Plan Sponsor nor combine personal information that it received from, or on behalf of, Plan Sponsor with personal information that it received from another source or collected from its own interaction with the consumer, except as required to provide the Business Purpose or as otherwise permitted by applicable laws.

Empower will not sell or share Personal Data in any manner in violation of the CCPA.

Upon prior written notice to Empower, Plan Sponsor may take reasonable and appropriate steps to (i) ensure Empower uses the Personal Data collected is in a manner that complies with the CCPA and (ii) stop and remediate any unauthorized use of Personal Data by Empower.

Empower shall enable the Plan Sponsor to comply with consumer requests made pursuant to the CCPA to the extent compliance with such requests is required by the CCPA.

In the event the CCPA is pre-empted by Federal laws, the terms of this Section 4 shall no longer be applicable, and upon the request of either party hereto, the parties shall cooperate in good faith to reasonably amend or modify these terms to address future changes to Data Protection Laws that require such amendments.

Empower shall implement security practices and procedures appropriate to the nature of the Personal Data as set forth herein.

Subprocessing. Plan Sponsor hereby agrees that Empower may engage its Affiliates and third parties as Subprocessor in connection with the provision of Services under the Agreement. Empower shall carry out reasonable due diligence as appropriate to the nature of each Subprocessor's services to ensure that the Subprocessor can provide the level of protection for Personal Data required by this Program. Upon request during the Term, Empower shall make available a current list of any material Subprocessors that have



access to Personal Data; the parties hereto agree that such list is the Confidential Information of Empower and subject to the confidentiality provisions of the Agreement.

Data Subject Rights. In the event that Empower receives a request from a Participant relating to an exercise by the Participant of the Participant's rights under applicable Data Protection Laws (such as a "right to know" or "right to delete" request), Empower will Direct such Participant to take the request to the Plan Sponsor. Empower will cooperate with any request by the Plan Sponsor to respond to requests to the extent required by applicable Data Protection Laws.

Data Security. Empower's Information Security Policies and related policies address the management of information security, the security controls employed by the organization. These policies include, without limitation:

An Information Security Board that is responsible for the development, implementation, and ongoing maintenance of Empower's data security.

Documented policies ("**Information Security Policies**") that Empower formally approves, internally publishes, communicates to appropriate personnel and reviews at least annually. Empower's Information Security Policies shall (i) mandate the secure protection and handling of confidential data, (ii) comply with applicable laws, (iii) conform to or exceed applicable industry standards for the retirement plan services industry, and (iv) documented, clear assignment of responsibility and authority for data security-related activities.

Policies covering acceptable computer use, record retention/destruction, information classification, cryptographic controls, access control, network security, removable media, remote access, mobile computing and wireless access.

Regular testing of the key controls, systems and procedures, including (i) testing of information technology general controls (ITGC) at least annually or whenever there is a material change in business practices, and (ii) infrastructure penetration tests and scans against internet-facing points of presence. Empower will correct vulnerabilities or security issues discovered through such assessments in a manner and time frame consistent with established standards.

Policies and procedures designed to protect the security of data that is accessible to, or held by, Empower's third party suppliers. Such policies shall be based on Empower's Information Security Policies, and shall address, as applicable: (i) the identification and risk assessment of such supplier; (ii) minimum cybersecurity standards required to be met by such suppliers; (iii) due diligence processes used to evaluate the adequacy of cybersecurity practices of such suppliers; and (iv) periodic assessment of such suppliers based on the risk they present and the continued adequacy of their cybersecurity practices.

Use of appropriate administrative, technical and operational measures designed to ensure data is secure.

Monitoring, evaluating and adjusting, as appropriate, its data security protocols summarized herein, in light of relevant changes in Data Protection Laws, Services, technology or industry security standards, the sensitivity of data collected or processed by Empower in the provision of its Services, and evolving



internal or external risks. Empower may make such updates to its data security protocols and the terms hereof at any time without notice so long as such updates maintain a comparable or better level of security. Individual measures may be replaced by new measures that serve the same purpose without diminishing the security level protecting Personal Data or Plan Data.

Risk Management. Empower has a risk assessment program that includes regular risk assessments and management for risk identification, analysis, monitoring and reporting.

Human Resources.

Acknowledgements. Empower shall provide training on its information security practices to its personnel at least annually. Empower personnel shall acknowledge their information security and privacy responsibilities under Empower's policies.

Personnel Controls. Empower completes appropriate pre-employment background checks and screening on its personnel, and requires personnel to complete initial security training at the time they are first employed with Empower and annually thereafter. All personnel attest annually to Empower's Code of Business Conduct and Ethics, which enforces the tenets of Empower's Information Security Policies and its privacy policies. Empower has disciplinary processes for violations of information security or privacy requirements, and promptly removes personnel access to Plan Data or Personal Data upon termination or applicable role change.

Physical and Environmental Safety.

Physical and Environmental Security Controls. Empower has appropriate physical and environmental controls to protect Empower's equipment, assets, and facilities used to provision services. Physical Security includes, without limitation (i) physical security in the protection of valuable information assets of the business enterprise; and (ii) the provision of protection techniques for the entire facility, from the outside perimeter to the inside office space, including the datacenters and wiring closets.

Ongoing Operations. Empower protects its facilities and systems containing Data from failures of power, networks, telecommunications, water supply, sewage, heating, ventilation, and air-conditioning.

Communications and Operations Management.

Controls. Empower has policies and procedures in place for communications and operations management controls. Such controls address: hardening, change control, segregation of duties, separation of development and production environments, network security, virus protection, patch management, media controls, data in transit, encryption, audit logs, and time synchronization.

Operations Security. Empower's Information Security Policies mandate ongoing Operations Security requirements, including but not limited to, installing or maintaining (i) security patches for operating systems and applications within standard timeframes based on severity; (ii) industry standard versions of operating systems, software and firmware for system applications and components; and (iii) up-to-date system security agent software which includes updated malware and virus definitions.



Access Control.

Access Control. Empower utilizes access controls designed to ensure that only Empower personnel with the proper need and authority can access its internal recordkeeping system and associated data. Empower's access controls include but are not limited to: limiting access to personnel with a requirement to view Personal Data; establishing least-privilege controls to protect systems and Personal Data; generation of audit trails; periodic review and approval of personnel who need to access the Empower recordkeeping system; and termination of personnel access promptly following severance from employment.

Authentication. Empower authenticates user identity through appropriate authentication controls such as strong passwords, token devices, or biometrics. Passwords must meet minimum length and complexity requirements.

Remote Access to Empower Systems. Empower uses multi-factor authentication for remote access to its systems.

Information Systems Acquisition, Development and Maintenance.

Systems Development Security. Empower addresses security as part of information systems development and operations and follows secure coding methodologies based on application development security best practices.

Software Security Management. Empower's information systems (including operating systems, infrastructure, business applications, off-the-shelf products, services and user-developed applications) adheres to the information security standards set forth in Empower's Information Security Policies.

Vulnerability Assessments/Ethical Hacking. Empower performs vulnerability assessments and penetration testing against Internet-facing points of presence. Empower corrects vulnerabilities or security issues discovered through such assessments in a manner and time frame consistent with established standards set forth in Empower's Information Security Policies.

Cryptography. Empower uses cryptography techniques that assist Empower with preventing the unauthorized capture, modification of or access to data or information. Empower uses standard encryption algorithms that follow up-to-date encryption standards and industry practices. Such cryptography techniques may include but are not limited to: encryption of sensitive data sent across external communication lines; requirement of minimum 128-bit encryption TLS encryption for web browsers; and encryption of Personal Data while stored on laptops, mobile devices, and in recordkeeping databases.

Information Security Breach Management.

Incident Management Program. Empower maintains investigative measures and techniques for incident handling, including but not limited to: a formalized, enterprise-wide Computer Security Incident Response Team ("**CSIRT**"), and CSIRT processes which are tested at least annually.



Information Security Breach Response. Empower will notify Plan Sponsor after becoming aware of any Information Security Breach in accordance with all applicable Data Protection Laws. For the avoidance of doubt, Empower will (i) keep the Plan Sponsor informed of significant developments in connection with the investigation of such incident; (ii) investigate and assist any regulator or other governmental body with oversight over the Information Security Breach in investigating, remediating and taking any other action regarding the Information Security Breach as appropriate or required by law; and (iii) provide Plan Sponsor with information about remedial measures that have been undertaken to prevent such Information Security Breach from reoccurring. In the event that individual or regulatory notifications are required under applicable Data Protection Laws, the parties will cooperate with respect to notifications. To the extent the Information Security Breach is caused by Empower's failure to abide by its obligations as set forth in this Data Security Addendum, Empower shall bear the costs of such notifications and provision of credit monitoring services to affected individuals to the extent required by law or otherwise appropriate in Plan Sponsor's and Empower's reasonable judgment.

Plan Sponsor Assessment Rights.

Assessment via Security Assurance Package. During the Term of the Agreement, within the secure Plan Sponsor website provided by Empower, Empower provides documentation that supports and informs the reader about Empower's current security program and practices. These documents are referred to as the Security Assurance Package ("**SAP**"), which currently consists of the following items: Security Program Overview document, SOC 1 report, SOC 2 report, available IT certification reports (e.g. Verizon CRP), and a completed SIG questionnaire with related supporting materials. (The SIG is a standardized document template created by the Shared Assessments Program, a consortium of leading financial institutions, the Big 4 accounting firms, and companies from a wide array of industries.)

Regulatory Assessment. If Plan Sponsor's governmental regulators require that Plan Sponsor perform an on-site audit of Empower's network security, as supported by evidence provided by Plan Sponsor, Plan Sponsor may conduct an on-site audit of Empower's network security, relevant to the security of Plan Data ("**Regulatory Audit**"). Unless a different notice or frequency is required by Plan Sponsor's governmental regulators, a Regulatory Audit may be conducted by Plan Sponsor once per year at a mutually agreed-upon time with at least 60 days' advance written notice to Empower. If a Regulatory Audit requires the equivalent of more than two business days of Empower Personnel's time to support such audit, Empower may charge Plan Sponsor's an audit fee at Empower's then-current rates for each day thereafter.

Miscellaneous. This Addendum is governed by and incorporated into the Agreement. In the event of any conflict between the Agreement and this Addendum, the Agreement will prevail. Any capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their respective duly authorized officers as of the date last signed below.

ADDITIONAL INFORMATION

RECORDKEEPING SERVICES ADDENDUM

GoalMaker Model Allocation Service. The GoalMaker model allocation service you make available to your plan participants will be updated with your plan's migration to the Empower platform.

If your plan currently offers:

- 1) GoalMaker with IncomeFlex- Following migration to the Empower platform, Empower will no longer offer the IncomeFlex guaranteed income product or the guaranteed income asset class for new enrollees in GoalMaker or for participants who previously enrolled in GoalMaker and haven't reached age 55 – the age at which allocations to IncomeFlex would otherwise begin.
 - a. Any participant already enrolled in IncomeFlex at migration will retain their investment and ongoing contributions to IncomeFlex as a stand-alone investment if they choose to do so. However, a participant's balance in IncomeFlex will no longer be rebalanced or otherwise monitored as part of GoalMaker. As always, participants may redirect the investment of their accounts at any time.
 - b. Similarly, for those participants defaulted to GoalMaker as your plan's QDIA and who have begun allocations to IncomeFlex and reached age 55, IncomeFlex, will remain as a separate investment option outside of the GoalMaker model allocations but no new contributions to IncomeFlex will be made. If these participants wish to make new contributions in IncomeFlex outside of GoalMaker they may make an affirmative election to do so.
- 2) Qualified Default Alternative Stable Value balances as of 12/23/2007 carve outs- The Pension Protection Act of 2006 ("PPA") extended fiduciary protections to certain Qualified Default Investment Alternatives. The eligible QDIAs do not include stable value funds. However, PPA permits plans to maintain balances in existing stable value defaults without losing fiduciary protection ("Grandfathered Defaults"). Empower will no longer support Grandfathered Defaults. Following migration, balances in Grandfathered Defaults and any ongoing contributions will be reallocated 100% to the GoalMaker QDIA.

By continuing to offer the GoalMaker service, you authorize Empower at your Plan's migration to the Empower platform, to map the accounts of participants using GoalMaker to the appropriate Target Year Vintage and their previously designated risk tolerance and to make the other changes outlined in the Agreement Package, inclusive of changes to your Plan's Qualified Default Investment Alternative ("QDIA"), if applicable. This may result in allocation changes for some participants.

The below outlines how Empower will support notifying participants of this change.

- For those participants who have opted into e-delivery, Empower will provide a notice, providing direction on where to obtain more information on the changes. This will be provided approximately 30-60 days prior to your Plan's migration date.
- For those participants who have not opted for e-delivery, Empower, at your direction, will mail a post card to the participant's address of record, providing direction on where to obtain more information on the changes. This will be provided approximately 30-60 days prior to your Plan's migration date. We need your direction by January 1, 2024, to accommodate this request.

- Empower will provide the general notice to you, as the plan sponsor, to deliver to your employees as you see fit as well.

Should you wish to pursue alternative arrangements to notify your participants, please work with your Empower representative.

By receiving this, you confirm that you (1) have had an opportunity to review a description of GoalMaker and the allocations, (2) have discussed offering of the GoalMaker allocations with your own legal counsel to the extent you deem appropriate including the status of GoalMaker under U.S. Department of Labor Interpretive Bulletin 96-1; (3) have determined to make GoalMaker part of your Plan and that Empower should offer it to your Plan's participants on your behalf; and (4) have determined that offering GoalMaker benefits the Plan and is in the best interests of the Plan and Plan participants.

Rebalance Frequency. In conjunction with the Plan's migration to the Empower recordkeeping platform, sometime toward the end of the third quarter, the rebalancing frequency for the fund of fund(s) in the Plan's investment lineup will change from periodic rebalancing as described in the fund's investment materials to quarterly only. Future quarterly rebalances will occur on the last business day of the quarter. If you don't wish for this change to apply, you should consider removing the impacted fund(s) from the Plan's investment line up, otherwise, your consent will be deemed, and no further action is needed.

Empower Annuity Insurance Company reserves the right to provide communications and documents in an electronic format. Certain documents delivered electronically may still require Plan Sponsor signatures. Plan Sponsor understands and agrees that the Plan Sponsor can elect to receive all communications in paper form.

FEE CALCULATION METHODS

Any asset-based fee calculations will be based on the average daily balance of Plan assets during the assessment period. Per participant fees will be based on participant counts as of the end of the assessment period. Annual account charges and annual self-directed account charges (if applicable) will be moved from annual to quarterly.



FACTS	What does Empower Retirement, LLC (Empower) do with your personal information?
WHY?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
WHAT?	<p>The types of personal information we collect, and share depend on the product or service you have with us.</p> <p>This information can include:</p> <ul style="list-style-type: none"> • Social Security number and account balances. • Retirement assets and transaction history. • Employment information and income. <p>When you are no longer our customer, we continue to share your information as described in this notice.</p>
HOW?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information, the reasons Empower chooses to share, and whether you can limit this sharing.

REASONS WE CAN SHARE YOUR PERSONAL INFORMATION	DOES EMPOWER SHARE?	CAN YOU LIMIT THIS SHARING?
For our everyday business purposes — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For nonaffiliates to market to you	No	We don't share
QUESTIONS?	Call toll-free at 855-756-4738 or go to empower.com/privacy	



WHO WE ARE	
Who is providing this notice?	Empower and its affiliates. A list of companies is provided at the end of this notice.
WHAT WE DO	
How does Empower protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include physical, technical, and procedural safeguards, such as building and system security, and personnel training.
How does Empower collect my personal information?	We collect your personal information, for example, when you: <ul style="list-style-type: none"> • Provide account information or apply for a loan. • Enter into an investment advisory contract or seek advice about your investments. • Tell us about your investment or retirement portfolio. We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only: <ul style="list-style-type: none"> • Sharing for affiliates' everyday business purposes — information about your creditworthiness. • Affiliates from using your information to market to you. • Sharing for nonaffiliates to market to you. State laws and individual companies may give you additional rights to limit sharing.
DEFINITIONS	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Our affiliates include companies with the Empower names, as listed below, and other financial companies such as Empower Advisory Group, LLC.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> • Empower does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> • Empower doesn't jointly market.
WHO IS PROVIDING THIS NOTICE?	
Empower Retirement, LLC; Empower Annuity Insurance Company of America; Empower Life & Annuity Insurance Company of New York; Empower Plan Services, LLC; Empower Advisory Group, LLC; Empower Financial Services, Inc.; The Canada Life Assurance Company (U.S. operations); Great-West Life & Annuity Insurance Company of South Carolina; Empower Capital Management, LLC; Empower Funds, Inc.; Empower Trust Company, LLC; Empower Holdings, Inc.; Empower Annuity Insurance Company; Prudential Bank & Trust, FSB (to be merged into Empower Trust Company, LLC in or around March 2023); TBG Insurance Services Corporation; MC Insurance Agency Services, LLC; Mullin TBG Insurance Agency Services, LLC; COMOSA REIT Corp. Empower Personal Wealth, LLC; Empower Services Holdings, LLC; Personal Capital Advisors Corporation (to be merged into Empower Advisory Group, LLC in or around April 2023); and Personal Capital Services Corporation. Empower and/or certain Affiliates also administer certain insurance policies on behalf of other insurance companies as a "Third Party Administrator" in connection with certain acquisitions it has made of businesses previously owned by other companies.	

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CHANGES TO THE GOALMAKER SERVICE

The GoalMaker service you make available to your plan participants will be updated as discussed below with your plan's migration to the Empower platform.

The GoalMaker service provides participants with model asset allocations which they may choose to implement for their accounts ("GoalMaker"). The models provide suggested allocations to the mutual funds and other investment options available under your plan based generally on each participant's age and tolerance for risk. You and/or your plan's advisor have determined the investment options available within GoalMaker.

By electing to use GoalMaker, the plan participant directs Empower to invest the participant's account balance and future contributions in accordance with the model allocation selected. The plan participant is further directing Empower to periodically rebalance participants' investments back to the intended allocations.

When GoalMaker is used as the plan's Qualified Default Investment Alternative (QDIA), you, as the plan fiduciary, have authorized Empower to invest defaulted participants' accounts according to the appropriate GoalMaker model allocation based on each participant's age and a risk level chosen by you. Many plan sponsors choose GoalMaker with a moderate risk level for their plan's QDIA.

What's Changing

GoalMaker currently uses a process which assigns participants to a new, more conservative allocation each time they reach a specified age band. Following migration to the Empower platform, participants will be mapped to and remain in a single GoalMaker model, known as a "Target Year Vintage". Each Target Year Vintage is designed to become gradually more conservative over time which is sometimes referred to as a glidepath and is similar to how target date investments work; becoming more conservative as a participant moves closer to retirement. Participants are able terminate the GoalMaker service at any time.

Additionally, if your plan currently offers:

- 1) GoalMaker with IncomeFlex-Following migration to the Empower platform, Empower will no longer offer the IncomeFlex guaranteed income product or the guaranteed income asset class for new enrollees in GoalMaker or for participants who previously enrolled in GoalMaker and haven't reached age 55 – the age at which allocations to IncomeFlex would otherwise begin.
 - a. Any participant already enrolled in IncomeFlex at migration will retain their investment and ongoing contributions to IncomeFlex as a stand-alone investment if they choose to do so. However, a participant's balance in IncomeFlex will no longer be rebalanced or otherwise monitored as part of GoalMaker. As always, participants may redirect the investment of their accounts at any time.

- b. Similarly, for those Participants defaulted to GoalMaker as your plan’s QDIA and who have begun allocations to IncomeFlex and reached age 55, IncomeFlex, will remain as a separate investment option outside of the GoalMaker model allocations but no new contributions to IncomeFlex will be made. If these Participants wish to make new contributions in IncomeFlex outside of GoalMaker they may make an affirmative elect to do so.
- 2) Partial GoalMaker- GoalMaker portfolios are generally intended to be “all or nothing” with 100% of current balances invested and 100% of future contributions being made to the service. Your plan’s GoalMaker service may currently allow participants to invest in GoalMaker, as well as investment options outside of GoalMaker. Following migration, participants may maintain their balances in, and future contributions to, these investments not covered by GoalMaker. However, participants will need to terminate the GoalMaker service if they wish to add or make changes to any investments not covered by GoalMaker, with the exception of employer stock, self-directed brokerage and IncomeFlex.
- 3) Qualified Default Alternative Stable Value balances as of 12/23/2007 carve outs- The Pension Protection Act of 2006 (“PPA”) extended fiduciary protections to certain Qualified Default Investment Alternatives. The eligible QDIAs do not include stable value funds. However, PPA permits plans to maintain balances in existing stable value defaults without losing fiduciary protection (“Grandfathered Defaults”). Empower will no longer support Grandfathered Defaults. Following migration, balances in Grandfathered Defaults and any ongoing contributions will be reallocated 100% to the GoalMaker QDIA.

The new standard GoalMaker model allocation allocations are shown below. If you have previously elected to include one or more non-standard asset classes in GoalMaker, those asset classes will continue to be included in the allocations available to your plan participants. Please visit your plan sponsor website at <http://sponsorcenter.prudential.com> to view those allocations and to determine which investment options in your plan correspond to the asset categories listed below. These changes apply regardless of whether GoalMaker is used as your plan’s Qualified Default Investment Alternative or is available for affirmative election as an investment option under your plan.

Empower GoalMaker Conservative 2005	Empower GoalMaker Moderate 2005	Empower GoalMaker Aggressive 2005
Empower GoalMaker Conservative 2010	Empower GoalMaker Moderate 2010	Empower GoalMaker Aggressive 2010
Empower GoalMaker Conservative 2015	Empower GoalMaker Moderate 2015	Empower GoalMaker Aggressive 2015
Empower GoalMaker Conservative 2020	Empower GoalMaker Moderate 2020	Empower GoalMaker Aggressive 2020
Empower GoalMaker Conservative 2025	Empower GoalMaker Moderate 2025	Empower GoalMaker Aggressive 2025
Empower GoalMaker Conservative 2030	Empower GoalMaker Moderate 2030	Empower GoalMaker Aggressive 2030
Empower GoalMaker Conservative 2035	Empower GoalMaker Moderate 2035	Empower GoalMaker Aggressive 2035
Empower GoalMaker Conservative 2040	Empower GoalMaker Moderate 2040	Empower GoalMaker Aggressive 2040

Empower GoalMaker Conservative 2045	Empower GoalMaker Moderate 2045	Empower GoalMaker Aggressive 2045
Empower GoalMaker Conservative 2050	Empower GoalMaker Moderate 2050	Empower GoalMaker Aggressive 2050
Empower GoalMaker Conservative 2055	Empower GoalMaker Moderate 2055	Empower GoalMaker Aggressive 2055
Empower GoalMaker Conservative 2060	Empower GoalMaker Moderate 2060	Empower GoalMaker Aggressive 2060
Empower GoalMaker Conservative 2065	Empower GoalMaker Moderate 2065	Empower GoalMaker Aggressive 2065
Empower GoalMaker Conservative 2070	Empower GoalMaker Moderate 2070	Empower GoalMaker Aggressive 2070

New GoalMaker Initial Allocations - Conservative														
	<u>2070</u>	<u>2065</u>	<u>2060</u>	<u>2055</u>	<u>2050</u>	<u>2045</u>	<u>2040</u>	<u>2035</u>	<u>2030</u>	<u>2025</u>	<u>2020</u>	<u>2015</u>	<u>2010</u>	<u>2005</u>
Age	<u>18-21</u>	<u>22-26</u>	<u>27-31</u>	<u>32-36</u>	<u>37-41</u>	<u>42-46</u>	<u>47-51</u>	<u>52-56</u>	<u>57-61</u>	<u>62-66</u>	<u>67-71</u>	<u>72-76</u>	<u>77-81</u>	<u>82+</u>
Asset Class														
Large Cap Growth Stocks	11.9%	11.9%	12.3%	12.5%	12.4%	11.4%	9.9%	8.4%	7.3%	6.4%	5.7%	5.1%	4.8%	4.8%
Large Cap Value Stocks	13.7%	13.7%	14.2%	14.4%	14.2%	13.1%	11.4%	9.7%	8.4%	7.4%	6.6%	5.9%	5.6%	5.5%
Small/Mid Growth Stocks	9.1%	9.1%	9.1%	9.0%	8.6%	7.7%	6.5%	5.4%	4.5%	3.9%	3.4%	3.0%	2.7%	2.7%
Small/Mid Value Stocks	13.2%	13.2%	13.2%	12.9%	12.3%	10.9%	9.2%	7.5%	6.2%	5.3%	4.5%	3.9%	3.5%	3.3%
International Stocks	25.6%	25.6%	25.0%	24.0%	22.3%	19.4%	15.9%	12.7%	10.3%	8.6%	7.2%	6.1%	5.3%	5.0%
Diversified Emerging Markets	11.3%	11.3%	10.6%	9.7%	8.6%	7.2%	5.6%	4.3%	3.3%	2.6%	2.1%	1.7%	1.4%	1.3%
World International Bonds	2.4%	2.4%	2.3%	2.5%	2.9%	3.8%	4.9%	5.8%	6.3%	6.4%	6.3%	6.1%	5.7%	5.4%
Bonds	8.9%	8.9%	9.3%	10.5%	11.2%	15.8%	14.6%	18.5%	21.5%	23.8%	25.7%	27.3%	28.4%	28.8%
Stable Value	3.8%	3.8%	4.0%	4.5%	7.4%	10.5%	21.9%	27.7%	32.2%	35.7%	38.6%	40.9%	42.6%	43.2%

New GoalMaker Initial Allocations - Moderate

	<u>2070</u>	<u>2065</u>	<u>2060</u>	<u>2055</u>	<u>2050</u>	<u>2045</u>	<u>2040</u>	<u>2035</u>	<u>2030</u>	<u>2025</u>	<u>2020</u>	<u>2015</u>	<u>2010</u>	<u>2005</u>
Age	<u>18-21</u>	<u>22-26</u>	<u>27-31</u>	<u>32-36</u>	<u>37-41</u>	<u>42-46</u>	<u>47-51</u>	<u>52-56</u>	<u>57-61</u>	<u>62-66</u>	<u>67-71</u>	<u>72-76</u>	<u>77-81</u>	<u>82+</u>
Asset Class														
Large Cap Growth Stocks	12.7%	12.7%	13.2%	13.7%	13.9%	13.6%	12.5%	10.9%	9.4%	8.3%	7.5%	6.9%	6.4%	6.2%
Large Cap Value Stocks	14.6%	14.6%	15.2%	15.7%	16.0%	15.6%	14.4%	12.5%	10.8%	9.5%	8.6%	7.9%	7.4%	7.1%
Small/Mid Growth Stocks	9.7%	9.7%	9.8%	9.8%	9.7%	9.2%	8.2%	7.0%	5.8%	5.0%	4.4%	3.9%	3.6%	3.5%
Small/Mid Value Stocks	14.1%	14.1%	14.1%	14.1%	13.8%	13.0%	11.5%	9.7%	8.0%	6.8%	5.9%	5.2%	4.7%	4.3%
International Stocks	28.4%	28.4%	27.8%	27.0%	25.9%	23.8%	20.6%	16.8%	13.6%	11.2%	9.5%	8.2%	7.1%	6.6%
Diversified Emerging Markets	12.5%	12.5%	11.7%	10.9%	10.0%	8.8%	7.2%	5.7%	4.3%	3.4%	2.8%	2.2%	1.8%	1.6%
World International Bonds	1.3%	1.3%	1.2%	1.3%	1.4%	2.0%	3.0%	4.2%	5.0%	5.4%	5.5%	5.4%	5.1%	5.0%
Bonds	4.7%	4.7%	4.9%	5.3%	5.5%	8.3%	9.0%	13.3%	17.2%	20.1%	22.3%	24.1%	25.5%	26.3%
Stable Value	2.0%	2.0%	2.1%	2.3%	3.6%	5.6%	13.5%	19.9%	25.8%	30.2%	33.4%	36.1%	38.3%	39.5%

New GoalMaker Initial Allocations - Aggressive

	<u>2070</u>	<u>2065</u>	<u>2060</u>	<u>2055</u>	<u>2050</u>	<u>2045</u>	<u>2040</u>	<u>2035</u>	<u>2030</u>	<u>2025</u>	<u>2020</u>	<u>2015</u>	<u>2010</u>	<u>2005</u>
Age	<u>18-21</u>	<u>22-26</u>	<u>27-31</u>	<u>32-36</u>	<u>37-41</u>	<u>42-46</u>	<u>47-51</u>	<u>52-56</u>	<u>57-61</u>	<u>62-66</u>	<u>67-71</u>	<u>72-76</u>	<u>77-81</u>	<u>82+</u>
Asset Class														
Large Cap Growth Stocks	13.1%	13.1%	13.7%	14.2%	14.7%	15.0%	14.5%	13.3%	11.6%	10.1%	9.1%	8.4%	7.9%	7.6%
Large Cap Value Stocks	15.1%	15.1%	15.7%	16.3%	16.9%	17.2%	16.7%	15.3%	13.4%	11.6%	10.5%	9.7%	9.1%	8.8%
Small/Mid Growth Stocks	10.0%	10.0%	10.1%	10.2%	10.3%	10.1%	9.6%	8.5%	7.2%	6.1%	5.4%	4.8%	4.4%	4.3%

SMID Value Stocks	14.6%	14.6%	14.6%	14.6%	14.6%	14.3%	13.4%	11.8%	9.9%	8.3%	7.2%	6.4%	5.8%	5.3%
International Stocks	29.3%	29.3%	28.7%	28.1%	27.4%	26.2%	23.9%	20.6%	16.8%	13.8%	11.6%	10.0%	8.8%	8.1%
Diversified Emerging Markets	12.9%	12.9%	12.1%	11.4%	10.6%	9.7%	8.4%	6.9%	5.4%	4.2%	3.3%	2.7%	2.3%	2.0%
World International Bonds	0.8%	0.8%	0.7%	0.7%	0.8%	1.0%	1.6%	2.6%	3.7%	4.4%	4.7%	4.7%	4.6%	4.5%
Bonds	3.0%	3.0%	3.0%	3.1%	2.9%	3.9%	4.7%	8.4%	12.8%	16.5%	19.3%	21.2%	22.8%	23.8%
Stable Value	1.3%	1.3%	1.3%	1.3%	1.9%	2.6%	7.1%	12.6%	19.1%	24.8%	28.9%	31.9%	34.2%	35.7%

Your Direction to Offer GoalMaker

By executing the agreement package and/or continuing to offer the GoalMaker service, you authorize Empower at your plan’s migration to the Empower platform, to map the accounts of participants using GoalMaker to the appropriate Target Year Vintage and their previously designated risk tolerance and to make the other changes outlined in this document, inclusive of changes to your plans Qualified Default Investment Alternative “QDIA”, if applicable. This may result in allocation changes for some participants.

We will populate each asset category with the investment options you selected previously. After your plan’s migration to the Empower platform, the accounts of participants using GoalMaker, will rebalance on a rolling basis based on each participant’s birthdate, and your chosen frequency (quarterly, semiannually, annually). Participants will receive notice of these changes and the others discussed above in advance of the transition.

If you replace one of the plan’s investment options at any time in the future, you direct Empower to make the replacement option available in the related GoalMaker asset class. You agree that the terms upon which GoalMaker is made available to your plan participants are subject to change and that Empower may presume your consent to such changes if it provides you advance notice of the changes and affords you a reasonable period of time within which to decide whether to accept or reject the changes.

The below outlines how Empower will notify your plans participants of this change.

- For those participants who have opted into e-delivery, Empower will provide a notice, providing direction on where to obtain more information on the changes. This will be provided approximately 30-60 days prior to your plan’s migration date.
- For those participants who have not opted for e-delivery, Empower, at your direction, will mail a post card to the participants address of record, providing direction on where to obtain more information on the changes. This will be provided approximately 30-60 days prior to your plan’s migration date. We need your direction by August 31st, 2023, to accommodate this request.

- Empower will provide the general notice to you, as the plan sponsor, to deliver to your participants as you see fit as well.

Should you wish to pursue alternative arrangements to notify your participants, please work with your Empower representative.

You also confirm that you (1) have had an opportunity to review a description of GoalMaker and the allocations, (2) have discussed offering of the GoalMaker allocations with your own legal counsel to the extent you deem appropriate including the status of GoalMaker under U.S. Department of Labor Interpretive Bulletin 96-1; (3) have determined to make GoalMaker part of your plan and that Empower should offer it to your plan's participants on your behalf; and (4) have determined that offering GoalMaker benefits the plan and is in the best interests of the plan and plan participants.

**INVESTMENT ADVISORY AND MANAGEMENT
SERVICE AGREEMENT**

For

EL TORO WATER DISTRICT

(the "Plan Sponsor")

GROUP CLIENT NUMBER

890390_P

This Investment Advisory and Management Service Agreement sets forth the general terms and conditions under which Empower Advisory Group, LLC (hereinafter referred to as “Adviser”) will provide services to the undersigned Plan Sponsor with respect to the employee benefit plan(s) sponsored by Plan Sponsor, as identified in the Schedule A (the “Plan” or “Plans”).

Plan Sponsor is engaging Adviser pursuant to this Agreement to provide investment advisory and analytic services to certain participants in employee benefit plans and other compensation programs and arrangements for which Empower Annuity Insurance Company of America, Empower Plan Services, LLC, or Empower Retirement, LLC (collectively “EAIC” or “Empower”), provides recordkeeping, administrative and other services for Plan Sponsor as set forth in the service agreement between the Plan Sponsor and Empower (“Service Agreement”).

Plan Sponsor maintains the Plan, and on behalf of itself, as Plan Sponsor, and on behalf of the Plan Administrator of the Plan, has the authority to appoint agents and service providers for the Plan.

The Plan Sponsor understands that Adviser has selected Morningstar Investment Management, LLC (“Subadviser”) to serve as an independent financial expert pursuant to Department of Labor Advisory Opinion 2001-09A (and any modifications or amendments thereto), to perform investment services including advisory services and discretionary Managed Account Services, as further described in Schedule B.

NOW, THEREFORE, in consideration of these covenants, mutual representations and agreements contained herein, Adviser and Plan Sponsor agree as follows:

1. DEFINITIONS

“**Agreement**” means this Investment Advisory and Management Service Agreement, including any Schedules (“Schedules”) that are attached hereto as of the Effective Date or mutually agreed to in writing by the parties.

“**Advisers Act**” shall mean the Investment Advisers Act of 1940, as amended.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**ERISA**” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“**Managed Account Participant**” shall mean Participants participating in the Managed Account Service, or its successor service.

“**Managed Account Service**” shall mean Adviser’s discretionary investment advisory service, as further defined in Schedule B.

“**Online Advice Participant**” shall mean Participants using the Online Advice Service by accepting Adviser’s online investment service agreement or terms of use.

“**Online Advice Service**” shall mean Adviser’s non-discretionary investment advisory service, Online Advice, or its successor, as further defined in Schedule B.

“**Opt-out Feature**” shall mean a feature of the Managed Account Service selected by the Plan Sponsor through which Participants, designated by the Plan Sponsor, are automatically enrolled in the Managed Account Service, as further defined in Schedule B.

“**Participant**” shall mean an eligible participant, beneficiary or alternate payee who is eligible for the Services.

“**Plan**” shall mean the employee benefit plan or plans or other compensation programs or arrangements maintained by Plan Sponsor as listed in Schedule A (as the same may be amended in writing by the parties from time to time), and/or separately identified in any Schedule. If more than one Plan is covered by this Agreement, any references herein to the Plan shall mean each of the Plans, unless the context requires otherwise.

“**Plan Administrator**” shall mean the “administrator” of the Plan as that term is defined under Section 3(16)(A) of ERISA and Section 414(g) of the Code, or such comparable person responsible for the administration of the Plan in the event the Plan is not subject to such ERISA or Code provisions.

“**Plan Sponsor**” shall mean the entity identified in the opening paragraph of this Agreement.

“**Rollout Date**” shall mean that date on which Adviser has made all of the services provided under this Agreement available to Participants.

“**Services**” shall mean the specific services with respect to the Plan covered by this Agreement (including the Schedules hereto).

“**Subadviser**” shall mean Morningstar Investment Management, LLC.

2. SERVICES PROVIDED BY ADVISER

2.1. This Agreement sets forth the terms and conditions pursuant to which Adviser agrees to provide Services with respect to the Plan pursuant to a Schedule. The terms and conditions of this Agreement shall be deemed to be incorporated by reference into each and every Schedule, without regard to an express reference therein. Adviser acknowledges and agrees that: (i) it is registered with the Securities and Exchange Commission as an investment adviser under the Advisers Act, (ii) it is an investment adviser and fiduciary under the Advisers Act and is a fiduciary under ERISA to the extent it provides Services to Online Advice Participants, and (iii) it is an investment adviser and fiduciary under the Advisers Act and is an investment manager (as defined under Section 3(38) of ERISA) to the extent it provides Services to Managed Account Participants.

2.2. The parties specifically agree that no provision of this Agreement or any Schedule will require Adviser to: (i) provide investment advice to Plan Sponsor or Plan Administrator; (ii) exercise any discretionary authority or discretionary control with respect to the management of the Plan; or (iii) have or exercise any discretionary authority or responsibility in the administration of the Plan, including the selection of the Opt-Out Feature of the Managed Account Service (if applicable). Adviser has no discretion or responsibility to interpret provisions of the Plan or to determine eligibility, participation, or the right to receive benefits under the Plan.

2.3. Adviser shall take appropriate actions and maintain policies and procedures reasonably necessary to ensure Adviser does not engage in any nonexempt prohibited transaction under ERISA in providing Services hereunder. Adviser’s policies and procedures are designed to comply with applicable law, including Department of Labor Advisory Opinion 2001-09A (and any modifications or amendments thereto), pursuant to which Adviser has delegated certain obligations under this Agreement to Subadviser, as described in Adviser’s Form ADV Brochure.

2.4. Adviser has authorized Empower Financial Services, Inc. (“**EFSI**”), an affiliate of Adviser, and its licensed agents and registered representatives who are Empower employees (collectively referred to as “**Agents**”) to solicit, refer and market

Adviser's services. In addition to their salary, such Agents may earn bonus compensation based upon engaging plan sponsors to offer Adviser's services. Other Agents and Adviser representatives may be indirectly compensated through bonus compensation, in addition to their salary, for communication, education and/or assisting Participants to enroll in Adviser's services. Compensation paid to Agents or Adviser representatives does not increase the fees paid by the Plan and/or their Participants.

2.5. Nothing in this Agreement is intended to constitute legal or tax advice from Adviser to Plan Sponsor, or to any other party. Plan Sponsor understands that Adviser has not given and may not give legal advice. All issues should be reviewed and discussed with Plan Sponsor's legal counsel and/or tax adviser.

3. RESPONSIBILITIES OF PLAN SPONSOR

3.1. Plan Sponsor or its designated agents shall be responsible for providing to Adviser accurate data and information necessary to enable Adviser to perform the Services required under this Agreement, including but not limited to, timely and reasonable notification of employer-initiated events, the information, materials, instructions or other data referenced in any Schedule, and the information reasonably requested by Adviser to enable it to comply with federal law concerning Know Your Customer rules under the USA PATRIOT Act, in such form and at such time as the parties mutually agree. Adviser reserves the right to reject or return any documents, materials, or other information that are unreadable, corrupted, or which Adviser is otherwise unable to process. Plan Sponsor agrees to provide or to assist Adviser in obtaining all participant data that is necessary to perform its duties under this Agreement, including but not limited to: date of birth, income, gender, and state of residence. Plan Sponsor acknowledges that timely receipt of appropriate information is a prerequisite to the performance of Adviser's Services and Adviser shall not be liable for any delay or failure in the performance under this Agreement due to Plan Sponsor's failure to comply with the information submission deadlines established and communicated to Plan Sponsor by Adviser in a timely manner.

3.2. Plan Sponsor or Plan Administrator shall make all discretionary decisions with respect to the administration of the Plan relative to the Services and shall direct Adviser in accordance with such decisions. Plan Sponsor shall be responsible for selecting and monitoring the investment options offered through the Plan. In addition, Plan Sponsor agrees, for itself and on behalf of the Plan, that neither Adviser nor Subadviser shall have any authority or responsibility under this Agreement for the selection or monitoring of the Plan's investment options, or the provision of investment advice to Plan Sponsor with respect to the Plan's investment options. Plan Sponsor acknowledges that Empower, as the Plan's recordkeeper, may facilitate the use and awareness of the Services during the Plan enrollment process or as otherwise requested by Plan Sponsor and Empower's call center may refer Participants to Adviser's investment adviser representatives if the call concerns the Plan or their Plan account. Plan Sponsor understands and agrees that, in the event the individual terminates or otherwise un-enrolls from the Managed Account Service, such individual's account shall remain invested in the investment options as selected by the Adviser or Subadviser prior to such termination or un-enrollment and that the individual or Plan Sponsor is responsible for changes to the investment options.

3.3. Plan Sponsor shall be responsible for deciding whether to implement the Opt-Out Feature of the Managed Account Service and determining which Participants shall be subject to the Opt-Out Feature and direct Adviser with respect to such decisions. To the extent Plan Sponsor designates the Managed Account Service as the default investment for the Plan, Plan Sponsor shall be responsible for selecting an investment option for purposes of allocating individual accounts until such time as the Adviser begins management of a Managed Account Participant's account; provided, however, in the event the individual is not eligible for the Managed Account Service, such individual's account shall remain invested in the investment options selected by the individual or the Plan Sponsor until the individual or Plan Sponsor directs otherwise.

3.4. Under the terms of this Agreement, Plan Sponsor appoints Adviser as an investment adviser or investment manager, as applicable. As an investment manager, Plan Sponsor authorizes Adviser, without limitation, to initiate with Empower buys, sells, reallocations or other investment transactions and to calculate installment distributions, if applicable, under the Plan for Managed Account Participants. Plan Sponsor acknowledges and agrees that each Managed Account Participant will acknowledge Adviser at the time of participation in the Managed Account Service. Any Managed Account Participant enrolled in the Managed Account Service through the Opt-Out Feature or Plan default process will be deemed, by and through the Plan Sponsor, to have so acknowledged Adviser by the Managed Account Participant's continued participation in the Managed Account Service after the applicable deadline by which such Participant was required to have declined participation in the Managed Account Service. Plan Sponsor understands and acknowledges that: (i) Adviser does not affect investment transactions and that investment transactions will be affected by the appropriate party or agent chosen by the Plan Sponsor, including the Plan's trustee or custodian; (ii) Adviser will communicate, through Empower, information to initiate the investment transactions to such parties; and (iii) Empower will make available to Adviser the investment transaction information related to the investment allocations directed by Adviser. Plan Sponsor also agrees that transactions initiated by Adviser on behalf of Managed Account Participants shall not be subject to any Plan limitations or corporate policy restrictions, such as blackout periods (other than a blackout period applicable to all Managed Account Participants at the same time), preclearance requirements, or other transaction restrictions, unless required by law.

3.5. Plan Sponsor acknowledges and agrees that it has received and read Adviser's Form ADV Brochure and Brochure Supplement as required by Rule 204-3 of the Advisers Act.

3.6. Plan Sponsor understands and agrees that the Plan's investment options shall be held by a custodian or trustee duly appointed by Plan Sponsor. Except with respect to the fee deduction described in Section 4, nothing contained herein shall be deemed to authorize Adviser to take or receive physical possession of any of the assets of the Plan or to confer custody of such assets upon the Adviser within the meaning of Rule 206(4)-2 of the Advisers Act. Adviser does not have any proxy voting or other execution powers under the Plan, the Services, this Agreement or otherwise. Plan Sponsor has designated a person or persons other than Adviser to vote proxies with respect to the Plan's investment options.

3.7. Adviser shall be entitled to rely upon and act upon any instruction, certification, direction or approval received (whether in writing, orally, by telephone, voice response system, fax or other teleprocess, or by other electronic means or other medium, including internet or e-mail transmission, acceptable to Adviser) from any person Adviser reasonably believes to be so authorized to provide such instruction, certification, direction or approval. Adviser shall have no duty to inquire or question the accuracy or completeness of any data or instructions provided to it.

3.8. Plan Sponsor represents that the Plan is qualified under Section 401(a) of the Code, where applicable, that the Plan Administrator has been duly appointed under the Plan, and that the person executing this Agreement is authorized to do so. Plan Sponsor shall be responsible for maintaining the Plan's documents, including any amendments thereto based upon design modifications, for determining operational compliance of the Plan with Plan documents, and, where applicable, for ensuring that the Plan is qualified under Section 401(a) of the Code and its related trust is tax-exempt under Section 501(a) of the Code. Plan Sponsor will notify Adviser promptly if Plan Sponsor should learn of any facts or of any regulatory action or prospective action which may result in the Plan ceasing to be qualified, where applicable, under Section 401(a) of the Code. Plan Sponsor acknowledges that while Adviser may possess and consult a copy of the Plan, trust agreement or related document(s), the possession or consultation of those documents shall not alter or expand Adviser's responsibilities under this Agreement. If the Services will be offered in a non-qualified plan, Plan Sponsor has reviewed the form of payment of Adviser's fees and determined that it is appropriate given the design and operation of the non-qualified plan.

4. FEES & CHARGES

4.1. Adviser shall be entitled to compensation for the Services it provides in accordance with the fee provisions set forth in the applicable Schedule. Fees will be deducted from the Plan's trust or other funding vehicle, charged to Participant accounts, or invoiced to the Plan Sponsor as elected in the applicable Schedule or directed by Plan Sponsor. Plan Sponsor shall be responsible for determining that fees paid are reasonable expenses of administering the Plan.

4.2. Plan Sponsor acknowledges and agrees the Managed Account Service fees will be deducted directly from Managed Account Participant accounts in arrears. Plan Sponsor authorizes Empower to collect these fees on behalf of Adviser and to deduct fees from Managed Account Participant accounts in accordance with the service elections and fees described in Schedule B.

4.3. Adviser may provide additional services pursuant to instruction or direction from the Plan Sponsor. Any fees for such additional services will be agreed upon by Adviser and the Plan Sponsor prior to the provision of additional services.

5. CONFIDENTIAL INFORMATION

5.1. In order to perform the Services, both parties may have access to certain information of the other party, including, without limitation, trade secrets, commercial and competitively sensitive information of the party related to business methods or practices, and proprietary software, websites, programming techniques, documentation and training materials owned or licensed by the party ("**Confidential Information**"). For the purpose of clarity, any software or website made available by Adviser, including software licensed by third parties ("**Adviser Software**") is Confidential Information of Adviser. The parties mutually agree to hold all Confidential Information of the other party in confidence and not to disclose any Confidential Information of the other party to anyone except the parties' affiliates, suppliers, and respective personnel in connection with the performance or receipt of Services hereunder or as directed or approved by the other party or its agents. Confidential Information does not include: information that is otherwise in the public domain through no action of the non-disclosing party; information that is acquired by a party from a person other than the other party or its agents without any obligation of confidentiality; or information that is independently developed by a party without reference to the Confidential Information of the other party.

5.2. In the event a party is required to make a legally required disclosure of the other party's Confidential Information, such party shall notify the other party of the disclosure as soon as reasonably practicable and shall cooperate with any efforts by such party to obtain protective treatment of such Confidential Information to the extent permitted by law. The foregoing shall not apply to (i) broad-based regulatory examinations associated with a party's general business or operations; (ii) disclosures made in conjunction with a law enforcement investigation or inquiry; (iii) or where notice is prohibited by laws. For purposes of Rule 14(b)-1 and Rule 14(b)-2 of the Securities Exchange Act of 1934, as amended from time to time, Plan Sponsor authorizes Adviser, and/or its Affiliates and services providers, to provide the name, address and share position of the Plan with respect to any class of securities registered under the Investment Company Act of 1940 when requested by such SEC registrant for purposes of shareholder meetings. The above-referenced rules prohibit the requesting SEC registrant from using the Plan's name and address for any purpose other than corporate communications of the type contemplated under the rules.

5.3. Plan Sponsor authorizes Adviser to disclose Data to Adviser's Affiliates and service providers in connection with Adviser's performance of Services under this Agreement. In addition, Plan Sponsor authorizes Adviser to disclose Data to Plan Sponsor's advisors, third-party administrators, service providers (such as payroll providers) and representatives authorized by Plan Sponsor in writing to receive such Data. Adviser may use and disclose, for benchmarking and research purposes, de-identified Data that is aggregated with other anonymized data of a similar nature across Adviser's client base in a manner that makes such

Data unidentifiable to a particular individual or plan. Adviser's current Privacy Notice is attached to this Agreement, but shall not lessen any of Adviser's obligations regarding Personal Data hereunder.

6. PRIVACY & DATA SECURITY

6.1. Plan Sponsor acknowledges and agrees that Adviser may receive Participant data from any and all Participants, including those Participants that are not enrolled in the Managed Account Service or the Online Advice Service (as described in Schedule B) and from Plan Sponsor or its authorized agent or advisors. Plan Sponsor authorizes Adviser to obtain all necessary data from Participants, Plan Sponsor, Plan Sponsor's agents or advisors, and Adviser's affiliates, including the Plan's recordkeeper, Empower.

6.2. Adviser and Plan Sponsor agree to maintain and hold in confidence all Data and Confidential Information, as applicable, received in connection with the performance of Services under this Agreement. Adviser and Plan Sponsor agree that their collection, use and disclosure of all Data is and will at all times be conducted in compliance with all applicable data protection and/or privacy laws. Each party will implement, support, and maintain appropriate physical and logical security measures designed to secure Data, and will take all commercially reasonable organizational and technical steps to protect against unlawful and unauthorized processing of Personal Data. In accordance with the foregoing, Adviser and/or its Affiliates maintain a comprehensive data security program designed to safeguard Data and access to the Adviser Software and systems.

6.3. The parties will promptly notify each other in the event of an Information Security Breach. Such notice shall include: (i) the consequences of the breach, including (without limitation) any potential impact on the other party's security measures, systems, Data, Confidential Information, or the Adviser Software; and (ii) the corrective action taken to remedy the breach. In addition to the foregoing, Plan Sponsor will notify Adviser immediately upon discovering a compromise of the security and/or log-on credentials of any Plan Sponsor employee or agent that has a plan administration role in Adviser's system.

6.4. Adviser acknowledges that it is a "financial institution," within the meaning of Regulation S-P, Privacy of Consumer Financial Information, issued by the Securities and Exchange Commission ("Reg S-P") along with the GLBA and other applicable federal and state laws. Adviser acknowledges and agrees that Participant information which uniquely identifies a Participant and as provided to Adviser under this Agreement ("Participant Information") constitutes "personally identifiable financial information," within the meaning of those federal and state laws. Adviser has adopted a privacy policy, which will apply to Participant Information that may be amended from time to time.

7. BUSINESS CONTINUITY & DISASTER RECOVERY

Adviser will maintain business continuity and disaster recovery procedures to address the security, integrity and availability of the technology, operational, financial, human and other resources required to provide mission-critical Services in the event of a natural disaster or other interruption of normal business operations. Such procedures will be tested at least once annually. Empower Financial Services, Inc.'s current Business Continuity Plan Notice is attached to this Agreement. By executing this Agreement, Plan Sponsor acknowledges receipt of this Notice.

8. RECORDS

Adviser shall retain all records in its custody and control that are pertinent to performance under this Agreement in accordance with its record retention policy and as required by law. Subject to the foregoing, each party agrees to return or destroy the other party's Confidential Information and Data once it is no longer required for the purpose of performing or

receiving the Services, provided that the parties are not obligated to destroy copies of Confidential Information or Data that must be retained for audit, legal or regulatory purposes, or is stored in non-readily accessible electronic format, such as on archival systems; in such cases Adviser's data protection obligations shall continue until such Data is destroyed in accordance with Adviser's record retention policy.

9. INTELLECTUAL PROPERTY RIGHTS

9.1. Plan Sponsor Materials. As between the parties hereto, excluding Adviser Materials (as defined below), Plan Sponsor shall own all materials, trademarks, tradenames, logos, trade dress, and other Confidential Information provided or made accessible by Plan Sponsor to Adviser for use in providing the Services (collectively, the "**Plan Sponsor Materials**"). Plan Sponsor Materials do not include data and information in the form supplied by Adviser to Plan Sponsor. Plan Sponsor grants to Adviser a limited, revocable right and license to use Plan Sponsor Materials in connection with its provision of the Services.

9.2. Adviser Materials. As between the parties hereto, Adviser and its affiliates shall own all materials, documentation, user guides, forms, templates, business methods, trademarks, tradenames, logos, websites, Adviser Software, technology, computer codes, domain names, text, graphics, photographs, artwork, interfaces and other information or material provided by Adviser or its affiliates hereunder (collectively, the "**Adviser Materials**"). Adviser grants to Plan Sponsor a nonexclusive, non-transferable and non-sublicensable license to use the Adviser Materials during the term of the Agreement for purposes of using Adviser's Services hereunder and subject to the terms and conditions set forth in this Agreement and any terms of use associated with Adviser Software. Plan Sponsor and Plan Administrator shall not, and shall not enable third parties to, reproduce, modify, create derivative works of, or distribute any or all of Adviser's services or reverse engineer any of the software or other technology related thereto. All rights with respect to the Adviser Materials not specifically granted hereunder are reserved by Adviser.

10. LIABILITY & INDEMNIFICATION

10.1. Each party agrees to indemnify the other from and against any and all expenses, costs, reasonable attorneys' fees, settlements, fines, judgments, damages, liabilities, penalties or court awards asserted by a third party (collectively, "**Damages**") to the extent resulting from the indemnifying party's breach of this Agreement, negligence, breach of fiduciary duty or willful misconduct. Notwithstanding anything to the contrary herein, Adviser shall not be liable to Plan Sponsor for, and Plan Sponsor will indemnify Adviser from and against, any Damages resulting from: 1) any acts or omissions undertaken at the direction of the Plan Sponsor or any agent of any third party authorized by Plan Sponsor to provide direction to Adviser, including but not limited to prior service providers, investment advisors, or any authorized agent thereof, 2) any performance of the Services that is in strict compliance with the terms of this Agreement; or 3) Plan Sponsor's or its designee's failure to provide accurate documents, material, information or data to Adviser or its Affiliates, as applicable, on a timely basis.

10.2. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFIT) EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10.3. Adviser represents that it maintains error and omissions insurance, a fidelity bond under Section 412 of ERISA, and other appropriate insurance coverage in amounts sufficient to satisfy all material obligations of Adviser for Services under this Agreement.

11. DISPUTE RESOLUTION

The parties shall engage in reasonable and good faith discussions to resolve any dispute arising out of or relating to this Agreement. If the parties are unable to agree between themselves, the parties will submit the dispute to non-binding mediation conducted by a private mediator agreed to by both parties. If the parties cannot agree on a mediator, the mediator may be selected by a nationally recognized, independent arbitration or mediation organization to which the parties mutually agree. The costs of mediation shall be borne equally by the parties, and each party shall pay its own expenses. If the parties are unable to resolve the dispute through non-binding mediation, either party may initiate litigation; provided, however, that if one party requests mediation and the other party rejects the proposal or refuses to participate, the requesting party may initiate litigation immediately upon such refusal.

12. TERM & TERMINATION

12.1. Term. Either party may terminate this Agreement with ninety (90) days written notice to the other party of its intent to terminate, unless terminated in accordance with the applicable provisions of Section 12.2 of this Agreement.

12.2. Termination. This Agreement shall terminate automatically in the following circumstances:

12.2.1 Either party notifies the other that it has determined in good faith that the Agreement is not consistent with its fiduciary duties under ERISA or applicable federal or state law; or

12.2.2 The Service Agreement for recordkeeping, administrative and other services between Plan Sponsor and Empower terminates or expires; or

12.2.3 The agreement between Adviser and Subadviser terminates or expires and Adviser is unable to contract with a suitable replacement to serve as a Subadviser.

12.3. Effect of Termination. As of the effective date of the termination, Adviser will terminate Participant access to the Services and cease providing any Services to Participants. Plan Sponsor will notify Participants, including Online Advice Participants and Managed Account Participants, of the termination as soon as practicable. Adviser may assist Plan Sponsor in notifying Participants, Online Advice Participants and Managed Account Participants regarding the termination of Services; provided, however, to the extent Plan Sponsor requests such assistance, Adviser reserves the right to charge Plan Sponsor all reasonable fees, costs or expenses incurred by Adviser in connection with the provision of such assistance. Termination of the Agreement does not relieve Plan Sponsor or Managed Account Participants of their respective obligations, if any, to compensate Adviser for Services rendered through the effective date of such termination. If applicable, Adviser shall reimburse Plan Sponsor or Participants for any prepaid amounts that relate to the provision of Services after the effective date of termination.

13. MISCELLANEOUS

13.1. Affiliates & Agents. Plan Sponsor acknowledges and agrees that Adviser may utilize the services of affiliates, agents, vendors and suppliers selected by Adviser. Adviser's use of any such party will not relieve Adviser of its obligations hereunder, and Adviser shall at all times remain liable for the performance of the Services hereunder. Plan Sponsor acknowledges that Adviser has delegated certain of its obligations to Subadviser and that Adviser reserves the right, in its sole discretion, to replace Subadviser upon reasonable prior notice to Plan Sponsor. In the event, the Subadviser terminates its agreement with the Adviser and provides advance notice to the Adviser, Adviser will notify the Plan Sponsor of such change as soon as reasonably practicable. If the Subadviser replacement is deemed unsatisfactory by the Plan Sponsor, the Plan Sponsor may terminate this Agreement at any time in accordance with Section 12 herein. Adviser represents that Subadviser is not affiliated with Adviser or Empower and that

Adviser has entered into an agreement with Subadviser that includes representations that the Subadviser: (i) is registered with the Securities and Exchange Commission as an investment adviser under the Advisers Act, and (ii) will maintain the required federal or state investment advisory registrations that permit it to perform its obligations under its agreement with Adviser, and (iii) will act, at all times in providing the methodology and software for Adviser's Services, in conformity with the requirements imposed upon Subadviser as a Subadviser under Department of Labor Advisory Opinion 2001-09A (and any modifications or amendments thereto), to the extent applicable to the Services.

13.2. Relationship of the Parties. The relationship between the parties is that of independent contractors. Neither party nor its personnel shall be considered employees of the other party for any purpose. None of the provisions of this Agreement shall be construed to create an agency, partnership or joint venture relationship between the parties or the partners, officers, or employees of the other party by virtue of either this Agreement or actions taken pursuant of this Agreement.

13.3. No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and their affiliates and is not intended to confer any rights or remedies upon any other person.

13.4. Assignment. This Agreement shall be binding upon and inure to the benefit of each of the parties, their affiliates, successors and permitted assigns; provided, however, that neither party may assign its rights or obligations hereunder without the other party's prior written consent, which will not be unreasonably withheld or delayed, and as consistent with the Advisers Act.

13.5. Entire Agreement. This Agreement, including all Exhibits, Schedules, notices and attachments (including an incorporation by reference of the terms and conditions of this Agreement), constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior drafts, agreements, negotiations and proposals, written or verbal, relating to the Services. Except as otherwise provided herein, this Agreement or any Schedule may be amended by written agreement of the parties; for that purpose, emails do not constitute signed writings. Notwithstanding the foregoing, Adviser may add or enhance the Services, update the method of providing the Services without any reduction in service, or modify the Services to comply with applicable laws by providing written notice to Plan Sponsor at least 30 days in advance of the effective date of such change, provided that Plan Sponsor may opt out of certain Services that directly impact Participants and any changes that result in an increase in fees to the Plan. Any Adviser policies that are attached to or referenced in this Agreement may be modified by Adviser at any time. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of such provision or any other provision hereof and no waiver shall be effective unless made in writing.

13.6. Governing Law; Waiver of Jury Trial. To the extent not preempted by federal law, this Agreement shall be construed and enforced in accordance with and governed by the laws of the state of California, without regard to conflict of law principles, and any claim arising under or related to this Agreement shall be subject to the exclusive jurisdiction of the federal and state courts located in California. Both parties agree to waive any right to have a jury participate in the resolution of any dispute or claim arising out of, connected with, related to or incidental to this Agreement to the fullest extent permitted by law.

13.7. Force Majeure. Neither Adviser nor Plan Sponsor shall be liable to the other for any and all losses, damages, costs, charges, attorney fees, payments, expenses or liability due to delay or interruption in performing its obligations hereunder, and without the fault or negligence of such party, due to causes or conditions beyond its control, including, without limitation, labor disputes, riots, war and war-like operations including acts of terrorism, epidemics, explosions, sabotage, civil disturbance, governmental restriction, transportation problems, failure of power or other utilities including phones, internet disruptions, fire or other casualty, natural disasters, epidemics, pandemics, acts of God, disruptions in orderly trading on any relevant exchange or market, or any other cause that is beyond the reasonable control of either party.

13.8. Severability. The provisions of this Agreement are severable, and if for any reason a clause, sentence, paragraph or provision of this Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter thereof, such invalidity will not affect other provisions of this Agreement that can be given effect without the invalid provision.

13.9. Notices. All formal notices required by this Agreement will be in writing and may be provided by email, facsimile, electronic copies, hand delivered, sent by overnight delivery, or by first class mail, postage prepaid, any of which shall have the same force and effect as execution and delivery of an original. All notices sent shall be effective upon receipt.

13.10. Headings; Defined Terms; Counterparts. Section headings used in this Agreement are intended for reference purposes only and shall not affect the interpretation of this Agreement. Unless the context requires otherwise, capitalized terms defined in this Agreement have the meanings set forth herein for all purposes of this Agreement including any Schedules or Exhibits. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. The parties' execution and delivery of this Agreement by facsimile, email, or electronic copies shall have the same force and effect as execution and delivery of an original.

13.11. Survival. The provisions of the following sections shall survive the termination of this Agreement: Fees & Charges; Confidential Information; Privacy & Data Security; Liability & Indemnification; Dispute Resolution; Governing Law; Waiver of Jury Trial; Survival; Severability; No Third-Party Beneficiaries; and any other section that would by its context be reasonably expected to survive termination.

13.12. Signatures/Corporate Authenticity. By signing this Agreement the parties certify that they have read and understood it, that they agree to be bound by its terms, and that they have the authority to sign it. This Agreement is not binding on either party until signed by both parties.

13.13. Electronic Signatures. Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures reasonably believed to be genuine on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

SCHEDULE A

List of Plans

- 1. EL TORO WATER DISTRICT DEFERRED COMPENSATION PLAN Group #890390_P**

SCHEDULE B

DISCRETIONARY INVESTMENT ADVISORY AND NON-DISCRETIONARY SERVICES SCHEDULE

The parties agree that the Services under this Schedule will commence upon a date as directed by the Plan Sponsor and mutually agreed to by the parties, as administratively and operationally feasible.

1. GENERAL DESCRIPTION OF SERVICES

1.1 Adviser provides a full suite of discretionary and non-discretionary investment advisory services to eligible Participants as selected by the Plan Sponsor. Such services may include set-up services, communications, reporting, investment recommendations, and initiation of investment transactions, subject to the terms and conditions of the Agreement and this Schedule, as the same may be amended in writing by the parties from time to time.

1.2 As part of its Services, Adviser provides Participants access by telephone to the telephone call center (investment adviser representatives available from 7:00 a.m. to 8:00 p.m. Central Time, business days), and Adviser shall provide Participants, and designated representatives of Plan Sponsor, web access to Plan and Participant account information, subject to periodic maintenance and system availability.

2. SERVICE ELECTIONS

2.1 Managed Account Service:

2.1.1 As further described in Adviser's Form ADV Brochure, the Managed Account Service provides discretionary advisory services, consisting of personalized portfolios created by Subadviser based upon the investment options available in the Plan, to Managed Account Participants. The Managed Account service allocates enrolled Participant accounts to personalized portfolios, and automatically rebalances portfolio allocations if Adviser believes rebalancing to be appropriate.

2.1.2 Unless otherwise agreed to by the parties, Adviser will construct portfolios using the Plan's core investment options ("**Core Investment Options**"), which are those investment options selected for use in the Plan by Plan Sponsor that provide investment choice under the following asset categories: Fixed Income/Cash, Bond, Large Cap, Small/Mid Cap, and International.

2.1.3 Core Investment Options do not include any employer stock alternatives or self-directed brokerage option alternatives. Unless the Plan Sponsor restricts Adviser from selling employer stock held in an account managed by Adviser, Adviser will liquidate employer stock held in an account that Adviser manages. The Plan must select and at all times maintain Core Investment Options that cover the broad asset categories in order to utilize the Managed Account Service and the Online Advice Service. Managed Account Participants may further customize their portfolio by providing additional information to Adviser by phone or online and such information shall be considered by Subadviser to determine portfolio recommendations for the Managed Account Participant. Adviser shall periodically review and rebalance the Managed Account Participant's portfolio.

2.1.4 A Managed Account Participant may cancel his or her participation in the Managed Account Service by calling Adviser's representative or through the website. Upon a Managed Account Participant terminating participation in the Managed Account Service, the Managed Account Participant is solely responsible for the investment of his or her Plan account.

2.1.5 While this Agreement assumes that enrollments of Participants will be performed primarily on an “opt-in” basis such that Participants must voluntarily enroll in the Services described herein, the Plan Sponsor may also desire that Adviser’s services be implemented for a designated group of Participants on an “opt-out” basis, pursuant to Plan Sponsor’s instruction to Adviser. These opt-out events may occur at the time when the Plan begins receiving recordkeeping services from Adviser’s affiliated recordkeeping provider, or on some other occasional or periodic basis. This section of the Agreement will refer to the group of Participants designated for opt-out enrollment as “**Enrolling Participants.**”

2.1.6 Adviser or its affiliated recordkeeper will notify Enrolling Participants of their automatic enrollment into the Managed Account Service at least two times. At least one enrollment notification will take place in advance of the automatic enrollment to give Enrolling Participants adequate opportunity to assess whether to opt-out of the enrollment process. Each Enrolling Participant actually enrolled in the Managed Account Service will be sent materials confirming Managed Account Service enrollment by Adviser shortly after enrollment processing.

2.1.7 Enrolling Participants may elect not to participate in the Managed Account Service through the methods described in enrollment notifications provided to Participants, such as by calling Adviser to opt-out, or by declining enrollment through Adviser’s internet interface. Additionally, if a Participant has made a financial or investment election on their account after enrollment notification, but prior to the automatic enrollment process into the Managed Account Service, the Participant will not be enrolled.

2.1.8 In the event that Enrolling Participants are automatically enrolled when the applicable Plan converts onto the recordkeeping platform provided by Adviser’s affiliated recordkeeper, Enrolling Participants’ accounts will become actively managed by the Managed Account Service shortly after assets are transferred from the prior recordkeeper. For the short period between asset transfer from the prior recordkeeper until Adviser can assume active management of the account, Enrolling Participants’ accounts will be invested in similar investments as were held at the prior recordkeeper, pursuant to mapping instructions received by the Plan Sponsor. Once conversion to the recordkeeping platform is complete, Enrolling Participants may cancel their enrollment in the Managed Account Service at any time by completing the cancellation form available online or by calling Adviser at the Plan’s existing toll-free customer service number.

2.1.9 In the event the Plan Sponsor directs Adviser to enroll Participants on an opt-out basis after the initial transition of the Plan to the Empower recordkeeping platform, Adviser may offer a free period for the Managed Account Service, under which no Managed Account Service fees will be assessed to Enrolling Participants within 60 days following enrollment date.

2.1.10 Data requirements for Enrolling Participants:

2.1.10.1 Subject to the information below, if Adviser does not have required indicative data for an Enrolling Participant, the Enrolling Participant will not be enrolled into the Managed Account Service.

2.1.10.2 Plan Sponsor may provide Adviser with default data for use in processing enrollments for Enrolling Participants, and in advising Participant accounts. If Plan Sponsor provides direction to use default data, such as income assumptions, Plan Sponsor agrees that use of such default data is consistent with Adviser’s execution of its fiduciary responsibility in providing investment advice to Participants.

2.1.10.3 Gender Assumption. If gender information is missing on any Participant, Plan Sponsor instructs Adviser to default gender assumption to female, unless Plan Sponsor otherwise instructs Adviser, for purposes of processing Managed Account Service enrollment.

2.1.10.4 Date of Birth. If a Participant’s date of birth is beyond the mortality tables used by the independent financial expert, or the Participant’s date of birth provided to Adviser is invalid, the Participant will not be eligible to be enrolled into the service

2.2 Online Advice Service. Adviser shall provide access to the Online Advice Service to Participants. For the Online Advice Service, Adviser shall provide non-discretionary advisory services, consisting of investment recommendations created by Subadviser based upon the investment options available in the Plan, to Online Advice Participants. Online Advice Participants shall be responsible for implementing the investment recommendations. Beyond the initial recommendation, Adviser is not responsible for providing additional investment recommendations or the management of an Online Advice Participant’s account. The Online Advice Service is only available through websites supported by Empower and Subadviser. Managed Account Participants are not eligible for the Online Advice Service while participating in the Managed Account Service.

3. COMMUNICATION AND ONGOING MAINTENANCE

3.1 Enrollment. Plan Sponsor agrees that Adviser will conduct, (at no additional charge to Plan Sponsor), an education/enrollment campaign as part of the rollout of the Services to all eligible Participants and an annual campaign thereafter. The campaign materials will be provided to each Participant and may include, but are not limited to a descriptive brochure, descriptive letter from Plan Sponsor, enrollment form, follow-up communication and other appropriate materials. Participants can enroll in the Managed Account Service through an online website (accessed through the Plan’s participant website or enrollment site), Adviser’s investment adviser representatives or by returning an enrollment form.

3.2 Ongoing Communications

3.2.1 Communication and ongoing maintenance includes monitoring the use of Services, and integrating Services communications into the Plan’s overall communications campaign, including enrollment materials, forms, web site, and group meetings.

3.2.2 As part of a Participant’s enrollment in the Managed Account service, the Participant will receive the Managed Account service welcome kit shortly after enrollment. The Participant will receive an Annual Kit shortly after their birthday. Each kit provides the participant an update on their account and reaching their retirement goals. Standard materials may include a discussion of Services in enrollment/education materials, print/email communications specific to the Services, on the web site, and/or in personalized Participant materials. Additional or custom Participant communications materials may be used by Adviser and may be paid for by Adviser, Empower or the Plan Sponsor. Such additional or custom communications may include targeted marketing techniques based upon participant demographical and/or account data (including but not limited to age, income, deferral rates, current investment elections) to identify Participants who may benefit from participation in the Managed Account service.

4. ADVISORY AND PORTFOLIO MANAGEMENT SERVICES FEES

Managed Accounts per Participant Annual Fee

<i>Account Balance</i>	<i>Managed Account Annual Fee</i>
First \$100,000 of account balance	0.50 %
Next \$150,000, up to \$250,000 account balance	0.40 %
Next \$150,000, up to \$400,000 account balance	0.30 %
Amounts greater than \$400,000	0.20 %

For example, if a Participant’s account balance subject to the Managed Account service is \$50,000, the fee is **0.50%** of

the account balance. If the account balance subject to the Managed Account service is \$500,000, the first \$100,000 will be subject to a fee of **0.50%**, the next \$150,000 will be subject to a fee of **0.40%**, the next \$150,000 will be subject to a fee of **0.30%**, and amounts over \$400,000 will be subject to a fee of **0.20%**.

5. ADDITION OF NEW PLANS

Tax-deferred plans not listed at the top of this Schedule B that are added to Plan Sponsor's program after the Effective Date will not be included in this Agreement, and will be subject to additional fees.

6. LIMITATIONS AND INVESTMENT OPTION CHANGES

Services will have limited capabilities for purposes of enrollment, rebalancing or reforecasting for up to ten (10) business days following changes to the investment option lineup. Other functionality will be available during this time. Adviser and Subadviser need to conduct a new analysis of the available investment option array to accommodate these changes. This analysis will take approximately 10 business days, during which time, Online Investment Advice, and the Managed Account service will not be available for Participant use. Once the analysis is complete, Online Investment Advice and the Managed Account service will once again be available.

Item 1 – Cover Page

EMPOWER ADVISORY GROUP, LLC (EAG)

Disclosure Brochure for:

**Online Advice &
Managed Account Service**

8515 East Orchard Road
Greenwood Village, CO 80111

Telephone: 855-756-4738

March 31, 2023

This Brochure provides information about the qualifications and business practices of Empower Advisory Group, LLC (EAG). Specifically, this Brochure provides information on the advisory services provided by EAG and sub-advised by Morningstar Investment Management, LLC (Morningstar Investment Management). If you have any questions about the contents of this Brochure, please contact us at 855-756-4738. The information in this Brochure has not been approved or verified by the Securities and Exchange Commission (SEC) or by any state securities authority.

EAG is a registered investment adviser under the Investment Advisers Act of 1940 (Advisers Act). Registration of EAG does not imply any level of skill or training. Additional information about EAG is available on the SEC website at www.adviserinfo.sec.gov or on EAG's website at www.empower.com/eag.

Item 2 – Material Changes

This section of the Brochure highlights and discusses any changes that were made since the Adviser’s last update on August 1, 2022. This Brochure was updated to address any out-of-date information. Additionally, we made other changes throughout the document to provide information clearly and concisely. There were no material changes to this Brochure from its last update.

Additional information about EAG is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any person affiliated with EAG who is registered, or are required to be registered, as an investment adviser representative with EAG.

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Item 4 – Advisory Business:

Description of Advisory Firm

EAG is a registered investment adviser under the Advisers Act since 2000. It submits notice filings with state securities divisions in all 50 states, the District of Columbia, Guam, US Virgin Islands, and Puerto Rico. EAG offers investment management and advisory services primarily to plan sponsors of employer-sponsored retirement plans such as 401(a), 401(k), 403(b) and 457 plans, including government entities and their participants, and to all account holders of the Empower Premier IRA, Empower Premier Investment account and Empower Managed Portfolio accounts. EAG may also be engaged by individuals to provide investment advisory services within or alongside Personal Strategies+ Advisory Services or Core Managed Account Advisory Services. EAG does not choose the investments offered in employer-sponsored retirement plans. EAG serviced plans receive recordkeeping services through Empower Retirement, LLC (Empower), the recordkeeping entity affiliated with EAG. More information about EAG's services, including an applicable brochure, can be obtained by contacting EAG at the number provided on the cover page of this Brochure or by visiting EAG's website at www.empower.com/eag. EAG's principal place of business is Greenwood Village, CO.

EAG is a wholly owned subsidiary of Empower Annuity Insurance Company of America (EAICA), an insurance company domiciled in the State of Colorado. EAICA is a direct, wholly owned subsidiary of Empower Holdings, Inc. (EHI), a Delaware holding company. EHI is a direct wholly owned subsidiary of Great-West Lifeco U.S. LLC. (Lifeco U.S.) and an indirect wholly owned subsidiary of Great-West Lifeco Inc. (Lifeco), a Canadian holding company. Lifeco is a subsidiary of Power Financial Corporation (Power Financial), a Canadian holding company with substantial interests in the financial services industry. Power Corporation of Canada (Power Corporation), a Canadian holding and management company, has voting control of Power Financial. The Desmarais Family Residuary Trust has voting control of Power Corporation, through a group of private holding companies that it controls.

Types of Services Discussed in this Brochure:

EAG provides a range of direct account holder-level and participant-level investment services as well as services provided indirectly through private-label arrangements with institutional partners (the Services). The Services include Online Advice (OA) and the Managed Account service (MA Service) or My Total Retirement (MTR). Other services that may be available to clients include Spend-Down Advice, Financial Planning Service and Retirement Income Projection Tools and Services. EAG provides its Services through a proprietary, computer-based software program that is developed and maintained by Morningstar Investment Management.

In addition, EAG provides sub-advisory and technology services to outside adviser firms through a service called Advisor Managed Accounts (AMA). This service enables the AMA firms to offer their own investment advisory and management services within retirement plans serviced by Empower. The total sub-advised assets as of December 31, 2022, for this service totaled \$2,647,179,764.37.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

Morningstar Investment Management LLC:

Morningstar Investment Management is a registered investment adviser wholly owned by Morningstar, Inc. and is not affiliated with EAG or any company that is affiliated with EAG. Morningstar Investment Management is located in Chicago, Illinois. A copy of its Form ADV Part 2A brochure may be obtained at www.adviserinfo.sec.gov. Morningstar Investment Management serves as an independent financial expert (IFE) in accordance with the Department of Labor *SunAmerica* Advisory Opinion 2001-09A, dated December 14, 2001 (the *SunAmerica* Opinion). Morningstar Investment Management uses its proprietary methodology to evaluate the available investment

options in a retirement plan and to develop an individualized investment strategy for plan participants and account holders. The plan, plan sponsor or plan fiduciary must select and continuously maintain investment options that cover broad asset categories. The investment options selected for the plan generally consist of a broad range of asset classes. More information is provided under Item 10 – Other Financial Industry Affiliations. Item 8, Methods of Analysis and Investment Strategies and Risk of Loss discusses the general risks of investing. The risks associated with the investment options can vary significantly with each particular investment category and the relative risks of categories may change. Accordingly, EAG may make changes from time to time regarding the availability of certain investment options. The fees, risks, responsibilities of plan sponsor/plan provider/participant and limitations for each of these services are discussed in greater detail below. Fees and expenses are also explained in the respective prospectus, which accompanies each investment option, as applicable.

Certain EAG's Services rely on Morningstar Investment Management's proprietary methodology, which is based on a review of available quantitative data to analyze and screen the investment options within a plan. Morningstar Investment Management also applies qualitative analysis by investment professionals, such as evaluations of investment managers, portfolios, and individual investments. The primary sources of information used by Morningstar Investment Management are the extensive databases and methodologies of Morningstar Investment Management and/or its affiliates, and interviews with investment managers. Other sources include financial publications, annual reports, prospectuses, press releases, and SEC filings. Morningstar Investment Management combines this information with other factors — including actuarial data, stock market exposure, probability analysis, and mean-variance optimization — into its proprietary software program to analyze a complex set of market data and variables. The result is an advanced model capable of providing investment recommendations and projections of different outcomes. Using this model, Morningstar Investment Management develops an investment strategy tailored to your investment goals.

1. Online Advice

OA is based on the software program developed by Morningstar Investment Management. It provides the participant with retirement goal forecasting advice and fund-specific asset allocation recommendations tailored to the specific participant's financial situation and retirement goals. OA is tailored for individuals who wish to manage their own retirement account with the assistance of the service tools and investment advice.

OA provides participants with a retirement goal forecast through various assumptions and hypothetical financial and economic scenarios. These scenarios are based on factors such as historic returns, market volatility, cross-correlations, calculated risk premiums, interest rate fluctuations, inflation, and market conditions; all of which have limitations. The participants can interact with OA to see how changes in their decisions about their savings, expected retirement age, level of investment risk and retirement income goal may affect the system's forecast. Participants who enroll in OA are responsible for determining the portfolio allocation that is best suited for their needs and investment strategy.

The investment recommendations provided by OA are limited to the available investment options within the participant's specific retirement plan. OA does not make any recommendations about investing in any individual stocks or other asset classes, including employer stock that may be an investment option under the participant's retirement plan.

Participant Responsibilities:

Participants are responsible for making their investment decisions and may implement OA recommendations either online or by phone. Participants are also solely responsible for reviewing and updating the information they input in the OA service with respect to the completeness, accuracy, and timeliness of the information. Participants should review their retirement accounts periodically to monitor changes in the market and the value of their investments.

A failure by an individual to review and update their account information through OA may materially affect the content and value of the service.

Limitations on the Online Advice Service:

The recommendations provided through OA are estimates based on the responses and information provided by the participants. Neither EAG nor Morningstar Investment Management make any guarantees or warranties, express or implied, as to the accuracy, timeliness, or completeness of such information. The OA service is also subject to the general market and financial conditions existing at the time of use.

The retirement goal forecast and investment recommendations provided by OA is not a guarantee of future results, nor is it a guarantee that a participant will achieve their retirement goals. OA should only be used by participants as a tool in their retirement planning and not as a substitute for their own informed judgment. Neither EAG nor Morningstar Investment Management has an obligation to update any information for a specific individual or to proactively contact the individual to obtain updated information. A failure by an individual to review and update account information through OA may materially affect the content and value of services received from EAG.

2. Managed Account Service (also known as My Total Retirement)

EAG offers a discretionary managed account service (Managed Account, MA service or MTR). This is a professional and flexible asset management program based on data resulting from the methodologies and proprietary software program developed and employed by Morningstar Investment Management. In the MA service, EAG has discretionary authority over the allocation of available investment options, without prior participant approval of each transaction. All ongoing investment transfers and investment direction changes are implemented for individuals enrolled in the MA service.

The MA service designs a specific asset allocation portfolio for the participant that reflects the individual's retirement goals, life stages, specified risk constraint and overall financial situation. The MA service considers plan assets and other assets and investments not included within the plan if provided by the participant.

On a periodic basis, individual accounts in the MA service are re-forecasted, which may include rebalancing and reallocating the individual's asset allocation portfolio. This is done to maintain alignment with the allocation percentages determined by Morningstar Investment Management through various assumptions and hypothetical financial and economic scenarios. Participants receive an account update and forecast statement annually and can update their personal information at any time by calling EAG at their plan's toll-free customer service number, or by visiting the appropriate website. Some plan providers may offer a guaranteed lifetime benefit withdrawal option to plan participants who are approaching retirement or are in retirement. If the plan provider offers this service and if the participant meets the retirement criteria established by the plan provider or plan sponsor, the investment strategy may include a suggested amount that can be withdrawn while maintaining income throughout retirement. It may also include information about allocating a portion of the managed account balance for the purchase of an annuity or other guaranteed income product.

Limitations on the Managed Accounts Service:

When participants enroll in the MA service, they must transfer and allocate their entire retirement account balance to the Managed Account. For participants, there is an exception of employer stock and employer directed monies. Partial management of participants' account where they are invested in other investment options (such as individual stocks or other asset classes outside of the available investment options) while also participating in the MA service is not an available alternative. Participant balances in any of these investment options must be liquidated, subject to plan and/or investment provider restrictions, or the participant cannot be enrolled in the MA service. For

participants, certain outside non-advisable assets may be permitted while also participating in the MA service. However, the participant's entire advisable account balance must be allocated to the MA service.

Once enrolled in the MA service, participants delegate certain account management functions to EAG including functionality for fund-to-fund transfers, change fund allocations, the dollar cost averaging tool and/or the rebalancer tool. However, individuals in the MA service retain full inquiry access to their accounts and may still request approval for loans or take a distribution withdrawal, if permissible. Participants may un-enroll at any time from the MA service. Once they do so, the participants resume full responsibility for the investment management of their accounts. An individual may un-enroll online or by contacting an EAG investment adviser representative.

3. Spend-Down Advice

Participants who are enrolled in any of EAG's Services discussed above are also provided with an additional feature of Spend-Down Advice which includes retirement planning tools. The Spend-Down Advice illustrates how long the desired income may last in retirement and determines how much spendable income the participant may be able to sustain throughout their retirement. The Spend-Down Advice provides both the amount and sources of income available throughout their retirement. The services provided under Spend-Down Advice provide projections of spendable income and do not constitute investment advice under the Investment Advisers Act of 1940.

4. Retirement Income Projection Tools and Services

EAG may offer online tools and services for participants to convert projected or actual retirement savings into estimated monthly retirement income. This interactive retirement planning service consists of various retirement income projection tools. These tools are informational in nature, do not reflect actual investment results, and are not guarantees of future results. These tools do not constitute investment advice under the Investment Advisers Act of 1940.

Enrollment in EAG's Services:

Plan providers and plan sponsors select the Service(s) (i.e., OA and/or the MA service) that are made available to plan participants and how participants can authorize the Service(s). Participants must agree to the terms of a user agreement (Terms of Service). Terms may be amended by EAG from time to time, to allow continued use of any of the Services. As part of a participant's enrollment in the MA service, the participant receives a MA Welcome Kit shortly after enrollment. The participant additionally receives an Annual Kit. Each kit provides the participant an update on their account and information on reaching their retirement goals.

In certain instances, Plan Sponsors may authorize EAG to enroll participants automatically in the MA service based on information provided to EAG by the Plan Sponsors. In such instances, current participants in the Plan receive the Terms of Service and are given a defined period of time in which to cancel or opt-out of the MA service without incurring an advisory fee (the Free Period or Promotional Period). Participants' automatic enrollment in the Service by the Plan Sponsors is based upon personal financial information provided by the Plan Sponsor, including date of birth, salary, gender, and state of residence. Participants may review this information online or by contacting an EAG investment adviser representative. Participants are solely responsible for reviewing the personal financial information they or their Plan Sponsor provide, and for notifying EAG of any changes or updates. Participants who are eligible for their employer-sponsored retirement plan or that otherwise elect to opt-in after the Free Look or Promotional Period concludes, may not be eligible for a waiver of advisory fees that is otherwise available in the Free Look or Promotional Period.

The advice and recommendations provided through the Services are based on the responses or other information provided by or about the participant by the Plan Sponsor and/or the participant. Neither EAG nor Morningstar Investment Management make any guarantees or warranties, express or implied, as to the accuracy, timeliness, or

completeness of such information. The Services are also subject to the general market and financial conditions existing at the time of usage. The retirement goal forecast and investment advice recommendations are not a guarantee of future results and are not a guarantee that a particular person will achieve their retirement goals.

Termination of Services:

Participants may cancel their participation in OA or the MA service at any time. Participants utilizing OA must complete their cancellation online. Participants utilizing the MA service may cancel online or by calling an EAG investment adviser representative at the toll-free customer service number.

After cancellation of the:

1. OA service, the individual will no longer have access to the online investment recommendations. Because EAG does not effect changes to the participant’s/account holder’s asset allocation and account balances, the individual’s balances will not be affected **unless and until** the individual affirmatively changes their asset allocation and balance after the cancellation of OA.
2. MA service, the participant will have the ability to make allocation and investment option changes to their account, usually one to two business days following cancellation. Accordingly, the participant’s asset allocation will remain the same as established in the MA service **unless and until** the participant affirmatively changes his/her asset allocation after cancellation of the MA service.

Participant Information:

The use and storage of any information is provided at the individual’s sole risk and responsibility. Such information includes, without limitation, an individual’s personal and non-public information, account number, password, identification, portfolio information, account balances and any other information available on an individual’s personal computer. The individual is responsible for providing and maintaining the communications equipment (including personal computers and modems) and telephone or other services required for accessing and using electronic or automated services, and for all communications service fees and charges incurred by the individual in accessing these services. EAG shall not bear any responsibility for either errors or failures caused by the malfunction of any computer, communication systems, any computer viruses, and related problems that may be associated with the use of the Services.

Assets Under Management:

With respect to the services provided by EAG, as of December 31, 2022:

Discretionary investment management among all services:	\$70,413,154,579
Non-discretionary investment advisory services among all services in the amount of:	\$15,683,122,665
Total discretionary and non-discretionary investment management and advisory services in the amount of:	\$86,096,277,244

Item 5 – Fees and Compensation:

For employer-sponsored retirement plans, fees are subject to negotiation by the plan sponsor which may include plan-level pricing credits depending on the various option(s) selected by the plan for its participants. In some

instances, if agreed to by the plan, the plan sponsors or recordkeeper may pay EAG's fees on behalf of plan participants. EAG reserves the right to offer discounted fees or other promotional pricing or to waive fees for any particular period of time subject to proper notification and disclosure.

1. Online Advice Service Fees

EAG does not charge a separate fee for OA.

2. Managed Account Service Fees

Participants may be charged a fee for the MA service based on the Terms of Service with the participant and/or the plan sponsor's agreement with EAG. EAG may offer plans tiered pricing schedules based on the enrollment method the plan uses for offering or enrolling its participants in the MA service. Such options include, but are not limited to, pricing schedules based on the plan sponsor's selection of an opt-out versus opt-in enrollment methodology. Applicable pricing schedules for each of the options are made available to the plan sponsors, which they may use to select the option for their employer-sponsored retirement plan.

Pursuant to the Terms of Service and/or the plan sponsor's agreement with EAG, the fee for the MA service is based upon a percentage of assets managed. The applicable fee for the Managed Account service varies. It is fully disclosed to participants prior to or at the time of enrollment within the enrollment disclosure materials. In addition, the fee is disclosed to participants in the Terms of Service when the participant enrolls in the MA service. The maximum annualized fee that may be charged to a participant is 0.65% of the participant's account balance.

The advisory fee is debited from the participant's account following each applicable billing period. If a participant cancels enrollment in the MA service at any time within a given billing period, pursuant to the participant's Terms of Service and/or the plan sponsor's agreement with EAG, the participant's fee is based upon a percentage of assets managed during the billing period. The fee will be debited from the participant's account or paid by the plan sponsor according to EAG's agreement and procedures. If the plan sponsor terminates its service agreement with the plan's recordkeeping service provider, the participant's advisory fee is debited as of such date of termination or paid by the plan sponsor according to EAG's agreement and procedures.

3. Retirement Income Projection Tools and Services

EAG does not charge a separate fee to plan sponsors or participants for the retirement income projection tools and services.

4. Other Fees and Expenses

In addition to any previously negotiated and disclosed recordkeeper fees, commission payments and other administrative servicing fees and expenses for each plan, EAG may pay cash compensation or referral fees to unaffiliated firms for soliciting and referring plan sponsors and their participants to enroll in EAG's MA service.

Accounts invested in mutual funds, separate accounts, collective investment alternatives and other investments may be subject to other investment fees. Fees such as fund operating expenses or redemption fees may be imposed at the investment company level. Information about the fees imposed by specific investment choices is available in the fund prospectuses or offering memoranda for the securities. EAG may allocate member assets to funds or investment alternatives with these fees or costs. All securities transactions that occur as a result of the services provided by EAG as described in this Brochure are

executed by Empower Financial Services, Inc., (EFSI) for which it may receive compensation in the form of 12b-1 fees or other compensation from mutual fund companies or from the other investments that may be available as program investment options.

A participant will pay advisory fees to EAG for the MA service and indirectly to ECM if Empower Funds are included in the retirement plan investment options. The fees paid to ECM for management of the Empower Funds are included in the fund share price.

EAG and EFSI representatives may recommend that you use the Services. If you elect to use MA, EAG will earn additional compensation in the form of advisory fees. Also, EAG and EFSI representatives are eligible for incentive compensation, through bonus payments, in addition to their salary, for communication, education and/or assisting plan participants to enroll in the Services. The incentive compensation an EAG or EFSI representative receives depends on position type, but generally is calculated based on Empower's profitability and the achievement of individual performance goals that may include factors unrelated to the adoption of investment products or services offered through Empower, such as the Services.

Item 6 – Performance-Based Fees and Side –by Side Management

EAG does not charge any performance-based or side-by side management fees.

Item 7 –Types of Clients

EAG provides investment advice to participants in their retirement plans for which Empower provides recordkeeping services. Members typically must be considered residents of the United States, the U.S. Virgin Islands, Guam, or Puerto Rico. The plan sponsor may apply additional restrictions for participation due to plan or regulatory requirements.

EAG may also be engaged by individuals to provide investment advisory services within or alongside an Empower Premier IRA, an Empower Managed Portfolio account, an Empower Premier Investment Account, Personal Strategies+ Advisory Services or Core Managed Account Advisory Services.

Item 8 – Methods of Analysis and Investment Strategies and Risk of Loss

The Services described in this Brochure are based on the proprietary asset allocation and retirement income projection methodologies developed by Morningstar Investment Management. The development of investment advice by Morningstar Investment Management involves the investment methodologies across the products and services described herein. Morningstar Investment Management or its affiliates focus on specific investment areas such as capital market assumptions and a valuation-driven approach to asset allocation.

Analysis Methods:

In providing advisory services, Morningstar Investment Management reviews available quantitative data to analyze and screen the investment options within a plan. The portfolios are typically constrained to a set of investment options defined by the plan sponsor, which may include EAG affiliated investment products. The analysis will include quantitative analytics and fundamental research on the investment options available. Morningstar Investment Management draws on Morningstar's comprehensive database of fund and security analytics.

Morningstar Investment Management uses a combination of portfolios and customizations as part of a larger portfolio construction process. For MA and OA, they generate unique portfolios (ranging from conservative to aggressive) for each retirement plan or product using a customized approach to blending traditional asset allocation

models with liability-driven investing and decumulation strategies. Which asset classes and sub-asset classes are used to build these model portfolios is dependent on the specific investment options available within the plan. Using this model, they develop an investment strategy tailored to your investment goals and assign you to one of those portfolios. They start with all of the available information received from the service provider and/or you and then make assumptions about certain pieces of information. You have the ability to review and refine some of these assumed data points through the website or over the phone. These assumptions can have a significant impact on the strategies created for you and are related to social security income, salary growth, inflation rates, retirement income goal, and risk capacity. They combine this information with other factors into a proprietary software program that can provide investment recommendations and a projection of different outcomes. They use a concept called total wealth to determine your risk capacity. This helps determine an appropriate target risk level for your retirement account by considering your risk exposure in all your other accounts that you've told us about that are earmarked for retirement. The total wealth methodology accounts for your financial capital (total saved assets and tradeable assets such as stocks and bonds) as well as your human capital (future earnings and savings potential). Using this methodology, they assign a target risk level based on your total economic worth.

The target risk level changes over time to help ensure you are still investing in a portfolio for your specific situation and risk capacity. In general, we try to provide a smooth transition from an aggressive equity portfolio to a more conservative fixed portfolio as you near retirement.

Investment Strategy:

If accumulating for retirement, the investment strategy is generally based on information such as retirement account balances, expected retirement age, savings rate and other preferences provided by the individual. If you have already retired, and if the plan provider offers a guaranteed lifetime withdrawal benefit program, the investment strategy is based upon account balances, additional cash flows, and life expectancy. This retirement strategy may include some or all of the following:

- **Retirement Income Goal (accumulation phase):** The retirement income goal is the projected amount of money after tax that will be needed by the individual throughout retirement. This calculation can be based on current income, adjusted to reflect the estimated dollar value at retirement age. Typically, they use an amount equal to 100% of your take-home pay (although some plan providers may request a different rate, e.g., 80% of gross pay), and then the Services project the after-tax value of that amount at retirement age to determine a retirement income goal. The individual has an option to change this projected retirement income amount.
- **Income Outlook (accumulation phase):** The income outlook is a projection of the annual income that the individual may receive during retirement. This is based on an annualized view of the accumulated investment wealth, combined with social security benefits and any pension or other income provided to EAG.
- **Total Retirement Income (in-retirement phase):** If your plan provider or plan sponsor offers the in-retirement services, total retirement income is the projected amount of money, that one can expect to receive on an annual basis in order to maintain income throughout retirement.

- **IMPORTANT:** When Morningstar Investment Management determines the income projections described above, these projections are based on hypothetical performance data and do not represent actual or guaranteed results. Your projections may vary over time with each additional use of the service.

Estimated Tax:

Morningstar Investment Management estimates federal, state income, and capital gains taxes based on marginal tax rate calculations. These calculations are used when Morningstar Investment Management conducts income simulations. Tax data is updated annually based on the United States Internal Revenue Code (IRC) and similar state tax data. Morningstar Investment Management uses income data for the individual and their spouse/partner to estimate federal and state tax exposure. The tax exposure is appropriately reduced for pre-tax deferrals, tax-deferred capital gains, and yield and distribution of Roth proceeds. Based on the information that the individual provides, Morningstar Investment Management provides an estimate of the tax exposure but may not include all tax considerations. Please consult a tax adviser for a complete understanding of your tax situation.

General Risks of Investing:

Investing in securities involves risk of loss that clients should be prepared to bear. **Neither EAG nor Morningstar Investment Management or their affiliates guarantees that the recommendations will result in achieving the retirement income goal. Neither EAG nor Morningstar Investment Management or their affiliates can guarantee that negative returns can or will be avoided in any of the recommendations. An investment's future performance may differ substantially from its historical performance and as a result, may incur a loss. Past performance is no guarantee of future results. Additionally, the plan provider may make changes from time to time with respect to the investment options available in the plan.**

While a diversified investment portfolio, including a portfolio of investment products representing different asset categories, can mitigate some risks, it does not and cannot prevent all loss. Ultimately, such risks are borne by the investor.

Below are some of the common factors that can produce a loss in a client's account and/or in a specific investment product or asset category:

1. **Market Risk:** Stock and bond markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments in the U.S. and in other countries. Market risk may affect a single company, a sector of the economy, a country or geopolitical region, or the market as a whole. Market risk may impact stock and or bond markets in unanticipated and different ways.
2. **Business Risk:** These risks are associated with a particular industry or a particular company within an industry.
3. **Capitalization Risk:** Small-cap and mid-cap companies may be hindered due to limited resources or less diverse products or services. Their stocks have historically been more volatile than the stocks of larger, more established companies.
4. **Category or Style Risk:** During various periods of time, one category or style may underperform or outperform other categories and styles.

5. **Credit Risk:** The risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact the performance of the issue – along with any mutual fund or exchange-traded fund which holds it.
6. **Interest Rate Risk:** The market value of a debt security is affected significantly by changes in interest rates. When interest rates rise the security's market value declines. When interest rates decline, market values rise. The longer bond maturity results in the greater the risk and the higher yield. Conversely, the shorter bond maturity results in the lower risk and the lower yield.
7. **Inflation Risk:** When any type of inflation is present, purchasing power may be eroding at the rate of inflation.
8. **Reinvestment Risk:** The risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This relates primarily to fixed income securities.
9. **Exchange-traded funds:** Exchange-traded funds present market and liquidity risks because they are listed on a public securities exchange and are purchased and sold via the exchange at the listed price. The price will vary based on current market conditions and may deviate from the net asset value of the exchange-traded fund's underlying portfolio. There may also be an inactive market for certain funds, and/or losses from trading in secondary markets.
10. **Target Date Funds:** Generally, the asset allocation of each target date fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date. The target date is the approximate date when investors plan to start withdrawing their money. The principal value of the fund(s) in a plan's lineup is not guaranteed at any time, including at the time of target date and/or withdrawal.
11. **An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency.** Although some money market funds such as U.S. Government money market funds strive to preserve the value of the investment at \$1.00 per share, it is possible to lose money by investing in a money market fund. Additionally, other money market funds may operate under new rules and regulations permitting them to have a floating value per share. A floating value may be more or less than \$1.00 per share depending on market conditions and impose liquidity/redemption fees for large or frequent withdrawals.

For more complete information about any of the mutual funds or investment product available within the retirement plan, please contact your retirement plan service provider.

Risks Associated with Particular Types of Securities:

Neither EAG nor its sub-advisers recommend a particular type of security. The plan sponsor or its agent is responsible for determining the retirement plan's menu of investment options. It is the participant's responsibility for reading all disclosure and related materials, including prospectuses, statements of additional information and other similar material.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of EAG or the integrity of EAG's management. EAG has no legal or disciplinary event to report relative to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

EAG is not a registered broker-dealer. However, due to the organizational structure of EAG's parent company, EAICA, certain registered representatives of EFSI are also supervised persons of EAG and are required to comply with EAG policies and procedures when acting in that capacity. EAG and its management persons are not registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Other Financial Industry Affiliations:

EAG has arrangements that are material to its advisory business or its clients/participants with the related entities shown below. These related entities may receive certain fees that are unrelated to EAG's fees for its Services.

Recordkeeping and Administrative Services Company:

Empower Retirement, LLC (Empower) is a comprehensive administrative and recordkeeping services provider for financial institutions and employers, which include educational, advisory, enrollment, and communication services for employer-sponsored defined contribution plans and associated defined benefit plans under Internal Revenue Code Section 401(a), 401(k), 403(b), 408, and 457.

Insurance Companies:

Empower Annuity Insurance Company of America (EAICA) is an insurance company domiciled in the State of Colorado. EAG is a wholly owned direct subsidiary of EAICA. EAICA, pursuant to various agreements, may provide investment products, recordkeeping, and other administrative services through its affiliates.

Empower Life & Annuity Insurance Company of New York (ELAINY) is an insurance company domiciled in the State of New York. EAG is an affiliate of ELAINY through common ownership where EAICA is the sole owner of both EAG and ELAINY. ELAINY, pursuant to various agreements, may provide investment products and administrative services through its affiliate, Empower, to retirement plans for which EAG may also provide its services.

Empower Annuity Insurance Company (EAIC) is an insurance company domiciled in the State of Connecticut. EAG is an affiliate of EAIC through common ownership where EAICA is the sole owner of both EAG and EAIC. EAIC, pursuant to various agreements, may provide investment products and administrative services individually and through its affiliate, Empower, to retirement plans for which EAG may also provide its services.

Broker-Dealer:

Empower Financial Services, Inc. (EFSI), an affiliate of EAG, is a registered limited broker-dealer and wholly owned subsidiary of EAICA. EFSI may provide wholesaling, direct sales, enrollment and/or communication services to retirement plans and their participants for which EAG may also provide its services. All transactions which occur as a result of participation in the Service are executed by EFSI. EFSI may receive compensation in the form of 12b-1 fees or other compensation from the mutual fund companies or from the other investments that may be available as investment options.

Trust Company:

Empower Trust Company, LLC (ETC) is a trust company and affiliate of EAG. ETC is a wholly owned subsidiary of EAICA. ETC is chartered under the laws of the State of Colorado. ETC may provide discretionary or directed trustee

and/or custodial services for EAG's clients. ETC also serves as the trustee for certain collective investment trusts, which may be available as investment options, and is the custodian of all Empower Premier IRA accounts.

Investment Company:

Empower Funds, Inc. (EFI) is an investment company affiliated with EAG. It is registered under the Investment Company Act of 1940. Empower Funds may provide investment products to retirement plans and IRAs for which EAG may also provide its services. Empower Funds is managed by Empower Capital Management, LLC as discussed below. Shares of Empower Funds may be available for purchase by retirement plans advised by EAG or to account holders of the Empower Premier IRA.

Investment Advisers:

Empower Capital Management, LLC (ECM), an affiliate of EAG, is an investment adviser for Empower Funds and is registered under the Investment Advisers Act of 1940. It is a wholly owned subsidiary of EAICA. EAG provides managed account and advice services to participants in certain defined contribution plans. It also provides services to account holders of the Empower Premier IRA which may have as investment options certain portfolios of Empower Funds managed by ECM.

Putnam Investment Management, LLC is a registered investment adviser (*PIM*). EAG is under common control with PIM and is an affiliate of PIM. Shares of Putnam retail mutual funds may be available for purchase by retirement plans or by the Empower Premier IRA holders. PIM serves as a sub-adviser to certain funds in the Empower Core Strategies lineup.

Irish Life Investment Managers Limited – a Dublin, Ireland based, SEC registered investment adviser. ILIM is part of the Great-West Lifeco, Inc. (GWL) group of companies; GWL has operations in Canada, the United States, Europe, and Asia through ownership of companies including EAICA and PIM. EAG is wholly owned subsidiary of EAICA. EAICA is an indirect wholly owned subsidiary of GWL which controls ILIM. ILIM manages the index series of Empower Funds.

Branding:

The affiliated companies of EAG, ECM, EFSI, EAICA, EAIC, ELAINY, Empower Funds, Empower Holdings, LLC, Empower Retirement, LLC, and ETC operate under the multiple brands of Empower, Empower Retirement and Empower Institutional depending upon the products, services and retirement markets involved. These brands do not materially affect the internal structure of EAG or EAG's corporate ownership.

Conflicts of Interest:

The investment options available in a plan are generally established by the plan sponsor/client through which our services are delivered. In some cases, the plan investment options may include, or be comprised solely of, affiliated investment options of the institutional client or of EAG. EAG does not receive compensation from its parent company or any of its affiliates as a result of these allocations.

EAG has a relationship with Morningstar Investment Management wherein Morningstar Investment Management acts as sub-adviser for the advisory services. EAG has entered into an agreement with Morningstar Investment Management under which, EAG receives advisory services fees for providing services to retirement plan clients.

EAG mitigates these conflicts of interest related to affiliated investment options by utilizing Morningstar Investment Management as sub-adviser who remains independent from EAG and its related persons with respect to their methods of analysis and investment strategies. Morningstar Investment Management's methodology also controls the investment allocations and recommendations. A client/account holder will pay advisory fees to EAG for MAS,

and indirectly to ECM, if Empower Funds are included in the retirement plan investment options. The fees paid to ECM for management of the Empower Funds are included in the fund share price.

Conflicts relating to fund recommendations:

The Services operate by recommending or allocating a user's assets to funds available within a plan. The funds available for EAG's recommendations within a plan are generally established by the plan sponsor/client through which the Services are delivered, rather than by EAG. In some cases, the investment options may include or be comprised solely of investment options sponsored by EAG's affiliates. In other cases, the investment options may make third party payments described below. When this occurs, EAG's affiliates may receive additional compensation as a result of EAG's recommendations or allocations. These forms of additional affiliate compensation are:

- *Proprietary investment funds.* EAG's affiliates offer proprietary investment funds, and EAG may recommend or allocate your assets to our affiliates' proprietary investment funds, including proprietary mutual funds and collective investment trusts. These proprietary investment funds generate additional investment management fees to EAG's family of companies. This is because EAG's affiliates provide investment management services to the proprietary fund for services like administering, managing, and supervising these funds. For example, a plan participant using the Services will pay advisory fees to EAG and indirectly to ECM if Empower Funds are included in the retirement plan investment options, and EAG recommends an allocation to a Empower Funds product. The fees paid to ECM for management of the Empower Funds are included in the fund share price.
- *Proprietary insurance products.* EAG's parent company, EAICA, offers proprietary insurance products for investment. EAG may recommend or allocate your assets to different types of EAICA insurance products and funding agreements. The majority of EAICA insurance products are annuity contracts that are structured either as a general account product or as a separate account product. If you invest in a general account product, which is an insurance product backed by the general account of an insurance company, EAG's affiliates generate revenue by retaining spread (which is the difference between actual earnings on contracts offered by the insurer), and the crediting rate declared and guaranteed by the insurer through the contract. EAG's affiliates may also receive different types of fee income if you invest in the general account or separate account products, and other third-party payments associated with investments held in the separate account.
- *Third Party Payments.* EAG's affiliates may receive payments from other firms, non-proprietary investment funds or products, or providers, such as revenue sharing payments, in connection with the investments made pursuant to our recommendation or investment management.

Conflicts related to increased use and promotion of the Services:

- *Increased advisory fee income.* EAG's representatives may recommend that you use the Services. If you enroll in certain Services, EAG will earn additional compensation.
- *Increased affiliate fee income.* When you use the Services, EAG may recommend you increase contributions or utilize other savings or investment strategies. EAG's affiliates provide a bundle of recordkeeping, trust, custody, brokerage, investment, and other related services to retirement plans. If you pay for these related services through an arrangement where our affiliates charge a direct fee, EAG's affiliates may receive additional fees for these services. These additional fees result from EAG's recommendations because you may contribute, invest, or transact in more assets with EAG's family of companies. EAG's affiliates may receive payments from other firms, non-proprietary investment funds or products, or providers, such as

revenue sharing payments, in connection with the investments made pursuant to our recommendation or investment management.

- *Representative Compensation.* EAG has authorized EFSI, an affiliate of EAG, and its licensed agents and registered representatives who are Empower employees (collectively referred to as Agents) to solicit, refer and market EAG's services. In addition to their salary, Agents may earn bonus compensation based upon engaging plan sponsors to offer EAG's services. Other Agents and EAG representatives may be indirectly compensated through bonus compensation, in addition to their salary, for communication, education and/or assisting participants to enroll in EAG's Services. Compensation paid to Agents or EAG representatives does not increase the fees paid by the plan, plan sponsor or participants. The incentive compensation an EAG representative receives depends on position type, but generally is calculated based on Empower and/or EAICA profitability and the achievement of individual performance goals that may include factors unrelated to an account holder's adoption of investment products or services offered through Empower.

Agents and EAG representatives' individual performance goals and their related incentive compensation is based on a combination of factors including the number and quality of customer engagements during the measurement period and the amount of customer assets retained as result of the engagements. The rate of incentive compensation considers the total amount of retained or accumulated assets, compared with the monthly asset goal, as determined by EAG on a periodic basis. The asset goal is generally set on an annual basis and may differ by product or account type. Additional factors include certain qualitative factors, such as leadership, teamwork, client experience, quality and efficiency of client interactions, and adherence to corporate policies and regulatory standards.

Other Business Activities:

Certain senior managers and officers of EAG may also serve as executive officers of EAG's parent company, EAICA and other affiliates of EAG.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

EAG's Code of Ethics

EAG has adopted a written Code of Ethics (the Code) in compliance with Rule 204A-1 of the Investment Advisers Act of 1940 (Advisers Act). The Code sets forth standards of business conduct expected of advisory personnel. It requires certain of EAG's advisory personnel to report their personal securities holdings and transactions in accordance with the Advisers Act. EAG's advisory personnel are required to comply with the Code. A copy of the Code will be provided to current or prospective clients upon request. The Code includes provisions related to:

- Fiduciary responsibility to clients;
- Compliance with federal securities laws;
- Protection and safeguarding of confidential information;
- Giving and receiving gifts, gratuities, and entertainment;
- Political contributions;
- Reporting and monitoring personal securities transactions;
- Avoiding and disclosing conflicts of interest; and
- Reporting violations of the Code.

Personal Trading:

The Code requires pre-clearance of certain securities transactions. Officers, managers, and certain employees of EAG (collectively, Access Persons) may trade for their own personal accounts in securities which are recommended to and/or purchased for EAG's advisory clients. However, because the Code would permit Access Persons to invest in the same securities as clients in some circumstances, there is a possibility that employees could benefit from market activity by a client in a security held by an Access Person. As a result, trading is continually monitored in accordance with the Code and federal securities laws. The Code is intended to ensure that the personal securities transactions and the outside business activities of EAG's Access Persons do not interfere with making decisions in the best interest of advisory clients.

Principal Trading:

EAG has adopted a policy and practice not to engage in any principal transactions. EAG holds no investments for its own accounts which could be bought from, or sold to, an advisory client. In the event of any change in EAG's policy, any such change must be approved by management. Any principal transactions would be permitted only after meeting the review and approval requirements described under the anti-fraud section of the Advisers Act.

Participation or Interest in Client Transactions:*Affiliate EFSI effects Securities Transactions for Advisory Clients*

Registered representatives of EFSI may provide wholesaling, direct sales, enrollment, and/or communication services to retirement plans and their participants for which EAG may also provide its services. In return, EFSI may receive fees from either the plan or the investment provider (fund families). All securities transactions which occur as a result of EAG's services, as described in this Brochure, are executed by EFSI. EFSI may receive compensation in the form of 12b-1 fees or other compensation from mutual fund companies or from the other investments that may be available as plan investment options. In all instances, EAG's affiliation with these entities is disclosed. Allocations in the investment options are solely determined and based on Morningstar Investment Management's software and not determinations made by EAG. The compensation paid by EAG to Morningstar Investment Management for Morningstar Investment Management's proprietary software advice program does not vary based on the allocations made or recommended by Morningstar Investment Management. Because Morningstar Investment Management is unaffiliated with EAG and EFSI, EAG does not believe there is a conflict of interest.

Affiliate EAICA or ELAINY Proprietary Investments

Investment options into which participant or accountholder assets may be allocated, pursuant to the OA or the MA services may be through a fixed and variable deferred annuity issued by EAICA or ELAINY. Because Morningstar Investment Management is unaffiliated with EAG, EAICA, ELAINY and their affiliates, EAG does not believe there is a conflict of interest. However, in all instances, EAG's affiliation with EAICA and/or EAICA's affiliates, as applicable, will be disclosed.

Affiliate Empower Retirement, LLC

Empower Retirement, LLC receives a 35 bp shareholder service fee from the applicable shares of Empower Funds for recordkeeping and administrative services provided for account holders, pursuant to a Shareholder Services Agreement between the parties.

Item 12 – Brokerage Practices**Brokerage Selection; Best Execution:**

For retirement plans, the plan sponsor or its agent selects the broker-dealer used by the retirement plan and determines the reasonableness of the compensation. EAG does not select or recommend broker-dealers for stock

transactions or self-directed brokerage accounts and does not determine the reasonableness of broker-dealer's compensation. Transactions recommended by Morningstar Investment Management for the Service are processed by EAG's affiliated recordkeeper, Empower, and generally executed through EFSI.

Soft Dollar Practices:

As a matter of policy, EAG does not utilize research or other products or services from third parties in connection with client securities transactions on a soft-dollar commission basis.

Directed Brokerage:

The plan sponsor may elect to offer brokerage services to participants in the retirement plan. EAG does not participate in such decisions and does not provide recommended portfolios or investment recommendations on assets held in a brokerage account under the retirement plan.

Trade Aggregation:

EAG does not bunch orders or engage in block trades to execute equity orders for clients. Client accounts are generally held in trust per regulatory requirements. Further, most trades are mutual funds where trade aggregation does provide any additional client benefits.

Item 13 – Review of Accounts

At least annually, EAG personnel review the methodologies used by Morningstar Investment Management to power the OA and MA services to ensure that they are consistent with investment advisory best practices, current technology, applicable law, and the terms of the agreement between EAG and Morningstar Investment Management.

Neither EAG nor Morningstar Investment Management review the personal financial information of participants as provided by the participants or the Plan Sponsor and do not assume responsibility for any incomplete or erroneous information. Such information, which includes date of birth, salary, gender and/or state of residence, must be reviewed periodically by the participant and/or the Plan Sponsor who in turn are responsible for notifying EAG of any changes, errors, or omissions to such information.

EAG conducts the following review of its clients' accounts:

Online Advice:

EAG does not conduct review of its participant's accounts in respect to investment oversight, monitoring, or rebalancing. Participants receive from EAG's investment recommendations based on the investment options provided in their specific retirement plan. **It is the responsibility of OA clients to review and update their accounts to adjust for changes in the investments they own and to determine whether the recommendations are suitable for their particular investment needs. OA clients should also review and update their accounts if significant changes occur in their personal circumstances.**

Managed Account Service:

Under the MA service, participant assets in the investment options are monitored, rebalanced, and reallocated on a periodic basis by EAG, based on Morningstar Investment Management's software program. On an annual basis, based on the individual's birth date, those enrolled in the MA service will receive an Annual Kit containing an account update and forecast statement. Morningstar Investment Management updates the capital market assumptions underlying their methodology used to construct the asset classes, at least annually, then makes changes to the portfolio allocations, as necessary. The portfolios are also monitored on a regular basis on current portfolio allocations and adjustments are made as necessary.

Reporting to Clients:

Participants enrolled in the MA service receive a MA Welcome Kit shortly after enrollment and an account update at least annually. Participants enrolled in OA can review their accounts and generate their own reports at any time. Individuals are encouraged to update significant changes to their personal information via the appropriate toll-free customer service number. In addition, all individuals receiving Services are provided quarterly account statements generated by the plan's recordkeeper.

Item 14 – Client Referrals and Other Compensation

EAG has authorized EFSI, an affiliate of EAG, and its licensed agents and registered representatives who are Empower employees (collectively referred to as Agents) to solicit, refer and market EAG's services. EAG does not pay any compensation directly to EFSI or its Agents for the solicitation activities performed by EFSI and its Agents. The Agents receive compensation in the form of a salary and a variable bonus paid by Empower. No commissions are paid to Agents for the Services by EAG or EFSI.

Agents may earn bonus compensation based upon engaging plan sponsors to offer EAG's services. Other Agents and EAG representatives may be indirectly compensated through bonus compensation, in addition to their salary, for communication, education and/or assisting participants to enroll in EAG's Services. The incentive compensation an EAG representative receives depends on position type, but generally is calculated based on Empower and/or EAICA profitability and the achievement of individual performance goals that may include factors unrelated to an account holder's adoption of investment products or services offered through Empower.

Agents and EAG representatives' individual performance goals and their related incentive compensation is based on a combination of factors including the number and quality of customer engagements during the measurement period and the amount of customer assets retained as result of the engagements. The rate of incentive compensation considers the total amount of retained or accumulated assets, compared with the monthly asset goal, as determined by EAG on a periodic basis. The asset goal is generally set on an annual basis and may differ by product or account type. Additional factors may include certain qualitative factors, such as leadership, teamwork, client experience, quality and efficiency of client interactions, and adherence to corporate policies and regulatory standards. **Compensation paid to Agents or EAG representatives does not increase the fees paid by the plan, plan sponsor or Members.**

Item 15 – Custody

EAG does not maintain actual custody of its clients' cash, bank accounts, or securities. Pursuant to Rule 206(4)-2 of the Advisers Act as amended, EAG is deemed to have constructive custody with respect to certain client funds and securities. This is because an affiliated party is the custodian and directed or discretionary trustee of certain retirement plan accounts. In addition to annual audits, these accounts, are subject to surprise custody verifications by an independent public accountant each year, as required by Rule 206(4)-2. If applicable, EAG's clients receive periodic account statements (at least quarterly) from their custodian and should carefully review these statements. Certain clients may have assets held by unaffiliated custodians.

Item 16 – Investment Discretion

EAG provides discretionary investment management services for those plan participants who enroll and participate in the MA service; EAG does not offer or engage in discretionary investment services for OA.

The MA service is a professional, flexible asset management program that utilizes data from the methodologies and proprietary software program developed and employed by its IFE, Morningstar Investment Management. To provide the MA service to plan participants, EAG retains discretionary authority over the allocation of available investment options without requiring prior approval of each transaction. All ongoing investment transfers and investment direction changes are implemented for plan participants enrolled in the Managed Account service.

Item 17 – Voting Client Securities

EAG does not assume the responsibility to aid or vote proxies or other issuer communications regarding your Account, or to exercise voting or other decision-making authority regarding proxies or other issuer communications. Correspondence regarding the matters described in this section will be handled in connection with the Plan's policies and service provider arrangements.

EAG, as a registered investment adviser, and as a matter of practice, does not accept authority to vote client securities in connection with any of the services described in this Brochure. Correspondence regarding the matters described in this section will be handled in connection with the Plan's policies and service provider arrangements.

Item 18 – Financial Information

As previously discussed, under certain circumstances EAG has discretionary authority over certain client funds and securities. Accordingly, EAG is required to disclose information about its financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. EAG has no financial commitment that impairs its ability to meet contractual commitments to its clients, nor has EAG been the subject of a bankruptcy proceeding. Further, EAG does not require or solicit prepayment of fees in excess of \$1,200 per client more than six months in advance.



Agreements/Services Signature Page

EL TORO WATER DISTRICT 890390_P-001

By signing this Agreements/Services Signature Page, the parties certify that they have read and understood this Agreement and all applicable documents set forth below, that they agree to be bound by the terms and conditions of these Agreements and applicable documents listed below, and that they have the authority to sign and adopt these Agreements and applicable documents.

DOCUMENTS THAT REQUIRE SUBMISSION TO EMPOWER AND ARE COVERED BY THE SIGNATURE PAGE

- Administrative Services Agreement
- GoalMaker
- Plan Provisions
- Millennium Trust Company Automatic Rollover Services Agreement
- Investment Advisory and Management Services Agreement

IN ADDITION, THESE DOCUMENTS REQUIRE A SEPARATE ELECTION

- Investment Advisory and Management Services Agreement
 - Accept
 - Not at this time

Empower Annuity Insurance Company reserves the right to provide communications and documents in an electronic format. By signing below, Plan Sponsor understands, acknowledges, and consents to the electronic communication of all general Plan Sponsor communications and the electronic delivery of plan and service-related information. Certain documents delivered electronically may still require Plan Sponsor signatures. Plan Sponsor understands and agrees that the Plan Sponsor can elect to receive all communications in paper form.

IN WITNESS WHEREOF, the parties duly execute this Agreement as follows:

PLAN SPONSOR

BY: _____

TITLE: _____



EMPOWER ANNUITY INSURANCE COMPANY

By: 

PRINT NAME: Harry Dalessio

TITLE: Head of Retirement Plan Services

DATE: March 1, 2024

TO THE EXTENT APPLICABLE, FOR THE EMPLOYER'S ELECTION OF THE PARTICIPANT INVESTMENT ADVICE PROVIDER UNDER THE APPLICABLE ADVISORY SERVICES AGREEMENT:

EMPOWER ADVISORY GROUP, LLC

By: 

PRINT NAME: Kenneth Verzella

TITLE: Vice President, Participant Advisory Services

DATE: March 1, 2024

GENERAL MANAGER'S REPORT

April 2024

I. OFFICE OF THE GENERAL MANAGER

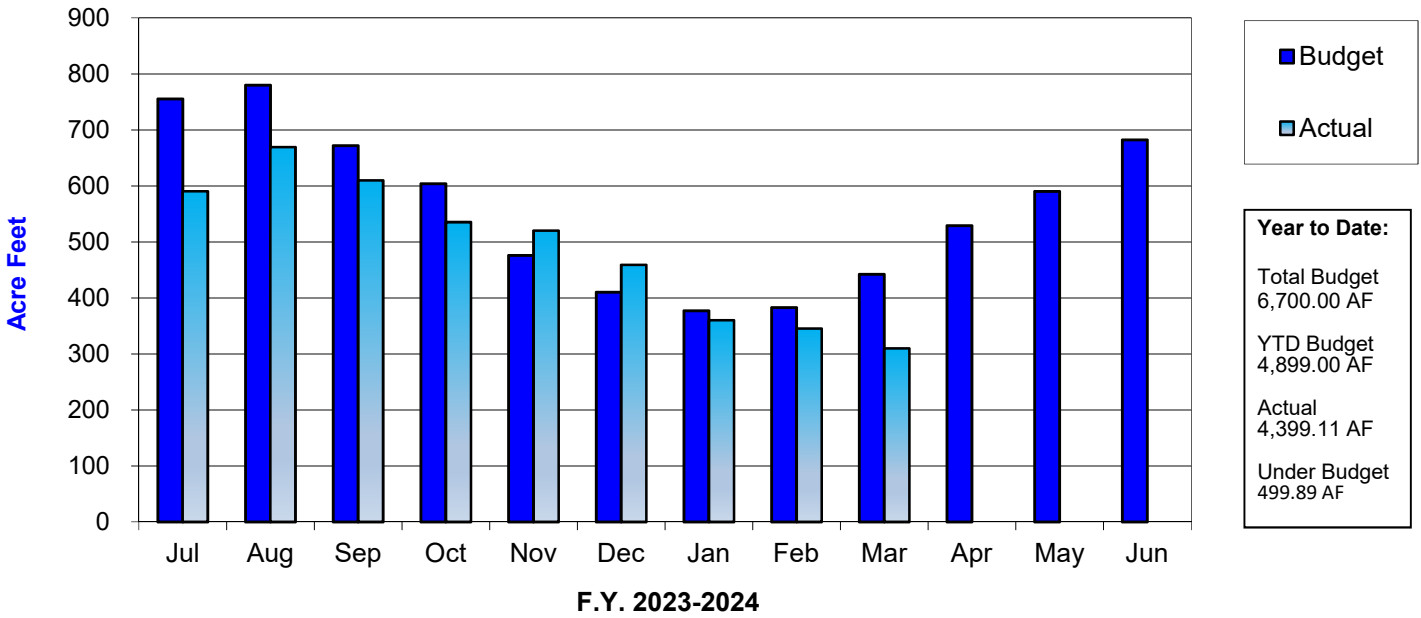
- MWDOC Board Meeting
- MWDOC A&F Committee Meeting
- MWDOC P&O Committee Meeting
- MWDOC / MET Directors Meeting
- MWD Finance Committee Meeting
- MWDOC Managers Meeting
- MWD Board Meeting
- SOCWA Board Meeting
- SOCWA Finance Committee Meeting
- South Orange County Agencies Group Meeting
- Baker WTP Project Participants Meeting
- ETWD President / Vice President / GM Meeting
- ETWD Board Budget Workshop
- ETWD Agenda Review Meeting
- ETWD Regular Engineering & Finance Committee Meetings
- ETWD Regular Board Meeting

II. DOMESTIC AND RECYCLED WATER SALES

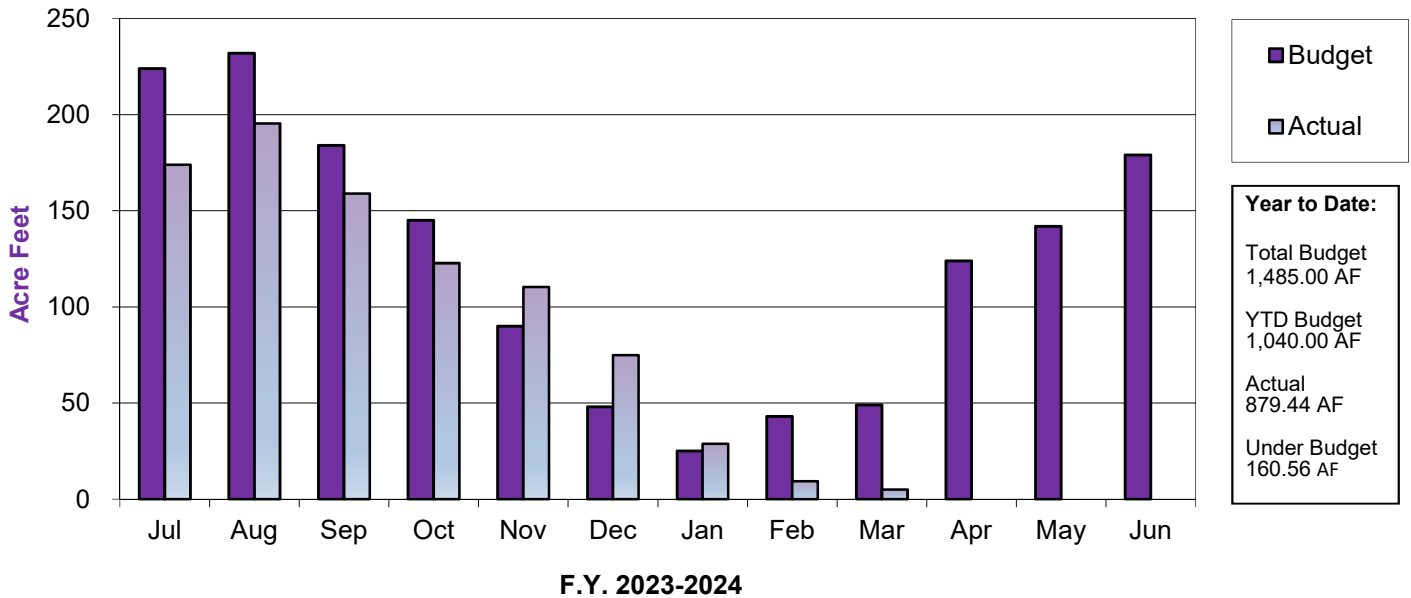
Actual domestic sales for the year-to-date as of March 31, 2024 are 4,399.11 acre-feet. This compares to year-to-date budgeted domestic sales of 4,899.00 acre-feet. The year-to-date variation in actual to budgeted sales reflects a decrease of 499.89 acre-feet. Actual sales are 61.34 acre-feet lower than last year-to-date actual sales for the same period.

Actual recycled sales for the year-to-date as of March 31, 2024 are 879.44 acre-feet. This compares to year-to-date budgeted recycled sales of 1,040.00 acre-feet. The year-to-date variation in actual to budgeted sales reflects a decrease of 160.56 acre-feet. Actual sales are 15.52 acre-feet lower than last year-to-date actual sales for the same period.

POTABLE WATER SALES



RECYCLED WATER SALES



Customer Service Activity Report

Regular Service Calls	MAR 2024	MAR 2023	Telephone Calls	MAR 2024	MAR 2023
Serviceman Dispatched to Read, Connect/Disconnect Service	74	88	Change of Service: Connections and Disconnections	60	56
Field Investigations:			Billing / Payments & Graph Inquires	176	311
Check for leaks - calls to CS Office:(irrigation,meter,street leaks)			Assistance with online payments and ETWD's portal (cc, e-checks, other.)	21	1
Customer Responsible	18	14			
District Responsible	10	8	Variance / Adjustment Inquiries	7	15
None found/other	18	9	Variance / Adjustment Requests Processed	11	8
High Reads Checked - High Consumption (Billing Dept.)	26	1	Ordinance Infraction / Water Waste Complaints	1	0
Cust Leaks: 9 No Leaks: 17					
Check Stopped Slowed Meters-Low Consumption (Billing)	23	5	Outside Utility Districts	37	40
Re-Check Read	25	8	Phone calls Transfer to other Departments within ETWD	54	25
Ordinance Infraction	1	1	Phone calls for the Board of Directors	0	0
Recycled Water	0	0	Recycled Water	0	1
Water Quality: Taste / Odor / Color	4	1	Water Quality Taste - Odor - Color	4	1
Phone response: _3 Field response: 1_			Leaks / Breaks	12	12
Flooding (Hydrant) Meters issued	2	1	Flooding Meter calls (Hydrant)	1	1
Sewer - Odor/Stoppage/ Manhole Covers	5	1	Sewer Problems (odor / spills)	3	0
Meter Box: Lids / Covers Replaced	26	33			0
Meter Box Clean, Digout	1	5	Backflow / Cross Connection (questions or yearly testing forms)	0	2
Raised Meter Box	1	0	ETWD facilities inquiries: Boxes/Covers/Lids/Hydrants/Pump Stations/Graffiti/ "Gen. Maint"	4	0
Trim Bushes / Meter Obstruction	26	14			
General Maintenance Response	5	4	Tyco (ADT) Calls (Alarms to ETWD facilities)	0	0
Fire Hydrants: Hit / Leaks / Caps	1	1	ATT Calls (access to tower sites)	0	0
Pressure(psi) Checks / Reads	1	4	SCE Calls (access to tower sites)	1	0
CSSOV (Angle Meter/Ball Valve/Gate Valve/Globe Valve) chk,repair,replaced	2	9	Pager Calls specifically for Pump Stations - SCADA	0	0
AMS angle-meter-stop replace/repair	2	0			
Bees Removed	0	4			
Backflow / Cross Connection	1	5	Payment Extensions	23	26
Fogged Registers	16	38	Delinquent Payment Calls to Customer 's prior to shut off per billing calendar (automatic courtesy dialer)	37	43
OMCOP: Old Meter Change - Out Program	0	0	Return Calls from customers left on our voice mail system. Ext 500	14	18
Other: (uncommon non-maintenance calls)	3	1	Email Correspondence:	41	17
On-Call After Hrs. CS Response	16	8	Maintenance Service Order Requests (bees, psi, fogged-dirty registers)	1	8
# Posting Notice & 24 Hr. Door Hangers Hung	100	107	Misc. (other: employment, deliveries, sales calls)	11	13
#Shut Offs/Disconnect for Non-Payment (DNP)	12	23	Payment Processing Fee Complaints	0	0
Removed Meter	1	0	Customers Complaints non bill related.	0	0
New Meter	1	1	Billing Disputes	1	0
Unread Meters	6	3			
Total Field Investigations	427	397	Total Telephone Calls	520	598

Uncollectible Accounts:			Credit Card Payments	MAR 2024	MAR 2023
Budget YTD	\$ 6,000.03	\$ 6,000.03	REGULAR	1498 \$264,288.64	1,346 \$221,389.65
Actual YTD	\$ (418.00)	\$ 14,261.00			

CA Water & Wastewater	
Arrearage payment program	\$80,904.53
LIHWAP (CA Low Income Housing Water Assistance Program	\$19,392.39

WILL SERVE SUMMARY REPORT

March 2024

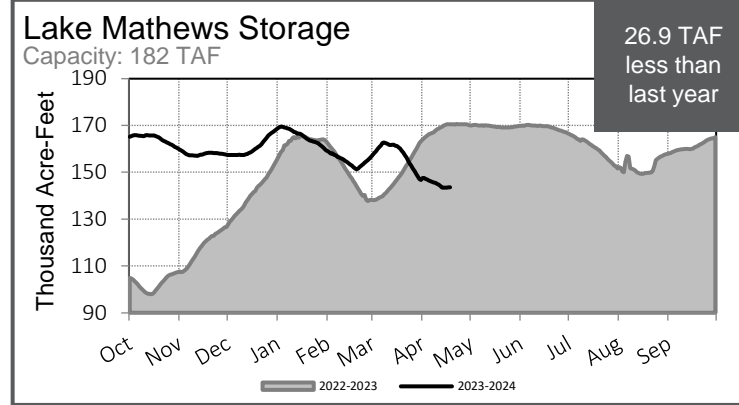
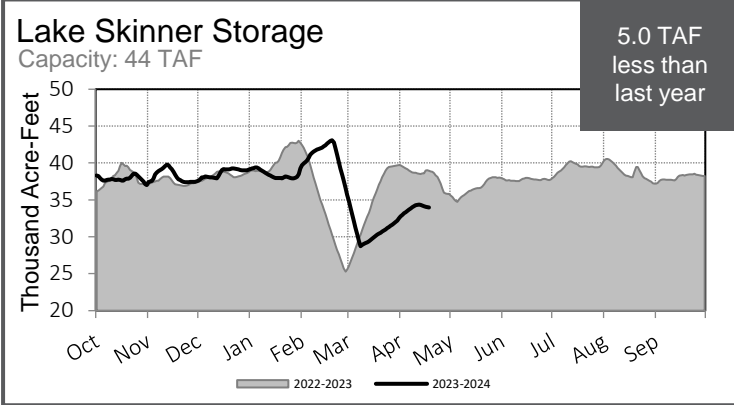
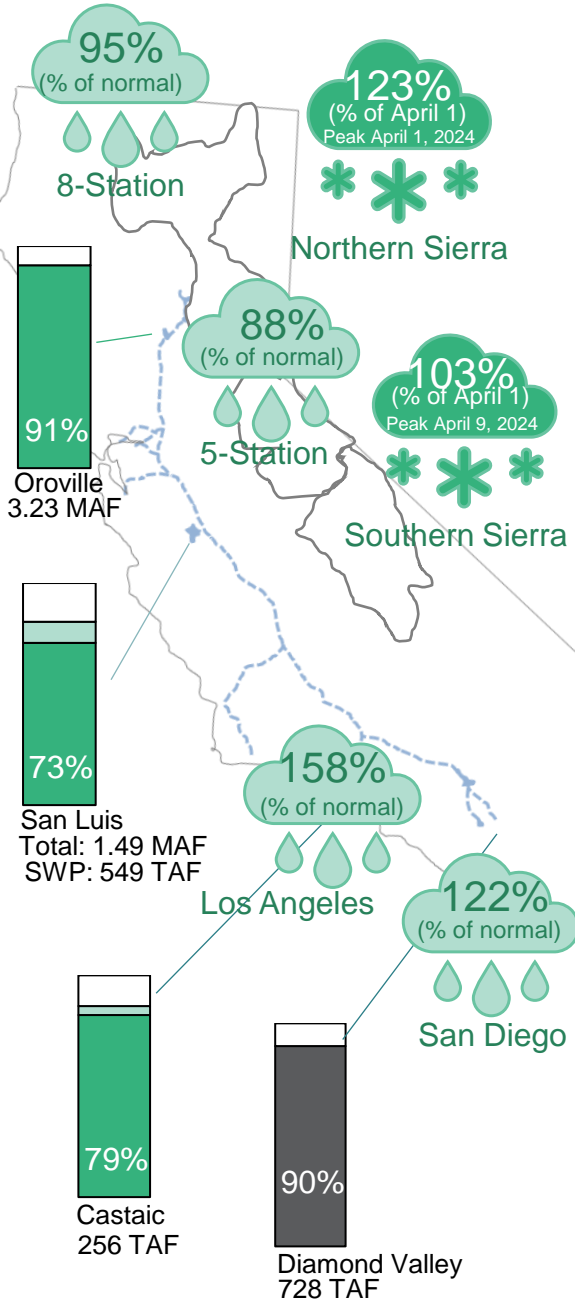
PROJECT NAME	PROJECT DESCRIPTION	PHASE	CFF
Arbors Access Ramp	Adding a 1-1/2" water service connection with backflow protection and connecting to the existing sewer system	Close-Out	\$ 28,785
The Village at Laguna Hills (Retail Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	Not Yet Calculated
The Village at Laguna Hills (Central Residential Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	Not Yet Calculated
The Village at Laguna Hills (Southern Residential Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	Not Yet Calculated
Womens Health Pavilion	New construction of a health pavilion with water services, irrigation services, sewer services, and fire water services.	Close-Out	\$ 21,856
Target	Addition of an irrigation service, fire services, and potable water services (24440 Alicia Pkwy Bldg B Suite "A" Potable Service, 24440 Alicia Pkwy Bldg B Fire Service, 24420 Alicia Pkwy Bldg A Fire Service, 24440 Alicia Pkwy Irrigation)	Construction	\$ 157,176
Laguna Hills Inn Fire Sprinkler Upgrade	Fire System upgrades including conversion of a fire hydrant to private and addition of a 6-inch DCDA	Construction	\$ -
Moulton Parkway Commercial Kitchens	Upgrade the existing domestic service, sewer service and installation of a DCDA.	Plan Check	Not Yet Calculated
25376 Maximus Group Home	Upgrading the water service	Plan Check	Not Yet Calculated
Indian Super Mart Kitchen	addition of a kitchen	Plan Check	Not Yet Calculated
Parentis Health Sewermain Relocation	Relocating an existing sewermain	Plan Check	Not Yet Calculated
Whoop Axe Water Service Upgrade	upgrade of existing water service	Plan Check	Not Yet Calculated
Central Utilities Plant 24451 Health Center Drive	additional domestic and fire services for a medical central utility plant	Plan Check	Not Yet Calculated
Yummyland Icecream and Juice Bar	tenant improvement converting from a mail center into an icecream and juicebar	Plan Check	Not Yet Calculated



2024 SWP Table A – 30% - 573,450 AF

Projected 2024 CRA Diversions – 984,000 AF

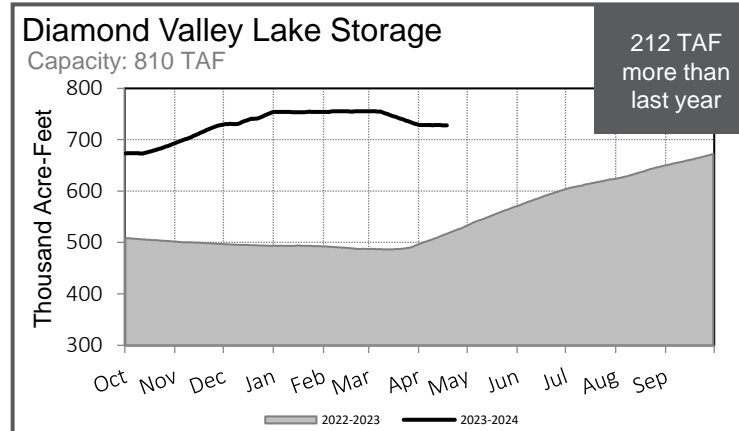
Metropolitan Resources



MWD WSDM Storage

Calendar Year 2024

	Take Capacity (2024)
Lake Mead ICS	212,000 acre-feet
State Water Project System	592,000 acre-feet
In-Region Supplies and WSDM Actions	634,000 acre-feet



Highlights

Learn more about imported supplies:

- State Water Project - <https://www.mwdh2o.com/state-water-project-map/>
- Colorado River Aqueduct - <https://www.mwdh2o.com/colorado-river-aqueduct-map/>



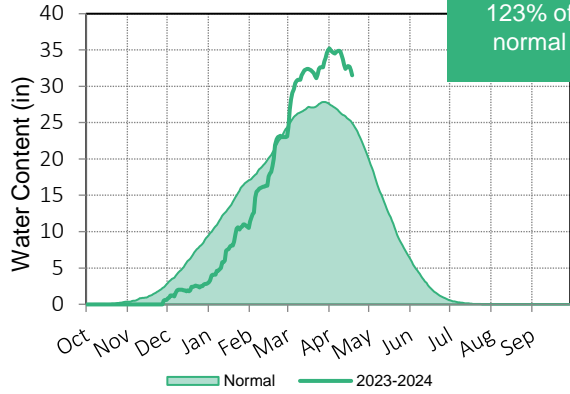
This report is produced by the Water Resource Management Group and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale.

State Water Project Resources

As of: 04/17/2024

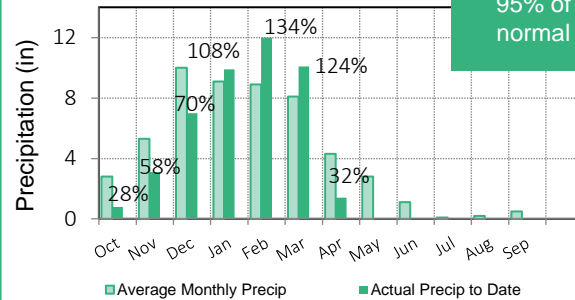
Northern Sierra Snowpack

32.2 in
123% of normal



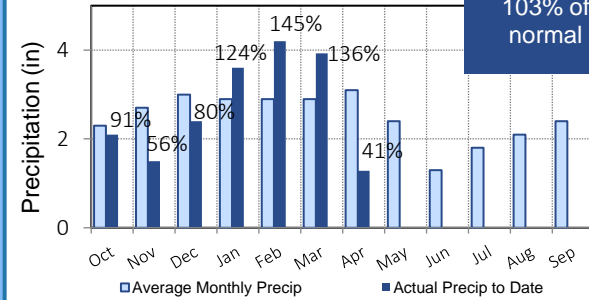
8 Station Index Precipitation

44.3 in
95% of normal



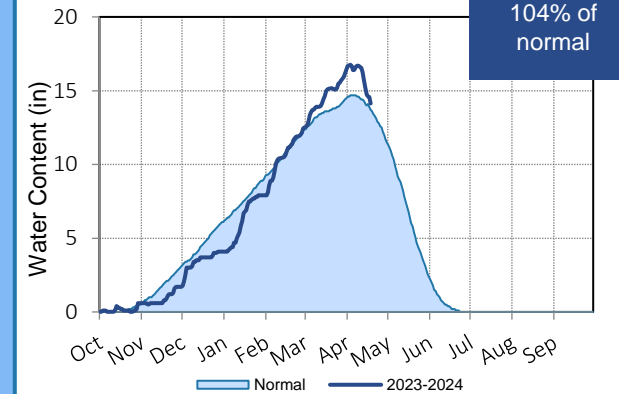
Upper Colorado Precipitation

19.0 in
103% of normal



Upper Colorado Snowpack

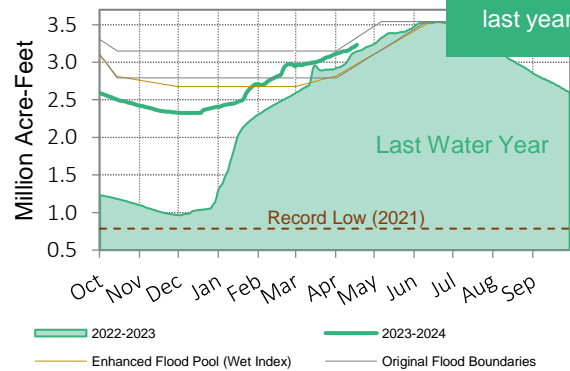
14.6 in
104% of normal



Oroville Reservoir Storage

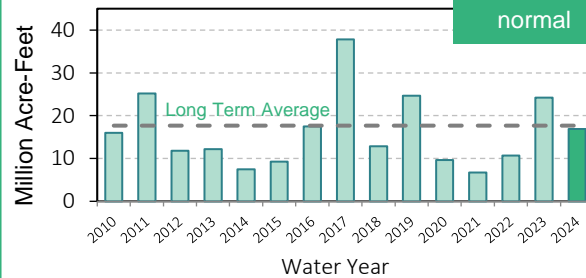
Capacity: 3.54 MAF

88 TAF
more than last year



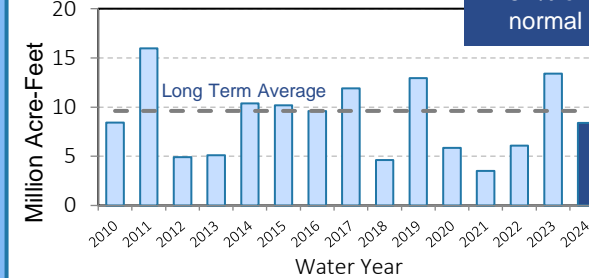
Sacramento River Runoff

Forecast:
99% of normal



Powell Unregulated Inflow

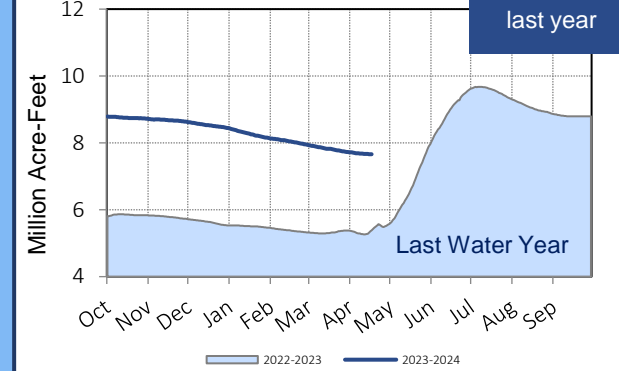
Forecast:
87% of normal



Lake Powell Storage

Capacity: 24.3 MAF

2.27 MAF
more than last year



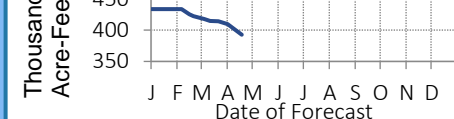
Other SWP Supplies - Carryover

- Article 56c 200,000 acre-feet
- Article 12e 8,400 acre-feet
- Article 14b 19,500 acre-feet

PVID/Yuma Agricultural Use

Annual Forecasted for 2024

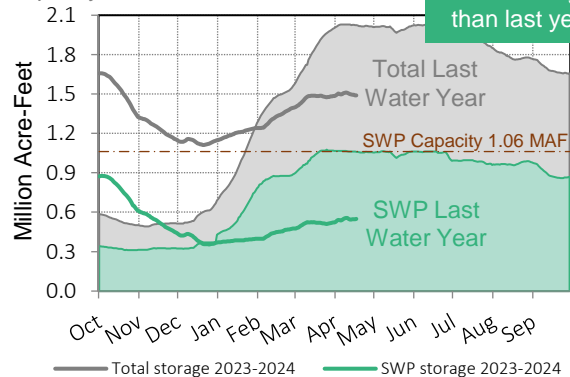
Forecasted
Use for 2024:
393 TAF



San Luis Reservoir Storage

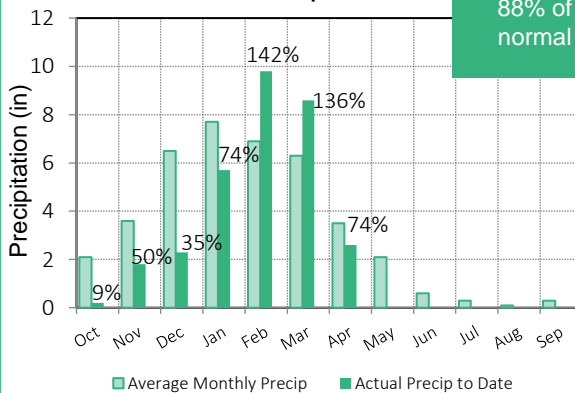
Capacity: 2.04 MAF

511 TAF less
SWP storage
than last year



5 Station Index Precipitation

31.0 in
88% of normal



Projected Lake Mead ICS

Calendar Year 2024

Put (+) / Take (-)
30,000

Lake Mead Surplus/Shortage Outlook

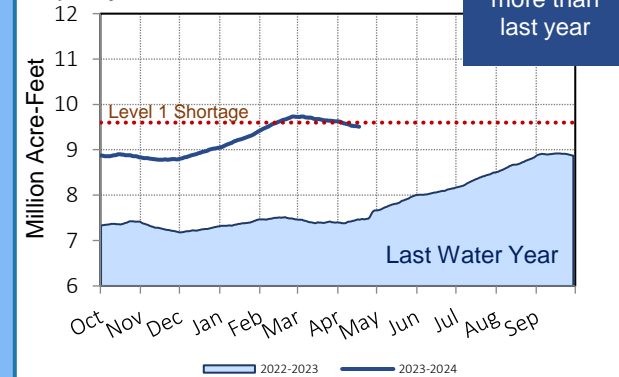
	2024	2025	2026
Surplus	0%	0%	0%
Shortage	100%	90%	83%
Metropolitan DCP*			10% 195 TAF

Likelihood based on results from the January 2024 CRMMS in Ensemble Model/CRSS model run. Includes DCP Contributions.
* Chance of required DCP contribution by Metropolitan. Volume is average contribution when needed.

Lake Mead Storage

Capacity: 26.1 MAF

2.04 MAF
more than last year





NATURAL RESOURCE
RESULTS

To: Board of Directors, *Municipal Water District of Orange County*

From: Natural Resource Results

RE: Monthly Board Report – April 2024

Appropriations

On March 9th, President signed into law a package of six FY2024 appropriations bills, including the bills that fund the Bureau of Reclamation and the EPA. Below is a breakdown of the relevant sections for MWDOC:

Energy and Water Development

- \$48.5 million for the CVPIA Restoration fund (FY23 enacted = \$48.5 million)
 - This is one of the potential funding sources for the habitat portion of the Voluntary Agreements
- \$54 million for WaterSMART grants (FY23 enacted = \$65 million)
- \$50 million for the Lower Colorado River Drought Contingency Plan (FY23 enacted = \$50 million)
- \$50 million for Title XVI (FY23 enacted = \$60 million)
- \$30 million for WaterSMART Drought Response (FY23 enacted = \$38 million)
- \$19 million for Desalination and Water Purification (FY23 enacted = \$17 million)
- \$33 million for CALFED (FY23 enacted = \$33 million)
- \$134 million for the WIIN Act Storage Account (FY23 enacted = \$134 million)
 - Funding source for projects like Sites and Los Vaqueros Expansion
- \$205 million for Sites Reservoir

The following report language was also included in the bill:

B.F. Sisk Dam and San Luis Reservoir.—The Committee is aware of seismic issues at B.F. Sisk Dam and supports the Bureau of Reclamation’s safety of dams modification project to remediate this reservoir, which is important for the safety of communities below the reservoir and the advancement of the B.F. Sisk Dam Raise and Reservoir Expansion Project. The Committee notes there are ongoing discussions between Reclamation and the state of California over cost-share requirements related to the construction of the dam safety project. Accordingly, Reclamation is directed to work collaboratively with the State of California to ensure a cost- share agreement can be signed and the B.F. Sisk Dam Safety of Dams Modification project can move forward expeditiously.

Salton Sea.—The Committee supports the Memorandum of Understanding signed between the Department of the Interior and the California Natural Resources Agency to support management activities at the Salton Sea. The Committee is pleased Reclamation recently committed funding

from the Inflation Reduction Act to assist with Salton Sea mitigation. It is critical that Reclamation continues to fund research and development projects to support current and future efforts to reduce the likelihood of severe health and environmental impacts. The Committee encourages Reclamation to include adequate funding for the Salton Sea in future budget requests and reminds Reclamation additional work is eligible for additional funding recommended in this account.

Salton Sea.—The fiscal year 2023 Act directed Reclamation to provide a briefing on Reclamation’s plan for managing the air quality impacts of the estimated 8.75 square miles of lands it owns that will emerge from the receding Sea over the next decade. The Committee is still awaiting this briefing, and Reclamation is directed to provide this briefing not later than 30 days after enactment of this Act. Reclamation is further directed to provide to the Committee not later than 90 days after enactment of this Act a report containing an updated estimate of anticipated exposed federal lands over the next decade and a funding estimate associated with meeting federal Salton Sea obligations. Reclamation is encouraged to work with other federal agencies with interests at the Salton Sea to provide this report.

Colorado River Basin Report.—A train derailment along the Colorado River could have significant impacts on the beneficial uses of the river, the water itself, and the ecosystem. Reclamation understanding and preparing for such an event is critical. Of the additional funding recommended under the heading ‘Water Conservation and Delivery’, \$300,000 shall be for a report on the potential impacts on water resources from a derailment of a train transporting hazardous material along the Colorado River.

Colorado River Basin Collaboration.—The Committee understands growing water-thrifty crops in the Colorado River Basin could, if voluntarily planted by Basin farmers, help keep agricultural lands in production and support rural economies while adjusting to diminishing water supplies from the Colorado River. The Committee directs Reclamation to provide a briefing within 30 days of enactment of this act on the ability to partner with the U.S. Department of Agriculture to fund research and provide technical support for this effort. The briefing should identify existing authorities that could be used and recommend additional authorities that would be required.

Drought Contingency Plans.—The Committee commends Reclamation, the Department of the Interior, and the seven Colorado River Basin States for completing drought contingency plans to conserve water and reduce risks from ongoing drought for the Upper and Lower Colorado River basins. The completion of these plans marks a major milestone in protecting a critical water source in the western United States. The Committee encourages Reclamation to provide sufficient funding for activities that support these plans.

Interior, Environment, and Related Agencies

- \$72.2 million for EPA WIFIA (FY23 enacted = \$75.6 million)

Tax Parity for Water Rebates

Congressman Huffman plans to introduce this legislation in early April. Historically, Republicans have not supported the bill but we have been getting positive from Congresswoman Kim and Congresswoman Steele's offices and are cautiously optimistic about them supporting the bill this Congress.

To:	MWDOC Workshop
From:	Syrus Devers
Date:	April 3rd, 2024
Re:	State Legislative Report

Administration

This report usually begins with a report on legislative matters, but the more important events are on the administrative side for the moment.

The all-important Bulletin 120 update came out on March 8th, which reports on the snow pack and forecasts the state’s water anticipated water supply for the year. The snowpack is at 98% of the historical average with more storms on the way. As a result, the Department of Water Resources (DWR) increased the State Water Project (SWP) allocation a second time this year to 30% of requested supplies. The next survey is on April 1st.

Upon releasing the SWP allocation, DWR also commented on their efforts to move excess flows into storage, and how those efforts are impeded by restrictions on moving water through the Delta. They specifically called out restrictions due to impacts to endangered species in the South Delta. DWR then commented at length on their efforts to build the Delta Conveyance and Sites Reservoir to alleviate the impacts to the Delta. The entire statement can be found here:

<https://water.ca.gov/News/News-Releases/2024/Mar-24/Forecasted-State-Water-Project-Water-Supply-Allocation-Doubles-Following-February-Storms#:~:text=SACRAMENTO%2C%20Calif.,allocation%20update%20announced%20last%20month>.

Criticizing our government is as American as baseball, but the Newsom administration really does deserve credit for staying focused on maximizing water storage potential and updating the State Water Project.

Bay-Delta Plan Update: SWRCB was roundly criticized last year for failing to update the Bay-Delta Plan since 2006. Environmental advocacy groups, and a few legislators, attempted to use that lapse as a collateral attack on the Delta Conveyance. One piece of legislation tried to tie progress on the tunnels to a plan update. (It failed.)

In 2018, SWRCB certified an environmental document analyzing the environmental impacts of the Bay-Delta Plan¹ for the southern part of the Delta, which relied on a 2012 technical report, which opponents claimed did not factor in future anticipated beneficial uses as required by CEQA and the

¹ Part of it: Phase 1 for the South Delta. Phase 2 deals with the Sacramento River and it comes next.

Syrus Devers Advocacy

Water Code. The report called for minimum “unimpaired flows” in the San Joaquin River during critical dry months. It has been tied up in court since then, but SWRCB recently prevailed at the trial court level.

Outdoor Water Use Efficiency Regulations: The big news is a decent victory for public water agencies in lobbying the SWRCB for relief in the proposed regulations implementing the Conservation As A Way of Life legislation. Last year on October 4th, water agency advocates were in a conference room from 8:30am until 11pm giving public testimony on the draconian results of the proposed standards. Then in December, the Legislative Analyst’s Office put another nail in the SWRCB coffin with a scathing report on the high cost and minimal benefits of the standards. It worked as well as could be expected.

Changing the core standards was never an option, but water agencies were given more time and flexibility to implement the proposed regulations. Now water interests, led by an ACWA coalition, have flipped to defending the proposed regulations from environmental groups claiming the SWRCB is backsliding on protecting the environment.

Legislature

The policy committee hearing process has begun...just in time to break for the Spring Recess. The only legislation of note that has been heard (at the time this report was prepared) is the ACWA sponsored legislation on Proposition 218 remedies, AB 2257 (Wilson), which requires litigants to first exhaust administrative remedies before suing in court over a rate increase. The bill was double referred to the Judiciary and Local Government Committees. It passed the Judiciary Committee on the 19th and is now headed to Local Government.

Once the Legislature returns from recess on the 1st, it will start one of the busiest times of the year. All fiscal bills, which are the vast majority of all bills, must clear their first policy committees by April 26th.

MWDOC Workshop

Prepared by SDA Government Relations

Priority: A. High

[AB 460](#)

([Bauer-Kahan, D](#)) State Water Resources Control Board: water rights and usage: interim relief: procedures.

Location: 07/14/2023 - Senate 2 YEAR

Summary: Current law authorizes the State Water Resources Control Board to investigate all streams, stream systems, lakes, or other bodies of water, take testimony relating to the rights to water or the use of water, and ascertain whether water filed upon or attempted to be appropriated is appropriated under the laws of the state. Current law requires the board to take appropriate actions to prevent waste or the unreasonable use of water. This bill would authorize the board, in conducting specified investigations or proceedings to inspect the property or facilities of a person or entity, as specified. The bill would authorize the board, if consent is denied for an inspection, to obtain an inspection warrant, as specified, or in the event of an emergency affecting public health and safety, to conduct an inspection without consent or a warrant. (Based on 05/18/2023 text)

Position	Priority
oppose	A. High

[AB 1337](#)

([Wicks, D](#)) State Water Resources Control Board: water diversion curtailment.

Location: 07/14/2023 - Senate 2 YEAR

Summary: Under existing law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability. This bill would expand the instances when the diversion or use of water is considered a trespass. This bill contains other related provisions and other existing laws. (Based on 05/18/2023 text)

Position	Priority
watch	A. High

[AB 1567](#)

([Garcia, D](#)) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.

Location: 06/14/2023 - Senate Natural Resources and Water

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs. (Based on 05/26/2023 text)

Position	Priority
watch	A. High

[AB 1573](#)

(Friedman, D) Water conservation: landscape design: model ordinance.

Location: 09/14/2023 - Senate 2 YEAR

Summary: The Water Conservation in Landscaping Act provides for a Model Water Efficient Landscape Ordinance that is adopted and updated at least every 3 years by the Department of Water Resources, unless the department makes a specified finding. Current law requires a local agency to adopt the model ordinance or to adopt a water efficient landscape ordinance that is at least as effective in conserving water as the updated model ordinance, except as specified. Current law specifies the provisions of the updated model ordinance, as provided. Current law includes a related statement of legislative findings and declarations. This bill would require the updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of a culturally specific project, as defined, ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance. The bill would require the updated model ordinance to include provisions that, among other changes, prohibit the use of traditional overhead sprinklers on all new and rehabilitated landscapes and require that new and rehabilitated landscapes use only water efficient irrigation devices. (Based on 09/01/2023 text)

Position

Priority

watch

A. High

[AB 1820](#)

(Schiavo, D) Housing development projects: applications: fees and exactions.

Calendar: 04/10/24 A-HOUSING AND COMMUNITY DEVELOPMENT 9 a.m. - State Capitol, Room 437 WARD, CHRISTOPHER, Chair

Location: 01/29/2024 - Assembly Housing and Community Development

Summary: Current law requires a housing development project be subject only to the ordinances, policies, and standards adopted and in effect when the preliminary application was submitted. This bill would authorize a development proponent that submits a preliminary application for a housing development project to request a preliminary fee and exaction estimate, as defined, and would require the local agency to provide the estimate within 10 business days of the submission of the preliminary application. (Based on 02/20/2024 text)

Position

Priority

watch

A. High

Notes - Flagged by CSDA

[AB 1827](#)

(Papan, D) Local government: fees and charges: water: higher-consumptive water parcels.

Location: 01/29/2024 - Assembly Local Government

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including requiring that the local agency provide public notice and a majority protest procedure in the case of assessments and submit property-related fees and charges for approval by property owners subject to the fee or charge or the electorate residing in the affected area following a public hearing. This bill would provide that the fees or charges for property-related water service imposed or increased, as specified, may include the incrementally higher costs of water service due to specified factors, including the higher water usage demand of parcels. The bill would provide that the costs associated with higher water usage demands, the maximum potential water use, or a projected peak water usage demand may be allocated using any method that reasonably assesses the water service provider's cost of serving those parcels that are increasing potential water usage demand, maximum potential water use, or project peak water use demand. (Based on 01/12/2024 text)

Position

Priority

watch

A. High

[AB 2257](#)

(Wilson, D) Local government: property-related water and sewer fees and assessments: remedies.

Location: 03/19/2024 - Assembly Local Government

Summary: The California Constitution specifies various requirements with respect to the levying of assessments and property-related fees and charges by a local agency, including notice, hearing, and protest procedures, depending on the character of the assessment, fee, or charge. Current law, known as the Proposition 218 Omnibus Implementation Act, prescribes specific procedures and parameters for local jurisdictions to comply with these requirements. This bill would prohibit, if a local agency complies with specified procedures, a person or entity from bringing a judicial action or proceeding alleging noncompliance with the constitutional provisions for any new, increased, or extended fee or assessment, as defined, unless that person or entity has timely submitted to the local agency a written objection to that fee or assessment that specifies the grounds for alleging noncompliance, as specified. This bill would provide that local agency responses to the timely submitted written objections shall go to the weight of the evidence supporting the agency's compliance with the substantive limitations on fees and assessments imposed by the constitutional provisions. (Based on 03/20/2024 text)

Position	Priority
watch	A. High

Notes - ACWA sponsored

[AB 2409](#)

(Papan, D) Office of Planning and Research: permitting accountability transparency dashboard.

Location: 03/21/2024 - Assembly Water, Parks and Wildlife

Summary: Would require the Office of Planning and Research, on or before January 1, 2026, to create and maintain, as specified, a permitting accountability transparency internet website (dashboard). The bill would require the dashboard to include a display for each permit to be issued by specified state agencies for all covered projects. The bill would define various terms for these purposes. The bill would also require the dashboard to include, but not be limited to, information for each permit to be issued by a state agency that is required for the completion of the project, including, among other requirements, the permit application submission date. The bill would require each state agency with a responsibility for issuing a permit for a covered project to provide information in the appropriate time and manner as determined by the office. (Based on 02/12/2024 text)

Position	Priority
support	A. High

Notes - CMUA sponsored bill. Support position adopted on March 6th.

[AB 3219](#)

(Sanchez, R) Advanced Clean Fleets Regulation: local governments.

Location: 03/11/2024 - Assembly Transportation

Summary: The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases and requires the state board to adopt rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions from those sources. Pursuant to its authority, the state board has adopted the Advanced Clean Fleets Regulation, which imposes various requirements for transitioning local, state, and federal government fleets of medium- and heavy-duty trucks, other high-priority fleets of medium- and heavy-duty trucks, and drayage trucks to zero-emission vehicles. The Advanced Clean Fleets Regulation authorizes entities subject to the regulation to apply for exemptions from its requirements under certain circumstances. This bill would provide that the requirements of the Advanced Clean Fleets Regulation do not apply to the purchase by a local government of vehicles with a gross vehicle weight rating greater than 8,500 pounds if the price of the zero-emission version of a vehicle is more than an unspecified percentage of the price of a comparable internal combustion engine version of that vehicle. (Based on 03/11/2024 text)

Position	Priority
watch	A. High

(Caballero, D) The California Water Plan: long-term supply targets.

Location: 07/14/2023 - Assembly 2 YEAR

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as "The California Water Plan." Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department to coordinate with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state's water needs and meeting specified long-term water supply targets established by the bill for purposes of The California Water Plan. The bill would require the plan to provide recommendations and strategies to ensure enough water supply for all beneficial uses. (Based on 06/29/2023 text)

Position

Priority

support

A. High

Notes - CMUA sponsored bill from 2023

(Allen, D) Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.

Location: 06/20/2023 - Assembly Natural Resources

Summary: Would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,500,000,000 pursuant to the State General Obligation Bond Law to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs. (Based on 06/22/2023 text)

Position

Priority

watch

A. High

(Wiener, D) Development projects: permits and other entitlements: fees and charges.

Calendar: 04/03/24 S-LOCAL GOVERNMENT 9:30 a.m. - 1021 O Street, Room 2200 DURAZO, MARIA ELENA, Chair

Location: 02/21/2024 - Senate Local Government

Summary: The Planning and Zoning Law requires each county and each city to adopt a comprehensive, long-term general plan for its physical development, and the development of specified land outside its boundaries, that includes, among other mandatory elements, a housing element. The Permit Streamlining Act, among other things, requires a public agency that is the lead agency for a development project to approve or disapprove that project within specified time periods. Current law extended by 18 months the period for the expiration, effectuation, or utilization of a housing entitlement, as defined, that was issued before, and was in effect on, March 4, 2020, and that would expire before December 31, 2021, except as specified. Current law provides that if the state or a local agency extended the otherwise applicable time for the expiration, effectuation, or utilization of a housing entitlement for not less than 18 months, as specified, that housing entitlement would not be extended an additional 18 months pursuant to these provisions. This bill would extend by 18 months the period for the expiration, effectuation, or utilization of a housing entitlement, as defined, that was issued before January 1, 2024, and that will expire before December 31, 2025, except as specified. The bill would toll this 18-month extension during any time that the housing entitlement is the subject of a legal challenge. (Based on 01/17/2024 text)

Position	Priority
watch	A. High

Notes - ACWA will oppose

SB 1034

(Sevarto, R) California Public Records Act: state of emergency.

Calendar: 04/02/24 S-JUDICIARY 1:30 p.m. - 1021 O Street, Room 2100 UMBERG, THOMAS, Chair

Location: 02/14/2024 - Senate Judiciary

Summary: The California Public Records Act requires state and local agencies to make their records available for public inspection, except as specified. Current law requires each agency, within 10 days of a request for a copy of records, to determine whether the request seeks copies of disclosable public records in possession of the agency and to promptly notify the person of the determination and the reasons therefor. Current law authorizes that time limit to be extended by no more than 14 days under unusual circumstances, and defines “unusual circumstances” to include certain circumstances. This bill would revise the unusual circumstances under which the time limit may be extended to include the need to search for, collect, appropriately examine, and copy records during a state of emergency proclaimed by the Governor when the state of emergency has affected the agency’s ability to timely respond to requests due to decreased staffing or closure of the agency’s facilities. (Based on 02/06/2024 text)

Position	Priority
watch	A. High

SB 1072

(Padilla, D) Local government: Proposition 218: remedies.

Location: 02/21/2024 - Senate Local Government

Summary: The California Constitution sets forth various requirements for the imposition of local taxes. The California Constitution excludes from classification as a tax assessments and property-related fees imposed in accordance with provisions of the California Constitution that establish requirements for those assessments and property-related fees. Under these requirements, an assessment is prohibited from being imposed on any parcel if it exceeds the reasonable cost of the proportional special benefit conferred on that parcel, and a fee or charge imposed on any parcel or person as an incident of property ownership is prohibited from exceeding the proportional cost of the service attributable to the parcel. This bill would require, if a property-related fee or charge creates revenues in excess of the local government’s reasonable cost of providing the specific benefit or specific government service, that the excess revenues be used only to reduce the subsequently adopted and following property-related fee or charge. The bill would declare that this provision is declaratory of existing law. (Based on 02/12/2024 text)

Position	Priority
watch	A. High

SB 1164

(Newman, D) Property taxation: new construction exclusion: accessory dwelling units.

Calendar: 04/10/24 S-REVENUE AND TAXATION 9:30 a.m. - 1021 O Street, Room 1200 GLAZER, STEVE, Chair

Location: 02/21/2024 - Senate Revenue and Taxation

Summary: The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, “full cash value” is defined as the assessor’s valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. This bill would exclude from classification as “newly constructed” and “new construction” the construction of an accessory dwelling unit, as defined, until 15 years have passed since construction on the accessory dwelling unit was completed or there is a subsequent change in ownership of the accessory dwelling unit. The bill would require the property owner to, prior to or within 30 days of completion of the project, notify the assessor that the property owner intends to claim the exclusion for an accessory dwelling unit and submit an affidavit stating that the owner shall make a good faith effort to ensure the unit will be used as residential housing for the duration the owner receives the exclusion. The bill would require the State Board of Equalization to prescribe the manner and form for claiming the exclusion and would require all additional documents necessary to support the exclusion to be filed by the property owner with the assessor not later than 6 months after the completion of the

project. Because this bill would require an affidavit by a property owner and a higher level of service from county assessors, it would impose a state-mandated local program. (Based on 02/14/2024 text)

Position	Priority
watch	A. High

[SB 1210](#)

[\(Skinner, D\)](#) New housing construction: electrical, gas, sewer, and water service connections: charges.

Calendar: 04/02/24 S-ENERGY, UTILITIES AND COMMUNICATIONS 9 a.m. - 1021 O Street, Room 1200 BRADFORD, STEVEN, Chair

Location: 02/29/2024 - Senate Energy, Utilities and Communications

Summary: The California Constitution establishes the Public Utilities Commission, with jurisdiction over all public utilities. Current law defines the term "public utility" for certain purposes to include, among other corporations, every gas corporation, electrical corporation, water corporation, and sewer system corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof. This bill would, for new housing construction, prohibit a connection, capacity, or other point of connection charge from a public utility, as defined, or a special district, including a municipal utility district, for electrical, gas, sewer, or water service from exceeding 1% of the reported building permit value of that housing unit. The bill would require a public utility or special district to issue an above-described charge over a period of at least 10 years commencing on the date when the housing unit is first occupied, as specified. The bill would require a public utility or special district to publicly report on its internet website the amount of any charge issued each year pursuant to the above-described provision by the housing unit's address. (Based on 03/18/2024 text)

Position	Priority
watch	A. High

[SB 1218](#)

[\(Newman, D\)](#) Water: emergency water supplies.

Location: 02/29/2024 - Senate Natural Resources and Water

Summary: Would declare that it is the established policy of the state to encourage and incentivize, but not mandate, the development of emergency water supplies, and to support their use during times of water shortage. (Based on 02/15/2024 text)

Position	Priority
support	A. High

Notes - IRWD sponsored. Support position adopted on March 6th.

Priority: B. Watch

[AB 305](#)

[\(Villapudua, D\)](#) California Flood Protection Bond Act of 2024.

Location: 06/14/2023 - Senate Natural Resources and Water

Summary: Would enact the California Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,500,000,000 pursuant to the State General Obligation Bond Law for flood protection projects, as specified. The bill would provide for the submission of these provisions to the voters at the November 5, 2024, statewide general election. (Based on 04/25/2023 text)

Position	Priority
watch	B. Watch

[AB 1851](#)

[\(Holden, D\)](#) Drinking water: schoolsites: lead testing pilot program.

Calendar: 04/03/24 A-EDUCATION 1:30 p.m. - State Capitol, Room 126 MURATSUCHI, AL, Chair

Location: 03/19/2024 - Assembly Education

Summary: Would require the Superintendent of Public Instruction, if an appropriation is made for this purpose, to establish a pilot program to test for and remediate lead contamination in drinking water at participating local educational agency facilities with plumbing that was installed before January 1, 2010. The bill would require the Superintendent to select no fewer than 6 and no more than 10 local educational agencies for participation in the pilot program and, if a selected local educational agency consents to participate in the pilot program, the bill would require the Superintendent to provide grants to the participating local educational agencies for testing and remediating drinking water lead levels at eligible facilities. If sampling results show lead levels in excess of 5 parts per billion for any potable water system outlet, the bill would require a participating local educational agency to notify the parents and guardians of pupils who attend the school of the elevated lead levels, as provided, to take immediate steps to shut down all potable water system outlets where excess lead levels may exist, and to ensure that a lead-free source of drinking water is provided for pupils at each potable water system outlet that has been shut down. (Based on 03/12/2024 text)

Position

Priority

watch

B. Watch

[AB 2302](#)

(Addis, D) Open meetings: local agencies: teleconferences.

Calendar: 04/10/24 A-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 447 CARRILLO, JUAN, Chair

Location: 02/26/2024 - Assembly Local Government

Summary: The Ralph M. Brown Act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Current law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year. This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. (Based on 02/12/2024 text)

Position

Priority

watch

B. Watch

[AB 2579](#)

(Quirk-Silva, D) Property tax revenue allocations: County of Orange: county equity amount.

Location: 03/18/2024 - Assembly Local Government

Summary: Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures. Current property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. Current property tax law requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education. This bill, for the 2025–26 fiscal year and each fiscal year thereafter, would require the auditor of the County of Orange to increase the total amount of ad valorem property tax revenue that is otherwise required to be allocated to the county by the county equity amount, as defined, and to commensurately decrease the amount of ad valorem property tax revenue that is otherwise required to be allocated to the county Educational Revenue Augmentation Fund and, if necessary, the amount of those revenues otherwise required to be allocated to school districts. (Based on 02/14/2024 text)

Position

Priority

watch

B. Watch

[AB 2729](#)

(Patterson, Joe, R) Residential fees and charges.

Calendar: 04/10/24 A-LOCAL GOVERNMENT 1:30 p.m. - State Capitol, Room 447 CARRILLO, JUAN, Chair

Location: 03/04/2024 - Assembly Local Government

Summary: Current law prohibits a local agency that imposes fees or charges on a residential development for the construction of public improvements or facilities from requiring the payment of those fees or charges until the date of the final inspection or the date the certificate of occupancy is issued, whichever occurs first, except that the payment may be required sooner if the local agency determines that the fees or charges will be collected for public improvements or facilities for which an account has been established and funds appropriated and for which the local agency has adopted a proposed construction schedule or plan prior to final inspection or issuance of the certificate of occupancy, or if the fees or charges are to reimburse the local agency for expenditures previously made. This bill would delete the above-described authorization for a local agency to require payment of fees or charges prior to the date of final inspection or issuance of the certificate of occupancy, whichever occurs first. (Based on 02/15/2024 text)

Position	Priority
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watch	B. Watch
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Notes - Flagged by CSDA

[AB 2947](#)

(Lackey, R) Water: turfgrass conversion.

Location: 03/11/2024 - Assembly Water, Parks and Wildlife

Summary: The Water Conservation in Landscaping Act provides for a model water efficient landscape ordinance that is adopted and updated at least every 3 years by the Department of Water Resources, unless the department makes a specified finding. This bill would prohibit the department, when it allocates funding for turf replacement programs, from excluding urban water suppliers' turfgrass conversion rebate programs if the rebate program requires the recipient of a rebate to achieve a net water savings and to use the most efficient turfgrass irrigation equipment, as provided. The bill would require an urban water supplier that offers a turfgrass conversion rebate program to report annually to the department on the number of turfgrass conversions that are funded through the program and the estimated water savings from the program. (Based on 02/16/2024 text)

Position	Priority
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watch	B. Watch
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[AB 3121](#)

(Hart, D) Urban retail water suppliers: written notice: conservation order: dates.

Location: 03/11/2024 - Assembly Water, Parks and Wildlife

Summary: Current law authorizes the State Water Resources Control Board, on and after January 1, 2025, to issue a written notice to an urban retail water supplier that does not meet its urban water use objective. Current law authorizes the board, on and after January 1, 2026, to issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. This bill would instead provide that the date the board is authorized to issue a written notice to January 1, 2026 and a conservation order to January 1, 2027. (Based on 02/16/2024 text)

Position	Priority
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watch	B. Watch
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[SB 903](#)

(Skinner, D) Environmental health: product safety: perfluoroalkyl and polyfluoroalkyl substances.

Calendar: 04/03/24 S-ENVIRONMENTAL QUALITY 9 a.m. - 1021 O Street, Room 1200 ALLEN, BENJAMIN, Chair

Location: 02/29/2024 - Senate Environmental Quality

Summary: Would, beginning January 1, 2030, prohibit a person from distributing, selling, or offering for sale a product that contains intentionally added PFAS, as defined, unless the Department of Toxic Substances Control has made a determination that the use of PFAS in the product is a currently unavoidable use, the prohibition is preempted by federal law, or the product is used. The bill would specify the criteria and procedures for determining whether the use of perfluoroalkyl and polyfluoroalkyl substances (PFAS) in a product is a currently unavoidable use, for renewing that determination, and for revoking that determination. The bill would require the department to maintain on its internet website a list of each determination of currently unavoidable use, when each determination expires, and the products and uses that are exempt from the prohibition. The bill would impose a civil penalty for a violation of the prohibition, as specified. The bill would establish the PFAS Penalty Account and require all civil penalties received to be deposited into that account and, upon appropriation by the Legislature, to be used for the administration and enforcement of these provisions, as specified. (Based on 03/18/2024 text)

Position	Priority
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watch

B. Watch

[SB 1110](#)

(Ashby, D) Urban retail water suppliers: informational order: conservation order.

Location: 02/21/2024 - Senate Natural Resources and Water

Summary: Current law authorizes the State Water Resources Control Board, on and after January 1, 2024, to issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective. Current law requires the board to consider certain information in determining whether to issue an informational order. This bill would require the board to additionally consider lower cost actions the water supplier has implemented or will implement in order to help the water supplier achieve overall water supply resiliency in determining whether to issue an informational order. (Based on 02/13/2024 text)

Position

Priority

watch

B. Watch

[SB 1121](#)

(Grove, R) Recycled water: onsite treated nonpotable water systems: local jurisdiction permitting.

Location: 02/21/2024 - Senate Environmental Quality

Summary: Current law requires the State Water Resources Control Board, in consultation with the California Building Standards Commission and the Department of Housing and Community Development, to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of nonpotable water, and requires a local jurisdiction that elects to establish a program for onsite treated nonpotable water systems to establish design criteria, permitting, cross-connection control, and enforcement procedures, as provided. This bill would require those local jurisdictions to ensure their permitting procedures require the approval of a permit for an onsite treated nonpotable water system within 60 days from the date the permit application is submitted if the application demonstrates that the project meets or exceeds the state board's water quality standards for the onsite treatment and reuse of nonpotable water for nonpotable uses in multifamily residential, commercial, and mixed-use buildings. (Based on 02/13/2024 text)

Position

Priority

watch

B. Watch

[SB 1255](#)

(Durazo, D) Public water systems: needs analysis.

Calendar: 04/24/24 S-ENVIRONMENTAL QUALITY 9 a.m. - State Capitol, Room 113 ALLEN, BENJAMIN, Chair

Location: 02/29/2024 - Senate Environmental Quality

Summary: The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various responsibilities and duties relating to the regulation of drinking water to protect public health. Current law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Current law requires the state board to annually adopt a fund expenditure plan, as provided, and requires expenditures from the fund to be consistent with the fund expenditure plan. Current law requires the state board to base the fund expenditure plan on data and analysis drawn from a specified drinking water needs assessment. This bill would require the state board to develop a needs analysis of the state's public water systems on or before May 1, 2025, and on or before May 1 of each year thereafter. (Based on 02/15/2024 text)

Position

Priority

watch

B. Watch

[SB 1330](#)

(Archuleta, D) Urban retail water supplier: water use.

Location: 02/29/2024 - Senate Natural Resources and Water

Summary: Current law requires the Department of Water Resources, in coordination with the State Water Resources Control Board, to conduct necessary studies and investigations, and recommend for adoption by the board appropriate variances for unique uses that can have a material effect on an urban retail water supplier's urban water use objective. Current law requires the department, in recommending variances, to also recommend a threshold of significance for each recommended variance. Current law requires an urban retail water supplier to request and receive approval by the board for inclusion of a variance in calculating their water use objective. Current law requires the board to post specified information on its internet website relating to variances, including a list of all urban retail water suppliers with approved variances. This bill would require the board to adopt variances recommended by the department for unique uses that can have a material effect on an urban retail water supplier's urban water use objective. The bill would provide that variances adopted by the board shall not be subject to a threshold of significance. The bill would require an urban retail water

supplier to self-certify the amount of water included in its urban water use objective that is attributable to a variance. (Based on 03/19/2024 text)

Position	Priority
watch	B. Watch

[SB 1390](#)

[\(Caballero, D\)](#) Groundwater recharge: floodflows: diversion.

Location: 02/29/2024 - Senate Natural Resources and Water

Summary: Current law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. Current law requires the appropriation to be for some useful or beneficial purpose. Current law provides, however, that the diversion of flood flows for groundwater recharge does not require an appropriative water right if certain conditions are met, including that a local or regional agency has adopted a local plan of flood control or has considered flood risks part of its most recently adopted general plan. Current law also requires the person or entity making the diversion to file with the State Water Resources Control Board a final report after the diversions cease, as provided. These requirements apply to diversions commenced before January 1, 2029. This bill would extend the operation of these requirements to diversions commenced before January 1, 2034. The bill would revise, recast, and expand the conditions that are required to be met to include a requirement that a local or regional agency make a declaration that its proposed diversion is in accordance with one of certain enumerated plans relating to flood control or flood risk, as specified, or a county emergency operations plan. (Based on 02/16/2024 text)

Position	Priority
watch	B. Watch

Priority: spot bill

[AB 2000](#)

[\(Mathis, R\)](#) State Water Project: permit and license conditions.

Location: 01/30/2024 - Assembly PRINT

Summary: Under current law, the State Water Resources Control Board administers a water rights program pursuant to which the State Water Resources Control Board grants permits and licenses to appropriate water. Current law requires the director of the department, in collaboration with the Secretary of the Interior, to prepare a plan, on or before January 1, 2006, to meet the existing permit and license conditions for which the department has an obligation, and to submit copies of the plan to the state board and the California Bay-Delta Authority prior to increasing the existing permitted diversion rate at the State Water Project's Harvey O. Banks Pumping Plant. This bill would make a nonsubstantive change to the latter provision. (Based on 01/30/2024 text)

Position	Priority
	spot bill

[AB 2171](#)

[\(Bennett, D\)](#) Water: Department of Water Resources.

Location: 02/07/2024 - Assembly PRINT

Summary: Current law establishes in the Natural Resources Agency the Department of Water Resources, which is under the control of the Director of Water Resources. Current law provides for the appointment of the director by the Governor, subject to confirmation by the Senate. This bill would make nonsubstantive changes to that provision. (Based on 02/07/2024 text)

Position	Priority
	spot bill

[AB 2661](#)

[\(Soria, D\)](#) Electricity: transmission facility planning: water districts.

Calendar: 04/03/24 A-UTILITIES AND ENERGY 1:30 p.m. - State Capitol, Room 437 PETRIE-NORRIS, COTTIE, Chair

Location: 03/21/2024 - Assembly Utilities and Energy

Summary: Current law requires the Public Utilities Commission (PUC), in consultation with the State Energy Resources Conservation and Development Commission, to provide, not later than March 31, 2024, transmission-focused guidance to

the ISO about resource portfolios of expected future renewable energy resources and zero-carbon resources. Current law requires the guidance to include the allocation of those resources by region based on technical feasibility and commercial interest in each region. This bill would require the PUC to evaluate the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025. If the PUC determines that solar electrical generation to be cost effective, the bill would require the PUC to provide, no later than the March 31 immediately following that determination, transmission-focused guidance to the ISO that includes the solar electrical generation in the resource portfolios of expected future renewable energy resources and zero-carbon resources. (Based on 03/21/2024 text)

Position

Priority

spot bill

[AB 2894](#)

(Gallagher, R) Urban water use targets: indoor residential water use.

Location: 02/15/2024 - Assembly PRINT

Summary: Existing law requires the state to achieve a 20% reduction in urban per capita water use in California. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified, and states the intent of the Legislature that the urban water use targets cumulatively result in a 20% reduction from the baseline daily per capita water use. Existing law requires the Department of Water Resources to develop technical methodologies and criteria, as provided, for purposes of these provisions. This bill would make a nonsubstantive change to the provision requiring the department to develop technical methodologies and criteria. (Based on 02/15/2024 text)

Position

Priority

spot bill

[AB 2933](#)

(Low, D) Multiunit residential structures and mixed-use residential and commercial structures: water conservation.

Location: 03/21/2024 - Assembly Housing and Community Development

Summary: Would enact the California Multiunit Residential Structure and Mixed-Use Residential and Commercial Structure Water Conservation Act. The bill would state findings and declarations of the Legislature relating to wasted water due to plumbing leaks. The bill would require the commission to research, develop, and propose building standards, including voluntary standards of the California Green Building Standards Code, to reduce water waste in existing and new multiunit residential structures and mixed-use residential and commercial structures, including requiring installation of point-of-use systems, as defined. (Based on 03/21/2024 text)

Position

Priority

spot bill

[AB 2962](#)

(Papan, D) Wholesale Regional Water System Security and Reliability Act.

Location: 03/21/2024 - Assembly Water, Parks and Wildlife

Summary: The Wholesale Regional Water System Security and Reliability Act, requires the City and County of San Francisco to adopt a specified program of capital improvement projects designed to restore and improve the bay area regional water system, as defined. Current law makes the act inoperative and repeals these provisions on January 1, 2026. This bill would extend the repeal date of the act to January 1, 2036. By extending the period of time during which certain requirements would apply to regional wholesale water suppliers and the City and County of San Francisco, the bill would impose a state-mandated local program. (Based on 03/21/2024 text)

Position

Priority

spot bill

[AB 3023](#)

(Papan, D) Environmental protection: lands and coastal waters: conservation goals: 30x30 goal.

Location: 03/21/2024 - Assembly Natural Resources

Summary: Current law requires the Natural Resources Agency, in implementing certain pathways and actions to achieve the 30x30 goal, to prioritize specified actions, including conducting public outreach to engage historically marginalized communities in the planning and implementation of the 30x30 goal. Current law requires the Secretary of the Natural Resources Agency to prepare and submit, on or before March 31, 2024, and annually thereafter, a report to the

Legislature on the progress made during the prior calendar year toward achieving the 30x30 goal, as provided. This bill would require the Natural Resources Agency to post on its internet website the criteria used to determine whether or not to approve plans submitted in pursuit of reaching the 30x30 goal, as provided. (Based on 03/21/2024 text)

Position **Priority**

spot bill

[AB 3157](#)

[\(Papan, D\)](#) California Water District Law.

Location: 02/16/2024 - Assembly PRINT

Summary: The California Water District Law (CWDL) authorizes a water district, by using any water or water supplies furnished to the district or used by the district, to construct, maintain, and operate plants for the generation of hydroelectric power from those water and transmission lines for the conveyance of that power. The CWDL authorizes a water district to join with any other district engaged in distributing water in exercising the powers granted to the district pursuant to that authorization, as described, or to execute joint power agreements with any agency formed for that purpose. This bill would make a nonsubstantive change to the latter authorization. (Based on 02/16/2024 text)

Position **Priority**

spot bill

[SB 939](#)

[\(Umberg, D\)](#) Educational equity: schoolsite and community resources: neurodivergent pupils.

Calendar: 04/10/24 S-EDUCATION 9 a.m. - 1021 O Street, Room 2100 NEWMAN, JOSH, Chair

Location: 03/20/2024 - Senate Education

Summary: The Safe Place to Learn Act requires the State Department of Education, as part of its regular monitoring and review of a local educational agency, to assess whether the local educational agency has, among other things, adopted a policy that prohibits discrimination, harassment, intimidation, and bullying, as specified, and has publicized that policy to pupils, parents, employees, agents of the governing board, and the general public. Current law also requires the department to assess whether the local educational agency has provided to certificated schoolsite employees who serve pupils in any of grades 7 to 12, inclusive, information on existing schoolsite and community resources related to the support of lesbian, gay, bisexual, transgender, and questioning pupils or pupils who may face bias or bullying on the basis of religious affiliation or perceived religious affiliation, as specified. This bill would require the department to additionally assess whether the local educational agency has provided information on existing schoolsite and community resources related to the support of neurodivergent pupils. (Based on 03/11/2024 text)

Position **Priority**

spot bill

[SB 1185](#)

[\(Niello, R\)](#) Water conservation: water use objectives.

Location: 02/14/2024 - Senate Rules

Summary: Existing law requires all water suppliers to increase the efficient use of water. Existing law establishes various water use objectives and restrictions, including urban water use objectives. Existing law requires the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water, including standards for, among other things, a volume for water loss, and requires the board, when adopting the standards, to consider policies relating to urban water use objectives and proposed efficiency standards' effects on local wastewater management, developed and natural parklands, and urban tree health. This bill would delete the requirement that the board adopt standards, for purposes of urban water use objectives, for water loss and would instead require the board to consider the policies relating to urban water use objectives and proposed efficiency standards' effects on water loss. The bill would also set forth standards, policies, and procedures relating to water use objectives, generally, including, among other things, a prohibition against any water use objective established by the board that causes a reduction of more than 20% when compared to a water supplier's actual water use in 2023 or that exceeds a water use standard recommended by the department. (Based on 03/18/2024 text)

Position **Priority**

spot bill

[SB 1360](#)

[\(Alvarado-Gil, D\)](#) Water quality: state board certification.

Location: 02/16/2024 - Senate Rules

Summary: The Porter-Cologne Water Quality Control Act authorizes the State Water Resources Control Board to certify or provide a statement to a federal agency, as required pursuant to federal law, that there is reasonable assurance that an

activity of any person subject to the jurisdiction of the state board will not reduce water quality below applicable standards. The federal act provides that if a state fails or refuses to act on a request for this certification within a reasonable period of time, which shall not exceed one year after receipt of the request, then the state certification requirements are waived with respect to the federal application. Current law authorizes the state board to issue the certificate or statement before completion of the required environmental review if the state board determines that waiting until completion of that environmental review to issue the certificate or statement poses a substantial risk of waiver of the state board's certification authority under the Federal Water Pollution Control Act or any other federal water quality control law, as provided. This bill would require the state board to issue the certificate or statement before completion of the required environmental review if the state board and Governor's Office of Business and Economic Development, in consultation with an applicant, jointly determine that the applicant's project will help the state meet its clean energy goals and increase electric reliability and waiting until completion of that environmental review to issue the certificate or statement poses a risk to the applicant of not being eligible for federal tax credits or incentives, as provided. (Based on 03/18/2024 text)

Position

Priority

spot bill

[SB 1373](#)

[\(Cortese, D\)](#) Water data dashboard.

Location: 02/16/2024 - Senate Rules

Summary: The Open and Transparent Water Data Act requires the Department of Water Resources, in consultation with the California Water Quality Monitoring Council, the State Water Resources Control Board, and the Department of Fish and Wildlife, to create, operate, and maintain a statewide integrated water data platform that, among other things, integrates existing water and ecological data information from multiple databases and provides data on completed water transfers and exchanges. This bill would require the department, with input from with the California Water Data Consortium, as defined, to create a water data dashboard that is accessible through its internet website, as specified. (Based on 03/20/2024 text)

Position

Priority

spot bill

Total Measures: 42

Total Tracking Forms: 42

**Metropolitan Water District of Southern California
State Legislative Matrix
March 11, 2024 – Second Year of Legislative Session**

Item No. 2f

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>AB 400 B. Rubio (D – Baldwin Park)</p> <p>Sponsors: California State Association of Counties, League of California Cities</p>	<p>Chaptered</p> <p>Signed by Governor Chapter 201, Statutes of 2023</p>	<p>Local agency design-build projects: authorization.</p> <p>This measure would extend the existing sunset date to January 1, 2031, for the use of design-build as a delivery method for public works contracts.</p>	<p>Support</p> <p>Based on October 2021 Board Action</p>	<p>Metropolitan’s current authority to use design-build under AB 1845 (Calderon, CH. 275, 2022) will sunset on January 1, 2028. The provisions of this bill allow Metropolitan to use design-build for future projects through January 1, 2031.</p>
<p>AB 460 Bauer-Kahan (D – Orinda)</p>	<p>Amended 5/18/23</p> <p>Two-year bill</p> <p>Senate Natural Resources and Water Committee</p>	<p>State Water Resources Control Board: water rights and usage: interim relief: procedures.</p> <p>This bill grants the State Water Resources Control Board authority to issue an interim relief order to enforce the reasonable use doctrine, water rights, water quality standards, and other provisions of water law.</p>	<p>Oppose</p> <p>Based on 2023 Water Rights Principles, adopted April 2023</p>	<p>The stated intent of this bill is aimed at deterring unlawful diversions during a drought emergency with swift State Board action and stiff penalties for violations. This bill would give the State Board expansive new authority to assume control of the State Water Project, Metropolitan or its members’ use of imported or locally sourced water, Metropolitan’s diversion and use of water on the Delta Islands, and a number of other projects and Metropolitan operations. This bill would give the Water Board the authority to assert such control with very short or no prior notice or an opportunity to be heard. The State Board also would not require the use of the California Evidence Code, meaning these expedited decisions could be made based on testimony that is hearsay or by people not qualified to testify as experts on scientific or technical issues in court.</p>

**Metropolitan Water District of Southern California
State Legislative Matrix
March 11, 2024 – Second Year of Legislative Session**

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1337 Wicks (D – Oakland)	Amended 5/18/23 Two-year bill Senate Natural Resources and Water Committee	State Water Resources Control Board: water diversion curtailment. This bill would authorize SWRCB to adopt regulations for various water conservation purposes and implement these regulations through orders curtailing the diversion or use of water under any claim of right.	Oppose Based on Metropolitan Policy Principles for Modernization of Water Rights Administration, adopted April 2023	Regardless of whether there is a drought emergency, this bill would allow the State Board, by regulation, to permanently reduce permit rights (including SWP, Colorado River pre-1914 rights, or Delta Island license, pre-1914 or riparian right diversions) upon a finding that current diversions result in a waste or unreasonable use of water or that they harm public trust (fish and wildlife) resources. This would be a new broad power to the State Board that could permanently reallocate any water rights under any water year conditions without the protection or process of individual adjudications.
AB 1567 Garcia (D-Coachella)	Amended 5/26/2023 Two-year bill Senate Natural Resources and Water Committee	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024. This measure would authorize a \$15.995 billion general obligation bond for the March 5, 2024, ballot to fund a broad range of resource-based programs that will assist California to improve its climate resiliency.	Support, if amended Based on June 2023 Board Action	This measure is consistent with Metropolitan’s current policy priorities and supports the objectives of Metropolitan’s Climate Adaptation Master Plan. Metropolitan is seeking amendments to increase funding for recycled water, dam safety, regional conveyance, drought and conservation projects.
AB 1572 Friedman (D - Glendale) Co-sponsors: Metropolitan, Local the Bay, National Resources Defense Council	Chaptered Signed by Governor Chapter 849, Statutes of 2023	Potable water: nonfunctional turf. This measure prohibits the use of potable water for the irrigation of non-functional turf located on commercial, industrial, institutional. This measure provides the State Water Resources Control Board with the authority to postpone compliance dates as prescribed.	Co-sponsor Based on April 2023 Board action	Based on input from the Board and member agencies, Metropolitan secured amendments to exclude multi-family residential buildings and protect the authority and local control of public water systems. Metropolitan is a co-sponsor of this measure.

**Metropolitan Water District of Southern California
State Legislative Matrix
March 11, 2024 – Second Year of Legislative Session**

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 1573 Friedman (D - Glendale) Sponsor: Earth Advocacy and California Native Plant Society	Amended on 9/1/2023 Two Year Bill Senator Floor – Inactive File	Water conservation: landscape design: model ordinance. This measure would update the model water efficient landscape ordinance for new or renovated nonresidential areas to require at least 25% local native plants beginning January 1, 2026. This measure would also prohibit the use of nonfunctional turf in nonresidential landscape projects after January 1, 2026.	Support Based on 2023 Legislative Priorities and Principles, adopted December 2022	This measure is consistent with Metropolitan’s effort to reduce nonfunctional turf within its service area.
AB 1648 Bains (D - Bakersfield)	Amended 3/16/2023 Dead	Water: Colorado River Conservation This measure would specifically prohibit Metropolitan and LADWP to offset federally required reductions on Colorado River resources with increased water deliveries from other regions of California, including the Delta, retroactively as of January 1, 2023.	Oppose Based on 2023 Legislative Priorities and Principles, adopted December 2022	This measure would impair Metropolitan’s flexibility with its entire water portfolio, including the Integrated Water Resources Plan and the Annual Operating Plan. Metropolitan’s reliability and its ability to meet demands would also be impaired by restrictions on partnerships with its State Water Project and Colorado River Basin stakeholders.
SB 122 Senate Committee on Budget and Fiscal Review	Chaptered Signed by the Governor Chapter 51, Statutes of 2023	Flood Flow Streamlining Provisions in this trailer bill provide that diversion of flood flows for groundwater recharge do not require an appropriative water right if specified conditions regarding the diversion are met. These provisions exempt from the California Environmental Quality Act (CEQA) specified actions related to the implementation of Colorado River water conservation agreements with the US Bureau of Reclamation.	Seek Amendments Based on Metropolitan Policy Principles for Modernization of Water Rights Administration 2023 Water Rights Principles, adopted April 2023	The no-permit authorization poses a significant concern to Metropolitan’s State Water Project supplies. There is no protest process, no requirement that diverters avoid harm to other legal water users with water rights senior to the flood flow diverter, and no protection of SWP and CVP rights to divert “excess flows” when they exist in the system up to the full capacity of the projects. Metropolitan will work with the Administration to address these issues as the program is implemented.

**Metropolitan Water District of Southern California
State Legislative Matrix
March 11, 2024 – Second Year of Legislative Session**

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 124 Senate Committee on Budget and Fiscal Review	Chaptered Signed by the Governor Chapter 53, Statutes of 2023	Green Financing Programs for Federal IRA Funding This measure contains various provisions to implement the 2023 State Budget Act, which includes authorizing the State Infrastructure and Economic Development Bank and the Department of Water Resources (DWR) to access and utilize federal funding in the Inflation Reduction Act to finance projects that reduce greenhouse emissions.	Support Based on 2023 Legislative Priorities and Principles, adopted December 2022	For the State Water Project, DWR’s direct investment in qualifying projects could lower its capital costs, which would ultimately be passed on to Metropolitan and other SWP contractors.
SB 146 Gonzalez (D-Long Beach)	Chaptered Signed by the Governor Chapter 58, Statutes of 2023	Public resources: infrastructure: contracting. This measure is part of the negotiated infrastructure trailer bill package and authorizes DWR to use the progressive design-build (PDB) project delivery method for up to eight public works projects that exceed \$25 million. The Delta conveyance facilities and seawater desalination are expressly prohibited under this measure.	Support Based on October 2021 Board Action	By utilizing PDB and awarding a project contract prior to the completion of all design work, DWR can potentially reduce overall costs and execute shorter project delivery schedules. This could lead to reduced costs for SWP-related projects-resulting in cost savings being passed on to Metropolitan.
SB 147 Ashby (D-Sacramento)	Chaptered Signed by the Governor Chapter 59, Statutes of 2023	Fully protected species: California Endangered Species Act: authorized take This measure is part of the negotiated infrastructure trailer bill package and authorizes the take of fully protected species for certain infrastructure projects if specified conditions are met. Eligible projects include the maintenance, repair and improvement of the State Water Project, as well as critical regional and local water infrastructure.	Support and Amend Based on 2023 Legislative Priorities and Principles, adopted December 2022	While this alternative may have benefits over current FPS regulations, the requirements are extensive and may make permit terms infeasible or cost prohibitive and could create other litigation risks for permittees.

**Metropolitan Water District of Southern California
State Legislative Matrix
March 11, 2024 – Second Year of Legislative Session**

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
SB 149 Caballero (D-Merced)	Chaptered Signed by the Governor Chapter 60, Statutes of 2023	California Environmental Quality Act: administrative and judicial procedures: record of proceedings: judicial streamlining. This measure is part of the negotiated infrastructure trailer bill package and makes various changes to CEQA. This bill provides clarification for what is considered as part of the administrative record, as well as allowing a public agency to deny a request to prepare the record of proceedings. This bill also provides for expedited judicial review for specified energy and transportation projects.	Support and Amend Based on 2023 Legislative Priorities and Principles, adopted December 2022	Administrative Records Streamlining: Overall, the provisions would be beneficial to Metropolitan as they could lower CEQA litigation costs and shorten litigation timelines. Expedited Judicial Review: The process for preparing the administrative record for any governor-certified infrastructure project must follow certain extensive and potentially costly specifications. While expedited judicial review is beneficial in concept, unless amended, the prerequisites may be infeasible or costly to implement.
SB 150 Durazo (D-Los Angeles)	Chaptered Signed by the Governor Chapter 61, Statutes of 2023	Construction: workforce development: public contracts. This measure is part of the negotiated infrastructure trailer bill package and focuses on strengthening the state’s workforce and community benefits with infrastructure investments through California’s share of federal funds.	Support Based on 2023 Legislative Priorities and Principles, adopted December 2022	This bill is intended to help develop procurement models to enhance the state’s training and access pipeline for jobs while ensuring community benefits on infrastructure and manufacturing investments. This bill is consistent with Metropolitan’s policy and practice and could benefit the district by helping build the next generation of the state’s construction workforce.

**Metropolitan Water District of Southern California
State Legislative Matrix
March 11, 2024 – Second Year of Legislative Session**

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>SB 366 Caballero (D - Merced)</p> <p>Sponsors: California Municipal Utilities Association, California Council for Environmental and Economic Balance, California State Association of Counties</p>	<p>Amended 6/29/2023</p> <p>Two-year bill</p> <p>Assembly Water, Parks, and Wildlife Committee</p>	<p>The California Water Plan: long-term supply targets.</p> <p>This measure would revise the California Water Plan to require the DWR to update the California Water Plan by December 31, 2028, and every five years after, to include a long-term water supply target for 2050 and discussion on the development of specified water supply sources to meet demand.</p>	<p>Support, if amended</p> <p>Based on 2023 Legislative Priorities and Principles, adopted December 2022</p>	<p>The intent of this bill is to help modernize California’s water management practices and provide long-term reliable supplies in response to the current climate challenges.</p> <p>Metropolitan is seeking amendments that include, but are not limited to, ensuring the 2050 target reflects statewide, regional, and local planning efforts and clarifying that the CA Water Plan should not establish a separate plan for complying with the Delta Plan, but should be complimentary and focus on supporting the co-equal goals of the Delta.</p>
<p>SB 659 Ashby (D – Sacramento)</p> <p>Sponsors: Sacramento Regional Water Authority</p>	<p>Chaptered</p> <p>Signed by the Governor Chapter 624, Statutes of 2023</p>	<p>California Water Supply Solutions Act of 2023.</p> <p>This bill would require DWR to develop a groundwater recharge plan by January 1, 2026, to create additional groundwater recharge capacity and include the plan as part of the 2028 update to the California Water Plan.</p>	<p>Support, if Amended</p> <p>Based on 2023 Legislative Priorities and Principles adopted December 2022.</p>	<p>This bill intends to elevate the importance of groundwater in the state’s planning efforts. Additional recharge capacities developed through implementation of this bill could potentially help in the successful implementation of projects such as Metropolitan’s Pure Water project, LADWP’s Operation Next project, and the Pure Water San Diego, potentially helping to maximize stormwater capture and increase sustainability of groundwater basins within Metropolitan’s service area.</p>
<p>SB 687 Eggman (D - Stockton)</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 63 of 153</p>	<p>Amended 5/2/2023</p> <p>Dead</p>	<p>Water Quality Control Plan: Delta Conveyance Project.</p> <p>This measure will require the State Water Resources Control Board to adopt a final update of the Bay-Delta Water Quality Control Plan before the Board considers a change in the point of diversion or any other water rights permit or order for the Delta Conveyance Project.</p>	<p>Oppose</p> <p>Based on 2023 Legislative Priorities and Principles, adopted December 2022</p>	<p>Metropolitan supports updating the Water Quality Control Plan to protect beneficial uses in the Delta. This bill would result in halting or delaying planning efforts on the Delta Conveyance Project and potentially prevent the project from operating if approved.</p>

**Metropolitan Water District of Southern California
State Legislative Matrix
March 11, 2024 – Second Year of Legislative Session**

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
<p>SB 706 Caballero (D-Merced)</p> <p>Sponsors: CA State Association of Counties; County of San Diego; Design Build Institute of America Western Pacific Chapter; League of California Cities</p>	<p>Chaptered</p> <p>Signed by the Governor Chapter 500, Statutes of 2023</p>	<p>Public contracts: progressive design-build: local agencies.</p> <p>This bill would provide additional authority, until January 1, 2023, for cities, counties, and special districts to use progressive design-build (PDB) authority for up to 10 public works projects that are in excess of \$5 million. In addition, any local agency that uses this authorized progressive-design build process must submit a report to the Legislature.</p>	<p>Support</p> <p>Based on 2023 Legislative Priorities and Principles, adopted December 2022</p>	<p>Currently, PDB-eligible projects are limited to wastewater treatment facilities, park and recreational facilities, solid waste management facilities and water recycling facilities. This bill now authorizes cities, counties and special districts, including Metropolitan, to use PDB for public works projects. This supports Metropolitan’s priority of ensuring reliable water supply deliveries throughout its service area.</p>
<p>SB 867 Allen (D-Santa Monica)</p>	<p>Amended 6/22/2023</p> <p>Two-Year Bill</p> <p>Assembly Natural Resources Committee</p>	<p>Drought, Flood and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.</p> <p>This measure would authorize a \$15.5 billion general obligation bond for a range of resource-based programs that will improve California’s climate resiliency. If approved, this measure would be on the March 5, 2024 statewide ballot.</p>	<p>Support, if amended</p> <p>Based on June 2023 Board Action</p>	<p>This measure is consistent with Metropolitan’s current policy priorities and supports the objectives of Metropolitan’s Climate Adaptation Master Plan.</p> <p>Metropolitan is seeking amendments to increase funding for recycled water, dam safety, regional conveyance, drought, and conservation projects.</p>



STAFF REPORT

To: Board of Directors

Meeting Date: April 25, 2024

From: Sherri Seitz, Public Affairs Manager

Subject: Public Education and Outreach Report

Bill Message

Customer April/May bill message: Prop 218 message to be determined.

Community Advisory Group Meeting (CAG)

The next CAG meeting is rescheduled for Thursday, May 16, 2024. Topics are to be determined.

Laguna Woods Village Television (LWVT)

A link to Director Kay Havens presentation from March can be found at <https://www.youtube.com/watch?v=US0Dngyl3oY>

Vice President Gaskins will be interviewed on the "This Day" segment on April 26th. Vice President Gaskins tentative topic will be the ETWD's 2024/2025 Budget.

ETWD Proposition 218 Notice

A copy of ETWD's final proposition 218 notice follows this report. The notice is scheduled to be distributed by the middle of May 2024.

Adopt a Channel

Staff is working with the OC Conservation Corp regarding cleanup around the sign and then will schedule a board/staff photo shoot at the site.

Reservoir 4 Exterior Repairs Project

Staff is developing a construction alert for the residents around the project site informing them of the upcoming project.

Community Events

Children’s Water Education Festival – March 27 – 28, 2024

ETWD hosted an educational activity booth at the Children’s Water Education Festival on March 27 and 28, 2024. This year staff introduced a new hands-on activity called “Flow Finders: Journey Through the Meter” that allow students to participate in groups to follow water through a water meter.

Vu Chu was instrumental in developing the water meter activity and running the sessions. The activity was a huge success. Staff working the activity were Vu Chu, Robert Hazzard, Denise Orr, Jessica Ocampo and Sherri Seitz. Eight (8) meter stations were set up that included a meter and water hookup through an array of small water tubing that all went back to a reservoir made out of a large storage container. The activity included an explanation of what a meter is, what it does, the components, reading the water meter, how to check for leaks and after activity check-in to check for student understanding of the activity.

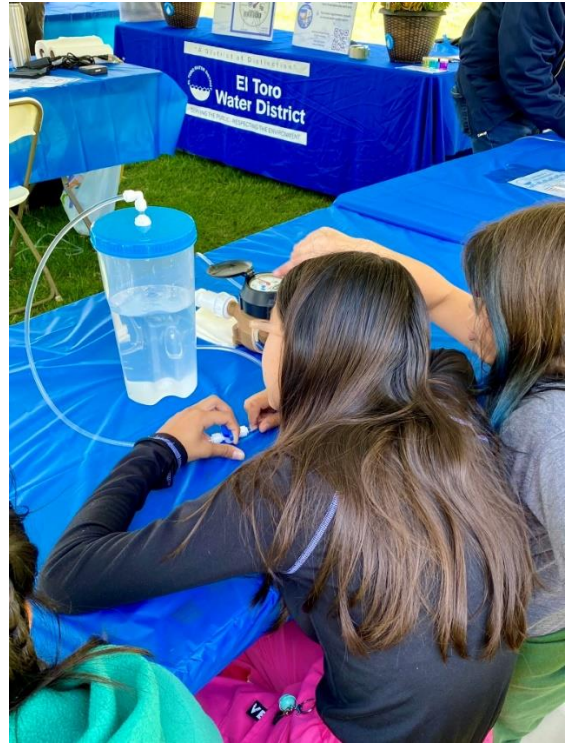
The students were engaged in the activity and we received many compliments on how much they really enjoyed the activity. Teachers and parents were also engaged and one of the evaluators returned back to the booth with other evaluators because she thought it was such a wonderful hands-on activity for the students.

Photos from the event follow:











Laguna Woods Village Earth Day – April 18, 2024

ETWD will host a booth at the Earth Day event in Laguna Woods Village on April 18, 2024 from 12 noon to 2:30 pm. at Clubhouse 5 in the ballroom.

City of Mission Viejo Earth Day/Arbor Day – April 20, 2024

ETWD will host a booth at the City of Mission Viejo Earth Day/Arbor Day event on Saturday, April 20, 2024, on Oso Creek Trail north of Jeronimo Road from 8:00 a.m. to 12 noon.

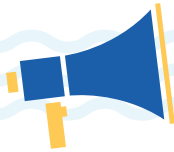


2024 Proposition 218 Notice

EL TORO WATER DISTRICT

SERVING THE PUBLIC, RESPECTING THE ENVIRONMENT

NOTICE OF PUBLIC HEARING ON PROPOSED WATER, SEWER AND RECYCLED WATER RATE/CHARGE INCREASE



PUBLIC HEARING

Thursday, June 27, 2024, at 7:30 A.M.

ATTEND IN PERSON

El Toro Water District Boardroom
24251 Los Alisos Blvd., Lake Forest, CA 92630

ATTEND VIRTUALLY

<https://zoom.us> • Meeting ID: 842 2184 8580

The El Toro Water District Board of Directors invites you to attend and participate in this public hearing. The Board of Directors will consider adopting the proposed water, sewer and recycled water rate/charge increases.



COMMUNITY INFORMATIONAL MEETINGS

June 12, 2024, 5:30 p.m.

Zoom: <https://zoom.us> • Meeting ID: 822 6980 1501

June 19, 2024, 7:00 p.m.

Zoom: <https://zoom.us> • Meeting ID: 879 7170 0362

MEETING LOCATION

El Toro Water District Boardroom
24251 Los Alisos Blvd., Lake Forest, CA 92630

ETWD will answer customer questions and share information about the rate study and the proposed rate increases at two community meetings.



KEEPING PACE WITH RISING COSTS PROPOSED RATE INCREASES

In compliance with Proposition 218, the District is notifying all customers about proposed changes to the District's water and recycled water usage rates. You are receiving this notice because you are a customer of the El Toro Water District. Each year the District's Board of Directors adopts an annual operating budget. Part of the budgeting process is to assess the adequacy of the District's rates and charges. Of utmost importance is the effort to minimize costs (including rates) while maintaining the integrity and reliability of the District's infrastructure and the District's financial stability. To assist the District in this endeavor, the District retains an independent outside financial consultant who specializes in Cost of Service analysis and rate setting. Last year the District adopted rate increases for a three-year period and provided notice to its customers per the requirements of Proposition 218. The rate increases for the 2024/2025 fiscal year for the Water and Sewer Operations and Maintenance Charges, the Private Fire Operations and Maintenance Charge and the Capital Replacement and Refurbishment Charges will remain as adopted last year and described in the 2023 Proposition 218 Notice.



THE 2024 PROPOSITION 218 NOTICE AND THE PROPOSED 2024/2025 FISCAL YEAR BUDGET CAN BE FOUND ON THE DISTRICT'S WEBSITE WWW.ETWD.COM, UNDER THE GOVERNANCE TAB. FOR ASSISTANCE IN DETERMINING THE IMPACT OF THE PROPOSED RATE INCREASE ON YOUR MONTHLY BILL, YOU MAY ACCESS A WATER BUDGET CALCULATOR ON THE DISTRICT'S WEBSITE UNDER THE CUSTOMER SERVICE TAB, OR CALL OUR CUSTOMER SERVICE REPRESENTATIVES AT (949) 837-0660.

RECYCLED WATER USAGE RATES

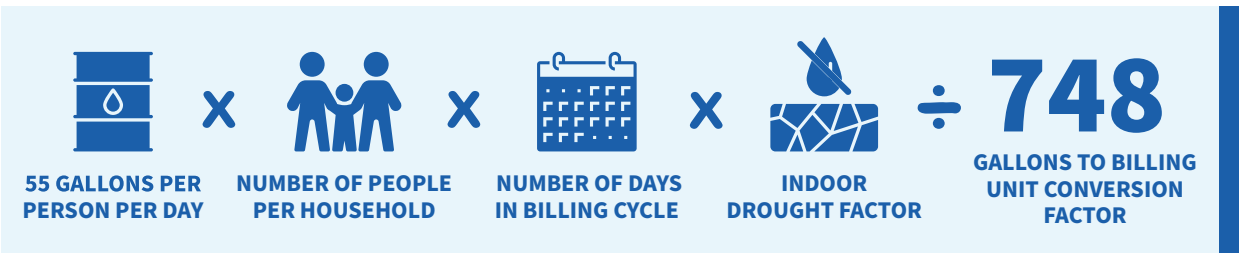
To recover the cost of producing and delivering recycled water for irrigation purposes, the uniform Recycled Water Usage Rate (\$3.03/ccf) is proposed to increase by \$0.24/ccf to \$3.27/ccf. The Recycled Water Usage Rate will become effective with the first full billing period after July 1, 2024.

2023-24 CURRENT RECYCLED WATER USAGE RATE	2024-25 PROPOSED RATE (\$/CCF*)	
\$3.03	\$3.27	*1 Billing Unit or "ccf" = 748 gallons

POTABLE WATER BUDGET CALCULATION · RESIDENTIAL CUSTOMERS

A per-meter, customer-specific water budget is calculated to meet the efficient demands for indoor domestic water use as well as outdoor irrigation under normal operating and water supply conditions. In emergencies or water supply shortage conditions, the District may use a Drought Factor ("DF") to reduce water budgets and further encourage conservation. A water budget is the sum of the indoor and outdoor water budgets.

INDOOR WATER BUDGET



The indoor water budget is calculated in hundred cubic feet (ccf). 1 billing unit of water is equal to 100 cubic feet, or 748 gallons. The current Drought Factor is set to 100% meaning that there is no current reduction in the indoor water budget due to drought conditions. Household sizes are assumed as follows:

- **SINGLE-FAMILY RESIDENTIAL DETACHED HOMES: 4 PEOPLE**
- **APARTMENTS: 2 PEOPLE**
- **ATTACHED TOWNHOME OR CONDOMINIUM: 3 PEOPLE**
- **ATTACHED TOWNHOME OR CONDOMINIUM WITH AGE RESTRICTIONS: 2 PEOPLE**



OUTDOOR WATER BUDGET



WEATHER
DATA



LANDSCAPE
AREA



EVAPOTRANSPIRATION
ADJUSTMENT FACTOR/1200



OUTDOOR
DROUGHT FACTOR

The **outdoor water budget allocation** is calculated in ccf.

- Weather data is measured by the reference EvapoTranspiration (ET_o) data in inches of water per billing cycle. ET is the amount of water that is lost by plants through evaporation and transpiration, and needs to be replaced for the plants to remain healthy. ET_o data is obtained from California Irrigation Management Information System (CIMIS) Station 75 established by the State of California Department of Water Resources, Office of Water Use Efficiency;
- The landscape area for multi-family accounts, including apartments, condominiums and mobile homes, is 25 square feet of landscape per dwelling unit plus any dedicated landscape area associated with the account;
- The landscape area for single-family detached homes is calculated by taking the building area and dividing it by the number of floors and subtracting that from the parcel area. The result is then multiplied by 70% to obtain the landscape area as follows:
- Landscape area = (lot size - [building area / number of floors]) X 70%
- ET Adjustment Factor (ETAF) is a coefficient that adjusts the EvapoTranspiration (ET_o) values based on type of plants and irrigation system efficiency. Based on the updated Model Water Efficient Landscape Ordinance developed by the California Department of Water Resources, any landscape installed before January 1, 2010, has an ETAF of 0.8, and new landscape has an ETAF of 0.7. New landscape is defined as new or re-developments. Any new construction installed after 1/1/2019 will be assigned an ETAF of 0.55.
- 1200 is the conversion factor from inches of water (derived from weather data) X square feet (landscape area) to ccf (outdoor water budget).
- DF_{outdoor} is the outdoor drought factor set by the Board of Directors. The current drought factor is set to 100% meaning that there is no current reduction in the outdoor water budget due to drought conditions. This factor is not necessarily the same as the DF for indoor.

Under normal water supply conditions and circumstances, customers may request a variance/adjustment to provide an equitable water budget for special circumstances, such as occupancy greater than the assumed baseline, medical needs, establishing new landscaping and changes in irrigation landscape area. In emergency or water supply shortage conditions, variances/adjustments may be limited.

The indoor water budget, as determined above, will be billed at Tier I (“Indoor - Efficient”) rates. The outdoor water budget, as determined above, will be billed at Tier II (“Outdoor - Efficient”) rates. Water use in excess of the Tier I and II water budget would be deemed inefficient and/or excessive. Tier III (“Inefficient”) water use would be usage between 100% and 130% of the Tier I and II water budget (or Total Water Budget) and Tier IV (“Excessive”) usage would be consumption over 130% of Total Water Budget.

POTABLE IRRIGATION CUSTOMERS

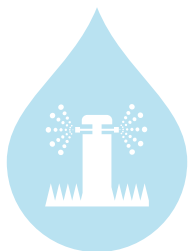
Potable Irrigation customers fall into one of two categories: Recreational or Non-Functional. Recreational irrigation customers are those whose landscape is used mostly for recreational purposes (i.e., parks, golf courses, soccer fields, etc.), while Non-Functional irrigation customers will be those whose landscape is ornamental in nature (greenbelts, medians, etc.).

The irrigation water budget for dedicated irrigation customers in ccf is calculated as follows:

- $(\text{Weather data} \times \text{Landscape area} \times \text{ETAF}/1200) \times \text{DF}_{\text{outdoor}}$
- Weather data (ET_o) as described in the section above,
- Landscape area is assumed to be the lesser of 100% of total parcel area or 100% of the measured landscape area served by each meter, ET adjustment factor (ETAF) is equal to 0.8 for Non-Functional irrigation and 1 for Recreational irrigation customers based on the updated Model Water Efficient Landscape Ordinance, and $\text{DF}_{\text{outdoor}}$ is the outdoor drought factor (set by the Board of Directors). The current drought factor is set to 100% meaning that there is no current reduction in the outdoor water budget due to drought conditions. This factor is not necessarily the same as the DF for indoor.

All of an irrigation customer's Water Budget will be at Tier II ("Outdoor - Efficient"). Water use in excess of the Tier II water budget would be deemed inefficient and/or excessive. Tier III ("Inefficient") water usage would be between 100% and 130% of the Tier II budget and Tier IV ("Excessive") water usage would be consumption over 130% of the Tier II budget.

POTABLE IRRIGATION CUSTOMERS' BUDGET



WEATHER DATA



LANDSCAPE AREA



EVAPOTRANSPIRATION
ADJUSTMENT FACTOR/1200



OUTDOOR
DROUGHT FACTOR

POTABLE WATER USAGE RATES

Given the lack of available groundwater supply, the District purchases 100% of its potable (drinking) water supply to meet residential, potable irrigation, commercial/public authority and fire protection demands from its wholesale water provider, the Municipal Water District of Orange County (MWDOC). MWDOC purchases water from the Metropolitan Water District of Southern California (MWD). MWDOC/MWD's costs to import water from Northern California and the Colorado River are driven by continued investment in regional water treatment and delivery system infrastructure, increased water importation costs, securing higher cost water supplies and water storage arrangements due to Northern California Bay-Delta (Bay Delta) regulatory exportation restrictions and increased funding to pursue long term Bay-Delta solutions (The Delta Conveyance Project) and other water supply projects that will ensure a greater degree of future water supply reliability to Orange County and Southern California more generally.

To diversify and improve water treatment reliability for South Orange County, the District and four other water agencies partnered to fund and construct the Baker Water Treatment Plant in Lake Forest. The Baker plant provides increased water reliability from a diversity of water sources, including imported untreated water from MWD and local surface water from Irvine Lake.

The cost of purchased water includes what the District pays MWDOC for wholesale imported water treated by MWD, the amount the District pays MWDOC for untreated imported water supplied to the Baker Water Treatment Plant and what the District pays Irvine Ranch Water District for Operations and Maintenance (O&M) costs associated with the treatment and delivery of water from the Baker Water Treatment Plant. The amount the District pays for the purchase of water delivered to its customers is the amount "passed through" to the District's customers and is part of the Potable Water Usage Charge. The indoor Tier I and Uniform Commercial Usage rates are reduced by an offsetting credit (funded by non-rate revenue) to recognize that the highest and best use of potable water is for indoor health, safety and sanitation purposes. Tier II rates are applied to usage in volumes typically used outside the home for landscape irrigation. Tiers III and IV rates are applied to usage exceeding the combined Tier I indoor and Tier II outdoor efficient water use budgets. Tiers III and IV rates include the actual costs to purchase and deliver water from the District's wholesale water provider plus charges to fund the District's conservation and alternative supply development programs.

Increases to the ETWD potable water usage charge reflect only the increased costs of purchased water. No portion of ETWD operating expenses is funded by any of the usage charge increases. The MWD water rate is increasing by an amount greater than anticipated in last year's 218 Notice. In addition, the Operations and Maintenance (O&M) costs associated with the treatment and delivery of water from the Baker Water Treatment Plant have also increased more than previously anticipated. The potable water usage rates are therefore being increased to pass through the increased cost of purchased water.

The Potable Tiered Water Usage Rates are proposed to increase by \$0.26/ccf in each tier to reflect the increased costs of purchased water. The Potable Water Usage Rate increase will become effective with the first full billing period after July 1, 2024.

PROPOSED MONTHLY TIERED WATER USAGE RATES

WATER USAGE RATES	2023-24 CURRENT RATE (\$/CCF*)	2024-25 PROPOSED RATE (\$/CCF*)
Tier I - Indoor Efficient	\$3.00	\$3.26
Tier II - Outdoor Efficient	\$3.37	\$3.63
Tier III - Inefficient	\$6.70	\$6.96
Tier IV - Excessive	\$8.67	\$8.93
Commercial, Institutional and Industrial ("CII")	\$3.49	\$3.95

*1 Billing Unit or "ccf" = 748 gallons





El Toro Water District
24251 Los Alisos Blvd.
Lake Forest, CA 92630

NOTICE OF PUBLIC HEARING ON PROPOSED WATER, SEWER AND RECYCLED WATER RATE/CHARGE INCREASE PUBLIC HEARING AND PROTEST PROCEEDING

PUBLIC HEARING AND PROTEST PROCEEDING



PUBLIC HEARING

The Governing Board of the El Toro Water District will conduct a public hearing on **June 27, 2024, at 7:30 a.m.** The purpose of the hearing will be to consider adoption of the proposed Potable Water Usage Rate increase, the proposed Recycled Water Usage Rate increase, the proposed Water, Sewer, Recycled Water, and Private Fire Operations and Maintenance Charge increases, and the Water, Sewer, and Recycled Water Capital Replacement & Refurbishment Charges increase.



HOW TO SUBMIT A WRITTEN PROTEST

Property (parcel) owners or customers of record may comment and file a written protest (one vote per parcel) on the proposed increases. California law prohibits the District from increasing charges if protests are filed from a majority of the affected parcels before the end of the public hearing. Written protests must be mailed to the District at **P.O. Box 4000, Laguna Hills, CA 92654**, emailed to the District at **District@etwd.com** or personally submitted on or before the end of the public hearing, which is scheduled for **7:30 a.m. on June 27, 2024**. Each protest must identify the affected property and include the signature of a record property owner unless the protest is emailed, in which case no signature is required. Oral protests at the public hearing will not qualify as a protest, unless accompanied by a written protest. The District's Board of Directors welcomes input from the public during the public hearing. California law (Government Code Section 53759) provides a 120-day statute of limitations for judicially challenging the adoption of the rates and charges which are the subject of this notice.



STAFF REPORT

To: Board of Directors

Meeting Date: April 25, 2024

From: Vu Chu, Water Use Efficiency Analyst

Subject: Water Use Efficiency Report

Rebate Programs:

The SoCal WaterSmart regional rebate program is available to ETWD customers provided by the Metropolitan Water District of Southern California, the Municipal Water District of Orange County and ETWD.

The following tables reflect the ETWD customer device rebates available to customers from July 2022 through June 30, 2024.

Select device purchases are eligible for rebates while meeting eligibility requirements and subject to funding availability. Rebate information can be found at www.etwd.com/conservation/rebates.

Residential Rebate Programs:

Device	MET Rebate	MWDOC Grant	ETWD Rebate	Total Rebate (up to)
High Efficiency Clothes Washer	\$85		\$115	\$200
Premium High Efficiency Toilet	\$40		\$60	\$100
Rotating Sprinkler Nozzles (min 30 per home)	\$2 ea			\$2
Smart Irrigation Timer	\$80	\$100	\$70	\$250
Turf Removal Program (up to 5,000 sq ft)*	\$2 sq. ft.	\$1 sq. ft.	\$1 sq. ft.	\$4 sq. ft.

Soil Moisture Sensor System <1 Acre >1 Acre	\$80 \$35/station	\$100	\$70	\$250 \$35/station
Hose Bib Irrigation Controller	\$35			\$35
Rain Barrels Cisterns (200 -500 gallon) (501-999 gallon) (1,000 gallon or more)	\$35 \$250 \$300 \$350			\$35 \$250 \$300 \$350
Spray to Drip Irrigation (up to 5,000 sf of converted area per fiscal year)		\$0.50 sq. ft.	\$0.25 sq. ft.	\$0.75 sq. ft.

*Designated recycled water sites are not eligible for turf removal rebates. MWDOC Grant funding based on availability. ETWD has discontinued funding of synthetic turf rebates.

Commercial Rebate Programs:

Device	MET Rebate	MWDOC Grant	ETWD Rebate	Total Rebate (up to)
Premium High Efficiency Toilet	\$40			\$40
Multi-family Premium High Efficiency Toilet	\$40			\$40
Zero Water/Ultra Low Water Urinal	\$200			\$200
Plumbing Flow Control Valve (min. 10)	\$5			\$5
Smart Irrigation Timer/Central Computer Irrigation Controller/Soil Moisture Sensor System/Hose Bib Irrigation Controller	\$35/station			\$35/station
Rotating Sprinkler Nozzles (minimum quantity of 15)	\$2			\$2
Rotating Nozzles – Large Rotary	\$13			\$13
Turf Removal Program (up to 50,000 sq ft MET-MWDOC/up to 10,000 sq. ft. ETWD funding)*	\$2 sq. ft*			\$2 sq. ft.*

Spray to Drip Irrigation (up to 45,000 sq. ft)		\$0.50 sq. ft.		\$0.50 sq. ft.
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*Designated recycled water sites are not eligible for turf removal rebates. Synthetic turf is not eligible for the turf removal rebate. Additional commercial rebates available online at ocwatersmart.com. MWDOC Grant funding based on availability.

Actual Customer Rebates Analysis:

The following ETWD residential customer and commercial customer device rebates were approved by the Metropolitan Water District and the Municipal Water District of Orange County during the month of March 2024.

Residential Device Rebates	Rebates Approved March 2024	ETWD Amount Paid	MET Amount Paid	Total Rebate Paid
High Efficiency Clothes Washer	2	\$230	\$170	\$400.00

The following ETWD rebates for Turf Removal Program and Spray-To-Drip Program that have been paid during the current fiscal year 2023/2024 through the end of March 2024.

Turf Removal Program	Total Square Feet	ETWD Supplemental Amount	ETWD Supplemental Rebate Total
Turf Removal – Residential	8,780	\$1 sq. ft.	\$8,780.00
Turf Removal - Commercial	27,432	\$0	\$0
Spray-To-Drip - Residential	4,185	\$0.25 sq. ft.	\$1,046.25
Spray-To-Drip - Commercial	1,764	\$0	\$0

Water Use Efficiency Plan Update:

The District Water Budget-Based Tiered Conservation Rate Structure (WBBTCRS) pricing structure is the primary plan that gives customers the incentive needed to be efficient. The Plan efforts initially will concentrate on those customers continually in the Inefficient and Excessive Tiers (Tiers 3 and 4). [During March 2024, residential customers accounted for](#)

93.9% of Tier 3 usage and dedicated irrigation accounted for 6.1%. For Tier 4, residential customers accounted for 78.8% and dedicated irrigation accounted for 21.2% during the same period.

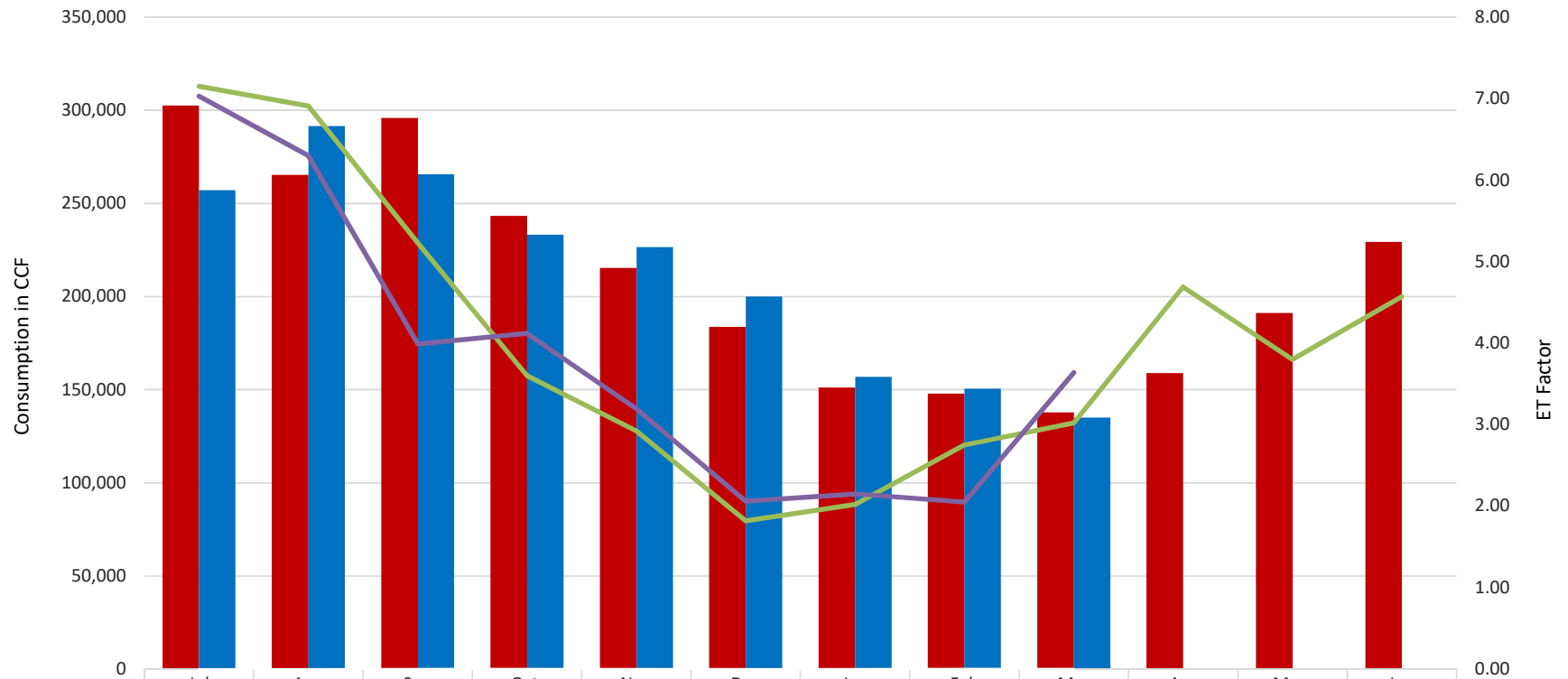
Total Consumption Comparison to Evapotranspiration (ET) Factor:

Included in this month's Water Use Efficiency Report is a chart comparing the current fiscal year consumption and ET factor to the fiscal 2022/23 consumption and ET factor. Total potable water consumption decreased 2.06% in March 2024 versus March 2023. The ET factor increased from 3.02 to 3.64 during the same period.

ETWD Tier Consumption Information and Usage Information Compared to Previous Years:

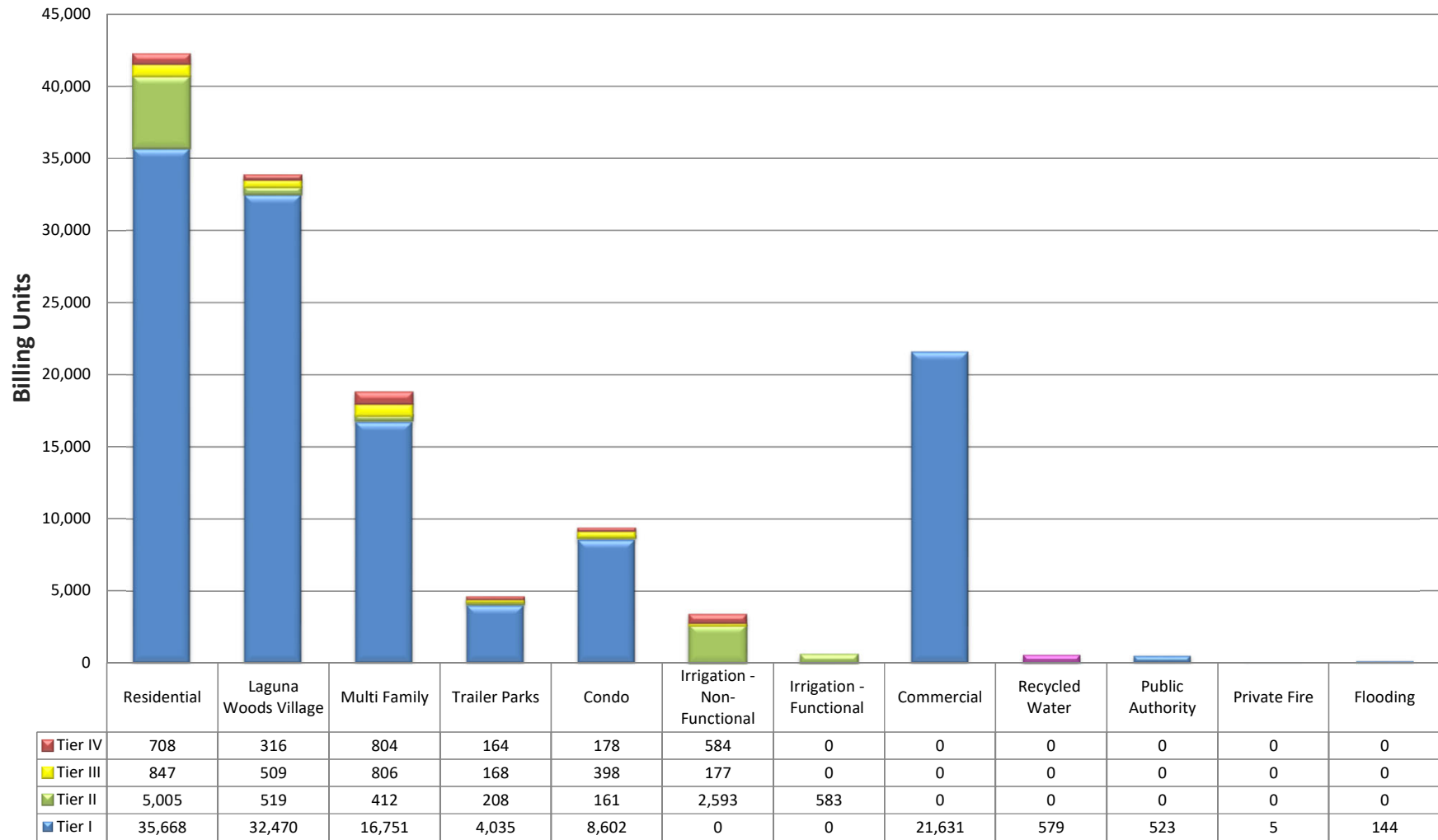
The following graphs highlight ETWD year-to-date consumption and consumption by tier for the current fiscal year compared to 2022-2023 fiscal year. ETWD water consumption compared to 2013 and 2020 are also included.

Total Consumption Comparison (CCF)

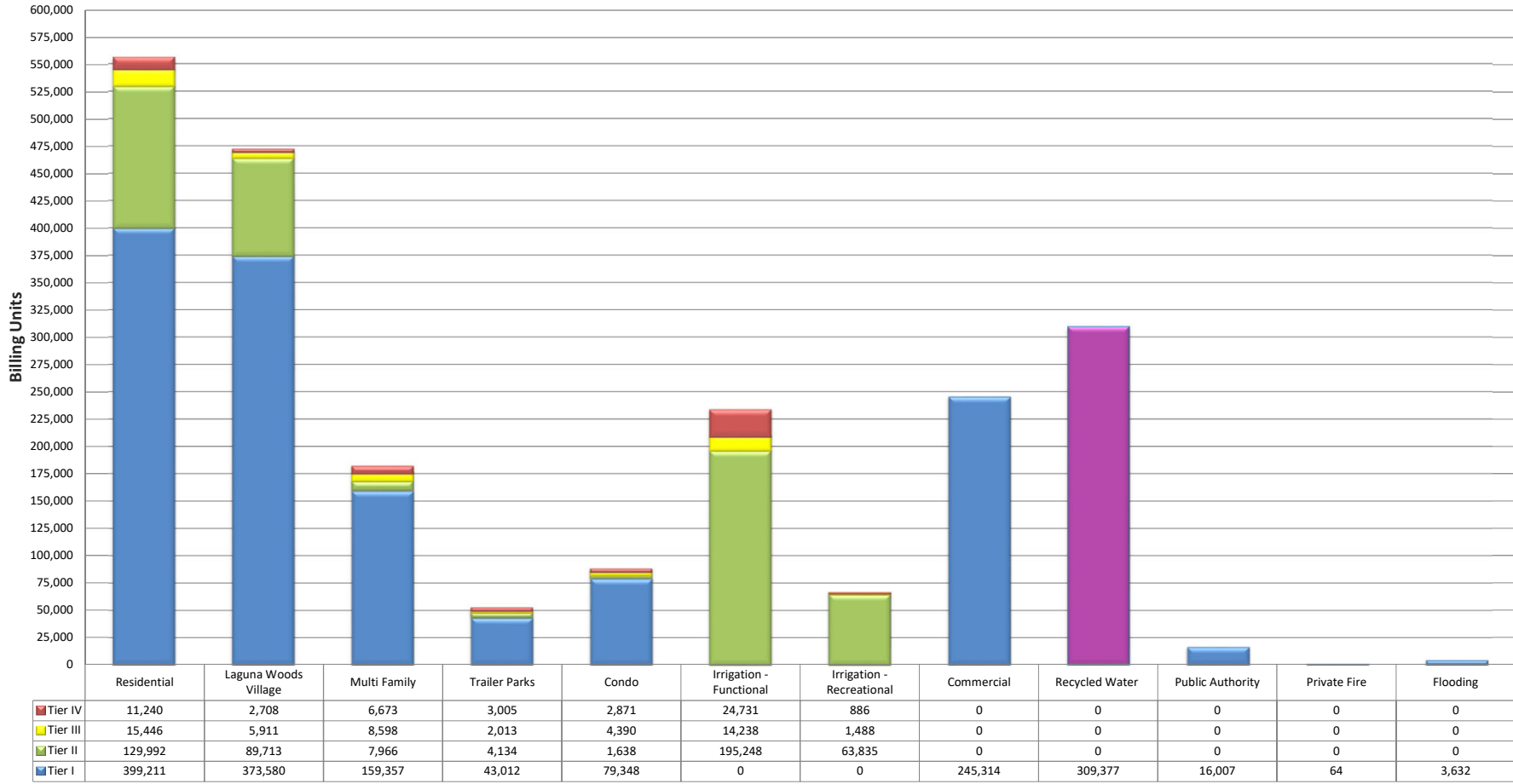


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
■ FY 2022-2023	302,569	265,312	295,875	243,292	215,271	183,731	151,223	147,895	137,806	158,858	191,244	229,339
■ FY 2023-2024	257,133	291,565	265,582	233,191	226,607	199,886	156,877	150,439	134,969			
% Change	-15.02%	9.90%	-10.24%	-4.15%	5.27%	8.79%	3.74%	1.72%	-2.06%			
— FY 22/23 ET	7.15	6.91	5.23	3.60	2.92	1.82	2.02	2.75	3.02	4.69	3.80	4.57
— FY 23/24 ET	7.03	6.30	3.99	4.12	3.19	2.06	2.15	2.05	3.64			

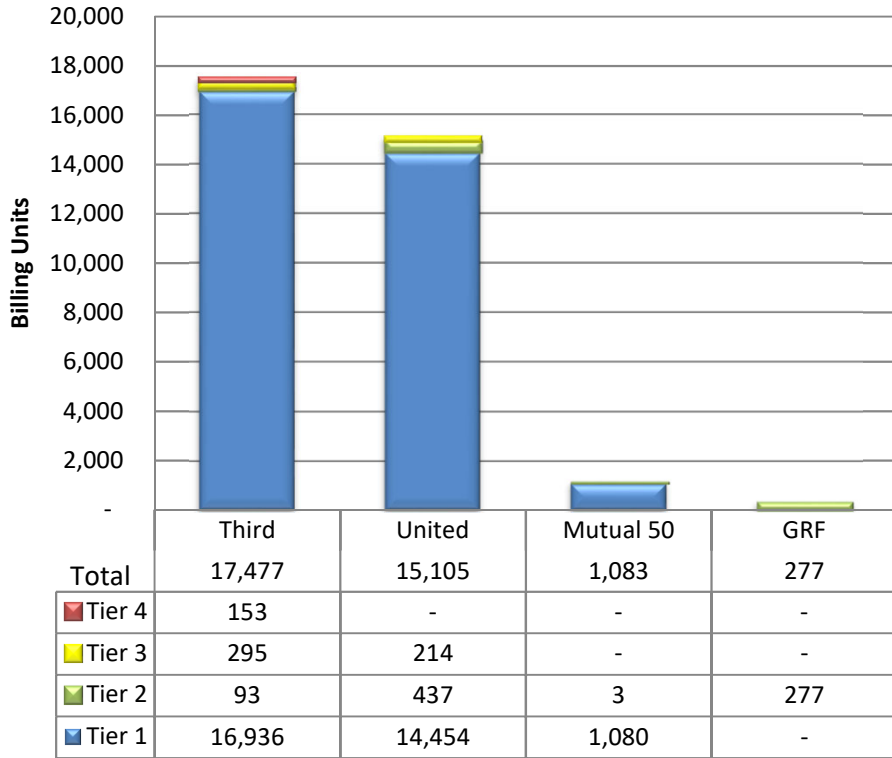
March 2024 Water Sales



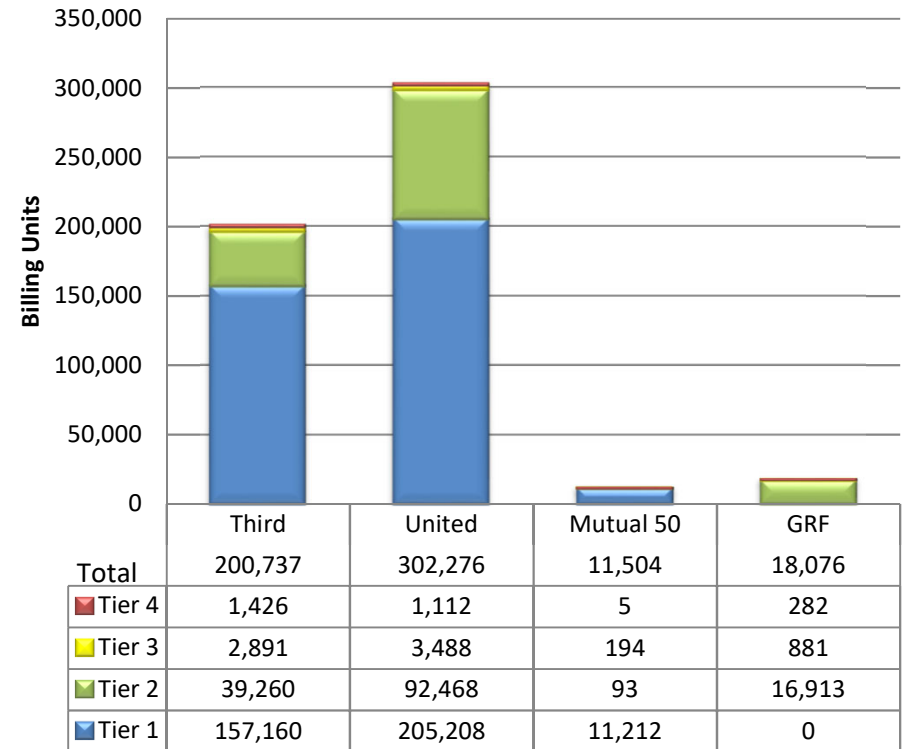
Year-to-Date Water Sales as of March 2024



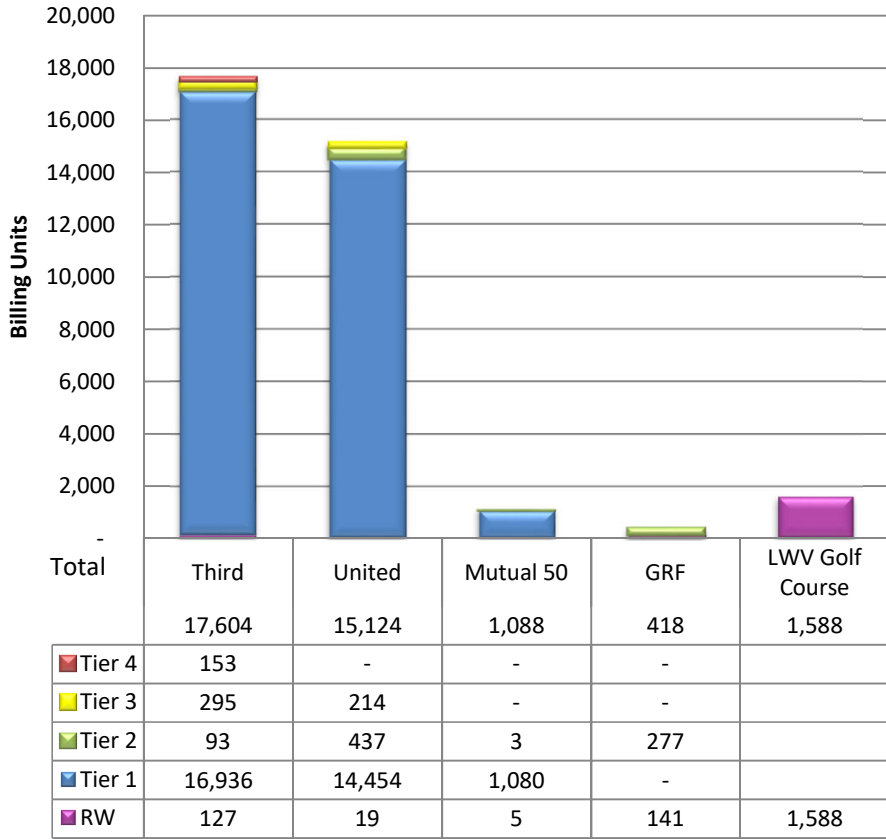
Laguna Woods Village March 2024 Water Sales



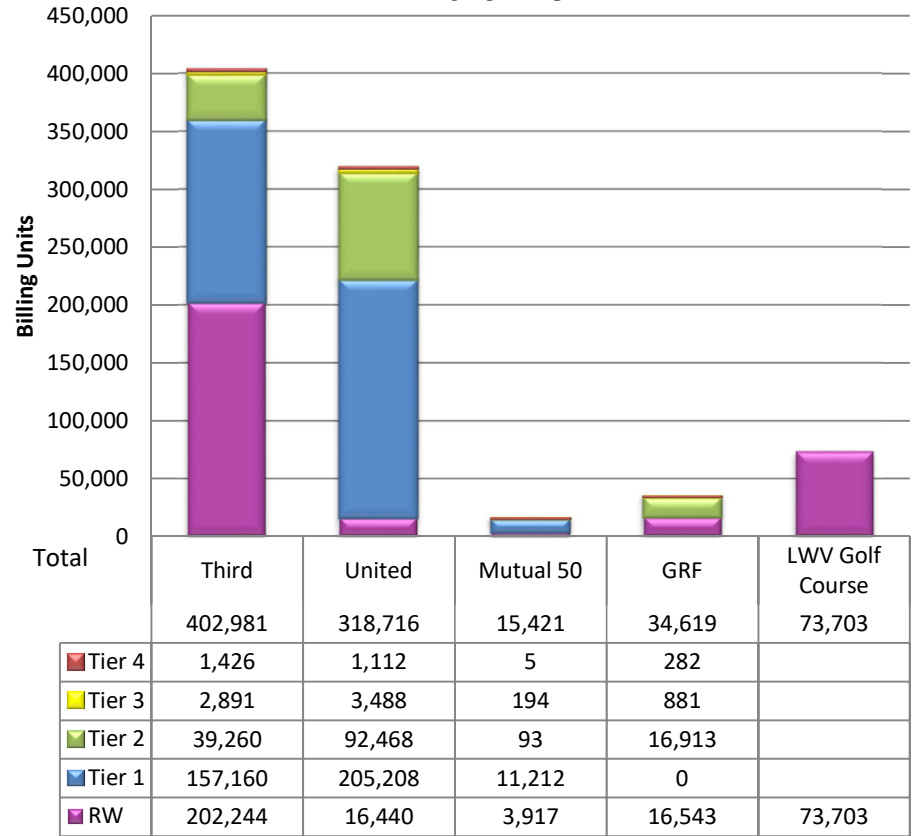
Laguna Woods Village Year-to-Date Water Sales March 2024



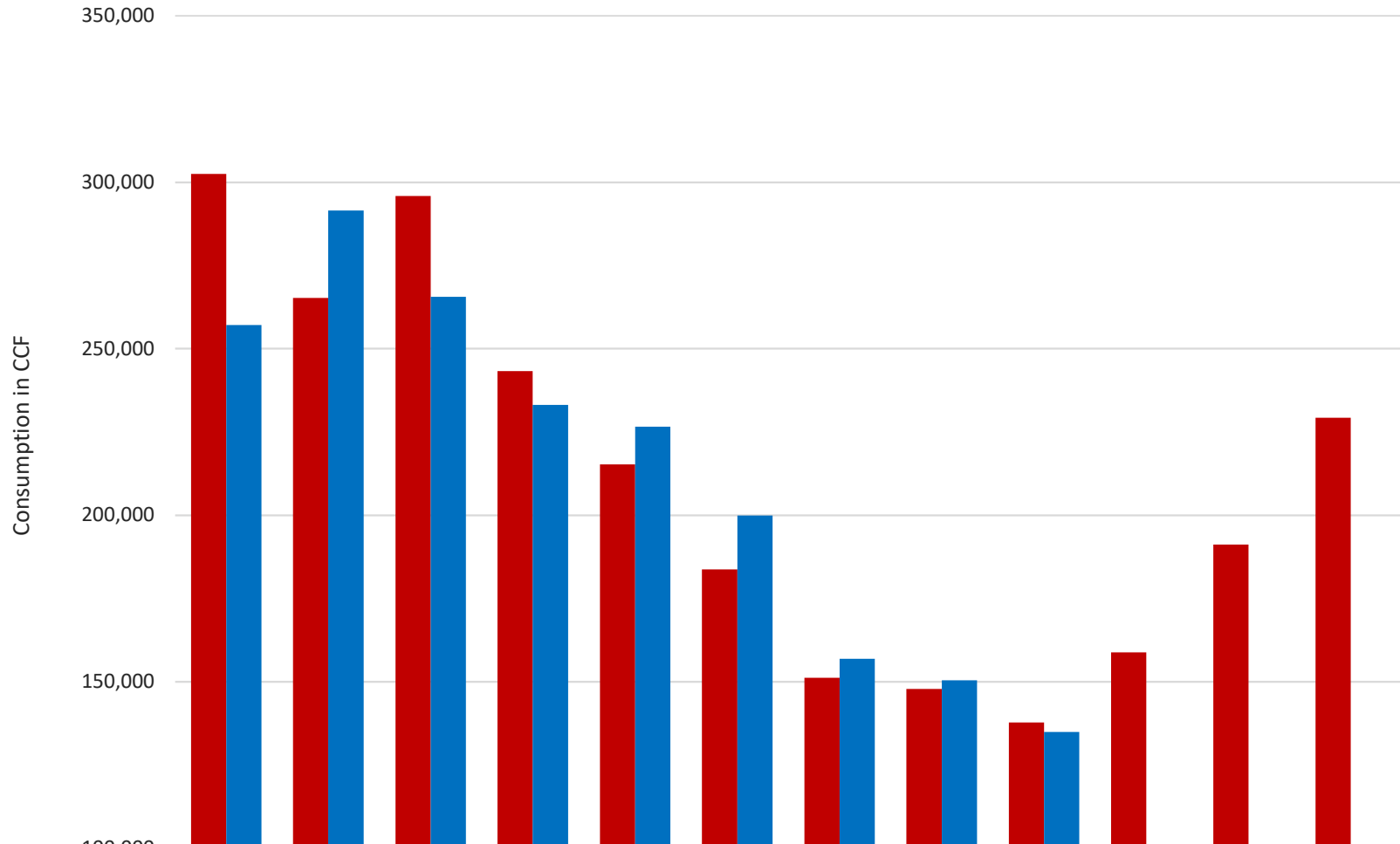
Laguna Woods Village March 2024 Water & RW Sales



Laguna Woods Village Year-to-Date Water & RW Sales March 2024

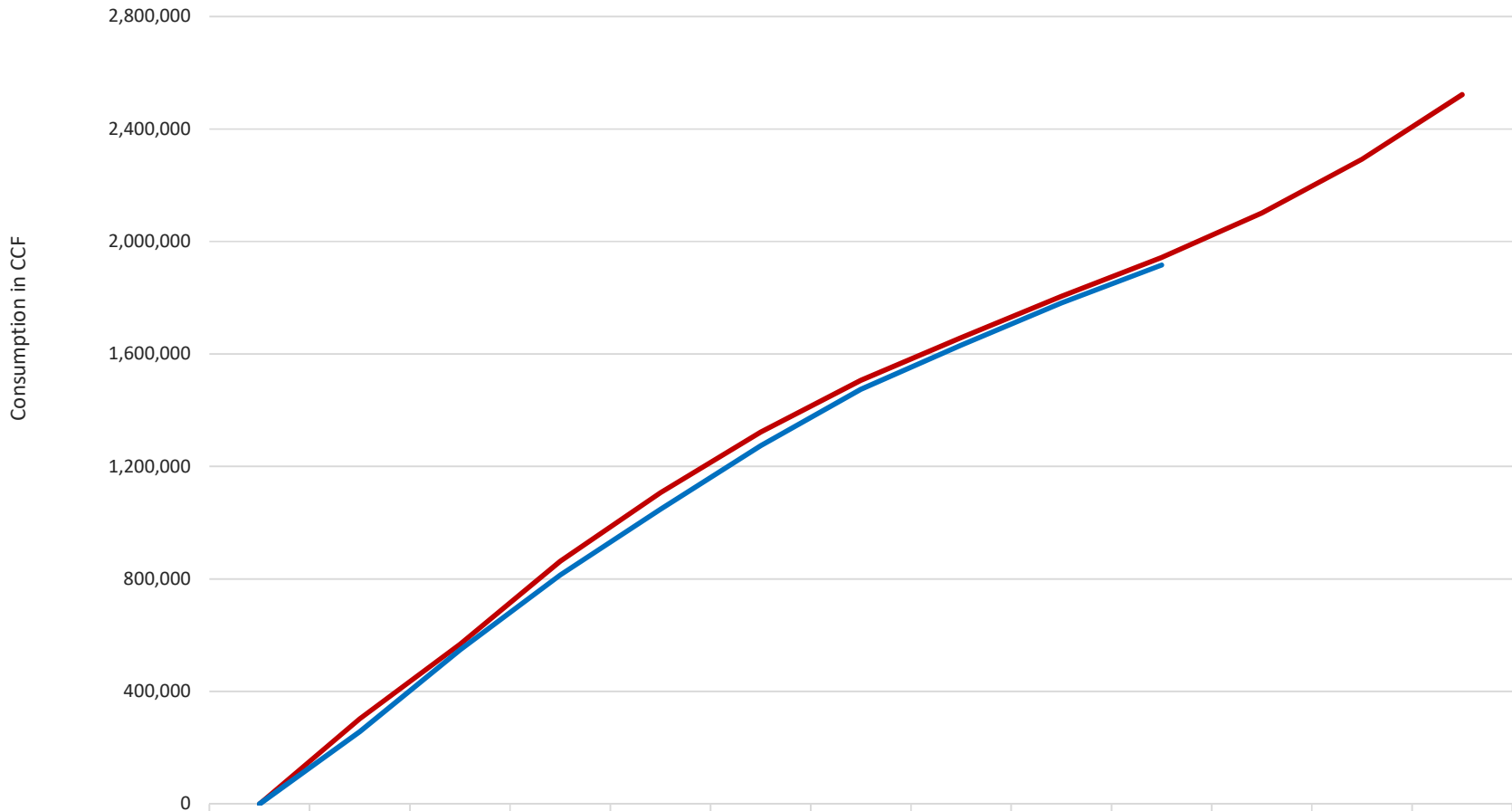


ETWD Total Consumption



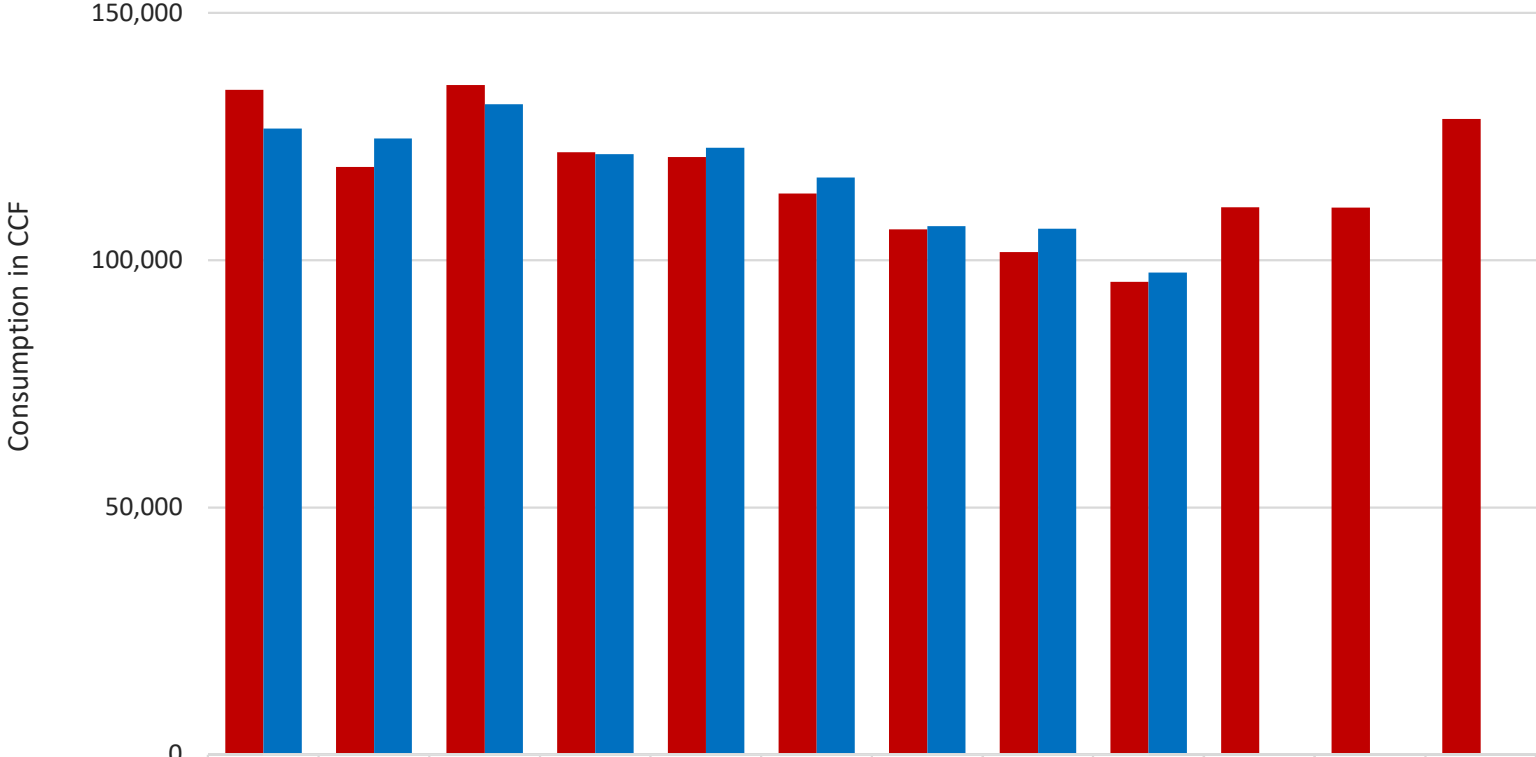
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
■ 2022-2023	302,569	265,312	295,875	243,292	215,271	183,731	151,223	147,895	137,806	158,858	191,244	229,339
■ 2023-2024	257,133	291,565	265,582	233,191	226,607	199,886	156,877	150,439	134,969			
% Change	-15.02%	9.90%	-10.24%	-4.15%	5.27%	8.79%	3.74%	1.72%	-2.06%			

ETWD Fiscal YTD Consumption



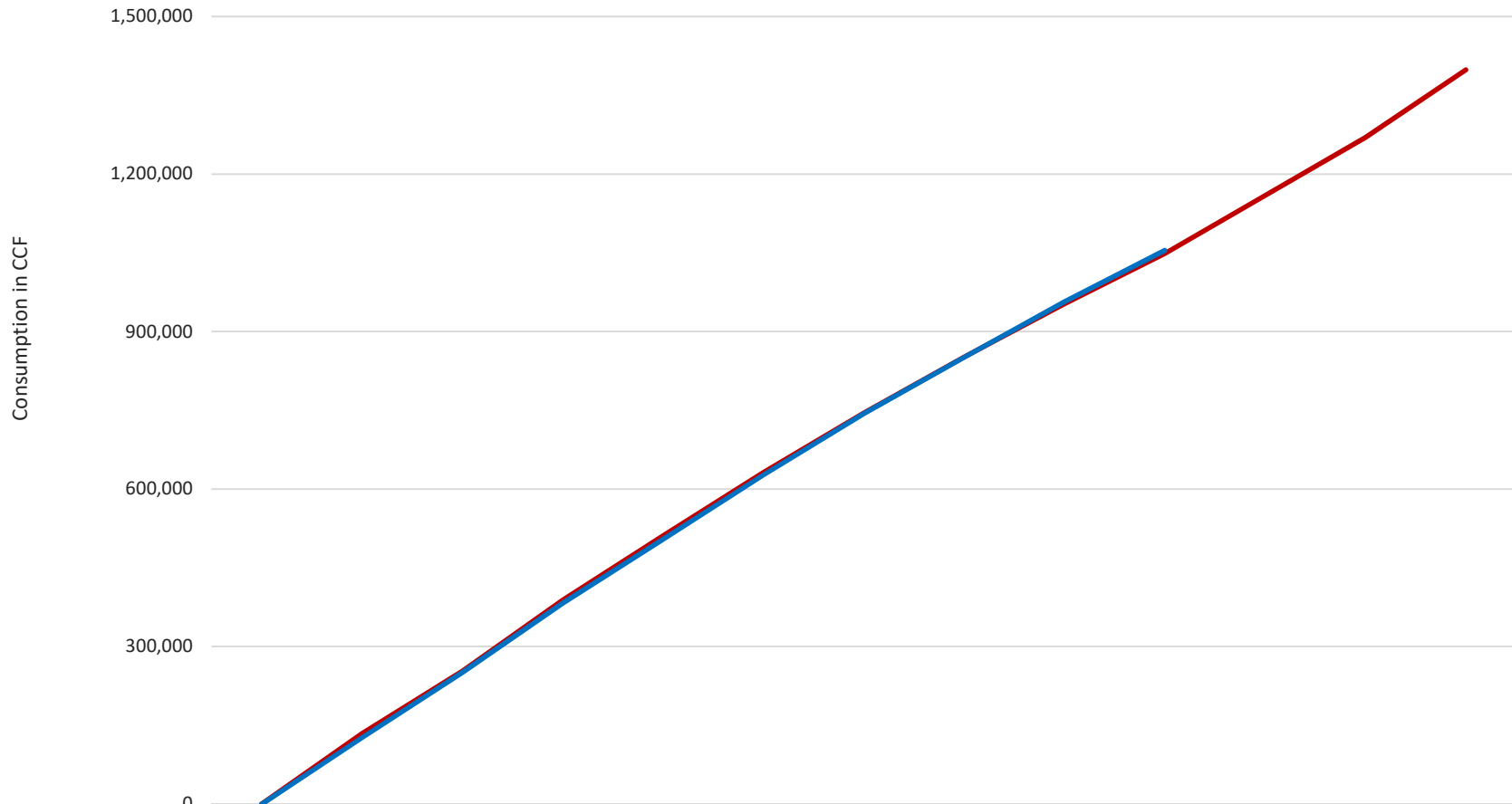
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	302,569	567,881	863,756	1,107,04	1,322,31	1,506,05	1,657,27	1,805,16	1,942,97	2,101,83	2,293,07	2,522,41
2023-2024	0	257,133	548,698	814,280	1,047,47	1,274,07	1,473,96	1,630,84	1,781,28	1,916,24			
% Change		-15.02%	-3.38%	-5.73%	-5.38%	-3.65%	-2.13%	-1.59%	-1.32%	-1.38%			

Tier I Consumption



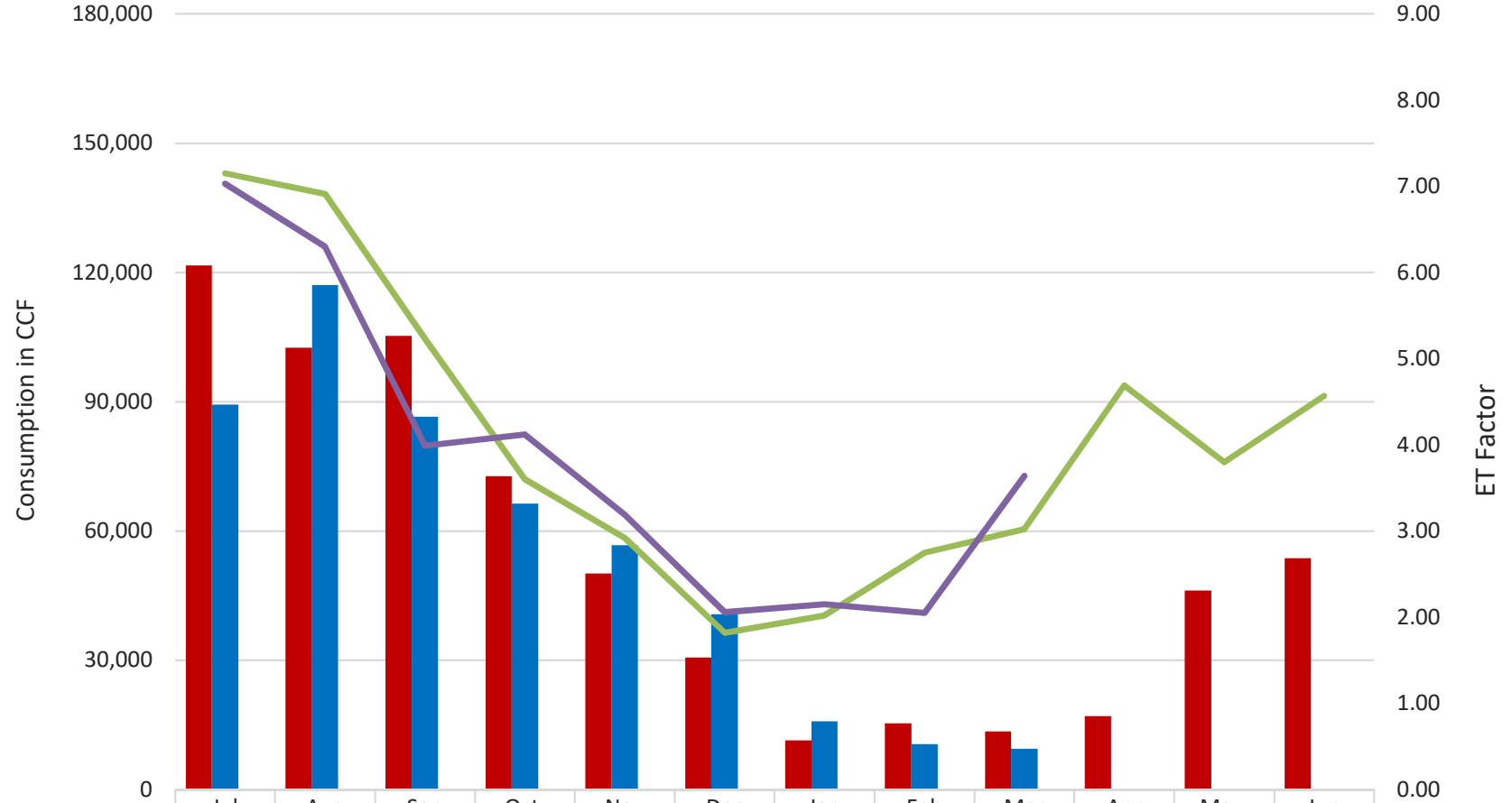
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	134,45	118,83	135,39	121,83	120,87	113,47	106,21	101,61	95,661	110,73	110,63	128,54
2023-2024	126,58	124,63	131,52	121,50	122,76	116,68	106,90	106,38	97,526			
% Change	-5.85%	4.88%	-2.86%	-0.27%	1.56%	2.83%	0.64%	4.69%	1.95%			

Tier I Fiscal YTD Consumption



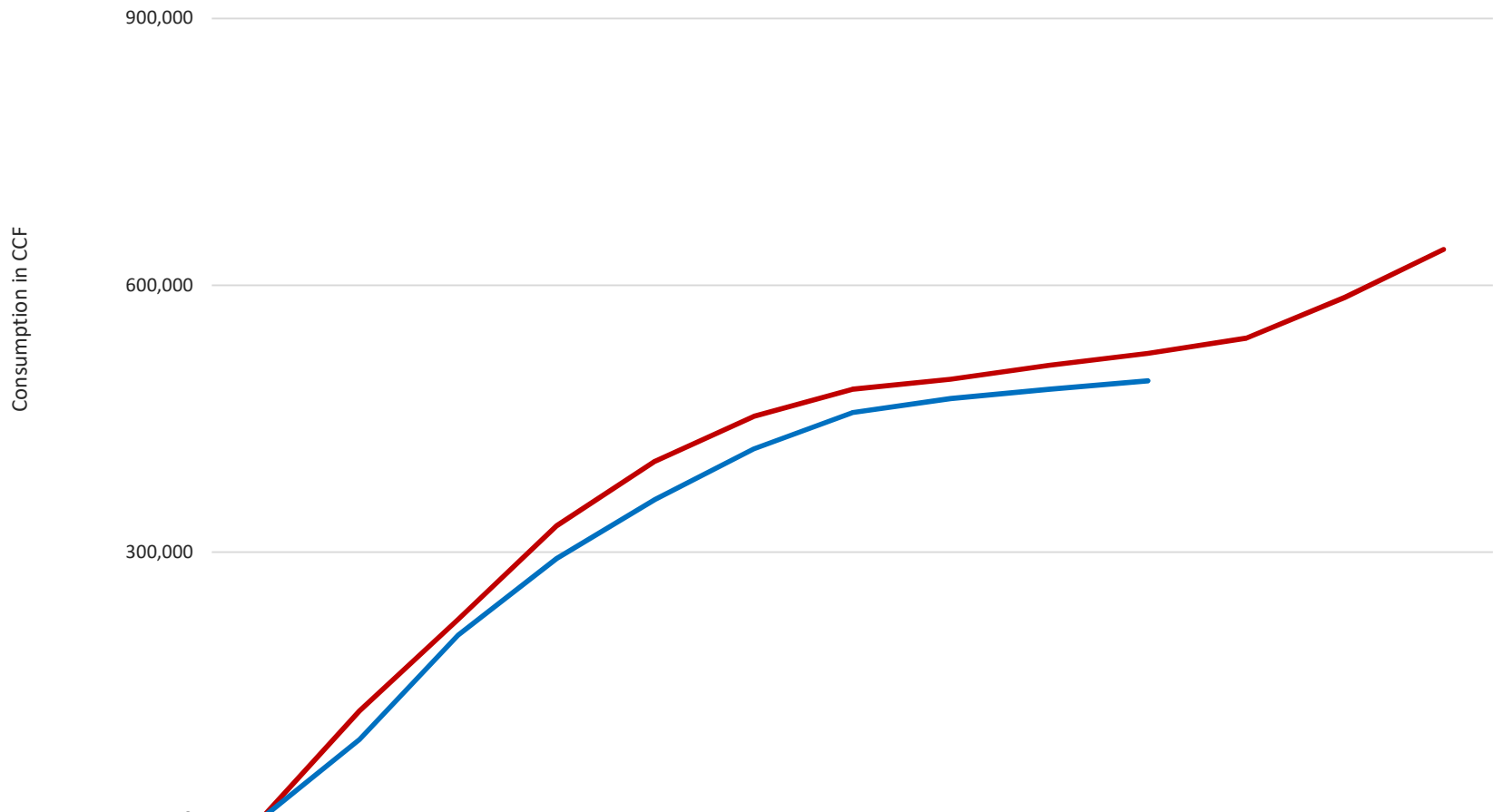
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	134,454	253,288	388,682	510,513	631,387	744,860	851,076	952,691	1,048,35	1,159,08	1,269,71	1,398,26
2023-2024	0	126,589	251,222	382,748	504,252	627,017	743,700	850,601	956,982	1,054,50			
% Change		-5.85%	-0.82%	-1.53%	-1.23%	-0.69%	-0.16%	-0.06%	0.45%	0.59%			

Tier II Consumption



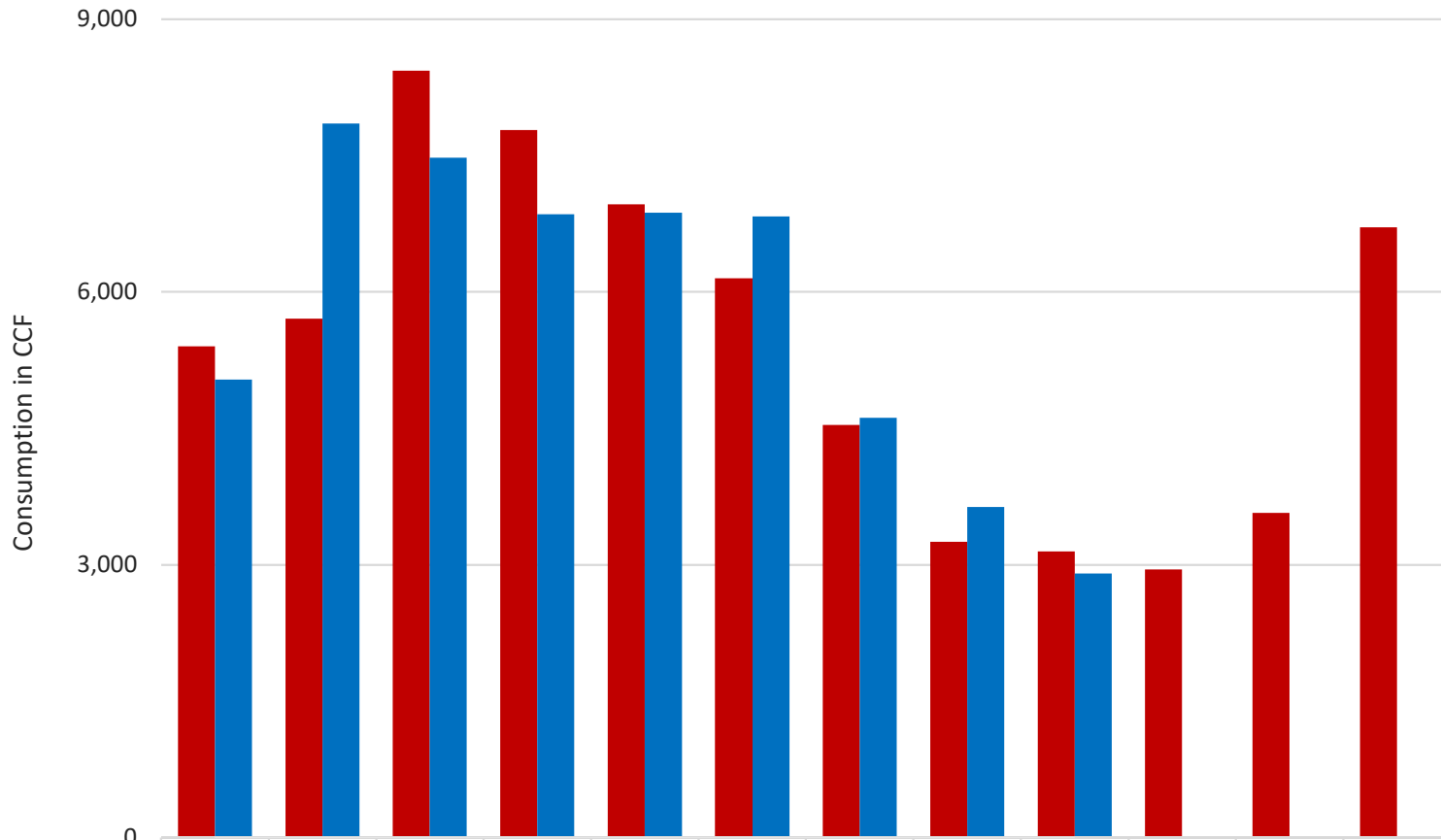
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	121,621	102,525	105,292	72,718	50,151	30,663	11,482	15,388	13,515	17,051	46,166	53,657
2023-2024	89,331	117,071	86,517	66,331	56,689	40,691	15,857	10,558	9,481			
% Change	-26.55%	14.19%	-17.83%	-8.78%	13.04%	32.70%	38.10%	-31.39%	-29.85%			
22/23 ET	7.15	6.91	5.23	3.60	2.92	1.82	2.02	2.75	3.02	4.69	3.80	4.57
23/24 ET	7.03	6.30	3.99	4.12	3.19	2.06	2.15	2.05	3.64			

Tier II Fiscal YTD Consumption



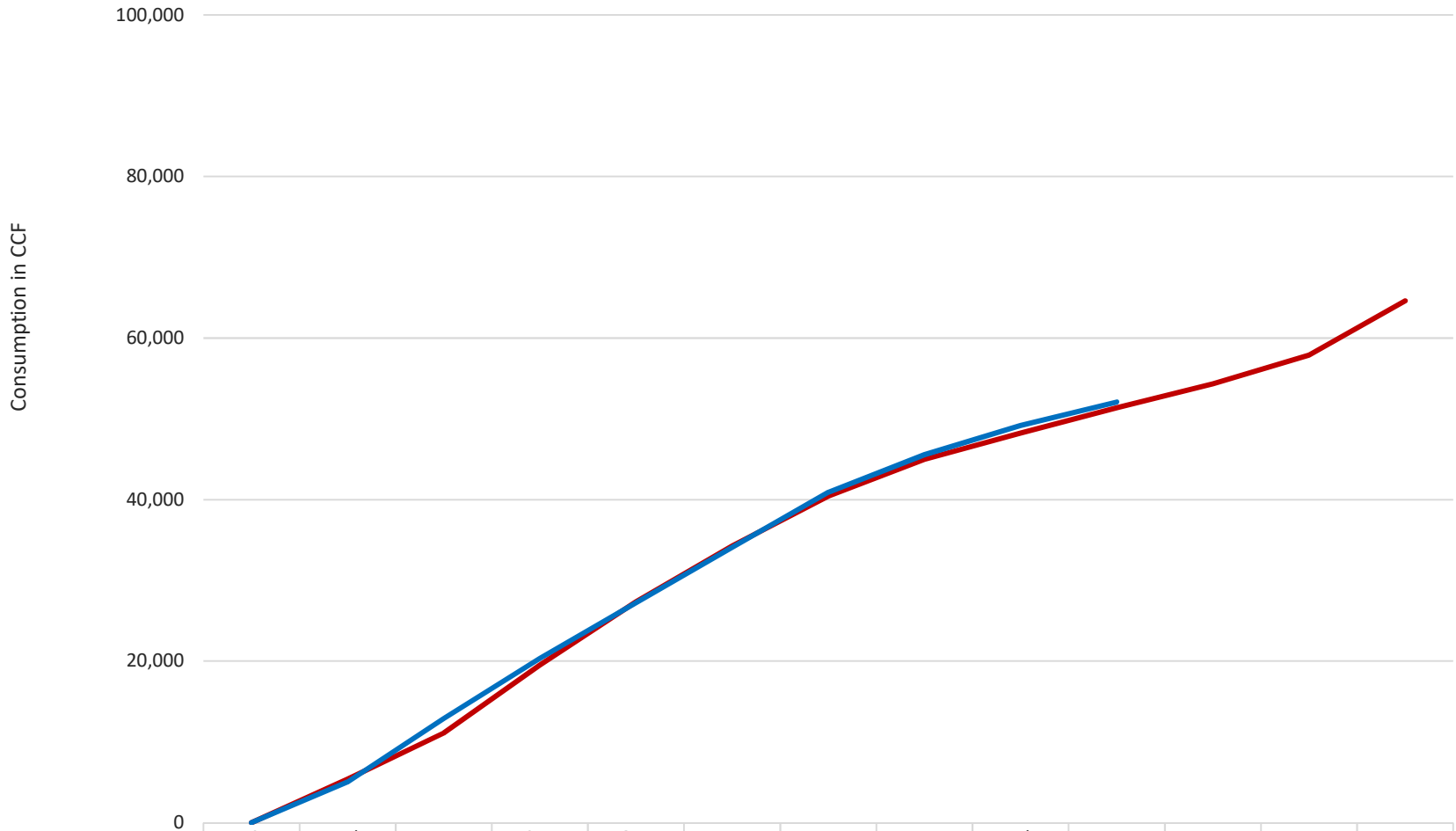
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	121,621	224,146	329,438	402,156	452,307	482,970	494,452	509,840	523,355	540,406	586,572	640,229
2023-2024	0	89,331	206,402	292,919	359,250	415,939	456,630	472,487	483,045	492,526			
% Change		-26.55%	-7.92%	-11.09%	-10.67%	-8.04%	-5.45%	-4.44%	-5.26%	-5.89%			

Tier III Consumption



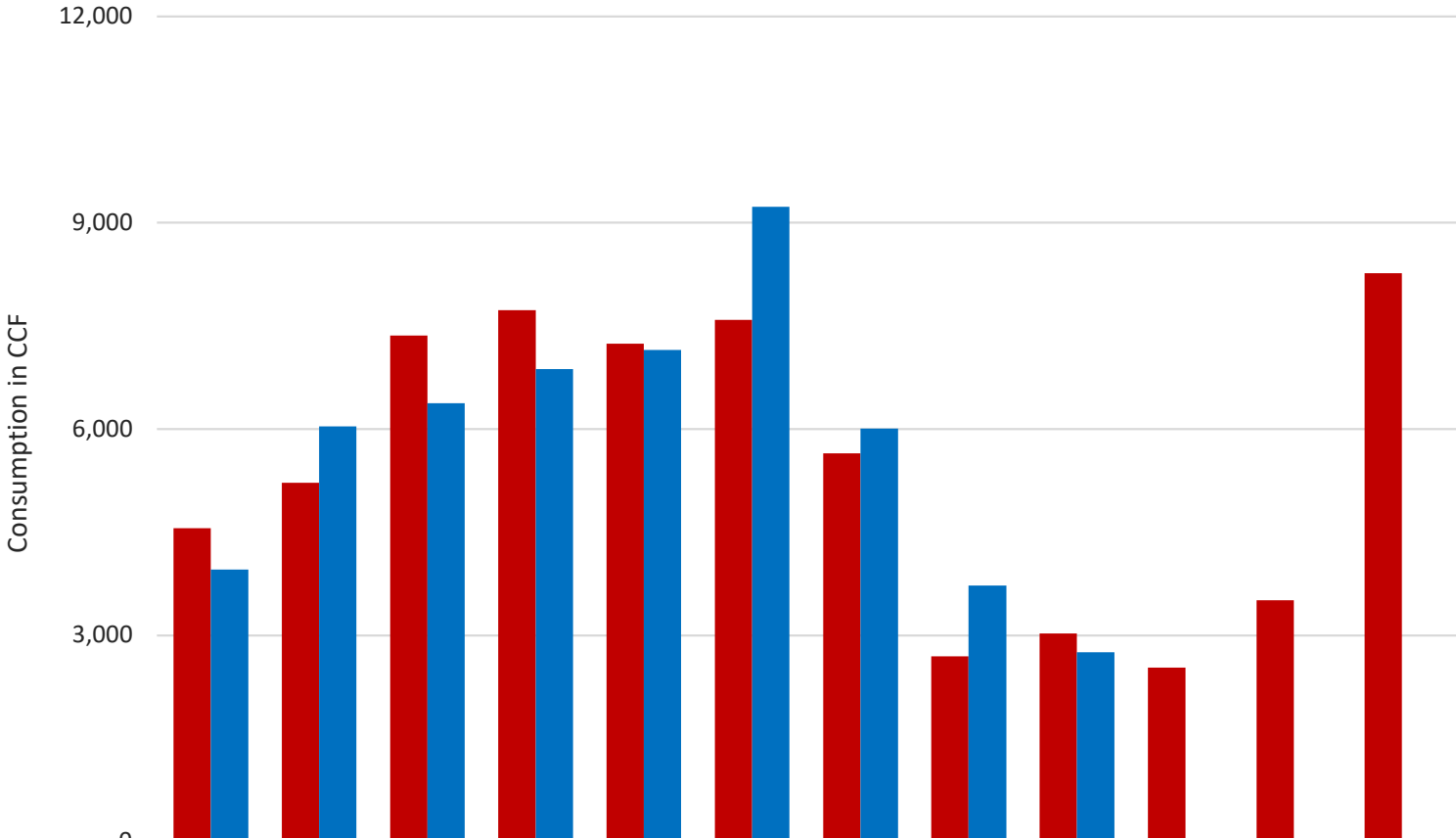
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	5,402	5,705	8,432	7,778	6,967	6,151	4,537	3,253	3,149	2,948	3,570	6,713
2023-2024	5,036	7,853	7,477	6,855	6,872	6,832	4,617	3,637	2,905			
% Change	-6.78%	37.65%	-11.33%	-11.87%	-1.36%	11.07%	1.76%	11.80%	-7.75%			

Tier III Fiscal YTD Consumption



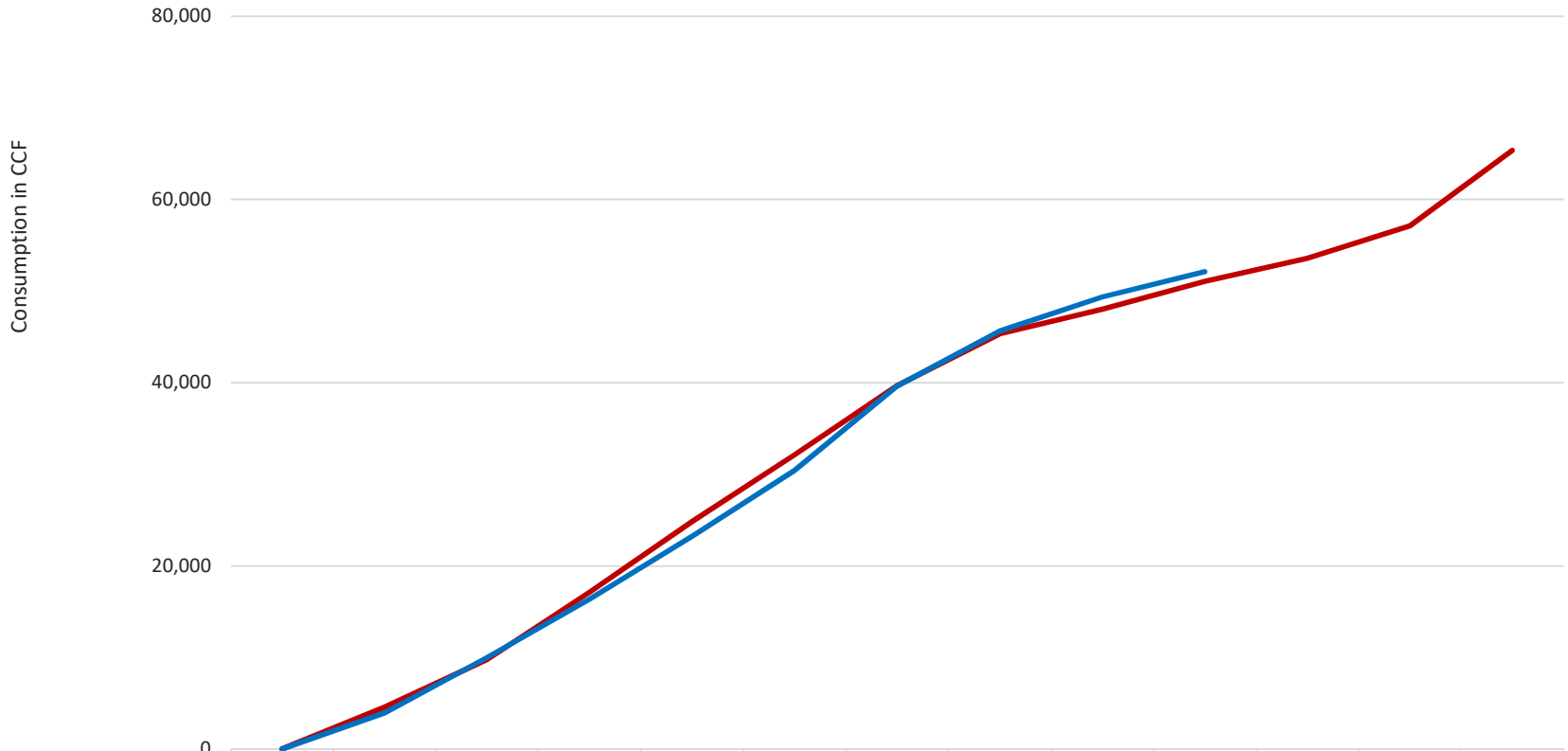
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	5,402	11,107	19,539	27,317	34,284	40,435	44,972	48,225	51,374	54,322	57,892	64,605
2023-2024	0	5,036	12,889	20,366	27,221	34,093	40,925	45,542	49,179	52,084			
% Change		-6.78%	16.04%	4.23%	-0.35%	-0.56%	1.21%	1.27%	1.98%	1.38%			

Tier IV Consumption



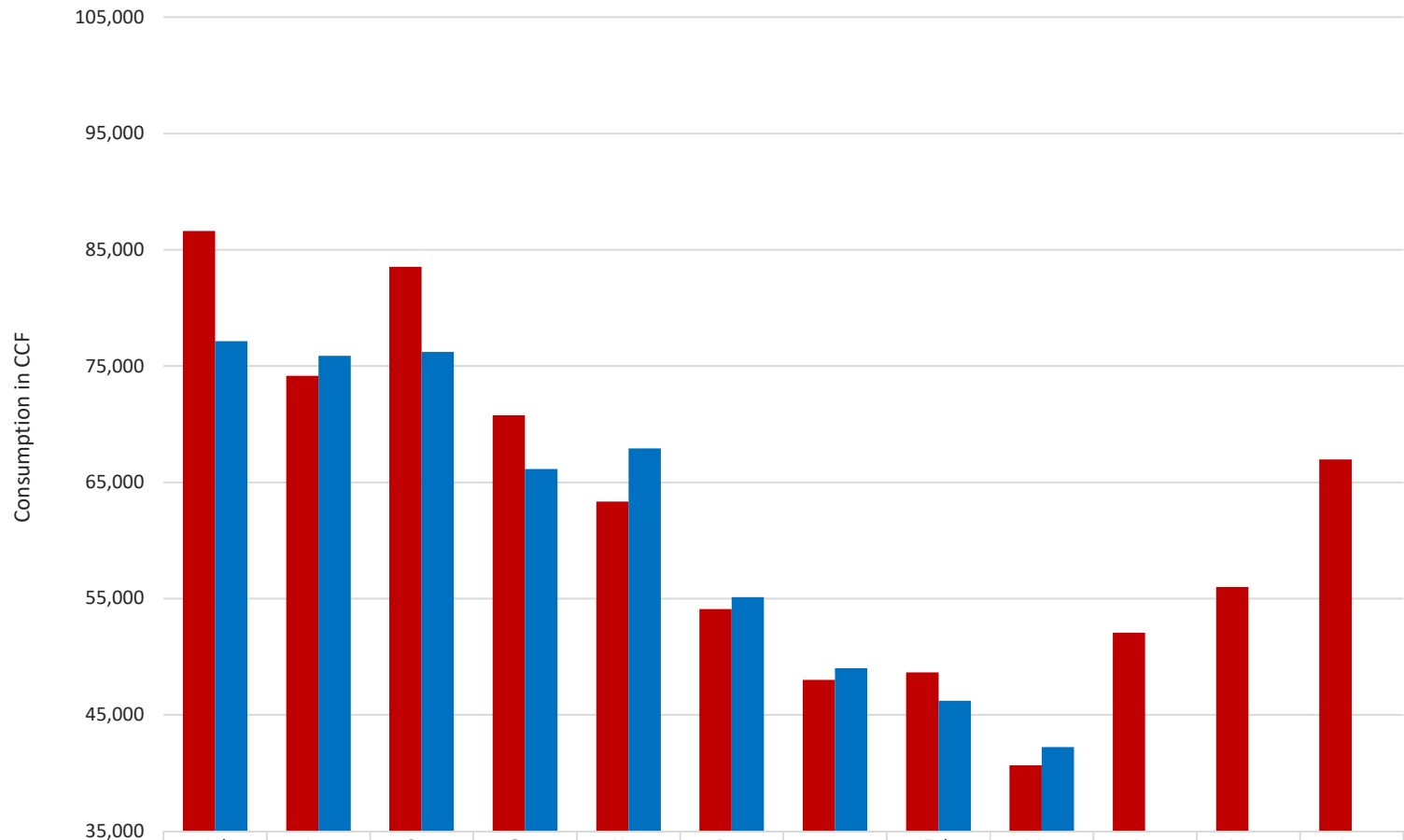
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	4,560	5,219	7,361	7,727	7,241	7,582	5,643	2,695	3,030	2,532	3,513	8,264
2023-2024	3,957	6,038	6,378	6,874	7,149	9,233	6,006	3,725	2,754			
% Change	-13.22%	15.69%	-13.35%	-11.04%	-1.27%	21.78%	6.43%	38.22%	-9.11%			

Tier IV Fiscal YTD Consumption



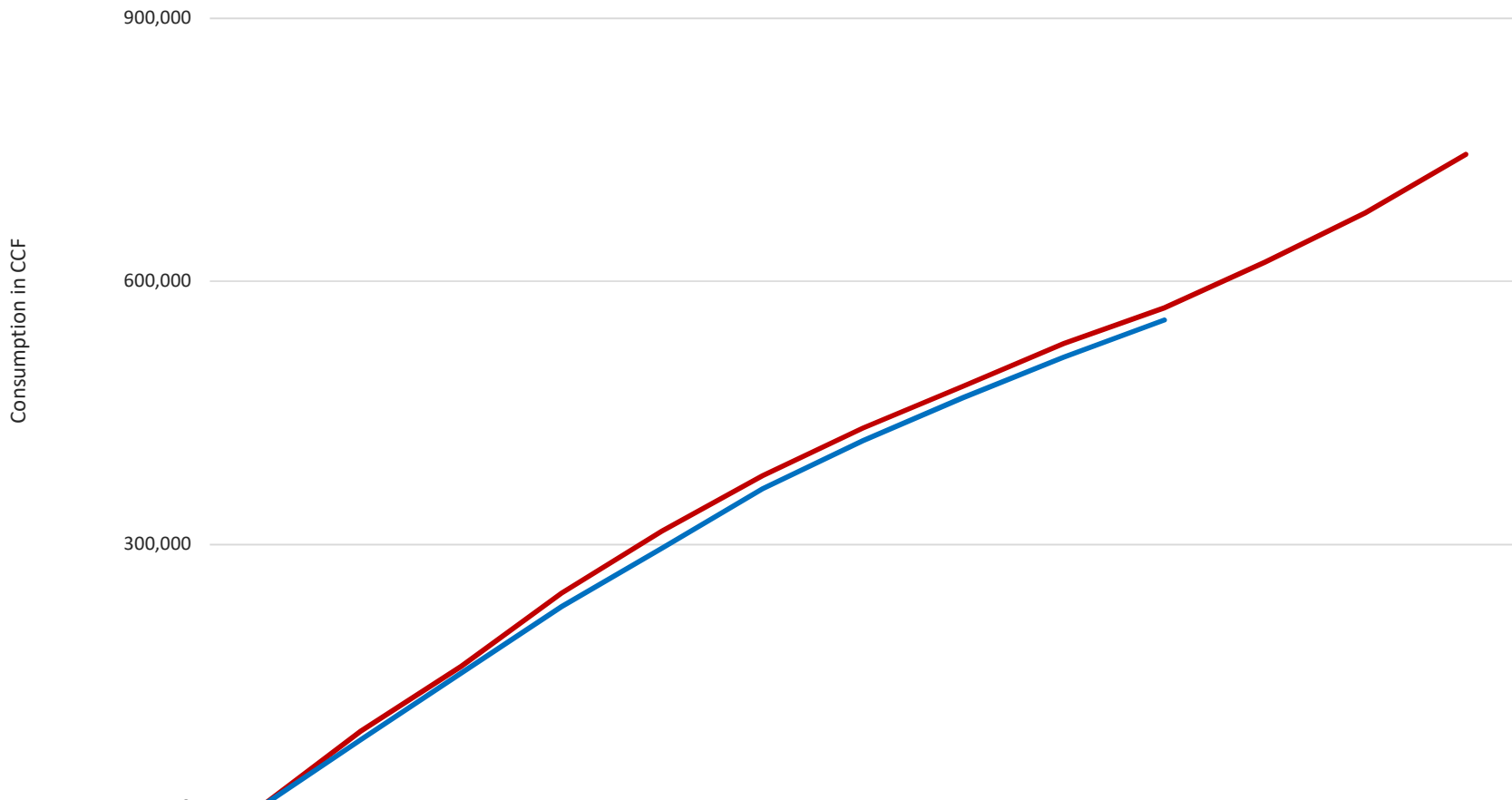
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	4,560	9,779	17,140	24,867	32,108	39,690	45,333	48,028	51,058	53,590	57,103	65,367
2023-2024	0	3,957	9,995	16,373	23,247	30,396	39,629	45,635	49,360	52,114			
% Change		-13.22%	2.21%	-4.47%	-6.51%	-5.33%	-0.15%	0.67%	2.77%	2.07%			

Single Family Residents Consumption



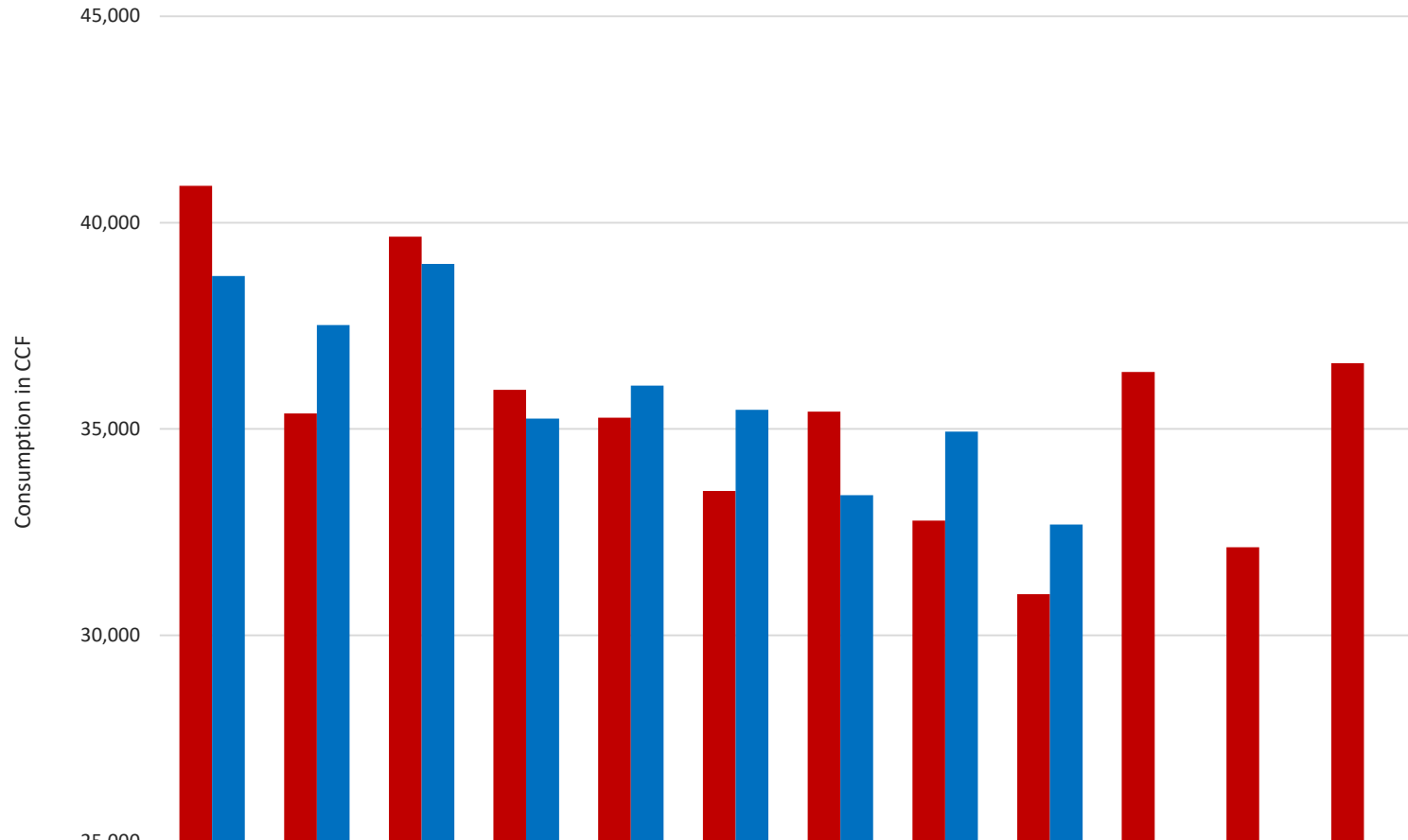
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	86,607	74,169	83,523	70,756	63,356	54,100	48,008	48,670	40,687	52,066	55,989	66,974
2023-2024	77,138	75,888	76,225	66,154	67,909	55,131	49,006	46,215	42,228			
% Change	-10.93%	2.32%	-8.74%	-6.50%	7.19%	1.91%	2.08%	-5.04%	3.79%			

Single Family Residents YTD Consumption



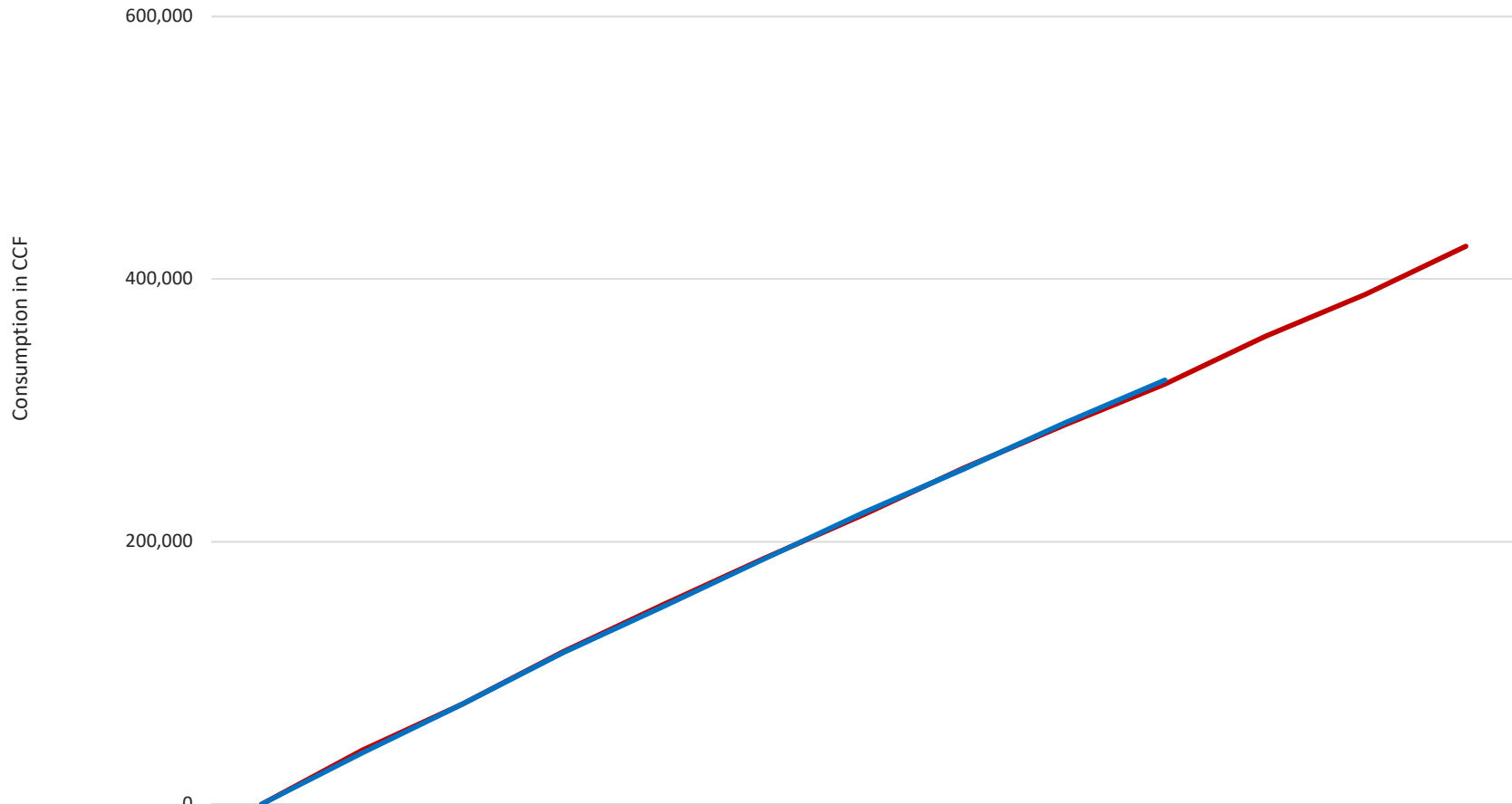
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	86,607	160,776	244,299	315,055	378,411	432,511	480,519	529,189	569,876	621,942	677,931	744,905
2023-2024	0	77,138	153,026	229,251	295,405	363,314	418,445	467,451	513,666	555,894			
% Change		-10.93%	-4.82%	-6.16%	-6.24%	-3.99%	-3.25%	-2.72%	-2.93%	-2.45%			

Multi Family Residents Consumption



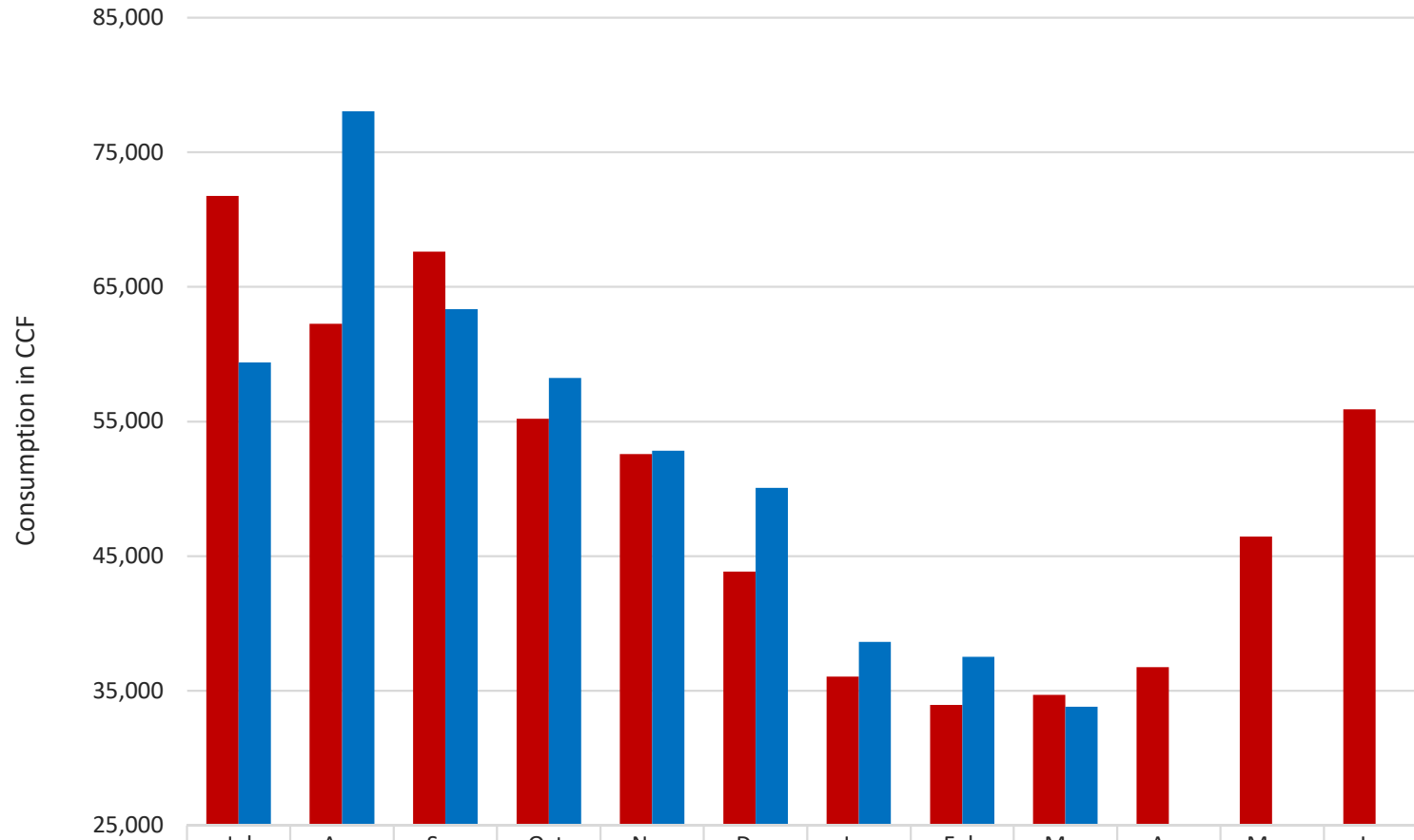
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	40,893	35,378	39,659	35,949	35,277	33,501	35,420	32,782	30,992	36,378	32,130	36,592
2023-2024	38,711	37,515	38,997	35,246	36,057	35,459	33,396	34,937	32,687			
% Change	-5.34%	6.04%	-1.67%	-1.96%	2.21%	5.84%	-5.71%	6.57%	5.47%			

Multi Family Residents YTD Consumption



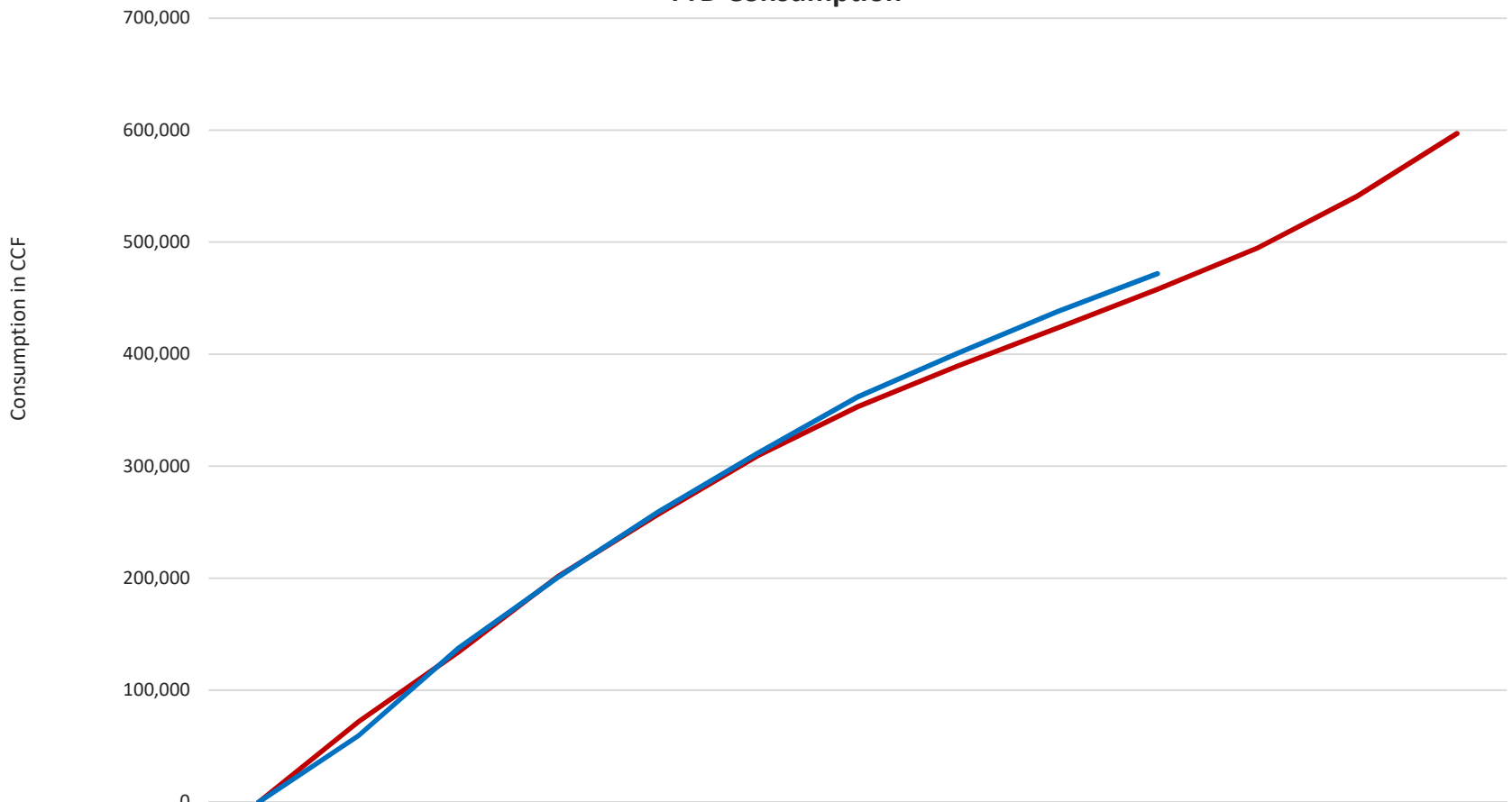
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	40,893	76,271	115,930	151,879	187,156	220,657	256,077	288,859	319,851	356,229	388,359	424,951
2023-2024	0	38,711	76,226	115,223	150,469	186,526	221,985	255,381	290,318	323,005			
% Change		-5.34%	-0.06%	-0.61%	-0.93%	-0.34%	0.60%	-0.27%	0.51%	0.99%			

Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



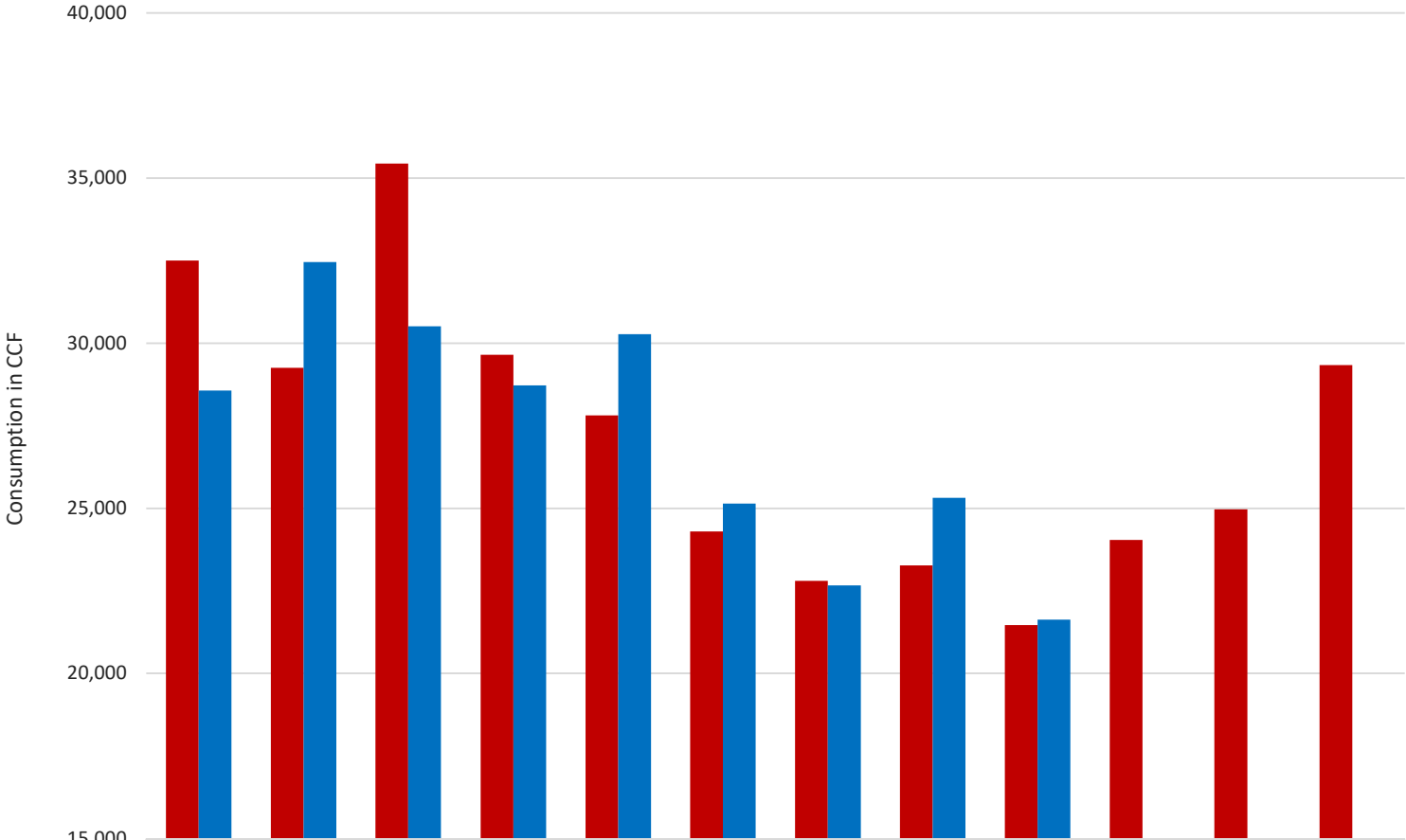
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
■ 2022-2023	71,755	62,259	67,619	55,197	52,565	43,857	36,038	33,935	34,694	36,736	46,453	55,899
■ 2023-2024	59,374	78,060	63,342	58,247	52,834	50,078	38,635	37,528	33,814			
% Change	-17.25%	25.38%	-6.33%	5.53%	0.51%	14.18%	7.21%	10.59%	-2.54%			

Laguna Woods Village (Excluding Dedicated Irrigation) YTD Consumption



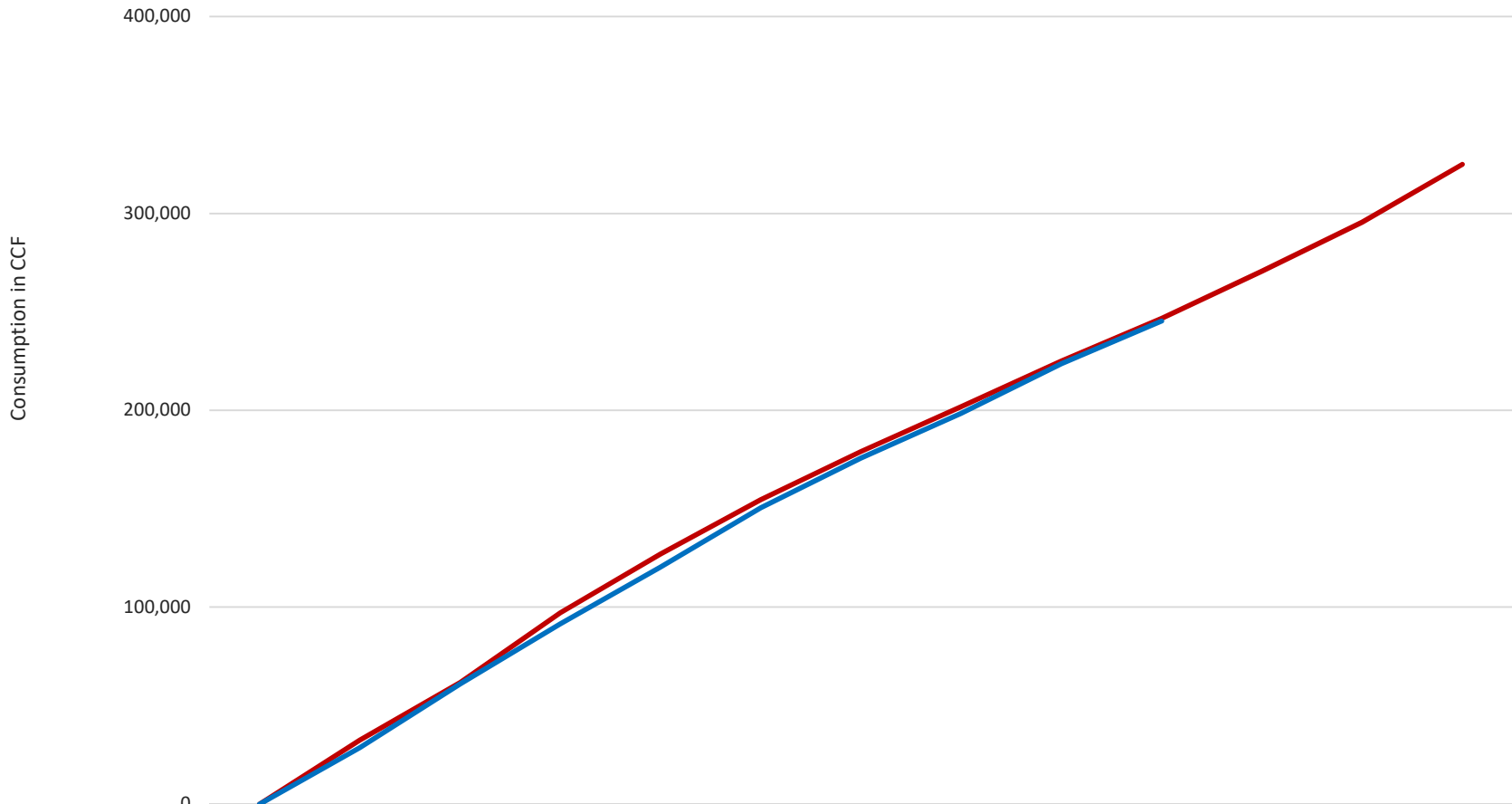
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	71,755	134,014	201,633	256,830	309,395	353,252	389,290	423,225	457,919	494,655	541,108	597,007
2023-2024	0	59,374	137,434	200,776	259,023	311,857	361,935	400,570	438,098	471,912			
% Change		-17.25%	2.55%	-0.43%	0.85%	0.80%	2.46%	2.90%	3.51%	3.06%			

Commercial Consumption



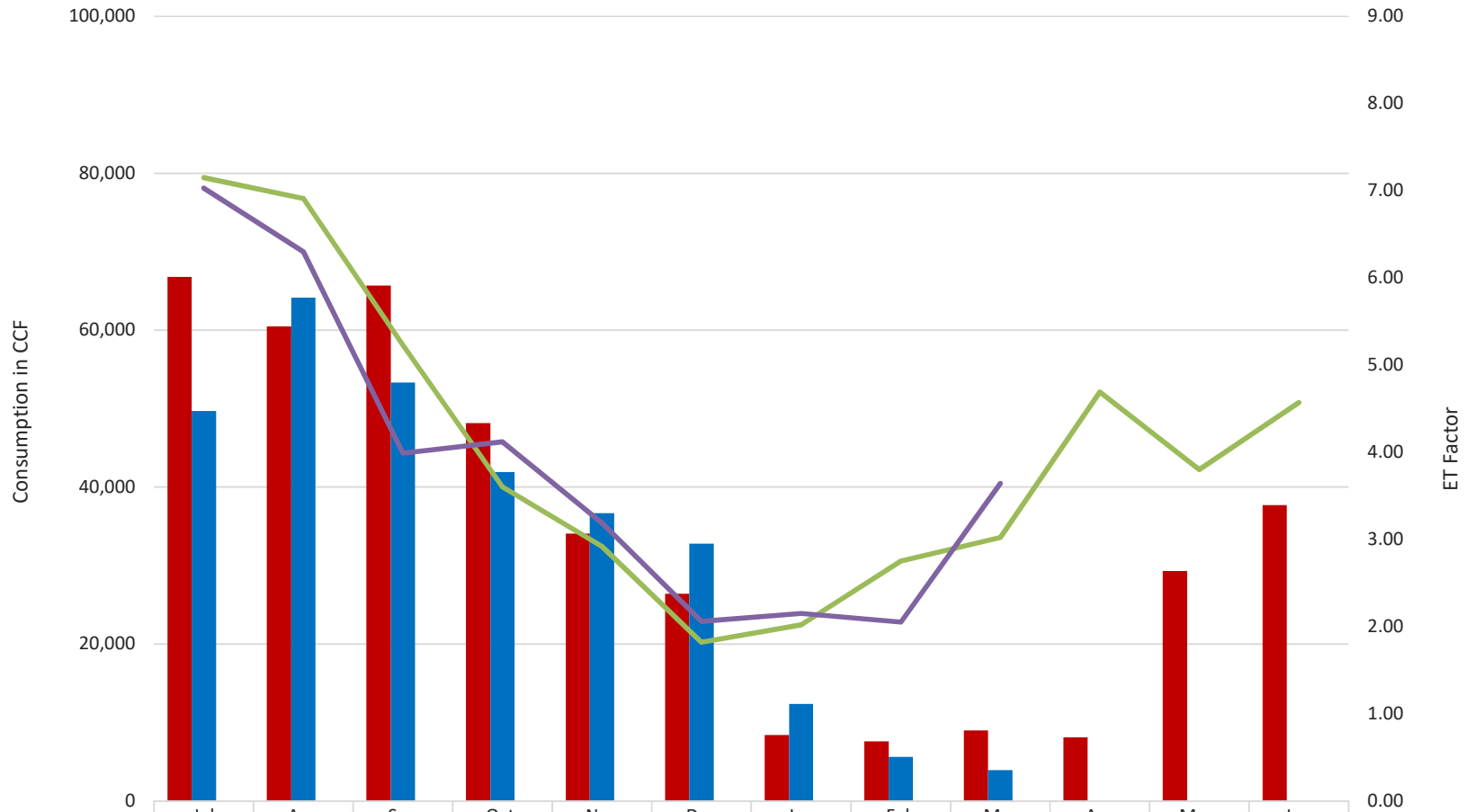
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	32,509	29,263	35,438	29,659	27,823	24,307	22,802	23,280	21,469	24,043	24,968	29,341
2023-2024	28,574	32,456	30,520	28,727	30,275	25,147	22,665	25,319	21,631			
% Change	-12.10%	10.91%	-13.88%	-3.14%	8.81%	3.46%	-0.60%	8.76%	0.75%			

Commercial YTD Consumption



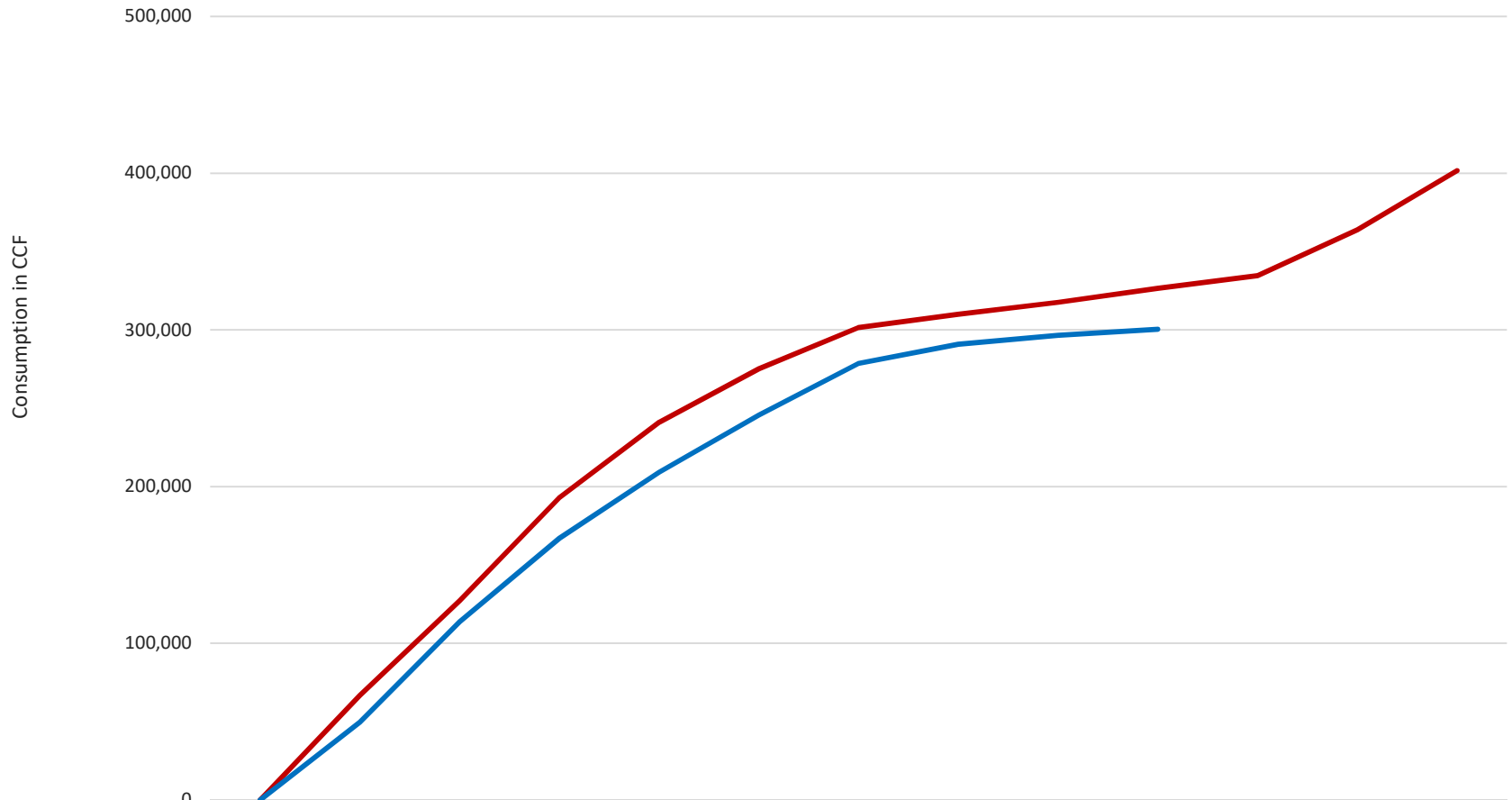
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	32,509	61,772	97,210	126,869	154,692	178,999	201,801	225,081	246,550	270,593	295,561	324,902
2023-2024	0	28,574	61,030	91,550	120,277	150,552	175,699	198,364	223,683	245,314			
% Change		-12.10%	-1.20%	-5.82%	-5.20%	-2.68%	-1.84%	-1.70%	-0.62%	-0.50%			

Dedicated Irrigation Consumption (including LWV)



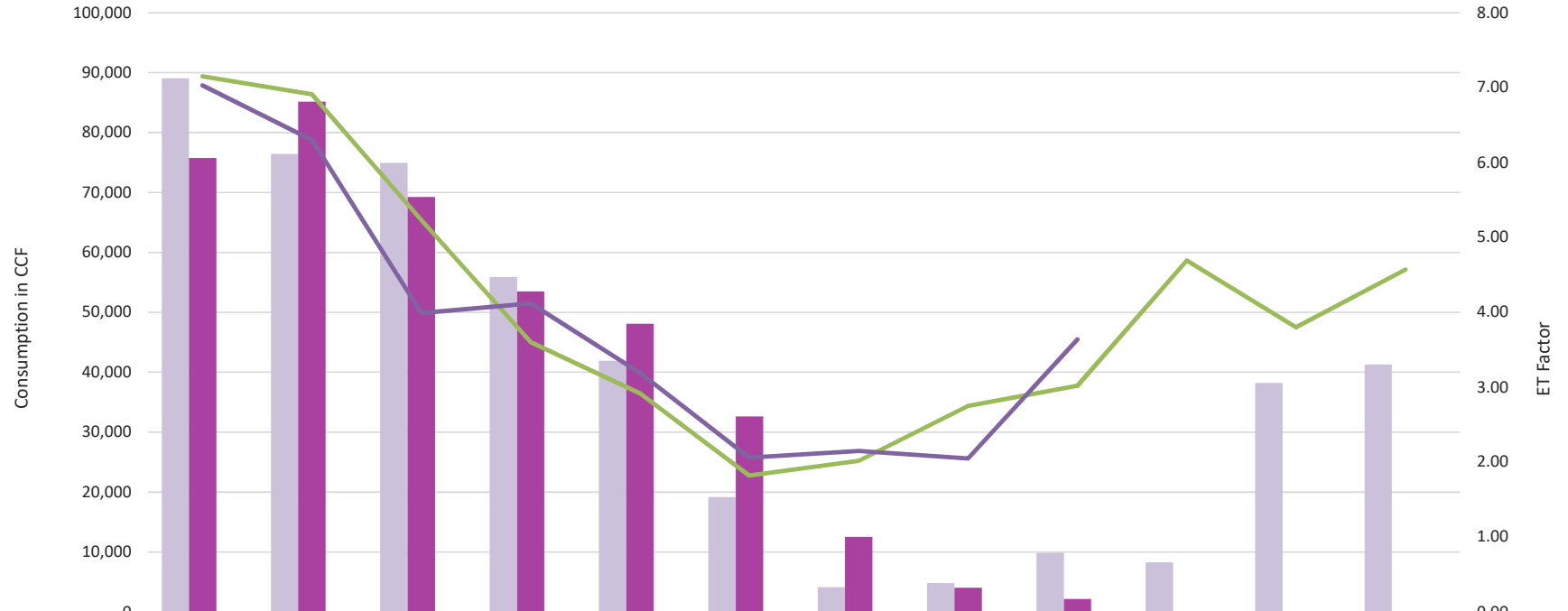
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	66,782	60,477	65,678	48,152	34,035	26,411	8,412	7,564	8,982	8,084	29,310	37,715
2023-2024	49,690	64,132	53,334	41,917	36,675	32,771	12,344	5,621	3,937			
% Change	-25.59%	6.04%	-18.79%	-12.95%	7.76%	24.08%	46.74%	-25.69%	-56.17%			
22/23 ET	7.15	6.91	5.23	3.60	2.92	1.82	2.02	2.75	3.02	4.69	3.80	4.57
23/24 ET	7.03	6.30	3.99	4.12	3.19	2.06	2.15	2.05	3.64			

Dedicated Irrigation Consumption (including LWV) YTD Consumption



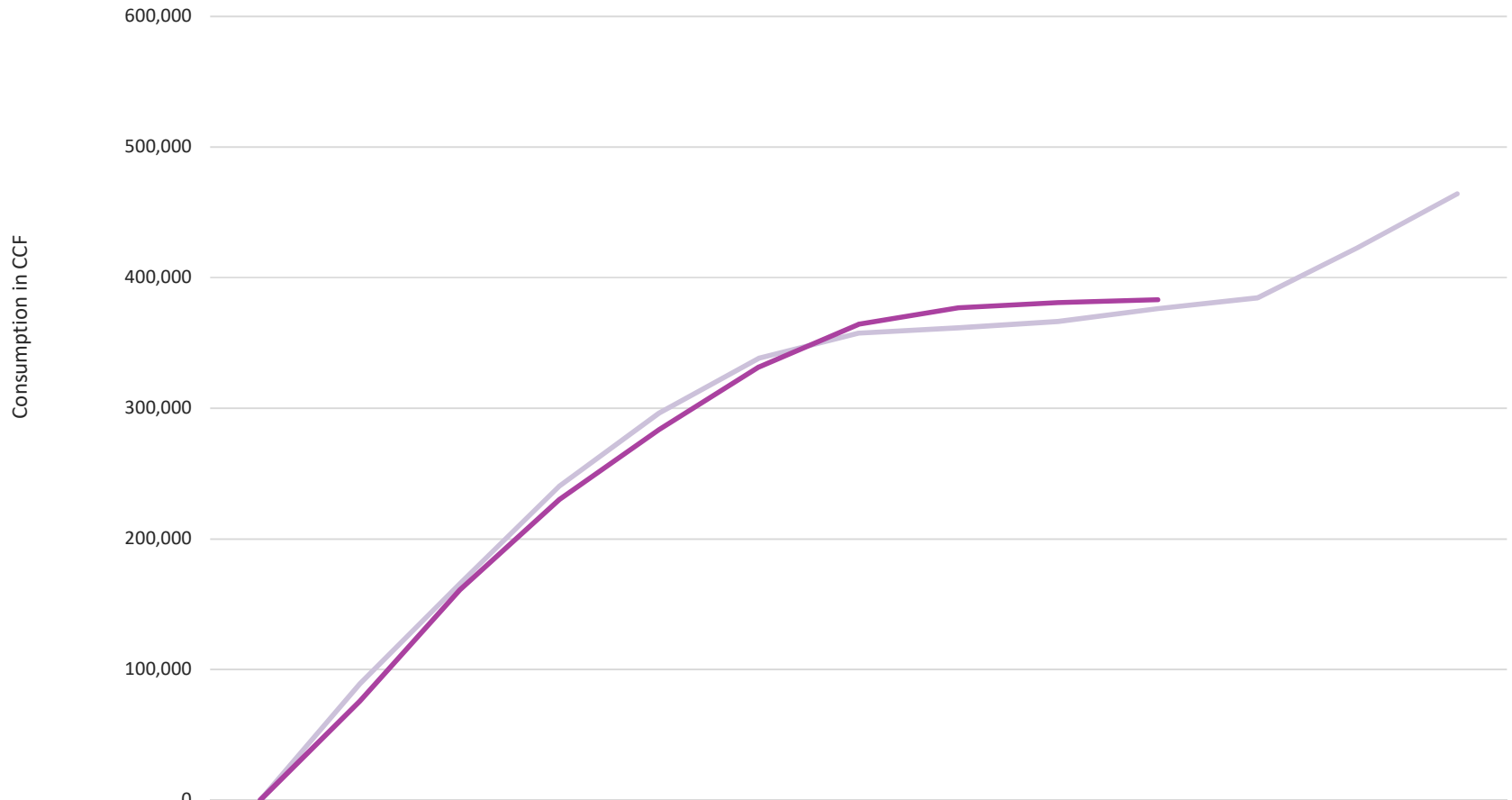
	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
— 2022-2023	0	66,782	127,259	192,937	241,089	275,124	301,535	309,947	317,511	326,493	334,577	363,887	401,602
— 2023-2024	0	49,690	113,822	167,156	209,073	245,748	278,519	290,863	296,484	300,421			
% Change		-25.59%	-10.56%	-13.36%	-13.28%	-10.68%	-7.63%	-6.16%	-6.62%	-7.99%			

Recycled Water Consumption



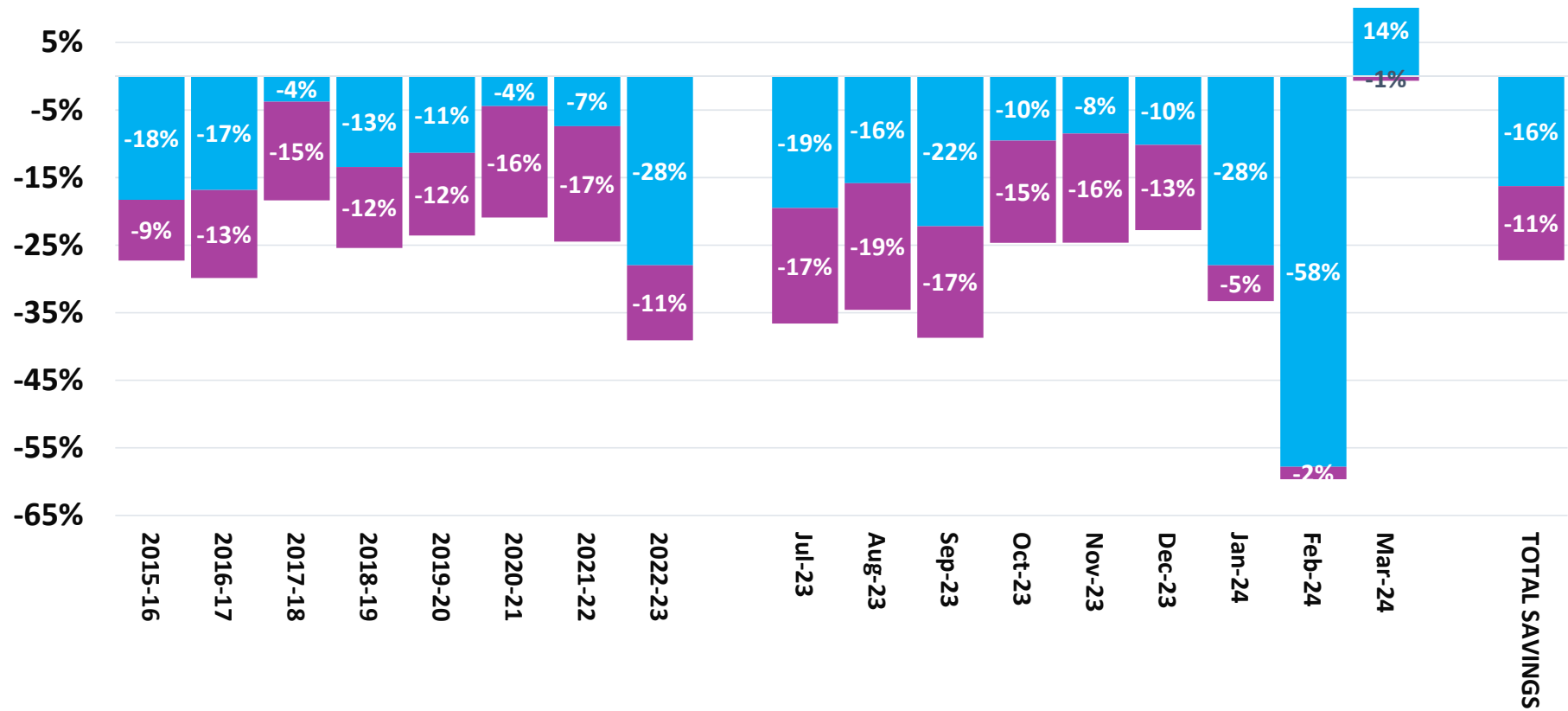
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2022-2023	89,088	76,424	74,943	55,909	41,920	19,185	4,152	4,801	9,905	8,252	38,244	41,307
FY 2023-2024	75,779	85,141	69,253	53,474	48,088	32,602	12,531	4,045	2,167			
% Change	-14.94%	11.41%	-7.59%	-4.36%	14.71%	69.93%	201.81%	-15.75%	-78.12%			
FY 22/23 ET	7.15	6.91	5.23	3.60	2.92	1.82	2.02	2.75	3.02	4.69	3.80	4.57
FY 23/24 ET	7.03	6.30	3.99	4.12	3.19	2.06	2.15	2.05	3.64			

Recycled Water YTD Consumption



	YTD Start	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2022-2023	0	89,088	165,512	240,455	296,364	338,284	357,469	361,621	366,422	376,327	384,579	422,823	464,130
2023-2024	0	75,779	160,920	230,173	283,647	331,735	364,337	376,868	380,913	383,080			
% Change		-14.94%	-2.77%	-4.28%	-4.29%	-1.94%	1.92%	4.22%	3.95%	1.79%			

ETWD WATER USAGE COMPARED TO 2013



Fluctuations in purchased water in February & March 2024 reflect drawing down and refilling of the R-6 Reservoir.

■ Potable Water ■ Recycled Water

I hereby certify that the following Agenda was posted at least 72 hours prior to the time of the Board Meeting so noticed below at the usual agenda posting location of the South Orange County Wastewater Authority (SOCWA) and at www.socwa.com.



Danita Hirsh, Assistant Secretary
SOCWA and the Board of Directors thereof

*Regular Meeting of The
South Orange County Wastewater Authority
Board of Directors*

April 4, 2024
8:30 a.m.

PHYSICAL MEETING LOCATION:
South Orange County Wastewater Authority
34156 Del Obispo Street
Dana Point, CA 92629

THE BOARD OF DIRECTORS MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT DHIRSH@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UNMUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UNMUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY BOARD OF DIRECTORS IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE BOARD OF DIRECTORS ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5452. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS LESS THAN SEVENTY-TWO (72) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE BOARD OF DIRECTORS AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS. FOR AUDIO OF MEETING USE THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.

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Agenda

- 1. CALL TO ORDER
- 2. PLEDGE OF ALLEGIANCE
- 3. ORAL COMMUNICATIONS

Members of the public may address the board regarding an item on the agenda or may reserve this opportunity during the meeting at the time the item is discussed by the board. There will be a three-minute limit for public comments.

- 4. APPROVAL OF BOARD MEMBER REQUEST FOR REMOTE PARTICIPATION

ACTION Board Discussion/Direction and Action.

PAGE NO

- 5. CONSENT CALENDAR

A. Minutes of Board of Directors.....1

- 1. Board of Directors Meeting of March 7, 2024
- 2. Board of Directors Meeting of March 13, 2024

ACTION The Board will be requested to approve the subject Minutes.

B. Minutes of PC 2 Committee14

- 1. PC 2 Committee Meeting of February 26, 2024
- 2. PC 2 Committee Meeting of March 7, 2024

ACTION The PC 2 Board will be requested to approve the subject Minutes, and the Board will be requested to receive and file the subject Minutes.

C. Minutes of Finance Committee.....18

- Finance Committee Meeting of February 20, 2024

ACTION The Board will be requested to receive and file the subject Minutes.

D. Minutes of Engineering Committee21

- Engineering Committee Meeting of January 18, 2024

ACTION The Board will be requested to receive and file the subject Minutes.

Agenda

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E. Finance Reports for the Month of January 2024..... 24

- The financial reports included are as follows:
 1. Summary of Disbursements for January 2024 (Exhibit A);
 2. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
 3. Schedule of Cash and Investments (Exhibit C)
 4. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
 5. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

ACTION The Finance Committee recommends that the Board of Directors (i) receive and file the January 2024 Financial Reports and (ii) ratify the January 2024 disbursement for the period from January 1, 2024, through January 31, 2024, totaling \$5,096,522.

F. Operations Report (February) 42

1. Monthly Operational Report
2. SOCWA Ocean Outfall Discharges by Agency
3. Quarterly Report on Key Operational Expenses
4. Beach Ocean Monitoring Report
5. Recycled Water Report
6. Pretreatment Report (February/March)

ACTION The Board will be requested to receive and file subject reports as submitted.

G. Capital Improvement Program Status Report (March) 82

ACTION Information item.

H. Capital Improvement Construction Projects Progress Report (March)
[Project Committees 2, 5, 15 and 24] 85

ACTION The Engineering Committee recommends that the PC 15 Board approve Change Order 1 to Filanc to add 273 non-compensable days to the contract for the CTP Diffusers Replacement Project.

Agenda

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I. <u>Coastal Treatment Plant (CTP) Funding Strategy and Implementation Plan</u> <u>[Project Committee 15]</u>	89
ACTION The Engineering Committee recommends that the PC 15 Board receive and file the report as an information item.	
J. Resolution No. 2024-03 – A Resolution of the Board of Directors of the South Orange County Wastewater Authority Adopting Investment Policy for Public Funds, based on the Annual Review.	133
ACTION The Finance Committee recommends that the Board of Directors approve Resolution 2024-03, A Resolution of the South Orange County Wastewater Authority (SOCWA) Adopting Investment Policy for Public Funds, based on the Annual Review.	
6. <u>ENGINEERING MATTERS</u>	
A. <u>J.B. Latham Treatment Package B Construction Management Post</u> <u>Construction Contract [Project Committee 2]</u>	145
ACTION Staff recommends that the PC 2 Board of Directors approve the contract to Butier Engineering for a total of \$176,125 for the JBL Package B Construction Management Post-Construction Contract.	
7. <u>GENERAL MANAGER’S REPORT</u>	
A. Discussion on the SCWD/SMWD Proposal Framework.....	
• PC 15 Update carryover from October 24 Board Meeting	
• SCWD Proposal March 7, 2024 - PROPOSAL TO TRANSITION THE REGIONAL TREATMENT PLANT (RTP) TO MOULTON NIGUEL WATER DISTRICT (MNWD) & FACILITATE MNWD’S WITHDRAWAL FROM SOCWA	
• SMWD/SCWD Update [PC 2]	
ACTION Board Discussion/Direction and Action.	
B. General Counsel’s Update.....	
• JPA Revision Process (Standing item)	
ACTION Information Item	
C. Acting General Manager’s Report	147
ACTION Board Discussion/Direction and Action.	

Agenda

PAGE NO

- D. Upcoming Meetings Schedule:
- April 4, 2024 – Board of Directors Regular Meeting
 - April (TBD) – PC 2 Committee Special Meeting
 - April 11, 2024 – Engineering Committee Meeting
 - April 20, 2024 – Finance Committee Meeting
 - May 2, 2024 – Board of Directors Regular Meeting

ACTION Information Item.

8. CLOSED SESSION

- A. Closed Session Conference with Legal Counsel – Anticipated Litigation (Gov. Code 54956.9(d)(2)) – One potential matter
- B. Closed Session Pursuant to Government Code § 54957.6 Conference with Labor Negotiator.
- Agency Designated Representatives:
- Brad Neufeld of Varner & Brandt
 - Jim Burror, Acting General Manager/Director of Operations
- C. Closed Session Pursuant to Government Code § 54957.
- Public Employee Performance Evaluation
 - Title: Acting General Manager/Director of Operations
- D. Report Out of Closed Session

9. OTHER MATTERS

Determine the need to take action on the following item(s) introduced by the Acting General Manager/Director of Operations, which arose after the posted agenda. [Adoption of this action requires a two-thirds vote of the Board, or if less than two-thirds are present a unanimous vote.]

ADJOURNMENT

THE NEXT SOCWA BOARD MEETING
May 2, 2024

**NOTICE OF REGULAR MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
ENGINEERING COMMITTEE**

**April 11, 2024
8:30 a.m.**

NOTICE IS HEREBY GIVEN that a Regular Meeting of the South Orange County Wastewater Authority (SOCWA) Engineering Committee was called to be held on **April 11, 2024, at 8:30 a.m.** SOCWA staff will be present and conducting the meeting at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT DHIRSH@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY ENGINEERING COMMITTEE IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE ENGINEERING COMMITTEE ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5452. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE ENGINEERING COMMITTEE LESS THAN SEVENTY-TWO (72) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE ENGINEERING COMMITTEE AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

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AGENDA

1. Call Meeting to Order
2. Public Comments

THOSE WISHING TO ADDRESS THE ENGINEERING COMMITTEE ON ANY ITEM LISTED ON THE AGENDA WILL BE REQUESTED TO IDENTIFY AT THE OPENING OF THE MEETING AND PRIOR TO THE CLOSE OF THE MEETING. THE AUTHORITY REQUESTS THAT YOU STATE YOUR NAME WHEN MAKING THE REQUEST IN ORDER THAT YOUR NAME MAY BE CALLED TO SPEAK ON THE ITEM OF INTEREST. THE CHAIR OF THE MEETING WILL RECOGNIZE SPEAKERS FOR COMMENT AND GENERAL MEETING DECORUM SHOULD BE OBSERVED IN ORDER THAT SPEAKERS ARE NOT TALKING OVER EACH OTHER DURING THE CALL.

PAGE NO.

3. Approval of Minutes..... 1
 - Engineering Committee Minutes of March 14, 2024

Recommended Action: Staff requests that the Engineering Committee approve the subject Minutes as submitted.
4. Operations Report..... 5

Recommended Action: Information Item.
5. Draft Salt and Nutrient Management Plan [Project Committees 12]..... 6

Recommended Action: Information Item.
6. Capital Improvement Construction Projects Progress and Change Order Report (April) [Project Committees 2, 5, 15 and 24]..... 8

Recommended Action: Information Item.
7. Contract Award for Regional Treatment Plant (RTP) Flare System Upgrades [Project Committee 17]..... 12

Recommended Action: Staff recommends that the Engineering Committee recommend that the PC 17 Board approve the contract to SCS/RMC for a total not to exceed \$81,917 including a 10% contingency for the RTP Flare System Upgrades Project.
8. J.B. Latham Treatment Plant (JBL) Package B Update [Project Committee 2] 20

Recommended Action: Information Item.
9. Capital Improvement Program (CIP) Budget Update 21
 - Presentation

Recommended Action: Information Item.

Adjournment

I hereby certify that the foregoing Notice was personally emailed or mailed to each member of the SOCWA Engineering Committee at least 72 hours prior to the scheduled time of the Regular Meeting referred to above.

I hereby certify that the foregoing Notice was posted at least 72 hours prior to the time of the above-referenced Engineering Committee meeting at the usual agenda posting location of the South Orange County Wastewater Authority and at www.socwa.com.

Dated this 4th day of April 2024.



Danita Hirsh, Assistant Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

**NOTICE OF SPECIAL MEETING
OF THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
FINANCE COMMITTEE**

**April 16, 2024
10:30 a.m.**

NOTICE IS HEREBY GIVEN that a Special Meeting of the South Orange County Wastewater Authority (SOCWA) Finance Committee was called to be held on **April 16, 2024, at 10:30 a.m.** SOCWA staff will be present and conducting the meeting at the SOCWA Administrative Office located at 34156 Del Obispo Street, Dana Point, California.

THE SOCWA MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM, ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT DHIRSH@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY FINANCE COMMITTEE IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE FINANCE COMMITTEE ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5452. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE FINANCE COMMITTEE LESS THAN TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE FINANCE COMMITTEE AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

**THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS FOR AUDIO OF MEETING USE
THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.**

Join Zoom Meeting
<https://socwa.zoom.us/>

Meeting ID: 823 3485 4389
Passcode: 475601

Dial by your location:
+1 669 900 6833 US (San Jose) +1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston) +1 312 626 6799 US (Chicago)
Find your local number: <https://socwa.zoom.us/j/82334854389>

AGENDA

1. Call Meeting to Order

2. Public Comments

THOSE WISHING TO ADDRESS THE FINANCE COMMITTEE ON ANY ITEM LISTED ON THE AGENDA WILL BE REQUESTED TO IDENTIFY AT THE OPENING OF THE MEETING AND PRIOR TO THE CLOSE OF THE MEETING. THE AUTHORITY REQUESTS THAT YOU STATE YOUR NAME WHEN MAKING THE REQUEST IN ORDER THAT YOUR NAME MAY BE CALLED TO SPEAK ON THE ITEM OF INTEREST. THE CHAIR OF THE MEETING WILL RECOGNIZE SPEAKERS FOR COMMENT AND GENERAL MEETING DECORUM SHOULD BE OBSERVED IN ORDER THAT SPEAKERS ARE NOT TALKING OVER EACH OTHER DURING THE CALL.

PAGE NO.

3. Approval of Minutes..... 1

- Finance Committee Meeting of March 19, 2024

Recommended Action: Staff recommends that the Finance Committee approve the subject minutes as submitted.

4. Cash Disbursements for the Month of February/March 2024 & Financial Reports for the Month of March 2024 4

- The financial reports included are as follows:
 - a. Summary of Disbursements for February 2024 & March 2024 (Exhibit A.1 & A.2)
 - b. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)
 - c. Schedule of Cash and Investments (Exhibit C)
 - d. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
 - e. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

Recommended Action: Staff recommends that the Finance Committee recommend that the Board of Directors (i) receive and file the March 2024 Financial Reports, (ii) ratify the February 2024 disbursement for the period from February 1, 2024, through February 29, 2024, totaling \$2,363,742, and (iii) ratify the March 2024 disbursement for the period from March 1, 2024, through March 31, 2024, totaling \$1,765,334.

5. FY2023-24 Budget Update..... 23

Recommended Action: Committee Discussion/Direction/Action.

6. FY 2024-25 Budget Update.....25

- Presentation

Recommended Action: Committee Discussion/Direction/Action.

7. Capital Improvement Program (CIP) Budget Update.....45

- Presentation

Recommended Action: Committee Discussion/Direction/Action.

Adjournment

I hereby certify that the foregoing Notice was personally emailed or mailed to each member of the SOCWA Finance Committee at least 24 hours prior to the scheduled time of the Special Meeting referred to above.

I hereby certify that the foregoing Notice was posted at least 24 hours prior to the time of the above-referenced Finance Committee meeting at the usual agenda posting location of the South Orange County Wastewater Authority and at www.socwa.com.

Dated this 12th day of April 2024.



Danita Hirsh, Assistant Secretary
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
PLANNING & OPERATIONS COMMITTEE
18700 Ward Street, Conf. Room 101, Fountain Valley, CA 92708
April 1, 2024, 8:30 a.m.

Teleconference Site:
25652 Paseo De La Paz
San Juan Capistrano, CA 92675

(Members of the public may attend and participate in the meeting at both in-person locations.)

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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**Telephone Audio: (669) 900 9128 fees may apply
(877) 853 5247 Toll-free**

Webinar ID: 882 866 5300#

P&O Committee:

Director Seckel, Chair
Director Yoo Schneider
Director Dick

Staff: H.De La Torre, J. Berg, V. Osborn,
T. Dubuque, D. Micalizzi, H. Baez,
M. Baum-Haley, C. Busslinger,
T. Baca

Ex Officio Member: President McVicker

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors, and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING -- Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet website, accessible at <http://www.mwdoc.com>.

DISCUSSION ITEMS

1. UPDATE ON THE CONSERVATION AS A WAY OF LIFE STANDARDS

ACTION ITEMS

2. ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) SPECIAL DISTRICT MEMBER SEAT – ELECTION
3. LPR AGREEMENT BETWEEN METROPOLITAN, MWDOC, AND SOUTH COAST WATER DISTRICT FOR THE DOHENY OCEAN DESALINATION PROJECT
4. AWARD OF CONSULTING CONTRACT FOR UPDATING THE 2025 HAZARD MITIGATION PLANS FOR COMPLIANCE WITH THE AMERICA’S WATER INFRASTRUCTURE ACT (AWIA)

INFORMATION ITEMS (The following items are for informational purposes only – background information is included in the packet. Discussion is not necessary unless requested by a Director.)

5. CONTINUATION OF THE GARDENSOFT WEBSITE IN SUPPORT OF ALL LANDSCAPE WATER USE EFFICIENCY PROGRAMS
6. PUBLIC AFFAIRS HIGHLIGHTS
7. QUARTERLY MWDOC K-12 CHOICE SCHOOL PROGRAMS UPDATE
8. SPEAKERS BUREAU QUARTERLY REPORT
9. DEPARTMENT ACTIVITIES REPORTS
 - a. Ongoing MWDOC Reliability and Engineering/Planning Projects
 - b. WEROC
 - c. Water Use Efficiency Projects
 - d. Public and Government Affairs
10. REVIEW OF ISSUES RELATED TO PLANNING OR ENGINEERING PROJECTS, WEROC, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, PUBLIC AFFAIRS PROGRAMS AND EVENTS, PUBLIC INFORMATION PROJECTS, PUBLIC INFORMATION CONSULTANTS, DISTRICT FACILITIES, and MEMBER-AGENCY RELATIONS

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Conference Room 101, Fountain Valley, California
April 3, 2024, 8:30 a.m.

Teleconference Site:
25652 Paseo De La Paz
San Juan Capistrano, CA 92675

(Members of the public may attend and participate in the meeting at both in-person locations.)

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

At this time members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present a unanimous vote.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

NEXT RESOLUTION NO. 2146

PRESENTATION/DISCUSSION ITEMS

1. UPDATE BY MWDOC STAFF REGARDING MET'S BIENNIAL BUDGET

Recommendation: Review and discuss the information presented.

2. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (SDA)
- c. Legal and Regulatory Report (Ackerman)
- d. County Legislative Report (Whittingham)
- e. MWDOC Legislative Matrix
- f. Metropolitan Legislative Matrix

Recommendation: Review and discuss the information presented.

3. QUESTIONS OR INPUT ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Recommendation: Receive input and discuss the information presented.

ACTION ITEMS

4. SB 937 (WIENER) - DEVELOPMENT PROJECTS: PERMITS AND OTHER ENTITLEMENTS: FEES AND CHARGES

Recommendation: Vote to adopt an oppose unless amended position on SB 937 (Wiener).

5. SB 1164 (NEWMAN) - PROPERTY TAXATION: NEW CONSTRUCTION EXCLUSION: ACCESSORY DWELLING UNITS

Recommendation: Vote to adopt an oppose position on SB 1164 (Newman).

6. SB 1210 (SKINNER) - NEW HOUSING CONSTRUCTION: ELECTRICAL, GAS, SEWER, AND WATER SERVICE CONNECTIONS: CHARGES

Recommendation: Vote to adopt an oppose unless amended position on SB 1210 (Skinner).

7. H.R 7525 – SPECIAL DISTRICT GRANT ACCESSIBILITY ACT

Recommendation: Vote to adopt a support position on H.R 7525 (Fallon, R-TX).

8. ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION (OC LAFCO) REGULAR SPECIAL DISTRICT MEMBER SEAT – ELECTION

Recommendation: Review and discuss potential nominations to OC LAFCO; authorize President McVicker and an alternate to vote in the appointment process; and direct staff to submit the appropriate forms to OC LAFCO by the deadlines outlined.

9. LOCAL RESOURCES PROGRAM (LRP) AGREEMENT BETWEEN METROPOLITAN, MWDOC, AND SOUTH COAST WATER DISTRICT FOR THE DOHENY OCEAN DESALINATION PROJECT

Recommendation: Authorize the General Manager to execute the Local Resources Program agreement with the Metropolitan Water District of Southern California and South Coast Water District generally in the form presented for the Doheny Ocean Desalination Project, subject to review and approval by Legal Counsel of any final agreement changes.

INFORMATION ITEMS

10. MET ITEMS CRITICAL TO ORANGE COUNTY (The following items are for informational purposes only – a write up on each item is included in the packet. Discussion is not necessary unless requested by a Director).

- a. MET’s Finance and Rate Issue
- b. MET’s Water Supply Condition Update
- c. MET’s Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

Recommendation: Review and discuss the information presented.

11. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding March MET Board Meeting
- b. Review items of significance for MET Board and Committee Agendas

Recommendation: Review and discuss the information presented.

ADJOURNMENT

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodations should make the request with adequate time before the meeting for the District to provide the requested accommodations.

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
Jointly with the
ADMINISTRATION & FINANCE COMMITTEE
18700 Ward Street, Conf. Room 101, Fountain Valley, CA 92708
April 10, 2024, 8:30 a.m.

Teleconference Site:
25652 Paseo De La Paz
San Juan Capistrano, CA 92675
(Members of the public may attend and participate in the meeting at both in-person locations.)

This meeting will be held in person at 18700 Ward Street, Fountain Valley, California, 92708 (Conference Room 101). As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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A&F Committee:
Director Crane, Chair
Director Thomas
Director Nederhood

Staff: H. De La Torre, C. Harris,
H. Chumpitazi, M. Baum-Haley,
K. Davanaugh, M. Goldsby

Ex Officio Member: President McVicker

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ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

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PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – March 2024
 - b. Disbursement Approval Report for the month of April 2024
 - c. Disbursement Ratification Report for the month of March 2024
 - d. GM Approved Disbursement Report for the month of March 2024
 - e. Consolidated Summary of Cash and Investment – February 2024
 - f. OPEB and Pension Trust Fund statement
2. FINANCIAL REPORT
 - a. Combined Financial Statements and Budget Comparative for the Period Ending February 29, 2024

ACTION ITEMS

3. REVIEW INFORMATION REGARDING PUBLIC HEARING TO CONSIDER AN ORDINANCE TO ADJUST COMPENSATION FOR DIRECTORS
4. ADOPTION OF THE THIRD DRAFT BUDGET FOR FISCAL YEAR 2024-25
5. PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2024-25
6. AWARD OF SOLE SOURCE CONTRACT TO DOPUJDA & WELLS CONSULTING TO CONDUCT DISTRICT NEEDS ASSESSMENT
7. AUTHORIZE AMENDMENT TO ADMINISTRATIVE CODE SECTION 1100 (BOARD AND COMMITTEE REGULAR MEETINGS)

PRESENTATION ITEM

8. 2nd PHASE OF MWDOC STRATEGIC COMMUNICATIONS PLAN

INFORMATION ITEMS – (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

9. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
10. MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

OTHER ITEMS

11. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

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SPECIAL MEETING OF THE
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
April 10, 2024, 6:00 p.m.

Teleconference Site:
25652 Paseo De La Paz
San Juan Capistrano, CA 92675

(Members of the public may attend and participate in the meeting at both in-person locations.)

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

At this time, members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken. If the item is on the Consent Calendar, please inform the Board Secretary before action is taken on the Consent Calendar and the item will be removed for separate consideration.

The Board requests that all members of the public who want to address the Board complete a "Request to be Heard" form available from the Board Secretary prior to the meeting.

- 1. DISCUSSION WITH REPRESENTATIVES FROM MWDOC'S MEMBER AGENCIES REGARDING KEY REGIONAL AND ORANGE COUNTY ISSUES, INCLUDING WATER SUPPLY CONDITIONS FOR 2024, MWDOC'S PROPOSED BUDGET AND ACTIVITIES FOR FY 2024-25, AND AN OVERVIEW OF MET'S 2-YEAR BUDGET**

Recommendation: Receive information and discuss the various issues outlined.

ADJOURNMENT

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REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Board Room, Fountain Valley, California
April 17, 2024, 8:30 a.m.

Teleconference Site:
25652 Paseo De La Paz
San Juan Capistrano, CA 92675

(Members of the public may attend and participate in the meeting at both in-person locations.)

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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AGENDA

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

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The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO

MEETING Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

NEXT RESOLUTION NO. 2146

CONSENT CALENDAR (Items 1 to ___)

(All matters under the Consent Calendar will be approved by one motion unless a Board member requests separate action on a specific item)

1. MINUTES

- a. March 6, 2024 Workshop Board Meeting
- b. March 20, 2024 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee Meeting: March 4, 2024
- b. Administration & Finance Committee Meeting: March 13, 2024
- c. Executive Committee Meeting: March 21, 2024

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of March 31, 2024
- b. Disbursement Registers (March/April)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of February 29, 2024
- d. PARS Monthly Statement (OPEB Trust)

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the Period Ending February 29, 2024

Recommendation: Receive and file as presented.

5. AWARD OF CONSULTING CONTRACT FOR UPDATING THE 2025 HAZARD MITIGATION PLANS FOR COMPLIANCE WITH THE AMERICA'S WATER INFRASTRUCTURE ACT (AWIA)

Recommendation: Authorize the General Manager to (1) enter into a consulting contract with Herndon Solutions Group (HSG) in the estimated amount not to exceed \$2.8 million (costs are contingent upon final participating agency commitments and include a 10% contingency) to assist member agencies update their 2025 Hazard Mitigation Plans. This includes MWDOC's cost share of approximately \$108,000; and (2) authorize the General Manager to enter into Letter Agreements or Contracts with up to 31 of our participating agencies under the

WEROC agreement, for cost recovery of this shared service contract.

6. AWARD OF SOLE SOURCE CONTRACT TO DOPUDJA & WELLS CONSULTING TO CONDUCT DISTRICT NEEDS ASSESSMENT

Recommendation: Authorize the General Manager to enter into a Professional Services Agreement with Dopudja & Wells, to conduct a District Needs Assessment in the amount of \$29,485.

7. AUTHORIZE AMENDMENT TO ADMINISTRATIVE CODE SECTION 1100 (BOARD AND COMMITTEE REGULAR MEETINGS)

Recommendation: Authorize the amendments to Administrative Code Section 1100 (Board and Committee meetings) as presented.

End Consent Calendar

PUBLIC HEARING/ACTION ITEM

8. HOLD PUBLIC HEARING TO ADOPT ORDINANCE SUPERSEDING AND REPEALING MWDOC ORDINANCE NO. 54 REGARDING COMPENSATION FOR DIRECTORS

ORD. NO. 56

Recommendation: (1) Open the Public Hearing (as noticed) regarding the Proposed Ordinance to receive input from the public; (2) consider said input on the Ordinance; and (3) consider adopting an Ordinance to adjust Director compensation in the general form presented.

ACTION ITEM

9-1 ADOPTION OF THE BUDGET FOR FISCAL YEAR 2024-25

RES. NO. _____

Recommendation: Adopt Resolution establishing the Fiscal Year 2024/25 budget as presented, with the recommendation to remove MWDOC's participation in the California Water For All initiative (\$20,000).

9-2 PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2024-25

RES. NO. _____

*Recommendation: (1) **Increase** the MWDOC Retail Meter Charge from \$14.25 to \$14.75 per meter, and **increase** the Groundwater Customer Charge from \$383,697 to \$405,463 effective July 1, 2024; and (2) Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2024 and January 1, 2025 as identified in the Water Rate Resolution for Fiscal Year 2024-25.*

DISCUSSION ITEMS/PRESENTATION ITEMS

10. MEMBER AGENCY SPOTLIGHT – SOUTH COAST WATER DISTRICT

Recommendation: Receive and file presentation.

11. PRESENTATION BY LEGAL COUNSEL RE SB 1439 (GLAZER; CAMPAIGN CONTRIBUTIONS)

Recommendation: Receive and file the information presented.

INFORMATION CALENDAR (All matters under the Information Calendar will be Received/Filed as presented following any discussion that may occur)

12. GENERAL MANAGER'S REPORT, APRIL (ORAL AND WRITTEN)

Recommendation: Receive and file report(s) as presented.

13. MWDOC GENERAL INFORMATION ITEMS

- a. Board of Directors - Reports re: Conferences and Meetings
- b. Requests for Future Agenda Topics

Recommendation: Receive and file as presented.

CLOSED SESSION ITEMS

14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water of Southern California on April 8, 2014, et al., former Los Angeles Superior Court Case No. BC547139, transferred on December 2, 2014, to San Francisco Superior Court, now Case No. CPF-14-514004.

- 15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 12, 2016, effective January 1, 2017 and January 1, 2018, et al., former Los Angeles Superior Court Case No. BS161729, transferred to San Francisco Superior Court, now Case CPF-16-515282.
- 16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9. One Case: San Diego County Water Authority v. Metropolitan Water District of Southern California; all persons interested in the validity of the rates adopted by the Metropolitan Water District of Southern California on April 10, 2018 to be effective January 1, 2019, and Jan. 1, 2020, et al., Los Angeles Superior Court Case No. BS 173868, Transferred to San Francisco Superior Court, now Case CPF-18-516389.

ADJOURNMENT

Note: Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by contacting Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.



**GENERAL MANAGER REPORT
OF STAFF ACTIVITIES**

April 2024

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

MEMBER AGENCY MANAGERS MEETING

MWDOC held its Member Agency Managers' meeting at its office in Fountain Valley on Thursday, March 21, 2024.

In attendance: Mike McGee - Buena Park, David Youngblood – East Orange County WD, Mark Sprague – Fountain Valley, Cel Pasillas – Garden Grove, Ken Vecchiarelli – Golden State Water Company, Alvin Papa – Huntington Beach, Paul Weghorst– Irvine Ranch Water District, Dean Chambers – La Palma, Paul Shoenberger – Mesa Water District, Drew Atwater, Ian Berg, Laura Rocha, Johnathan Cruz, Matt Collings & Kaden Young – Moulton Niguel Water District, Mark Vukojevic & Steffen Catron – Newport Beach, Jose Diaz – Orange, Chris Olsen & John Kennedy – Orange County WD, Dustin Burnside - San Clemente, Fernando Paludi – Trabuco Canyon Water District, Jason Churchill & Mike Chandler – Tustin, Mark Toy & Doug Davert – Yorba Linda WD

Staff in attendance: Harvey De La Torre, Heather Baez, Joe Berg, Damon Micalizzi, Charles Busslinger, Sarina Sriboonlue, Alex Heide

General Meeting Information/Discussion Items:

- Draft Board Agendas
- MWDOC Draft Budget
- MET Budget
- AMI Survey Update
- *Making Conservation a California Way of Life* Regulations Update
- Engineering Update

Announcements:

- Annual Elected Officials' Forum – April 10, 2024, 6:00-8:00 p.m.

Report Items

- Monthly GM Report
- Legislative Reports
- WEROC Matrix
- Grant Funding Opportunities
- Additional Reports or Materials

Next managers meeting April 18, 2024

ENGINEERING & PLANNING

LEAD AND COPPER RULE REVISIONS – LEAD SERVICE LINE INVENTORY CHOICE PROGRAM

In mid-March 2023, multiple agencies requested MWDOC's assistance in complying with the U.S. Environmental Protection Agency (EPA) Lead and Copper Rule Revisions (LCRR) - Service Line Inventories, which all water systems are required to complete and submit to the primacy agency (for California it is the State Water Resources Control Board - SWRCB) by October 16, 2024.

On September 20, 2023, the MWDOC Board approved a contract award to Hazen and Sawyer (Hazen). The shared services program has 13 participating agencies, each with a customized scope of work.

The project remains on schedule.

On November 30, 2023, the U.S. EPA announced draft rule changes to the LCRR, which are known as the Lead and Copper Rule Improvements (LCRI). The LCRI proposes significant changes to the LCRR regarding both changed requirements and timelines. The public comment period for the proposed LCRI ended February 5, 2024. MWDOC participated in the AWWA/CMUA workshops to provide input on the compliance realities of the LCRI. Hazen has also met multiple times with SWRCB staff to obtain clarity on how it will interpret compliance requirements as the primary agency in California.

Hazen and MWDOC staff continue to follow the LCRI and will update participating agencies as requirements become closer to being finalized.

As of March 26, 2024, the initial inventories for the participating agencies are more than 90% complete. In mid-April, Hazen will submit alternative verification methodologies for each agency to the Division of Drinking Water (DDW) for approval. Once approved, the field verification phase of the project will begin.

SHUTDOWNS

AMP Prestressed Concrete Cylinder Pipe (PCCP) Inspection and Rehabilitation

MET conducted an inspection of the PCCP sections of the AMP down-gradient of OC-70 in October/November 2023 to assess the condition of the high tensile strength prestressed structural steel wire in the pipe. MET staff provided a presentation on the AMP Rehabilitation Project at the Joint Board Workshop on January 3, 2024 (presentation available at:

<https://www.mwdoc.com/wp-content/uploads/2023/11/MWDOC-AMP-Inspection-Update.pdf>)

In response to the November 2023 PCCP inspection findings, MET initiated Special Operation Conditions (SOC) for the AMP to reduce pressure on the pipeline, which is currently in place.

An extended AMP shutdown from January 14 – 18, 2024, in conjunction with the Diemer shutdown, was completed to conduct additional inspections and to upsize a bypass line near OC-88 to allow for additional pressure reductions on reaches of the AMP below OC-70. The new bypass line was completed in late February, and additional pressure reductions began on March 7, 2024.

Additional AMP Shutdowns

April 5 – 25, 2024 - A shutdown is scheduled for the reaches down gradient of OC-70 to complete PCCP repairs between OC-70 and OC-88. Additionally, a bulkhead will be installed downgradient of OC-88, allowing the AMP from Diemer through OC-88 to return to normal operations upon completion.

April 26, 2024 – January 31, 2025 – The reaches below OC-88 (downgradient of the bulkhead) will remain dry to allow permanent repairs to the most critical PCCP segments in the lower reaches of the AMP. Affected agencies have coordinated extensively with each other and neighboring agencies, MET, and MWDOC to accommodate the extended shutdown through early 2025. The planned use of the AMP through OC-88 into the South County Pipeline, the Baker Water Treatment Plant, EOCF#2, ATM, OC Feeder, El Toro Reservoir, Upper Chiquita Reservoir, as well as local resources are all being used extensively to support this shutdown.

Lake Mathews

MET completed a two-day shutdown of Lake Mathews on March 12-13, 2024, to complete the Department of Safety of Dams (DSOD) required inspections and testing of the slide gates. The system was returned to service on schedule.

EMERGENCY PREPAREDNESS

MARCH EVENTS

Foxtrot Anchorage Oil Sheen

The Foxtrot Anchorage Oil Sheen Incident, required effort from the WEROC Office in support of the Member Agencies to obtain information from the coordination calls and liaison updates in the event the oil sheen affected our Member Agencies. There were no reported impacts to any of WEROC's Member Agencies.

COORDINATION/PARTICIPATION WITH MEMBER AGENCIES AND OUTSIDE AGENCIES MEETINGS OUTSIDE OF PROGRAMS AREAS AND EMERGENCY RESPONSE

On 3/7/24, Janine attended the monthly Orange County Emergency Management Organization (OCEMO) meeting.

On 3/27/24, Janine participated in the OC Sheriff's Department Emergency Management Division's Annual Tsunami Communications Drill.

On 3/27/24, Janine attended the Orange County Emergency Management Organization's Technology Subcommittee Meeting.

PLANNING AND PROGRAM EFFORTS

AWIA & Hazard Mitigation

The "Choice" Program RFP will have a scope of work to include the Risk Assessment, Emergency Response Plan Update, and Hazard Mitigation, which was launched on February 12, 2024. The question submission deadline was February 26, with WEROC fielding questions for prospective contractors. The proposal submission deadline was Friday, March 8, 2024. WEROC received 3 (three) proposals. The RFP will be brought to the MWDOC Board of Directors for approval on April 1, 2024, at the Planning & Operations Committee meeting.

Cyber Security And OCIAC Partnership

WEROC continues to send out important information to the Cyber Security Distribution Group as received from DHS or the OCIAC.

WEROC has been providing information to the member agencies as required about highlighted threats to the water industry and other current world events as required.

Regional Fuel Project

Work is continuing on this project.

Regional Mapping Project

Janine continues to work on updating the 2018 WEROC Water/Wastewater Atlas and Public Safety Power Shut Off (PSPS) map project. This project will go into FY 24/25

Regional Water Distribution Plan

This will be done in 5 regions of OC based on the County Board of Supervisor Districts. Tabletop Exercises will be conducted in Q3 of 2024.

Training and Exercises

Vicki will work with agencies to schedule exercises and training for the remainder of the year.

MET ITEMS CRITICAL TO ORANGE COUNTY

MET FINANCE AND RATE ISSUES

Water Transactions for January 2024 (for water delivered in November 2023) totaled 107.2 thousand acre-feet (TAF), which was 39.3 TAF lower than the budget of 146.5 TAF and translated to \$111.0 million in receipts, which was \$28.6 million lower than the budget of \$139.6 million.

Year-to-date water transactions through January 2024 (for water delivered in May 2023 through November 2023) were 741.7 TAF, which was 257.6 TAF lower than the budget of 999.3 TAF. Year-to-date water receipts through January 2024 were \$751.8 million, which was \$254.0 million lower than the budget of \$1,005.8 million.

Metropolitan is in the process of considering its FY2024-25 and FY2025-26 biennial budget. For more information on the Metropolitan's budget, please see the discussion item on the Metropolitan budget earlier in the Board packet.

MET'S SUPPLY CONDITION UPDATE

The 2023-24 Water Year (2023-24 WY) officially started on October 1, 2023. Thus far, Northern California accumulated precipitation (8-Station Index) reported **40.9 inches or 100% of normal** as of March 27th. The Northern Sierra Snow Water Equivalent was **32.6 inches on March 26th**, which is **115% of normal** for that day. In March, the Department of Water Resources (DWR) increased the State Water Project (SWP) initial "Table A" allocation for WY 2023-24 by **30%**.

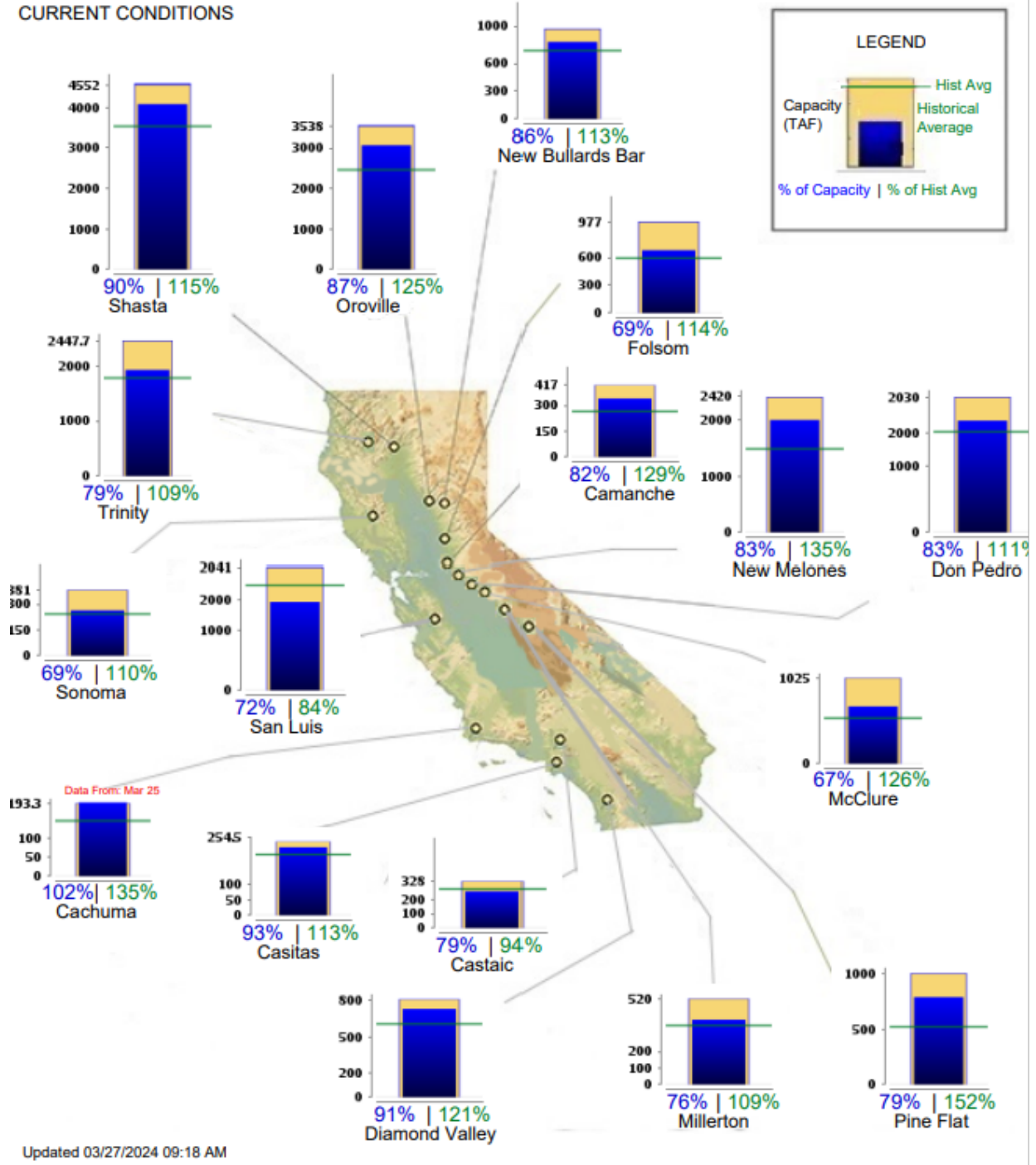
The Upper Colorado River Basin accumulated precipitation is reporting **16.7 inches or 104% of normal as of March 25th**. On the Colorado River system, snowpack is measured across four states in the Upper Colorado River Basin. The Upper Colorado River Basin Snow Water Equivalent was **15.9 inches as of March 28th**, which is **86% of normal** for that day. Due to the below-average inflows into Lake Powell over the past several years, the United States Bureau of Reclamation **declared a shortage at Lake Mead that has been ongoing since January 1st, 2022**. As of March 2024, **there is a 100% chance of shortage continuing in Calendar Year (CY) 2024, a 90% chance in CY 2025, and an 83% chance in CY 2026. In addition, there is a 10% chance of a California shortage in 2026.**

As of March 26th, Lake Oroville's storage is 87% of the total capacity and 125% of the normal capacity. As of March 26th, San Luis Reservoir has a current volume of 72% of the reservoir's total capacity, which is 84% of the normal capacity.

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

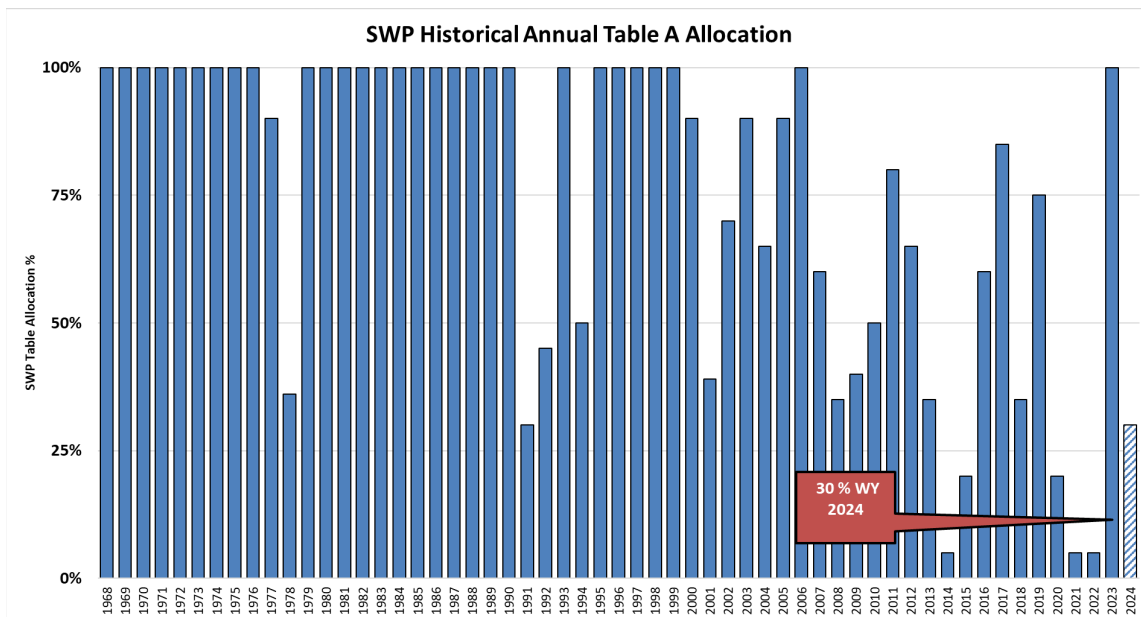
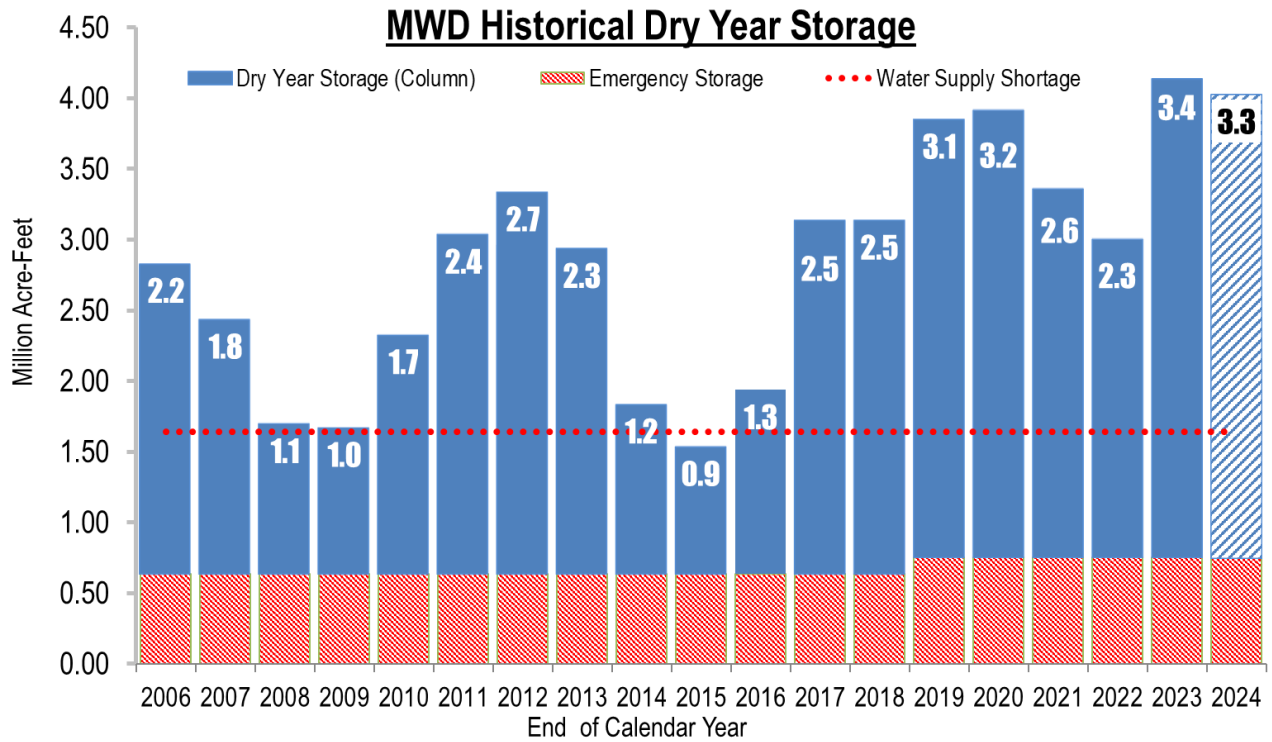
CURRENT CONDITIONS

Midnight - March 26, 2024



With CY 2024 estimated total demands and losses of 1.509 million acre-feet (MAF) and with a 30% SWP Table A Allocation, Metropolitan is projecting that demands will exceed supply levels in CY 2024. Based on this, the estimated total dry-year storage for Metropolitan at the end of **CY 2024 will decrease to approximately 3.3 MAF.**

A projected dry-year storage supply of **3.3 MAF** would be approximately **2.3 MAF from a typical level where Metropolitan's goes into Water Supply Allocations**. A large factor in maintaining a high-water storage level is lower than expected water demands. We are seeing regional water demands reaching a 40-year low. **However, with a majority of Metropolitan's water supplies stored in Lake Mead and still a 5-year shortage projection at Lake Mead, there remains a lot of uncertainty about where supply balances will be in the future.**



2024 WSDM Storage Detail

	1/1/2024 Estimated Storage Levels ¹	CY 2024 Take Capacity ²	2024 Total Storage Capacity
WSDM Storage			
Colorado River Aqueduct Delivery System	1,544,000	182,000	1,657,000
Lake Mead ICS	1,544,000	182,000 ³	1,657,000
State Water Project System	977,000	593,000	1,991,000
MWD & DWCV Carryover	297,000	297,000	350,000 ⁴
MWD Articles 14(b) and 12(e)	0	0	N/A
Castaic and Perris DWR Flex Storage	219,000	219,000	219,000
Arvin Edison Storage Program	100,000	0	350,000
Semitropic Storage Program	190,000	45,000	350,000
Kern Delta Storage Program	114,000	32,000	250,000
Mojave Storage Program	19,000	0	330,000
AVEK Storage Program	27,000	0	30,000
AVEK High Desert Water Bank Program	11,000	0	112,000 ⁵
In-Region Supplies and WSDM Actions	1,016,000	635,000	1,246,000
Diamond Valley Lake	753,000	496,000	810,000
Lake Mathews and Lake Skinner	207,000	95,000	226,000
Conjunctive Use Programs (CUP) ⁶	56,000	44,000	210,000
Other Programs	586,000	29,000	1,181,000
Other Emergency Storage	381,000	0	381,000
DWCV Advanced Delivery Account	205,000	29,000	800,000
Total	4,123,000	1,439,000	6,075,000
Emergency	750,000	0	750,000
Total WSDM Storage (AF) ⁷	3,373,000	1,439,000	5,325,000

¹ Preliminary start of year balances, subject to DWR adjustments and USBR final accounting in May 2024.

² Take capacity assumed under a ten percent SWP Table A Allocation. Storage program losses included where applicable.

³ Take capacity based on planned maintenance activities and current CRA supply estimate.

⁴ Total storage capacity varies year-to-year based on prior year remaining balance added to current year contractual limits.

⁵ Reflects 40 percent of the AVEK High Desert Water Bank Program's total storage capacity that has been constructed. The total storage capacity for the AVEK High Desert Water Bank is 280 TAF. Full recharge and recovery operation anticipated by 2027.

⁶ Total of all CUP programs including IEUA/TVMWD (Chino Basin); Long Beach (Central Basin); Long Beach (Lakewood); Foothill (Raymond and Monk Hill); MWDOC (Orange County Basin); Three Valleys (Live Oak); Three Valleys (Upper Claremont); and Western.

⁷ Total WSDM Storage level subject to change based on accounting adjustments.

MET'S WATER QUALITY UPDATE

Water System Operations

Metropolitan member agency water deliveries were 58,200 acre-feet (AF) for February, with an average of 2,010 AF per day, about 250 AF per day lower than in January. Metropolitan has suspended Cyclic and Conjunctive Use Program deliveries to preserve State Water Project (SWP) supplies. Treated water deliveries were 8,200 AF lower than in January, for a total of 28,500 AF or 49 percent of total deliveries for the month. The Colorado River Aqueduct (CRA) pumped a total of 39,000 AF in February. Metropolitan maintained a three-pump flow along the CRA for most of the month. SWP imports averaged 520 AF per day, totaling about 15,200 AF for the month. The target SWP blend is zero percent for the Weymouth, Diemer, and Skinner plants.

On February 21, the Department of Water Resources (DWR) increased the SWP Allocation for 2024 from 10 to 15 percent. The 15 percent SWP Allocation, when combined with Colorado River supplies, does not provide the region with sufficient water to meet demands, and Metropolitan will need to rely on stored supplies. However, recent wet conditions may increase the SWP Allocation later this season. Water continues to be managed according to Water Surplus and Drought Management (WSDM) principles and operational objectives, emphasizing maintaining storage supplies to meet future demands in the SWP-dependent area. Metropolitan suspended deliveries to Desert Water Agency and Coachella Valley Water District. With the current low SWP Allocation, Metropolitan is minimizing its use of Table A supplies early this year and will adapt as conditions change. Metropolitan has reduced blends at its treatment plants to preserve SWP supplies and use more Colorado River water.

Water Treatment and Distribution

The SWP target blend entering the Diemer and Weymouth plants remained at zero percent until February 25, when the SWP target blend was gradually increased to target 100 percent SWP by March 11 to accommodate the Lake Mathews shutdown. The SWP target entering Lake Skinner remained at zero percent in February, and the SWP blend leaving the lake was approximately 20 percent. Flow-weighted running annual averages for total dissolved solids from January 2023 through December 2023 for Metropolitan's treatment plants capable of receiving a blend of supplies from the SWP and the Colorado River Aqueduct were 357, 433, and 477 milligrams per liter (mg/L) for the Weymouth, Diemer, and Skinner plants, respectively.

Metropolitan Weymouth plant staff provided project support for the Weymouth Administrative Building Seismic Upgrades and Building Improvements capital project. Staff relocated critical chlorine ejector feed lines in preparation for contractor construction work. Two backflow device assemblies were also relocated and replumbed.

Metropolitan staff at the Weymouth plant worked on commissioning filter valves for the Basins 5-8 and Filter Building No. 2 Rehabilitation capital project. Staff checked filter valve position indicators and completed limit switch testing. The filters were returned to service after verifying that the valves operated correctly.

Metropolitan Skinner plant staff completed venturi meter preventive maintenance to ensure accurate flow measurements. Venturi meters use the pressure differential between two points to measure flow velocity. Keeping the flow tubes clean, where pressure is measured, is necessary for proper functionality. A rodding tool is used to clear the sensing line of debris before it is flushed clean.

Metropolitan staff upgraded the filter valve actuators at the Diemer plant, which provide the mechanism to open and close filter valves. The actuator's original spring packs were undersized, which can cause excess mechanical wear when the valves are operated.

Weekly Water Quality System Status

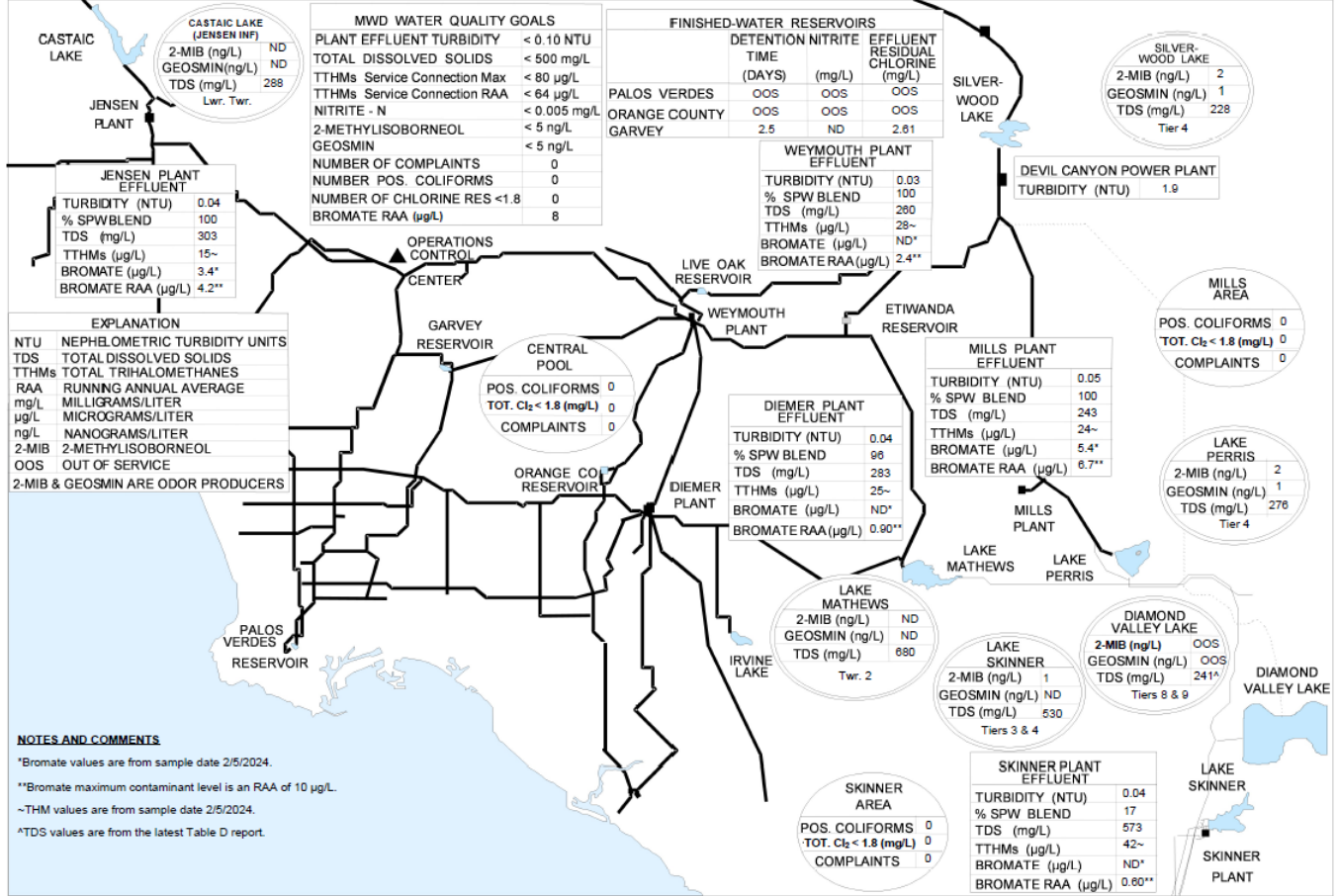
Wednesday, March 13, 2024

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THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

No violations of State or Federal regulations were recorded during the current period.



MWD water quality goals meet or exceed all State and Federal regulations.

WATER QUALITY INFORMATION LINE: (800) 354-4420
VISIT MWD ON THE WEB AT <http://www.mwdh2o.com>

The newly installed spring packs have a higher torque capacity and can operate more reliably.

The Metropolitan Water District of Southern California

Weekly Operations Plan for 3/21/2024 – 3/28/2024

For additional information, please contact James Bodnar at (213) 217-6099

1. **COLORADO RIVER AQUEDUCT:** The CRA is at a 0-pump flow.
2. **EAST BRANCH SPW:** Rialto Pipeline will average a flow of 100 AF/day. Santa Ana Valley Pipeline will be at 60 AF/day. Inland Feeder flow will be at 90 AF/day.
3. **WEST BRANCH SPW:** The flow from Castaic Lake will be at 380 AF/day. Flow to SCVWA (formerly CLWA) is currently at 110 AF/day.
4. **TERMINAL RESERVOIRS:**

Reservoir	Current Storage* (AF)	Percent of Capacity
Lake Mathews	158,100	87%
Lake Skinner	30,600	70%
DVL	741,000	91%

*as of 3/20/2024

5. **WATER QUALITY:**

Plant	Targeted Blend (% SPW)	TDS (mg/L)	TTHMs (µg/L)
	As of 3/20/2024	As of 3/20/2024	As of 3/4/2024
Weymouth	00	574	23
Diemer	00	647	24
Skinner	20*	515	59
Jensen	100	305	14
Mills	100	264	34

* = The target blend for Skinner is increasing from 20% with supplies from DVL to support the CRA shutdown.

6. **WATER DELIVERIES:** March deliveries are forecasted to be about 80 TAF. As of March 20, 2024, total system demands are about 2,800 AF/day, an increase of about 500 AF/day from last week.
7. **HYDROELECTRIC GENERATION:** As of March 20, 2024, the total daily average generation for the week was about 7.1 MW, with 4 of 15 hydroelectric plants in operation.

COLORADO RIVER ISSUES

Final SEIS Released by USBR

On March 5, 2024, USBR released the Final Supplemental EIS for Near Term Colorado River Operations. The preferred alternative selected by USBR was the Lower Basin proposal to conserve an additional 3 million acre-feet of water through 2026. It is anticipated that USBR will issue a Record of Decision in the coming weeks to implement the proposal.

Metropolitan staff presented an update to the One Water and Stewardship Committee on the Final Supplemental EIS on March 11, 2024.

[Presentation on the U.S. Bureau of Reclamation's Development of the Post-2026 Colorado River Operational Guidelines](#)

DELTA CONVEYANCE ACTIVITIES AND STATE WATER PROJECT ISSUES

Delta Conveyance

The California Department of Water Resources (DWR) submitted a Change in Point of Diversion Petition to the State Water Resources Control Board to review the petition for accuracy and completeness and then issue a public notice detailing their public review process. DWR, Metropolitan, and other supporting public water agencies also filed appeals of the bond validation decision in response to the January 16, 2024, Sacramento County Superior Court ruling denying DWR's request for an order validating bond resolutions to finance the Delta Conveyance Project.

DWR released two fact sheets: [Delta Conveyance Project Fast Facts](#) - a compilation of quick project stats, key project features, water supply reliability, and public input; and [Adapting to Climate Change: Catching and Moving Water from Big Storms](#) - which found that if the Delta Conveyance Project had been operational during the recent storms, about 457,000 acre-feet of water could have been captured by the State Water Project for future use through February 20. This number will be updated as available.

Delta Conveyance JPA

At the February 15 regularly scheduled meeting, the Delta Conveyance Design and Construction Authority (DCA) Board of Directors meeting, the DCA Board adopted a resolution to establish a Finance Committee and appointed Director Gary Martin to chair the committee made up of DCA Board Chair Sarah Palmer and Director Martin Milobar.

Science Activities

Metropolitan staff submitted a review of the Collaborative Adaptive Management Team Structured Decision Making for Delta Smelt draft report. The draft report details the final analysis of the Phase 1 effort initiated in 2019 with the objective of developing alternative actions to promote positive population growth in Delta Smelt in the next 5-10 years.

Delta Island Activities

Metropolitan staff has completed negotiations with the Delta Conservancy on the Webb Tract Grant Agreement. A floating wetland containment structure was installed in an existing impoundment on Bouldin Island. The tules located in the dough boy pools from a previous floating wetlands study on Bouldin Island will be moved to the containment structure in the impoundment as nursery stock, and it will continue to be studied.

PUBLIC/GOVERNMENT AFFAIRS

MEMBER AGENCY SUPPORT

Public Affairs Staff:

- Speakers Bureau: Provided support to Director Seckel for the City of Seal Beach's Courtyard Beautification Project ribbon-cutting ceremony – March 19
- Shared Member Agency spotlight campaign pilot with Yorba Linda Water District on social platforms emphasizing collaboration in OC water supply and reliability
- Provided graphic support for the City of San Clemente website
- Met with the City of Westminster and Orange County education partners to plan an Earth Day event at Coronet WaterSmart Conservation Garden
- Participated in a MWDOC Small Member Agency Working Group

Government Affairs Staff:

- Provided a letter of support for South Coast Water District's Doheny State Beach Campground Project grant application through the Transportation, Housing, and Urban Development
- Sent requests and received letters in support of Trabuco Canyon Water District's Harris Grade Reservoir Grant application through the Bureau of Reclamation. Letters were received from Supervisor Don Wagner, Assembly Member Kate Sanchez, Senator Catherine Blakespear, Congresswoman Young Kim, and Congressman Mike Levin.
- Distributed the monthly Grants Tracking and Acquisition Report to all participating member agencies
- Attended the Small Member Agency Working Group Meeting and outlined a new Legislative Feedback Form designed to give member agencies an additional format to provide feedback.
- Circulated the Legislative Feedback Form to all member agencies

COMMUNITY AND SPECIAL EVENTS

Public Affairs Staff

- Prepared water supply delivery activity for the Orange County Children's Water Festival
- Coordinated, attended, and provided support on an inspection trip to Pure Water, Weymouth Treatment Plant, and Santa Ana well site with Director Seckel and the City of Santa Ana.
- Coordinated the guest registration for the April 19-20 State Water Project Inspection Trip with Director Seckel and Three Valleys Municipal Water District
- Closed the 2024 Water Awareness Poster Contest and began to sort through hundreds of submissions from Orange County students
- Ended the Metropolitan Water District of Southern California Traveling Art Gallery, which featured three winners from MWDOC's service area

Government Affairs Staff:

- Worked with staff and Metropolitan Water District and Assemblymember Laurie Davies' office to build an invite list for our upcoming Community Leaders Briefing on April 5
- Attended CSUF's Dinner celebrating Orange County's Political Legacy, where Tom Daly, Bill Campbell and Lucy Dunn were honored
- Attended the State of County Luncheon
- Attended OCBC's 2024 Sacramento Advocacy trip featuring speakers:
 - * Assemblyman Chris Ward
 - * Housing & Community Development Director, Gustavo Velasquez
 - * CalTrans Director Tony Tavares
 - * Nick Ortiz and Ashley Hoffman from CalChamber
 - * SWRCB Chair Joaquin Esquivel
 - * Dinner with the full Orange County delegation
 - * California State Treasurer Fiona Ma
 - * Secretary of State Shirley Weber
 - * Assembly Member Cottie Petrie-Norris
 - * Natural Resources Secretary Wade Crowfoot
 - * Legislative Analyst Gabe Petek
- Served on a panel for ACC-OC, providing an update on the SWRCB's Making Conservation a California Way of Life regulation to the ACC-OC membership

K-12 WATER EDUCATION

Public Affairs Staff:

- Speakers Bureau: Met with the Orange County Department of Education and secured Director Crane as a panelist for the annual OC Civic Learning Celebration on April 25
- Distributed request for commitments to Member Agencies and the Three Cities for MWDOC K-12 Choice School Programs
- Met with MWDOC 3-12 Choice School Program contractor, Orange County Department of Education's Inside the Outdoors, to discuss program progress and upcoming family engagement opportunities.
- Met with the City of Tustin to give an overview of MWDOC Choice K-12 School Programs
- Provided information regarding MWDOC Choice K-12 School Programs to the City of San Clemente, City of La Palma, City of Tustin, City of Brea, El Toro Water District, City of Anaheim, Santa Margarita Water District, and the City of Buena Park

WORKFORCE INITIATIVE

Public Affairs Staff:

- Speakers Bureau: Provided a presentation to the California Environmental Education Foundation's Teacher's Institute attendees introducing the Water Energy Education Alliance (WEEA) and providing tips and resources for helping industry recruit the next generation of water, wastewater, and energy workers
- Provided Water Career brochures to Laguna Beach County Water District and Moulton Niguel Water District for use at local student career fairs
- Met with Santiago Canyon College (SCC) to discuss their grant application for The Coalition's California Water, Wastewater & Energy Program
- Speakers Bureau: Provided a presentation to Mesa Water and Orange County Sanitation to introduce WEEA and discuss their support options for SCC's grant application to The Coalition's California Water, Wastewater & Energy Program
- Met with California Community Colleges and SCC to discuss topics and responsibilities for an Orange County WEEA meeting
- Speakers Bureau: Facilitated an OC WEEA meeting with OC Water Providers, OC Community Colleges and education providers, OC Community Foundation, & OC Business Council to introduce the OC WEEA format and discuss supporting SCC's grant application for The Coalition's California Water, Wastewater & Energy Program
- Speakers Bureau: Provided an interview to the Centers of Excellence for Labor Market Research newsroom on the implementation and ongoing use of the statewide water/wastewater workforce needs report initiated by WEEA and published in March 2023
- WEEA has partnered with the California Water Environment Association (CWEA), Association of California Water Agencies (ACWA), and California Association of Sanitation Agencies (CASA) to develop an April/May campaign for water and wastewater workforce recruitment. WEEA's recruitment brochures in nine (9) languages will be added to the toolkit by visiting MWDOC/WEEA.
- Met with the Chief Executive Officer of The Workforce Equity Lab to discuss her participation as a speaker for an upcoming WEEA Leadership Roundtable meeting
- Met with Assistant Superintendent, Innovation, San Diego County Office of Education to discuss introduction and implementation of their water and wastewater career exploration model into Orange County schools

DIGITAL COMMUNICATIONS, PUBLICATIONS, AND MEDIA ENGAGEMENT

Public Affairs Staff:

- Prepared and distributed content for social media
- Updated the MWDOC website as requested by several departments
- Worked with the MWDOC Water Use Efficiency team to promote the new OC Tree Rebate through the MWDOC website and social media pages

- Worked with strategic digital communications contractor Hashtag Pinpoint to produce a 5-video series Fix A Leak Week ad campaign

SPECIAL PROJECTS

Public Affairs Staff:

- Met with strategic digital communications contractor Hashtag Pinpoint to discuss direction, goals, and engagement opportunities.
- Began planning and participated in the OC Water Summit Ad Hoc Committee meeting
- Participated in Metropolitan Water District of Southern California's Public Information Officer/Water Use Efficiency Coordinators Working Group
- Prepared and distributed surveys to all MWDOC Departments and the MWDOC Board of Directors to inform the MWDOC.com Website Refresh Project
- Prepared and distributed the MWDOC Communications Priorities survey to the MWDOC Board of Directors
- Participated in the Orange County Environmental Solutions Network bi-monthly meeting

Governmental Affairs Staff:

- Staffed the March WACO meeting featuring speaker Scott Hamilton, San Joaquin Water Blueprint
- Confirmed speakers for the May WACO program
- Staffed the ISDOC Executive Committee meeting

OUTREACH METRICS

Public Affairs Staff:

- Google Performance Analytics (February 2024)
 - 135 business profile interactions
 - 1,147 people viewed the business profile
- Website Analytics (GM report timeframe)
 - 7.2k pageviews + 4 OC Water-Smart Parks Microsite site sessions
 - Top pages for this date range
 - Home Page 1221
 - RFP/RFQ 685
 - Residential Rebates 518
 - Agendas, Packets, Minutes 348
 - OC Friendly Landscapes 304
- ocwatersmartgardens.com Analytics (February 2024)
 - 869 Sessions
 - Top pages for this date range
 - Landing Page

- OC Trees
- Helpful Plant List
- Social Media (February 28th-March 24th)
According to Hootsuite – the global leader in social media management – a good engagement rate is between 1% to 5%.
 For this period, MWDOC's engagement rate is at 8.84%%
 - 64,682 Post reach (number of people)
 - 5,718 Post engagement (actions taken – likes, shares, etc.)

LEGISLATIVE AFFAIRS

Governmental Affairs Staff:

- Attended the ACWA DC conference in Washington, D.C.
- I met with Kevin Morley of AWWA to discuss their efforts in the area of cybersecurity and ways we can collaborate.
- Met with staff from Congresswoman Young Kim's office to provide an update on our water loss control program, tax parity for water rebates, and a potential AMI program
- Met with staff from Congresswoman Michelle Steel's office to provide an update on our water loss control program, tax parity for water rebates, and a potential AMI program
- Met with staff from Congressman Mike Levin's office to provide an update on our water loss control program, tax parity for water rebates, and a potential AMI program
- Met with staff from Congressman Lou Correa's office to provide an update on our water loss control program, tax parity for water rebates, and a potential AMI program
- Met with the WaterSMART team at the Bureau of Interior to discuss our water loss control program and how it might be eligible for water savings grants in the future and AMI grants for multiple service areas. These discussions are ongoing.
- Met with staff from Congresswoman Katie Porter's office to provide an update on our water loss control program, tax parity for water rebates, and a potential AMI program
- Participated in the ACWA State Legislative Committee meeting
- Participated in CCEEB's WCW Committee meeting
- Attended CMUA's Regulatory Committee meeting
- Participated in CMUA's Legislative Committee meeting
- Participated in the Metropolitan Water District Member Agency Legislative meeting
- Met with Metropolitan staff to discuss legislative priorities and upcoming bills for 2024
- Attended the ACWA State Legislative Committee meeting in Sacramento

WATER USE EFFICIENCY

ORANGE COUNTY WATER LOSS CONTROL WORKGROUP MEETING

On March 12, Rachel Davis, Willie Zavala, and Hugo Escamilla hosted the Orange County Water Loss Control Workgroup meeting at the MWDOC office. Approximately 36 agency staff attended this meeting. Items on the agenda included:

- Water Loss Update
 - Water Loss Regulations Timeline
 - Asset Management Questionnaires due on July 1, 2024
 - DWR Webinar Recap – SWRCB Staff Member Eric Zuniga Presentation
 - Shared Services and Technical Assistance Contracts
- 2023 MWDOC Water Audit Submission Review
- MWDOC Leak Detection Program
 - Leak Detection To Date
 - Equipment Show & Tell
- Discussion and Questions

The next workgroup meeting is scheduled for July 12.

ORANGE COUNTY DATA ACQUISITION PARTNERSHIP (OCDAP) STEERING AND TECHNICAL ADVISORY COMMITTEE (STAC)

On March 12, Rachel Waite attended the OCDAP STAC. The working group collaborates on and organizes a regional effort to share costs for the acquisition of high-resolution aerial imagery and related products. The discussion focused on Cycle #3, the Request for Proposals.

The next meeting is scheduled for April 9.

CALIFORNIA WATER EFFICIENCY PARTNERSHIP (CALWEP) WINTER PLENARY MEETING

On March 13, Joe Berg, Tina Fann, and Beth Fahl attended the CalWEP Spring Plenary meeting, with Sam Fetter and Rachel Waite participating via Zoom. Agenda items included:

- CalWEP Updates
- What's New at the Alliance
- 2024's Busy Regulatory Landscape
 - CEC and MWEL0
- Appendix M Fact Sheet
- Making Conservation a Way of Life Update

- Federal Updates
- Collaborator Spotlight: The Climate Registry
- Things You Should Know About: New Landscape Irrigation Management Tools
- Fix a Leak Week Spotlight
- AB1572 is Law. What Now?

The Fall 2024 Plenary is scheduled for August 29.

SONOMA COUNTY WATER AGENCY WATER LOSS CONTROL WORKGROUP

On March 14, Rachel D. presented to the Sonoma County member agencies on the MWDOC Water Loss Control Technical Assistance and Leak Detection Programs. MWDOC presented a case study from a member agency that successfully applied for an adjustment to their water loss standard to a more appropriate level. It also reduced their distribution system's actual losses through leak detection performed by the MWDOC team. Approximately 23 people were in attendance.

METROPOLITAN PUBLIC INFORMATION OFFICERS (PIO) WORKING GROUP AND WATER USE EFFICIENCY (WUE) COORDINATORS JOINT MEETING

On March 14, Beth participated in a joint meeting of the PIO Working Group and the WUE Coordinators, the purpose of which was to collaborate on a tap water campaign to launch Water Awareness Month in May. Evelyn Wendel of WeTap.org also participated in the meeting. WeTap is a non-profit (501(c)3) organization focused on improving awareness and promoting the installation of drinking water fountains to help improve public health and social and economic disparities. The five-week campaign will kick off with Tap Water Day on May 2.

CITY OF SEAL BEACH'S CITY HALL FOUNTAIN RIBBON CUTTING CEREMONY

On March 14, Beth, Director Seckel, and Claire Johnson attended the City of Seal Beach's City Hall Fountain Ribbon Cutting Ceremony. The City received grant funding through Metropolitan's Community Partnering Program to assist with converting a non-functional fountain into a waterwise demonstration garden for their community. MWDOC water use efficiency staff wrote a letter of support as part of the grant application submittal and was delighted to see the result of the project.

METROPOLITAN WATER USE EFFICIENCY WORKGROUP MEETING

On March 21, Joe, Rachel D., Rachel W., Beth, Sam, and Tina attended the Metropolitan Water Use Efficiency Workgroup meeting. Items on the agenda included:

- MWD Conservation Program Updates
 - Addendum 22 Release and Grant Funding
 - End of FY Invoicing and Co-Funding
 - State of Conservation Framework Revisions
- External Affairs Update
 - Tree-bate Collaterals
 - WeTap Activities for May

The next meeting is scheduled for April 18.

DEPARTMENT OF WATER RESOURCES (DWR) WATER LOSS AND LEAK DETECTION WEBINAR

On March 21, Joe and Rachel D. attended DWR's monthly webinar and viewed a technical presentation entitled "Maintaining the Infrastructure Leak Index at the Technical Minimum." The presentation was given by Chris Leauber, Executive Director of the Water and Wastewater Authority of Wilson, TN.

The next webinar is scheduled for April 18.

ORANGE COUNTY WATER USE EFFICIENCY WORKGROUP GARDEN TOUR AND MEETING

On April 4, Rachel D., Rachel W., Beth, Sam, and Tina hosted the Orange County Water Use Efficiency Workgroup meeting at Trabuco Canyon Water District. The meeting commenced with a tour of a local native plant garden – Vera's Garden – and the meeting followed after that. Items on the agenda included:

- Trabuco Canyon Water District Agency Spotlight
- Water Use Efficiency Standards/Framework Update
 - Presentation of Recent Updates to Regulation Language
 - MWDOC's Comment Letter Submitted
- MET Conservation Program Updates
 - MWD Budget Process Update
 - Addendum 22 and Grant Update
- Water Use Efficiency Updates
 - MWDOC Choice WUE Budget Allocation for FY 24-25
 - Grant Funding Update
 - Landscape Design Assistance and Landscape Maintenance Assistance Program Request for Proposals Process
 - SAWPA/USBR Residential Landscape Area Measurements Analysis

The next meeting is scheduled for May 2.

METROPOLITAN SOUTHERN CALIFORNIA (SOCAL) WATER GRANTS NETWORK QUARTERLY MEETING

On April 5, Rachel W., Beth, and Dr. Melissa Baum-Haley hosted Metropolitan staff and member agencies for a SoCal Water Grants Network quarterly meeting. Metropolitan's Centralized Grant's Management Office launched the SoCal Water Grants Network as a platform for water utilities to collaborate and share resources for funding opportunities, improve their access to funding and streamline the grant application process to reduce the administrative burden. Items on the agenda included:

- Introduction to the SharePoint Site for Sharing:
 - Important Documents and Files
 - Training and Recordings
 - Meeting Information
 - Grants Tracker Information
- Upcoming Grants
- Grant Assistance/Workshops

The next meeting will be scheduled for July.

PACIFIC GAS AND ELECTRIC WATER CONSERVATION SHOWCASE

On April 4, Joe attended the Pacific Gas and Electric Water Conservation Showcase in San Ramon, California. Joe participated in a panel discussion focusing on the Conservation as a California Way of Life standards. Panel Members included Joe Berg, Karina Herrera of the SWRCB, Heather Cooley of the Pacific Institute, Amy Talbot from the Regional Water Authority, and Maureen Erbeznik with Erbeznik and Associates. Joe's comments focused on the cost of compliance with the standards. More than 350 people participated in the conference.

Conservation Framework Related Activities

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) WATER USE EFFICIENCY BI-MONTHLY MEETING

On March 14, Joe and Rachel W. participated in the ACWA WUE Bimonthly meeting, which focused on the updated State Water Resources Control Board (SWRCB) standards released as related to the Conservation Framework. Participants discussed the changes, plans to speak at the upcoming workshop, and submittal of comment letters.

The next meeting will be on May 8.

SAN DIEGO COUNTY WATER AUTHORITY (SDCWA) CALIFORNIA REGULATIONS WATER USE EFFICIENCY WORKSHOP #13

On March 19, Rachel W. and Tina joined the SDCWA California Regulations Water Use Efficiency Workshop #13, which focused on the Conservation as a California Way of Life Framework. Discussion focused on the recent proposed regulation changes and what retailers across California are doing to comply.

A follow-up workshop will be scheduled as needed.

STATE WATER RESOURCES CONTROL BOARD WORKSHOP

On March 20, the SWRCB hosted a Board Workshop to receive comments on changes to the proposed regulations to Make Conservation a California Way of Life. Board staff first provided an overview of the changes to the proposed regulation and updates to key provisions, followed by the opportunity for the public to comment. Joe attended the workshop in person and commented on behalf of MWDOC and its retailers.

STATE WATER RESOURCES CONTROL BOARD STAFF WORKSHOP AND Q&A SESSION

On March 25, Joe, Rachel D., and Rachel W. joined the SWRCB Q&A session regarding the proposed regulations to Make Conservation a California Way of Life. SWRCB staff summarized changes and answered clarifying questions from the public regarding the revisions to the draft regulation.

DEDICATED IRRIGATION METER (DIM) LANDSCAPE AREA MEASUREMENTS (LAM) - CITY OF ORANGE SPECIAL LANDSCAPE AREA (SLA) APPROVALS

On March 25, Rachel W. and Sam met with the DIM LAM project consultant, NV5, and City of Orange staff to discuss their project and go over the important process of determining special landscaped areas. When calculating the urban water use objective, these areas receive a higher landscape efficiency factor.

Follow-up meetings with all participating agencies will be scheduled as needed.

SANTA ANA WATERSHED PROJECT AUTHORITY (SAWPA) LANDSCAPE AREA MEASUREMENT (LAM) ANALYSIS MEETING

On March 26, Joe, Rachel W., and Sam hosted the SAWPA LAM Analysis meeting, which was a collaborative discussion among SAWPA, MWDOC, and retailer staff regarding the LAM analysis SAWPA and their partner, USBR, are developing. This project will potentially provide an alternative dataset option for retailers to use instead of

the DWR-provided residential LAM data. The project is currently in the quality control phase, and retail agencies and MWDOC are developing feedback for SAWPA staff.

MWDOC staff are hosting two workshops, April 8 and April 11, to allow SAWPA to walk retailer staff through the data using a GIS platform.

MWDOC COMMENT LETTER RE: PROPOSED MAKING CONSERVATION A CALIFORNIA WAY OF LIFE REGULATION

On March 27, Joe submitted the MWDOC comment letter to the SWRCB regarding the updated proposed regulations released in March of this year. The comment letter voiced support for many of the changes and outlined requests for further refinements to the proposed regulation. It is anticipated that the third iteration of proposed regulations will be released by the SWRCB in late spring of 2024.



MUNICIPAL WATER DISTRICT OF ORANGE COUNTY AGENCIES MANAGERS MEETING

Location:

<https://us06web.zoom.us/j/81617146575?pwd=E3i2UoabpNHbXPrYm4qSh5GK6AyHzl.1>

Meeting ID: 816 1714 6575

Passcode: 394063

WHEN: Thursday, April 18, 2024 from 10:30 am to 12:00 pm.

DRAFT AGENDA

1. Opportunity to add and discuss items not already listed.

Page #/Link

2. General Meeting Information/Discussion Items:

- 2-1. Draft Board Agendas ([Link](#))
- 2-2. MWDOC Final Budget ([Link](#))
- 2-3. MET Final Budget ([Link](#))
- 2-4. MET Business Model/CAMP4W Update
- 2-5. Water Use Efficiency Update
- 2-6. AWIA & HMP Update
- 2-7. Engineering Update

3. Announcements:

- 3-1. Annual Water Supply and Demand Assessments.....Due July 1

4. Report Items

- 4-1. Monthly GM Report ([Link](#))
- 4-2. Legislative Reports ([Link](#))
- 4-3. WEROC Matrix ([Link](#))
- 4-4. Grant Funding Opportunities ([Link](#))
- 4-5. Additional Reports or Materials.....([Link](#))

5.

- 5-1. Next managers meeting May 16, 2024

Street Address:
18700 Ward Street
Fountain Valley, California 92708

Mailing Address:
P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058
Fax: (714) 964-9389
www.mwdoc.com

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President

Jeffery M. Thomas
Vice President

Randall Crane, Ph.D.
Director

Larry D. Dick
Director

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Director

Karl W. Seckel, P.E.
Director

Megan Yoo Schneider, P.E.
Director

Harvey F. De La Torre
General Manager

MEMBER AGENCIES

- City of Brea
- City of Buena Park
- East Orange County Water District
- El Toro Water District
- Emerald Bay Service District
- City of Fountain Valley
- City of Garden Grove
- Golden State Water Co.
- City of Huntington Beach
- Irvine Ranch Water District
- Laguna Beach County Water District
- City of La Habra
- City of La Palma
- Mesa Water District
- Moulton Niguel Water District
- City of Newport Beach
- City of Orange
- Orange County Water District
- City of San Clemente
- Santa Margarita Water District
- City of Seal Beach
- Serrano Water District
- South Coast Water District
- Trabuco Canyon Water District
- City of Tustin
- City of Westminster
- Yorba Linda Water District

**SOUTH ORANGE COUNTY AGENCIES GROUP JOINT MEETING with
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) and
ORANGE COUNTY WATER DISTRICT (OCWD)
THURSDAY, MARCH 28, 2024
12:00 P.M. to 1:30 P.M.
AGENDA**

EL TORO WATER DISTRICT
24251 LOS ALISOS BLVD., LAKE FOREST, CA 92630

1. Welcome and Introductions
2. MWDOC Update/Discussion
 - a. MWDOC Current Issues
 - b. Other Matters
3. MET Update/Discussion
 - a. MET Current Issues
 - b. MET Budget
 - c. AMP Repair Project
 - d. MET Water Supply Issues
 - e. Colorado River Negotiations
 - f. Other Matters
4. OCWD Update/Discussion
 - a. A. Current Issues
 - b. Other Matters
5. Legislative/Regulatory Update
 - a. Local
 - i. OC-LAFCO Matters
 - b. State
 - c. Federal
6. Regional Project Interests/Updates
 - a. Regional Recycled Water Discussion
 - b. South County Emergency GW Supply Project
 - c. Doheny Ocean Desalination Project Update
 - d. San Juan Watershed Project
 - e. Other Project Interests/Updates
7. Any Agency/City Updates
8. Adjournment

SOUTH ORANGE COUNTY AGENCIES' GROUP CONSISTS OF MEMBERS AND REPRESENTATIVES FROM
City of San Clemente • El Toro Water District • Emerald Bay Service District
Irvine Ranch Water District • Laguna Beach County Water District • Moulton Niguel Water District
Santa Margarita Water District • South Coast Water District • Trabuco Canyon Water District

**LOCAL AGENCY FORMATION COMMISSION OF
ORANGE COUNTY**

REGULAR MEETING AGENDA

**Wednesday, April 10, 2024
8:15 a.m.**

**County Administrative North (CAN)
First Floor Multipurpose Room 101
400 W. Civic Center Drive, Santa Ana, CA 92701**

Any member of the public may request to speak on any agenda item at the time the Commission is considering the item.

1. CALL THE MEETING TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

**4. ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATION
(Communications received after agenda distribution for agendized items.)**

5. PUBLIC COMMENT

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken by the Commission on off-agenda items unless authorized by law.

6. CONSENT CALENDAR

a.) March 13, 2024 – Regular Commission Meeting Minutes

The Commission will consider approval of the March 13, 2024 meeting minutes.

b.) Fiscal Year 2023-24 Quarterly Financial Report (Third Quarter)

The Commission will receive the third quarter financial report of Fiscal Year 2023-24.

c.) Legislative Report (April 2024)

The Commission will receive an update on current legislation and other legislative activities of LAFCO interest.

7. PUBLIC HEARING

No public hearing items scheduled.

8. COMMISSION DISCUSSION AND ACTION

a.) Transfer to OC LAFCO Public Trust

The Commission will consider a transfer from the agency's unreserved cash balance to the post-employment benefits trust account administered by the Public Agency Retirement Services (PARS).

b.) Commissioner Handbook

The Commission will discuss and consider adoption of the Commissioner Handbook.

9. COMMISSIONER COMMENTS

This is an opportunity for Commissioners to comment on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken except to place the item on a future agenda if approved by the Commission majority.

10. EXECUTIVE OFFICER'S REPORT

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

11. INFORMATIONAL ITEMS & ANNOUNCEMENTS

No informational items and announcements.

12. CLOSED SESSION

No closed session items scheduled.

13. ADJOURNMENT OF REGULAR COMMISSION MEETING

The next Regular Commission Meeting will be held on Wednesday, May 8, 2024 at 8:15 a.m. at the County Administrative North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701.

PUBLIC PARTICIPATION:

The Local Agency Formation Commission of Orange County welcomes your participation. The public may share general comments or comments on agenda items through the following options:

- 1) **In-person** comments may be provided during the general comment period on off-agenda items and during the hearing of a specific agenda item. In accordance with the OC LAFCO guidelines, each speaker's comments may not exceed three (3) minutes for the respective item. If you have documents for the Commission, please bring 15 copies and submit to the Commission Clerk for distribution.
- 2) **Written** general comments or comments on specific agenda items may be submitted by email to the Commission Clerk at ccarter-benjamin@oclafco.org. Comments received no less than twenty-four (24) hours prior to the regular meeting will be distributed to the Commission and included in the record.

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the OC LAFCO website at www.oclafco.org.

State law requires that a participant in an OC LAFCO proceeding who has a financial interest in a decision and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the hearing.

AMERICANS WITH DISABILITIES ACT (ADA)

All regular meeting agendas and associated reports are available at www.oclafco.org. Any person with a disability under the Americans with Disabilities Act (ADA) may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with OC LAFCO staff at (714) 640-5100 at least three business days prior to the respective meeting.



Executive Committee Meeting

Tuesday, April 2, 2024

7:30 a.m.

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

The next meeting of the ISDOC Executive Committee will be via teleconference only.
The MWDOC/OCWD offices are closed to the public. Please use the information below to access the meeting.

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

Join Zoom Meeting

<https://us06web.zoom.us/j/3840960436>

(714) 963-3058
(714) 964-5930 fax

<https://isdoc.specialdistrict.org/>

Dial by your location
669 900 9128 US (San Jose)
877 853 5247 US Toll-free
888 788 0099 US Toll-free

Executive Committee

President
Hon. Greg Mills
Serrano Water District

AGENDA

1st Vice President

I. Welcome, Introductions

Hon. Bob McVicker
*Municipal Water District
Orange County*

[Please mute yourself when not speaking. Please raise hand on Zoom if you have a question or comment.]

2nd Vice President
Hon. Paul Mesmer
*Surfside Colony Community
Services District*

II. Approval of Minutes

- Approval of Minutes: March 5, 2024

3rd Vice President
Hon. Scott Nelson
Placentia Library District

III. Public Comments on items not on the agenda

Secretary
Vacant

IV. New Business

Treasurer
Hon. Sandra Jacobs
Santa Margarita Water District

V. Old Business

Immediate Past President
Hon. Mark Monin
El Toro Water District

VI. Treasurer's Report – Director Jacobs

- Report of accounts

Staff Administration

Heather Baez
*Municipal Water District of Orange
County*

VII. CSDA Report – Director Schafer or Chris Palmer

- Receive, discuss and file the CSDA Report

Tina Dubuque
*Municipal Water District of Orange
County*

VIII. LAFCO Report – Director Fisler

- Receive, discuss and file the LAFCO report

IX. ACWA Report – Director Jacobs

- Receive, discuss and file the ACWA report

X. OCCOG Report – Director Scheafer

- Receive, discuss and file OCCOG report

XI. California Association of Sanitation Agencies (CASA) Report – OCSD Representative

- Receive, discuss and file the CASA report

XII. Subcommittee Reports

- Programs – Director McVicker
- Membership - Director Mesmer
- Legislative – Trustee Nelson

XIII. Adjourn



**Executive Committee Meeting
(Meeting via Zoom)
Tuesday, March 5, 2024, 7:30 a.m.**

MEETING MINUTES

I. WELCOME:

President Mills called the meeting to order at 7:30 a.m. and welcomed all attendees.

DIRECTORS PRESENT:

Greg Mills	President	Serrano Water District (SWD)
Bob McVicker	1 st Vice President	Municipal Water District of Orange County (MWDOC)
Paul Mesmer	2nd Vice President	Surfside Colony Community Services District (SCCS)
Scott Nelson	3 rd Vice President	Placentia Library District (PLD)
Saundra Jacobs	Treasurer	Santa Margarita Water District (SMWD)
Vacant	Secretary	
Mark Monin	Immediate Past President	El Toro Water District (ETWD)

DIRECTORS ABSENT:

None

SUPPORT STAFF PRESENT:

Tina Dubuque	MWDOC
Heather Baez	MWDOC
Sharon Brimer	Recording Secretary

OTHERS PRESENT:

Amber Baylor	South Orange County Wastewater Authority (SOCWA)
Arlene Schafer	Costa Mesa Sanitary District (CMSD)
Art Perry	CMSD
Chris Palmer	California Special Districts Association (CSDA)
Ed Mandich	Trabuco Canyon Water District (TCWD)
Gavin Centeno	Orange County Local Agency Formation Commission (OC LAFCO)
Jeanette Contreras	PLD
Jim Fiser	Mesa Water District (MWD)
John B. Withers	Irvine Ranch Water District (IRWD)
Larry Dick	MWDOC
Mike Gaskins	ETWD
Mike Scheafer	CMSD
Stacey Taylor	MWD
Stephen Faessel	Orange County Sanitation District (OCSD)

II. MEETING MINUTES:

- Approval of Minutes for the February 6, 2024, Executive Committee Meeting.

MOTION:

Motion by Director Monin, second Director Nelson, to approve the meeting minutes for the February 6, 2024, Executive Committee Meeting as amended. The motion passed unanimously.

III. PUBLIC COMMENTS:

President Mills asked for Public Comments. There were none, and he continued with the meeting.

IV. NEW BUSINESS:

- Proforma CSDA letters to legislature representatives per each agency's direction.

Chris Palmer noted there are no "call to action" letters at this time. He will keep ISDOC members informed.

V. OLD BUSINESS:

- ISDOC Scholarship – CSDA's General Manager Leadership Summit, June 23-25, 2024.

Director Jacobs noted that the Executive Committee agreed to fund one registration scholarship at the February 2024 Executive Committee meeting.

- Quarterly Meeting with Associates' Displays – (ad hoc Committee - Director Mesmer, President Mills, and Heather Baez.)

President Mills confirmed that the Associate Meet and Greet will take place at the July 25, 2024, Quarterly Meeting. The purpose of the event is to provide Associate members with an opportunity to introduce their products and services to the membership.

VI. TREASURER'S REPORT: Director Jacobs

Director Jacobs reported the reconciled bank account balance as of February 29, 2024, was \$6,753.24. There are no outstanding checks at this time.

VII. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) REPORT – Director Schafer or Chris Palmer

Chris Palmer reported that CSDA is reviewing the state budget to protect special district interests. Over 2,000 bills have been introduced and are being reviewed.

Registration scholarships are available for the upcoming Special Districts Leadership Summit, scheduled for April 14 - 17, 2024.

CSDA Legislative Days are May 21, 22, 2024 in Sacramento.

VIII. OC LAFCO REPORT: Director Fisler

Director Fisler reported that the next OC LAFCO meeting is on March 13, 2024.

The March 13, 2024, agenda contains the following:

- Two Public Hearings are scheduled for Fiscal Year 2024-25 OC LAFCO Proposed Budget and Fee Schedule
- Legislative Report for March 2024
- Processing Incorporation Applications and Implementing Revenue Neutrality Provisions Policy
- Personnel Policies and Procedures Review
- California Public Records Act and Records Retention and Destruction Policies.

The new and improved website was launched on February 26, 2024.

Director Fisler reported he has a report called *LAFCO and Water System Consolidation* from the University of California, Berkley. It addresses water consolidation and lack of communication between state and local regulators.

Ms. Taylor will send information to Laura Heflin, Serrano Water District, for distribution to the membership.

IX. ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REPORT: Director Jacobs

Director Jacobs reported:

- The ACWA DC2024 Conference was held February 27 – February 29, 2024.
- Committee assignments were released.
- Director Jacobs reported she now serves on Local Government Committee.
- Volunteers were called upon for sub-committees and task forces. Sub-committee members do not need to be a voting member to serve on a subcommittee or task force.
 - Agriculture sub-committee
 - Awards & Scholarship sub-committee
 - Inclusion task force
 - QuenchCA task force
 - Water Quality sub-committee
 - Water Use Efficiency Task Force
 - Website & Social Media

Anyone wishing to serve on a sub-committee should contact ACWA Director of Communications Heather Engel.

- Congresswoman Young Kim, representing California's 40th District, visited Santa Margarita Water District to see the advanced treatment facility for Lake Mission Viejo, which eliminates the need to fill the lake with potable water. She also had a tour of the OSO Creek Barrier, which captures and treats urban runoff.
- The ACWA Scholarship Committee is accepting scholarship applications for 2024-25 and there is \$34,000 available.
- ACWA is following the Legislative Analyst's Office in assessing the early implementation of urban water use efficiency requirements. The State Water Board is expected to adopt a final regulation no later than August 2024 and will go into effect by October 2024. In 2027, the state can assess penalties against suppliers whose actual water use exceeds their water use objective (WUO).
- The deadline has been extended to March 8, 2024, for ACWA's Clair A. Hill Water Agency Award. The Clair A. Hill Water Agency Award for Excellence recognizes exemplary programs developed by ACWA member agencies in water resources management, capital improvements, etc. Sponsored by Jacobs Engineering, the award recognizes projects and programs in various areas, including capital improvements, water quality, watershed or ecosystem restoration, renewable energy, and more.
- ACWA has submitted a Budget-Bond Coalition letter to the Senate Committee on Budget and Fiscal Review. ACWA is urging the Legislature and Governor to maintain previously committed investments for water infrastructure.
- The Governor's January budget proposes to cut or delay funding for several critical water categories, including:
 - Recycled Water – Reduction of \$174.4 million and delay of \$100 million.
 - PFAS - Reversion of \$71.6 million and reduction of \$30 million.
 - Dam Safety - Reversion of \$50 million.
 - Forecast-Informed Reservoir Operations (FIRO) — Reduction of \$6.75 million.
 - Watershed Climate Resilience – Reversion of \$88 million and reduction of \$350 million
- ACWA is advocating for a \$7.85 billion bond investment in water infrastructure that focuses on several critical water issues, including recycled water, groundwater recharge and sustainability, storage, flood protection, dam safety, conveyance, desalination, safe drinking water, water quality, regional watershed resilience, State Water Project improvements, and water conservation.
- The 2024 ACWA Spring Conference & Expo will occur in Sacramento on May 7 - 9, 2024.
- ACWA/JPIA begins May 6, 2024.
- The 2024 ACWA Fall Conference & Expo is in Palm Desert on December 3 – 5, 2024.

X. ORANGE COUNTY COUNCIL OF GOVERNMENTS (OCCOG) REPORT: Director Scheafer

Director Scheafer reported the following:

- The OCCOG Annual Conference is March 28, 2024, at the Richard Nixon Presidential Library and Museum in Yorba Linda. A keynote speaker is Charlie Wilson, Executive Director and CEO of the Southern California Water Coalition. All elected officials are free.

XI. CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) REPORT: SOCWA Representative

SOCWA Representative Amber Baylor provided an update. She noted that she serves as Co-Chair for the CASA Regulatory Workgroup. The last meeting was in January 2024, and the issues discussed were related to funding. The Workgroup is currently working with the National Water Research Institute on an independent review of the model's findings that have direct potential implications for funding for some of the upgrading of coastal dischargers.

The 2024 69th Annual Conference will be held from July 31 to August 2, 2024, at the Monterey Marriott, Monterey, California.

XII. **SUBCOMMITTEE REPORTS:**

- Programs – Director McVicker

Ms. Baez announced a speaker is needed for the April meeting.

Ms. Taylor suggested a presentation on the scope and interests of the library system.

Trustee Nelson suggested a presentation by PLD Director Jeanette Contreras.

Ms. Contreras confirmed she would be available for a presentation on April 25, 2024.

The quarterly meeting will be in person at OCWD/MWDOC.

For future consideration, Director Dick recommended Former Senator Dick Ackerman, who has taught classes on public servants at UCI and Berkeley.

A recommendation was made to provide a presentation on the Orange County cemetery system.

Ms. Baez noted the member agency spotlight for April will be MWDOC.

- Membership – Director Mesmer

Director Mesmer reported there are currently 26 members and 44 Associate Members.

Director Mesmer reminded Districts to submit photographs for the website to be shown in the carousel.

- Legislative - Trustee Nelson

2,600 bills have been submitted and are being reviewed.

XIII. ADJOURN:

President Mills thanked the attendees and staff for their participation and assistance. The meeting was adjourned at 8:20 a.m.

The next Quarterly Meeting is on April 25, 2024, at 11:30 a.m. The format of the meeting is to be determined.

The next ISDOC Executive Committee meeting is scheduled for Tuesday, April 2, 2024, at 7:30 a.m. via Zoom.

Signed:

A handwritten signature in black ink that reads "Greg Mills". The signature is written in a cursive style and is centered on the page.

ISDOC President, Greg Mills



**Water Advisory Committee of Orange County
(WACO) Virtual Meeting**

**Friday, April 5, 2024
7:30 a.m. – 9:00 a.m.**

Zoom Registration:
[Click here to register](#)

Officers

Chair
Hon. Mark Monin
El Toro Water District

Vice Chair
Hon. Greg Mills
Serrano Water District

Staff Contacts

Medha Paliwal / Dani Berch
Orange County Water District (OCWD)
(714) 378-3200
www.ocwd.com/news-events/events/waco

Heather Baez / Christina Hernandez
Municipal Water District of Orange County (MWDOC)
(714) 963-3058
www.mwdoc.com/waco

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AGENDA

Welcome & Announcements

- Mark Monin, El Toro Water District

Reports

- Metropolitan Water District of Southern California (MET)
- Association of California Water Agencies (ACWA)

Program

The Nine Lives of Delta Conveyance - Is There Any Hope?

Peer Swan
Director, Irvine Ranch Water District

Adjourn
.....

Next WACO Meeting

Friday, May 3, 2024 at 7:30 a.m. via Zoom

Next WACO Planning Committee Meeting

Tuesday, April 16, 2024 at 7:30 a.m. via Zoom



WACO Planning Committee
Tuesday, April 16, 2024 at 7:30 A.M.

Join Zoom Meeting: <https://zoom.us/j/92882659982>
Meeting ID: 928 8265 9982
Phone Audio: 669-900-9128

AGENDA

WELCOME

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

Virtual - Zoom

(714) 378-8232
(714) 963-0291 fax

www.mwdoc.com/waco
www.ocwd.com/news-events/events/waco

Officers

Chair

Hon. Mark Monin
El Toro Water District

Vice Chair

Hon. Greg Mills
Serrano Water District

Staff Contacts:

Medha Paliwal/Dani Berch
Orange County Water District

Heather Baez/Christina Hernandez
Municipal Water District of Orange County

ACTION ITEMS

1. May 3, 2024 WACO Meeting
 - Reports: MET, ACWA
 - Program: Federal legislative update
 - Speakers: Eric Sapirstein, ENS Resources
2. June 7, 2024 WACO Meeting
 - Reports: MET, ACWA
 - Program: TBD

DISCUSSION ITEMS

1. Discuss potential topics for future meetings:
 - Salton Sea Authority – Patrick O'Dowd, Executive Director and General Manager of the Salton Sea Authority (*confirmed for August*)
 - ACWA legislative update with Cindy Tuck, Deputy Executive Director; Adam Quiñonez, Director, State Relations; and Ian Lyle, Director, Federal Relations (*to be confirmed for another time*)
 - Moulton Niguel Water District emergency storage program
 - Direct Potable Reuse (DPR)
 - Santa Ana River Conservation and Conjunctive Use Program (SARCCUP)
 - CARB Advanced Clean Fleets Rule/MET's Climate Adaptation Master Plan for Water (CAMP4W)
 - Long-term impacts of voluntary agreements and SGMA on urban water supply
 - Atmospheric Rivers (ARs) – possible speakers:
 - Marty Ralph, Director, Center for Western Weather and Water Extremes
 - Daniel Swain, Climate Scientist, UCLA
 - Groundwater Depletion in CA & Beyond – Scott Jasechko, Associate Professor of Hydrology, Water Resources and Groundwater, UC Santa Barbara
 - Ag/Central Valley Drought Resilience Success Stories: Floodplain Forward Coalition, the Sacramento Valley Dry Year Task Force, & the Kings River Conservation District
 - CA Water Commission white paper presentation “potential state strategies for protecting communities and fish and wildlife in the event of drought”
 - Drought Resilience Interagency and Partners (DRIP) Collaborative presentation
 - Environmental Water Plans: How Can/Do They Work? (with presentations by the San Joaquin River Restoration Program & the Agreements to Support Healthy Rivers and Landscapes)
 - Flood Program (with presentations by the Central Valley Flood Protection Board & DWR's Divisions of Dam Safety & of Flood Management)
 - WSIP Projects Update (with presentations by any of these or others — Sites, Chino Basin, Kern Fan)
 - Jay Lund, CALVIN Model
 - California Irrigation Management Information System (CIMIS)
 - OC demographics – where we've been and where we are going
 - Forest restoration and headwaters
 - SWRCB's conservation as a way of life plan w/ speakers David Mitchell and Joe Berg (and possibly Dave Bolland)
 - How Business and Government Might Solve the Freshwater Crisis—Together (based on this [PPIC article](#))

- Colorado River – update on issues/negotiations (Summer or Fall)
 - MET's climate action master plan (Fall)
 - Aggregation of water rights
 - Las Virgenes Municipal Water District – OceanWell desalination project
 - Offshore desalination, subsea reverse osmosis (SSRO) technology w/ Ocean Well Water (Tim Quinn)
 - Desal in CA: Present & Future w/ CalDesal Executive Director Glenn Farrel
 - Global Warming: Natural or Manmade? w/ speaker Roy Spencer, Ph.D., Climatologist, Author & Former NASA Scientist (can also speak to related topics such as Urbanizations Effects on Temperatures and Colorado River shortages)
 - Updating California water laws to address drought and climate change w/ Holly Doremus, Professor of Law, Berkeley
2. Discussion of April 5 meeting: The Nine Lives of Delta Conveyance - Is There Any Hope?

INFORMATIONAL ITEMS

1. WACO meetings: Zoom meeting ID and meeting link change monthly
2. Planning meetings: Zoom link is the same every month
3. Meeting materials are posted at: <https://www.mwdoc.com/waco/>

ADJOURN

DATES TO REMEMBER

APRIL/MAY

1. Apr 25 – 11:30 a.m. – ISDOC Quarterly Luncheon
2. Apr 26 – 1:30 p.m. – Pres/VP/GM Meeting
3. Apr 30 – 10:00 a.m. – RRC Meeting
4. Apr 30 – 5:30 p.m. – ACWA/AWWA Leaders Reception (Hills Hotel, Laguna Hills)
5. May 1 – 8:30 a.m. – MWDOC/MET Directors Workshop
6. May 1 – 5:30 p.m. – Joint Board Meeting (MNWD)
7. May 2 – 8:30 a.m. – SOCWA Board Meeting
8. May 3 – 7:30 a.m. – WACO
9. May 3 – DISTRICT OFFICE CLOSED
10. May 6 – 8:30 a.m. – MWDOC Planning & Operations/Admin/Finance Joint Meeting
11. May 7 – 9 – ACWA Spring Conference (Sacramento)
12. May 7 – 7:30 a.m. – ISDOC Executive Committee
13. May 8 – 8:15 a.m. – LAFCO
14. May 9 – 8:30 a.m. – SOCWA Engineering Committee
15. May 10 – 1:30 p.m. – Pres/VP/GM Meeting
16. May 13 – 1:30 p.m. – Agenda Review
17. May 14 – 7:30 a.m. – ISDOC Executive Committee
18. May 15 – 8:30 a.m. – MWDOC Board Meeting
19. May 15 – 11:30 a.m. – OCWA
20. May 16 – 8:30 a.m. – SOCWA Budget Meeting
21. May 16 – 10:30 a.m. – MWDOC Managers Meeting
22. May 16 – 11:30 a.m. – CAG
23. May 17 – DISTRICT OFFICE CLOSED

24. May 20 – 7:30 a.m. – Regular Engineering/Finance Committee Meetings
25. May 21 – 7:30 a.m. – WACO Planning Committee
26. May 21 – 10:30 a.m. – SOCWA Finance Committee
27. May 22 – 11:30 a.m. – State of the 5th District with OC Supervisor Katrina Foley
(Hills Hotel, Laguna Hills)
28. May 23 – 7:30 a.m. – Regular Board Meeting
29. May 23 – 12 Noon – SOCAG Meeting
30. May 24 – 1:30 p.m. – Pres/VP/GM Meeting
31. May 27 – Memorial Day – DISTRICT OFFICE CLOSED
32. May 31 – DISTRICT OFFICE CLOSED

EL TORO WATER DISTRICT

Glossary of Water Terms

Accumulated overdraft: The amount of water necessary to be replaced in the intake area of the groundwater basin to prevent the landward movement of ocean water into the fresh groundwater body.

Acre-foot, AF: A common water industry unit of measurement. An acre-foot is 325,851 gallons, or the amount of water needed to cover one acre with water one foot deep. An acre-foot serves annual needs of two typical California families.

ACWA: Association of California Water Agencies.
A statewide group based in Sacramento that actively lobbies State and Federal Government on water issues.

Advanced treatment: Additional treatment processes used to clean wastewater even further following primary and secondary treatment. Also known as tertiary treatment.

AFY: Acre-foot per year.

Alluvium: A stratified bed of sand, gravel, silt, and clay deposited by flowing water.

AMP: Allen McCulloch pipeline.

Major pipeline transporting treated water to water districts between Yorba Linda, where it starts to El Toro Water District reservoir, where it terminates.

Annexation: The inclusion of land within a government agency's jurisdiction.

Annual overdraft: The quantity by which the production of water from the groundwater supplies during the water year exceeds the natural replenishment of such groundwater supplies during the same water year.

Aqueduct: A man-made canal or pipeline used to transport water.

Aquifer: An underground geologic formation of rock, soil or sediment that is naturally saturated with water; an aquifer stores groundwater.

Arid: Dry; deserts are arid places. Semi-arid places are almost as dry as a desert.

Artesian: An aquifer in which the water is under sufficient pressure to cause it to rise above the bottom of the overlying confining bed, if the opportunity is provided.

Artificial recharge: The addition of surface water to a groundwater reservoir by human activity, such as putting surface water into recharge basins. (See also: groundwater recharge and recharge basin.)

AWWA American Water Works Association
Nationwide group of public and private water purveyors and related industrial suppliers.

Base flow: The portion of river surface flow which remains after deduction of storm flow and/or purchased imported water.

Bay-Delta: The Sacramento-San Joaquin Bay-Delta is a unique natural resource of local, state and national significance. The Delta is home to more than 500,000 people; contains 500,000 acres of agriculture; provides habitat for 700 native plant and animal species; provides water for more than 25 million Californians and 3 million acres of agriculture; is traversed by energy, communications and transportation facilities vital to the economic health of California; and supports a \$400 billion economy.

BIA: Building Industry Association.

Biofouling: The formation of bacterial film (biofilm) on fragile reverse osmosis membrane surfaces.

Biosolids: Solid organic matter recovered from a sewage treatment process and used especially as fertilizer.

BMP: Best Management Practice. An engineered structure or management activity, or combination of these, that eliminates or reduces adverse environmental effects.

Brackish water: A mixture of freshwater and saltwater.

Brown Act: Ralph M. Brown Act enacted by the State legislature governing all meetings of legislative bodies. Also known as the Open Meeting requirements.

Canal: A ditch used to move water from one location to another.

CASA: California Association of Sanitation Agencies The sanitation equivalent of ACWA concerned solely with issues affecting the treatment and disposal of solid waste and wastewater.

CEQA: California Environmental Quality Act.

CERCLA: Comprehensive Environmental Response, Compensation and Liability Act. This federal law establishes the Superfund program for hazardous waste sites. It provides the legal basis for the United States EPA to regulate and clean up hazardous waste sites, and if appropriate, to seek financial compensation from entities responsible for the site.

CFS: Cubic feet per second.

Chloramines: A mixture of ammonia and chlorine used to purify water.

Clarify: To make clear or pure by separation and elimination of suspended solid material.

Coagulation: The clumping together of solids so they can more easily be settled out or filtered out of water. A chemical called aluminum sulfate (alum) is generally used to aid coagulation in water treatment and reclamation.

Coastkeepers: A non-profit organization dedicated to the protection and preservation of the marine habitats and watersheds of Orange County through programs of education, restoration, enforcement and advocacy.

Colored water: Groundwater extracted from the basin that is unsuitable for domestic use without treatment due to high color and odor exceeding drinking water standards.

Condensation: The process of water vapor (gas) changing into liquid water. An example of condensation can be seen in the tiny water droplets that form on the outside of a glass of iced tea as warmer air touches the cooler glass.

Confined aquifer: An aquifer that is bound above and below by dense layers of rock and contains water under pressure.

Conjunctive use: Storing imported water in a local aquifer, in conjunction with groundwater, for later retrieval and use.

Contaminate: To make unclean or impure by the addition of harmful substances.

CPCFA: California Pollution Control Financing Authority. State agency providing funds for wastewater reclamation projects.

Crisis:

1. **a:** The turning point for better or worse **b:** a paroxysmal attack of pain, distress, or disordered function **c:** an emotionally significant event or radical change of status in a person's life <a midlife *crisis*>
2. The decisive moment (as in a literary plot)
3. **a:** An unstable or crucial time or state of affairs in which a decisive change is impending; *especially* : one with the distinct possibility of a highly undesirable outcome <a financial *crisis*> **b:** a situation that has reached a critical phase

CTP Coastal Treatment Plant

CWPCA California Water Pollution Control Association. A 7000 member non-profit educational organization dedicated to water pollution control.

Dam: A barrier built across a river or stream to hold water.

Decompose: To separate into simpler compounds, substances or elements.

Deep percolation: The percolation of surface water through the ground beyond the lower limit of the root zone of plants into a groundwater aquifer.

Degraded water: Water within the groundwater basin that, in one characteristic or another, does not meet primary drinking water standards.

Delta: Where the rivers empty; an outlet from land to ocean, also where the rivers deposit sediment they carry forming landforms.

Delta Vision: Delta Vision is intended to identify a strategy for managing the Sacramento-San Joaquin Delta as a sustainable ecosystem that would continue to support environmental and economic functions that are critical to the people of California.

Demineralize: To reduce the concentrations of minerals from water by ion exchange, distillation, electro-dialysis, or reverse osmosis.

De-nitrification: The physical process of removing nitrate from water through reverse osmosis, microfiltration, or other means.

Desalting (or desalination): Removing salts from salt water by evaporation or distillation. Specific treatment processes, such as reverse osmosis or multi-stage flash distillation, to demineralize seawater or brackish (saline) waters for reuse. Also sometimes used in wastewater treatment to remove salts other pollutants.

Desilting: The physical process of removing suspended particles from water.

Dilute: To lessen the amount of a substance in water by adding more water.

Disinfection: Water treatment which destroys potentially harmful bacteria.

Drainage basin: The area of land from which water drains into a river, for example, the Sacramento River Basin, in which all land area drains into the Sacramento River. Also called catchment area, watershed, or river basin.

Drought: A prolonged period of below-average precipitation.

DPHS: California Department of Public Health Services. Regulates public water systems; oversees water recycling projects; permits water treatment devices; certifies drinking water treatment and distribution operators; supports and promotes water system security; provides support for small water systems and for improving technical, managerial, and financial (TMF) capacity; provides funding opportunities for water system improvements.

DVL: Diamond Valley Lake. Metropolitan's major reservoir near Hemet, in southwestern Riverside County.

DWR: California Department of Water Resources. Guides development/management of California's water resources; owns/operates State Water Project and other water facilities.

Endangered Species: A species of animal or plant threatened with extinction.

Endangered Species Act of 1973 (ESA): The most wide-ranging of the dozens of United States environmental laws passed in the 1970s. As stated in section 2 of the act, it was designed to protect critically imperiled species from extinction as a "consequence of economic growth and development untended by adequate concern and conservation.

Ecosystem: Where living and non-living things interact (coexist) in order to survive.

Effluent: Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

Evaporation: The process that changes water (liquid) into water vapor (gas).

Estuary: Where fresh water meets salt water.

Evapotranspiration: The quantity of water transpired (given off), retained in plant tissues, and evaporated from plant tissues and surrounding soil surface. Quantitatively, it is expressed in terms of depth of water per unit area during a specified period of time.

FCH Federal Clearing House – Environmental Review/Processing

FEMA Federal Emergency Management Agency

Filtration: The process of allowing water to pass through layers of a porous material such as sand, gravel or charcoal to trap solid particles. Filtration occurs in nature when rain water soaks into the ground and it passes through hundreds of feet of sand and gravel. This same natural process of filtration is duplicated in water and wastewater treatment plants, generally using sand and coal as the filter media.

Flocculation: A chemical process involving addition of a coagulant to assist in the removal of turbidity in water.

Forebay: A reservoir or pond situated at the intake of a pumping plant or power plant to stabilize water level; also, a portion of a groundwater basin where large quantities of surface water can recharge the basin through infiltration.

Gray water reuse: Reuse, generally without treatment, of domestic type wastewater for toilet flushing, garden irrigation and other non-potable uses. Excludes water from toilets, kitchen sinks, dishwashers, or water used for washing diapers.

Green Acres Project (GAP): A 7.5 million gallons per day (MGD) water reclamation project that serves tertiary treated recycled water to irrigation and industrial users in Costa Mesa, Fountain Valley, Huntington Beach, Newport Beach, and Santa Ana.

God Squad: A seven-member committee that is officially called the "Endangered Species Committee". Members consist of Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Army, the Chairman of the Council of Economic Advisers, the Administrator of the National Oceanic and Atmospheric Administration and one individual from the affected state. The squad was established in 1978 by an amendment to the 1973 Endangered Species Act (ESA). It has only been called into action three times to deal with proposed federal agency actions that have been determined to cause "jeopardy" to any listed species. Such actions may receive an exemption from the ESA if five members of the committee determine that the action is of regional or national significance, that the benefits of the action clearly outweigh the benefits of conserving the species and that there are no reasonable and prudent alternatives to the action.

Groundwater: Water that has percolated into natural, underground aquifers; water in the ground, not water puddled on the ground.

Groundwater basin: A groundwater reservoir defined by the overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of success-ively deeper aquifers may differ and make it difficult to define the limits of the basin.

Groundwater mining: The withdrawal of water from an aquifer in excess of recharge over a period of time. If continued, the underground supply would eventually be exhausted or the water table could drop below economically feasible pumping lifts.

Groundwater overdraft: The condition of a groundwater basin in which the amount of water withdrawn by pumping exceeds the amount of water that recharges the basin over a period of years during which water supply conditions approximate average.

Groundwater recharge: The action of increasing groundwater storage by natural conditions or by human activity. See also: Artificial recharge.

Ground Water Replenishment System (GWRS): A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 100,000 acre-feet of reclaimed water annually. The high-quality water will be used to expand an existing underground seawater intrusion barrier and to replenish the groundwater basin underlying north and central Orange County.

Groundwater table: The upper surface of the zone of saturation (all pores of subsoil filled with water), except where the surface is formed by an impermeable body.

GPM: Gallons per minute.

Ground Water Replenishment System (GWRS): Orange County Water District's state-of-the-art, highly advanced, waste-water treatment facility.

Hydrologic balance: An accounting of all water inflow to, water outflow from, and changes in water storage within a hydrologic unit over a specified period.

Hydrologic cycle: The process of water constantly circulating from the ocean, to the atmosphere, to the earth in a form of precipitation, and finally returning to the ocean.

Imported water: Water that has originated from one hydrologic region and is transferred to another hydrologic region.

Inflatable rubber dams: Designed to replace temporary sand levees that wash out during heavy storm flow, the dams hold back high-volume river flows and divert the water into the off-river system for percolation.

Influent: Water or wastewater entering a treatment plant, or a particular stage of the treatment process.

Irrigation: Applying water to crops, lawns or other plants using pumps, pipes, hoses, sprinklers, etc.

JPIA Joint Powers Insurance Authority. A group of water agencies providing self-insurance to members of the ACWA.

LAIF Local Agency Investment Fund. Statewide pool of surplus public agency money managed by State Treasurer.

Leach: To remove components from the soil by the action of water trickling through.

MAF: Million acre feet.

MCL: Maximum contaminant level set by EPA for a regulated substance in drinking water. According to health agencies, the maximum amount of a substance that can be present in water that's safe to drink and which looks, tastes and smells good.

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

Microfiltration: A physical separation process where tiny, hollow filaments members separate particles from water.

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

MWDOC: Municipal Water District of Orange County. Intermediate wholesaler between MWD and 27 member agencies including ETWD.

Non-point source pollution: Pollution that is so general or covers such a wide area that no single, localized source of the pollution can be identified.

NPDES National Pollution Discharge Elimination System

OCBC: Orange County Business Council.

OCEMA Orange County Environmental Management Agency

OCWD: Orange County Water District.

Opportunity:

1. A favorable juncture of circumstances.
2. A good chance for advancement or progress .

Organism: Any individual form of life, such as a plant, animal or bacterium.

PCM Professional Community Management, Inc. Property Management company providing services to Laguna Woods Village and other homeowner associations.

Perched groundwater: Groundwater supported by a zone of material of low permeability located above an underlying main body of groundwater with which it is not hydrostatically connected.

Percolation: The downward movement of water through the soil or alluvium to the groundwater table.

Permeability: The capability of soil or other geologic formations to transmit water.

Point source: A specific site from which waste or polluted water is discharged into a water body, the source of which is identified. See also: non-point source.

Potable water: Suitable and safe for drinking.

PPB: Parts per billion.

Precipitation: Water from the atmosphere that falls to the ground as a liquid (rain) or a solid (snow, sleet, hail).

Primary treated water: First major treatment in a wastewater treatment facility, usually sedimentation but not biological oxidation.

Primary treatment: Removing solids and floating matter from wastewater using screening, skimming and sedimentation (settling by gravity).

Prior appropriation doctrine: Allocates water rights to the first party who diverts water from its natural source and applies the water to beneficial use. If at some point the first appropriator fails to use the water beneficially, another person may appropriate the water and gain rights to the water. The central principle is beneficial use, not land ownership.

Pumping Plant: A facility that lifts water up and over hills.

Recharge: The physical process where water naturally percolates or sinks into a groundwater basin.

Recharge basin: A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

Reclaimed wastewater: Wastewater that becomes suitable for a specific beneficial use as a result of treatment. See also: wastewater reclamation.

Reclamation project: A project where water is obtained from a sanitary district or system and which undergoes additional treatment for a variety of uses, including landscape irrigation, industrial uses, and groundwater recharge.

Recycling: A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

Reservoir: A place where water is stored until it is needed. A reservoir can be an open lake or an enclosed storage tank.

Reverse osmosis: (RO) A method of removing salts or other ions from water by forcing water through a semi-permeable membrane.

RFP Request for Proposal

Riparian: Of or on the banks of a stream, river, or other body of water.

RO: Reverse osmosis. See the listing under "reverse osmosis."

R-O-W Right-of-way

Runoff: Liquid water that travels over the surface of the Earth, moving downward due to gravity. Runoff is one way in which water that falls as precipitation returns to the ocean.

RWQCB Regional Water Quality Control Board. State agency regulating discharge and use of recycled water.

Safe Drinking Water Act (SDWA): The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and its sources: rivers, lakes, reservoirs, springs, and ground water wells. (SDWA does not regulate private wells which serve fewer than 25 individuals.) SDWA authorizes the United States Environmental Protection Agency (US EPA) to set national health-based standards for drinking water to protect against both naturally-occurring and man-made contaminants that may be found in drinking water. US EPA, states, and water systems work together to make sure that these standards are met.

Safe yield: The maximum quantity of water that can be withdrawn from a groundwater basin over a long period of time without developing a condition of overdraft, sometimes referred to as sustained yield.

SAFRA Santa Ana River Flood Protection Agency

Salinity: Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids - TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SAWPA: Santa Ana Watershed Project Authority.

SCADA Supervisory Control and Data Acquisition

SCAP Southern California Alliance of Publicly. Newly formed group of public agencies seeking reasonable regulation of sewer industry.

SCH State Clearing House – Environmental Review/Processing

Seasonal storage: A three-part program offered by Metropolitan Water District of Southern California:

STSS (Short Term Seasonal Storage) financially encourages agencies with local groundwater production capabilities to produce a higher percentage of their demand in the summer from their local groundwater supplies, thus shifting a portion of their demand on the MWD system from the summer to winter;

LTSS (Long Term Seasonal Storage) financially encourages retail agencies to take and store additional amounts of MWD water above their normal annual demands for later use; Replenishment Water provides less expensive interruptible water that is generally available and used to increase the operating yield of groundwater basins.

Seawater intrusion: The movement of salt water into a body of fresh water. It can occur in either surface water or groundwater basins.

Seawater barrier: A physical facility or method of operation designed to prevent the intrusion of salt water into a body of freshwater.

Secondary treatment: The biological portion of wastewater treatment which uses the activated sludge process to further clean wastewater after primary treatment. Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids. Usually carried out through the use of trickling filters or by the activated sludge process.

Sedimentation: The settling of solids in a body of water using gravity.

Settle: To clarify water by causing impurities/solid material to sink to a container's bottom.

Sewer: The system of pipes that carries wastewater from homes and businesses to a treatment plant or reclamation plant. Sewers are separate from storm drains, which is a system of drains and pipes that carry rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain water is not treated before it is discharged.

SigAlert: Any unplanned event that causes the closing of one lane of traffic for 30 minutes or more, as opposed to a planned event, like road construction, which is planned.

SJBA San Juan Basin Authority

Sludge: The solids that remain after wastewater treatment. This material is separated from the cleaned water, treated and composted into fertilizer. Also called biosolids.

SOCWA South Orange County Wastewater Authority. Regional Joint Powers Authority formed for collection and treatment of sewerage (previously known as AWMA/SERRA/SOCRA). SOCWA member agencies:

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

SRF State Revolving Fund

Storm Drain: The system of pipes that carries rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain

water is not treated before it is discharged. Storm drains are separate from sewers, which is a separate system of pipes to carry wastewater from homes and businesses to a treatment plant or reclamation plant for cleaning.

Storm flow: Surface flow originating from precipitation and run-off which has not percolated to an underground basin.

SWP: State Water Project. An aqueduct system that delivers water from northern California to central and southern California.

SWRCB State Water Resources Control Board

TDS: Total dissolved solids. A quantitative measure of the residual minerals dissolved in water that remain after evaporation of a solution. Usually expressed in milligrams per liter.

Tertiary treatment: The treatment of wastewater beyond the secondary or biological stage. Normally implies the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

THM: Trihalomethanes. Any of several synthetic organic compounds formed when chlorine or bromine combine with organic materials in water.

TMA: Too many acronyms.

TMDL: Total maximum daily load; A quantitative assessment of water quality problems, contributing sources, and load reductions or control actions needed to restore and protect bodies of water.

Transpiration: The process in which plant tissues give off water vapor to the atmosphere as an essential physiological process.

Turbidity: Thick or opaque with matter in suspension; muddy water.

Ultraviolet light disinfection: A disinfection method for water that has received either secondary or tertiary treatment used as an alternative to chlorination.

VE Value Engineering

VOC: Volatile organic compound; a chemical compound that evaporates readily at room temperature and contains carbon.

Wastewater: Water that has been previously used by a municipality, industry or agriculture and has suffered a loss of quality as a result.

Water Cycle: The continuous process of surface water (puddles, lakes, oceans) evaporating from the sun's heat to become water vapor (gas) in the atmosphere. Water condenses into clouds and then falls back to earth as rain or snow (precipitation). Some precipitation soaks into the ground (percolation) to replenish groundwater supplies in underground aquifers.

Water rights: A legally protected right to take possession of water occurring in a natural waterway and to divert that water for beneficial use.

Water-use Efficiency: The water requirements of a particular device, fixture, appliance, process, piece of equipment, or activity.

Water year (USGS): The period between October 1st of one calendar year to September 30th of the following calendar year.

Watermaster: A court appointed person(s) that has specific responsibilities to carry out court decisions pertaining to a river system or watershed.

Water Reclamation: The treatment of wastewater to make it suitable for a beneficial reuse, such as landscape irrigation. Also called water recycling.

Watershed: The total land area that from which water drains or flows to a river, stream, lake or other body of water.

Water table: The top level of water stored underground.

WEF Water Environment Federation. Formerly – Water Pollution Control Federation (WPCF). International trade group advising members of sewage treatment techniques and their effect on the environment.

Weir box: A device to measure/control surface water flows in streams or between ponds.

Wellhead treatment: Water quality treatment of water being produced at the well site.

Wetland: Any area in which the water table stands near, at, or above the land surface for a portion of the year. Wetlands are characterized by plants adapted to wet soil conditions.

Xeriscape: Landscaping that requires minimal water.