

**TEJON-CASTAC WATER DISTRICT (TCWD)
5665 Santa Elena Drive, Arvin, CA 93203**

Mailing Address
P.O. Box 478,
Lebec, CA 93243

Telephone: (661) 248-3000
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AGENDA

**Regular Meeting of the Board of Directors of Tejon-Castac Water District
April 13, 2021 – 9:00 a.m.**

On-Line only due to COVID-19 Shelter-In-Place restrictions

Join Zoom Meeting

<https://zoom.us/j/91909539217?pwd=eE5mQS9kUXAwckZvMDVGK0Nra3Vxdz09>

Meeting ID: 919 0953 9217

Passcode: 945866

One tap mobile

+16699006833,,91909539217#,,,,*945866# US (San Jose)

Meeting material can be found at <https://tejoncastacwd.com>

- 1) **Roll Call**
- 2) **Approval of Meeting Minutes for Special Board Meeting of March 11, 2021**
- 3) **Second Reading and Consideration for Adoption of the Ordinance Levying Special Taxes – Action Required**
- 4) **Reports & Updates (Review and possibly action on):**
 - A. Facility Reports
 - B. Operations
 - C. SGMA Updates
 - D. Financials

5) Public Input

Members of the public may address the Board on matters within the TCWD's jurisdiction, which is not on this agenda, at this time (As required by Gov. Code § 54954.3(a)). However, any such non-agenda matter that requires action will be referred to District staff or a report and action at a subsequent Board meeting.

6) Adjournment to Closed Session

Conference with Legal Counsel—Existing Litigation (Govt. Code Section 54956.9(a))— (2 Items)

Central Delta WA, et al. v. Department of Water Resources, et al.;
California Department of Water resources v. All Persons Interested, etc.
(Sac Sup # 34-2017-00215965)

Rosedale-Rio Bravo Water Storage District v. Kern County Water Agency
Kern County Superior Court: Case No. BCV-21-100418

Conference with Legal Counsel—Potential Litigation (Govt. Code Section 54956.9(b)):
(one item)

7) Adjourn

TEJON-CASTAC WATER DISTRICT (TCWD)
5665 Santa Elena Drive, Arvin, CA 93203
MINUTES
OF THE SPECIAL BOARD OF DIRECTORS MEETING

Date of Meeting: Tuesday, March 11, 2021

Place of Meeting: On-line only due to COVID-19 shelter-in-place restrictions.

DIRECTORS PRESENT: Mark Fanucchi, Dennis Atkinson, George Cappello, Jeff Mettler, and Mark Valpredo.

DIRECTORS ABSENT: None

Meeting commenced at 10:03 a.m.

There was no sign-in sheet because the meeting was remote. Members of the public at the meeting who identified themselves were Patrice Hedlund from The Mountain Enterprise, Allen Lyda from TRC, Paul Thimmig from Quint and Thimmig, Andrea Roess from Financial DTA, and Angelica Martin. District Legal Counsel Alan Doud was also present.

On motion by Director Valpredo, seconded by Director Cappello, draft minutes of the Regular Board Meeting of February 9, 2021 were approved unanimously by roll-call vote.

There were no public comments.

Before initiating the Public Hearing, President Atkinson identified his financial interest through his ownership of stock in TRC and recused himself. Vice President Cappello assumed the chair and opened the Public Hearing at 10:07. Mr. Thimmig explained the Public Hearing regarding the CFD was being called pursuant to the Resolutions of Intention for the CFD adopted on February 9th, 2021. He also informed that notices of the public hearing published and had proofs of publication of the notices. Director Valpredo asked why the CFD report had Director Atkinson signature to which Mr. Thimmig responded that the document was a factual report. Patrice Hedlund asked where the public notice had been posted. Mr. Thimmig provided place and dates. She observed none were posted in the local newspaper. She also questioned what the CFD was going to finance, and Mr. Thimmig referred her to the CFD report. He also offered to answer any more of her questions after the meeting. The Public Hearing closed at 10:16

Mr. Thimmig continued to present Resolutions 2021-06, 2021-07, and 2021-08. Ms. Hedlund asked how inholding properties would be affected by these actions. Mr. Thimmig referred to Allen Lyda who confirmed any property not owned by Tejon Ranch had been carved out of the CFD boundary. It was recommended by Mr. Thimmig all three resolutions be approved together. On motion by Director Valpredo, seconded by Director Mettler, Resolutions 2021-06, 2021-07, and 2021-08 were approved by roll-call vote.

There was a pause for the Secretary of the Board, Ms. Martin, to open the sealed ballot return envelope and announce the results of the election. Ms. Martin read out loud the results announcing 5,289 Yes votes for Improvement Area 1, and 20,682 Yes votes for Improvement Area M.

The Board then approved Resolution 2021-09, A Resolution of the Board of Directors of the Tejon-Castac Water District Declaring Results of Special Elections and Directing Recording of Notice of Special Tax Lien. On motion by Director Valpredo, seconded by Director Mettler, Resolution 2021-09, was approved by roll-call vote.

Mr. Thimmig asked Director Cappello to proceed with the first reading of the Proposed Ordinance No. 1 an ordinance of the Board of Directors of the Tejon-Castac water District Levying Special Taxes Within Improvement Areas 1 and M of the Tejon Castac Water District Community Facilities District No. 2021-1 (Mountain Village Public Improvements). He recommended only reading the title and do a second reading during the District's next Board meeting. Once the reading was concluded, the action was approved by roll-call vote.

At this point President Atkinson took back the chair (10:28)

Ms. Martin reminded the Board Directors their Form 700 was due by April 1st, 2021.

There was no closed session.

The meeting was adjourned at 10:32 a.m.

Angelica Martin, Secretary, Tejon-Castac Water District

Approved by: Tejon-Castac Water District Board of Directors Dated: April 13, 2021

ORDINANCE NO. 1

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE TEJON-CASTAC WATER DISTRICT LEVYING SPECIAL TAXES WITHIN IMPROVEMENT AREAS 1 AND M OF THE TEJON-CASTAC WATER DISTRICT COMMUNITY FACILITIES DISTRICT NO. 2021-1 (MOUNTAIN VILLAGE PUBLIC IMPROVEMENTS)

WHEREAS, on February 9, 2021, this Board of Directors of the Tejon-Castac Water District (the “Water District”) adopted a Resolution entitled “A Resolution of the Board of Directors of the Tejon-Castac Water District Declaring Its Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein” (the “Resolution of Intention”), stating its intention to establish the Tejon-Castac Water District Community Facilities District No. 2021-1 (Mountain Village Public Improvements) (the “CFD”), and as authorized by Section 53350 of the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the “Law”) and designating Improvement Area 1 of the Tejon-Castac Water District Community Facilities District No. 2021-1 (Mountain Village Public Improvements) (“Improvement Area 1”) and Improvement Area M of the Tejon-Castac Water District Community Facilities District No. 2021-1 (Mountain Village Public Improvements) (“Improvement Area M”) of the CFD (each an “Improvement Area”), all pursuant to the Law to finance costs of certain public improvements (the “Facilities”); and

WHEREAS, notice was published as required by the Law of the public hearing called pursuant to the Resolution of Intention relative to the intention of this Board of Directors to form Improvement Area 1 and Improvement Area M therein, all to provide for the costs of the Facilities and to incur bonded indebtedness for Improvement Area 1 and Improvement Area M; and

WHEREAS, on March 11, 2021 this Board of Directors held the public hearing as required by Law relative to the determination to proceed with the formation of Improvement Area 1 and Improvement Area M, and the issuance of bonded indebtedness for Area 1 and Area M; and

WHEREAS, at the public hearing all persons desiring to be heard on all matters pertaining to the formation of Improvement Area 1 and Improvement Area M, the levy of special taxes in Improvement Area 1 and Improvement Area M and the incurrence of bonded indebtedness for Improvement Area 1 and Improvement Area M were heard, substantial evidence was presented and considered by this Board of Directors and a full and fair hearing was held; and

WHEREAS, subsequent to the public hearing, this Board of Directors adopted a Resolution entitled “A Resolution of the Board of Directors of the Tejon-Castac Water District of Formation of Improvement Areas 1 and M of the Tejon-Castac Water District Community Facilities District No. 2021-1 (Mountain Village Public Improvements),” (the “Resolution of Formation”), a Resolution entitled “A Resolution of the Board of Directors of the Tejon-Castac Water District Determining the Necessity to Incur Bonded Indebtedness for Improvement Areas 1 and M of the Tejon-Castac Water District Community Facilities District No. 2021-1 (Mountain

Village Public Improvements)” (the “Resolution of Necessity”) and a Resolution entitled “A Resolution of the Board of Directors of the Tejon-Castac Water District Calling Special Elections Within Improvement Areas 1 and M of Community Facilities District No. 2021-1 (Mountain Village Public Improvements)”, which resolutions established Improvement Area 1 and Improvement Area M, authorized the levy of a special tax on property within Improvement Area 1 and Improvement Area M, authorized the incurrence of bonded indebtedness for Improvement Area 1 and Improvement Area M and called an election within Improvement Area 1 and Improvement Area M on the propositions of incurring indebtedness, levying the special tax and establishing an appropriations limit for the respective Improvement Area; and

WHEREAS, on March 11, 2021 an election was held within each of Improvement Area 1 and Improvement Area M in which the eligible landowner elector of each Improvement Area approved said propositions for the respective Improvement Area.

THE BOARD OF DIRECTORS OF THE TEJON-CASTAC WATER DISTRICT DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. By the passage of this Ordinance, this Board of Directors hereby authorizes and levies special taxes within the Improvement Area 1 pursuant to the Law at the rate and in accordance with the rate and method of apportionment of special taxes attached as Exhibit B to the Resolution of Intention (the “Improvement Area 1 Rate and Method), which Resolution of Intention is by this reference incorporated herein. The special taxes are hereby levied in Improvement Area 1 commencing in fiscal year 2021-22 and in each fiscal year thereafter for the period provided in the Improvement Area 1 Rate and Method, as contemplated by the Resolution of Formation and the Resolution of Necessity, and all costs of administering Improvement Area 1 have been paid.

By the passage of this Ordinance, this Board of Directors hereby authorizes and levies special taxes within the Improvement Area M of the CFD pursuant to the Law at the rate and in accordance with the rate and method of apportionment of special taxes attached as Exhibit C to the Resolution of Intention (the “Improvement Area M Rate and Method). The special taxes are hereby levied in Improvement Area M commencing in fiscal year 2021-22 and in each fiscal year thereafter for the period provided in the Improvement Area M Rate and Method, as contemplated by the Resolution of Formation and the Resolution of Necessity, and all costs of administering Improvement Area M have been paid.

Section 2. The Treasurer of the Water District is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for each parcel of real property within Improvement Area 1 and for each parcel within Improvement Area M, in the manner and as provided in the Resolution of Formation.

Section 3. Properties or entities of the State, federal or local governments shall be exempt from any levy of the special taxes, to the extent set forth in the Improvement Area 1 Rate and Method and the Improvement Area M Rate and Method, as applicable. In no event shall the special taxes be levied on any parcel within an Improvement Area in excess of the maximum tax specified

in the Improvement Area 1 Rate and Method and the Improvement Area M Rate and Method, as applicable.

Section 4. All of the collections of the special tax for an Improvement Area shall be used as provided for in the Law and in the Resolution of Formation including the payment of principal and interest on bonds issued by the Water District for the Improvement Area (the “Bonds”), the replenishment of the reserves for the Bonds, the payment of the costs of the Facilities and the payment of the costs of the Water District in administering the applicable Improvement Area, and the costs of collecting and administering the special tax.

Section 5. The special taxes shall be collected from time to time within an Improvement Area as necessary to meet the financial obligations of such Improvement Area on the secured real property tax roll in the same manner as ordinary *ad valorem* taxes are collected. The special taxes shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency as provided for *ad valorem* taxes. In addition, the provisions of Section 53356.1 of the California Government Code shall apply to delinquent special tax payments. The Treasurer of the Water District is hereby authorized and directed to provide all necessary information to the auditor/tax collector of the County of Kern and to otherwise take all actions necessary in order to effect proper billing and collection of the special tax, so that the special tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of each Improvement Area in each fiscal year until the later of the date on which (a) the Bonds are paid in full and provision has been made for payment of all of the administrative costs of the Improvement Area, or (b) the date, if ever, on which this Board of Directors determines that the special tax shall no longer be levied to pay for costs of the Facilities and administrative costs of the Improvement Area.

Notwithstanding the foregoing, the Treasurer of the Water District may collect one or more installments of the special taxes on any one or more parcels in an Improvement Area thereof by means of direct billing by the Water District of the property owners within the applicable Improvement Area if, in the judgment of the Treasurer, such means of collection will reduce the administrative burden on the Water District in administering such Improvement Area or is otherwise appropriate in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the applicable property owners.

Section 6. The Treasurer of the Water District is hereby directed to establish an account for each Improvement Area (which need not be a separate deposit account, but may be a separate general ledger account so long as such proceeds can be separately accounted for) into which proceeds of the special tax levied for each respective Improvement Area will be deposited, and the Treasurer of the Water District is hereby directed to file an annual report with this Board of Directors as required by Section 50075.3 of the California Government Code.

Section 7. Should any section, subsection, clause, or provision of this Ordinance for any reason be held to be invalid or unconstitutional, or if the special tax is found inapplicable to any particular parcel within an Improvement Area by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of

this Ordinance and the application of the special tax to the remaining parcels within the Improvement Areas.

Section 8. This Ordinance shall take effect thirty (30) days from and after the date of its final passage.

INTRODUCED on the 11th day of March, 2021, and PASSED, APPROVED AND ADOPTED, by the Board of Directors of the Tejon-Castac Water District, at a regular meeting held on the 13th day of April, 2021.

By: _____

ATTEST:

By: _____

Angelica Martin,
Secretary

STATE OF CALIFORNIA)
COUNTY OF KERN) ss
TEJON-CASTAC WATER DISTRICT)

I, Angelica Martin, Secretary of the Tejon-Castac Water District, HEREBY DO CERTIFY that the foregoing Ordinance No. 1 was duly adopted at a regular meeting of the Board of Directors of the Tejon-Castac Water District on the 13th day of April, 2021, by the following roll call vote:

AYES: DIRECTORS:
NAYS: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAINED: DIRECTORS:

By: _____
 Angelica Martin, Secretary,
 Tejon-Castac Water District

20035.01:J17393
4/7/21

RESOLUTION NO. 2021-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEJON-CASTAC WATER DISTRICT DECLARING ITS INTENTION TO INCUR BONDED INDEBTEDNESS OF IMPROVEMENT AREAS OF THE PROPOSED COMMUNITY FACILITIES DISTRICT NO. 2021-1 (MOUNTAIN VILLAGE PUBLIC IMPROVEMENTS)

WHEREAS, this Board of Directors has this date adopted its Resolution No. 2021-04 entitled "A Resolution of the Board of Directors of the Tejon-Castac Water District Declaring Its Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein," stating its intention to form the Tejon-Castac Water District Community Facilities District No. 2021-1 (Mountain Village Public Improvements) (the "CFD") to include initially two improvement areas (the "Improvement Areas"), consisting of Improvement Area 1 and Improvement Area M, pursuant to Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), for the purpose of financing all or a portion of the costs of certain public improvements (the "Facilities"), as further provided in said Resolution; and

WHEREAS, in order to finance the Facilities this Board of Directors finds that it is necessary to incur bonded indebtedness in the maximum amount of \$250,000,000 for Improvement Area 1 and \$1,500,000,000 for Improvement Area M.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the Tejon-Castac Water District as follows:

Section 1. It is necessary to incur bonded indebtedness within the boundaries of the proposed CFD in the maximum amount of \$250,000,000 for Improvement Area 1 and \$1,500,000,000 for Improvement Area M.

Section 2. The bonded indebtedness is proposed to be incurred for the purpose of financing the Facilities, including all costs incidental to or connected with the accomplishment of said financing, as permitted by Section 53345.3 of the Act.

Section 3. This Board of Directors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds for each Improvement Area of the CFD in one or more series pursuant to the Act, with each series of the bonds to bear interest payable semi-annually or in such other manner as this Board of Directors shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of the respective series of such bonds, and maturing not to exceed 40 years from the date of the issuance of the respective series of said bonds.

Improvement Area M is intended to provide a supplemental or backup special tax levy supporting the issuance of bonds for other improvement areas. The Board of Directors intends to carry out change proceedings in the future in order to subdivide Improvement Area M into smaller


improvement areas and to issue bonds with respect to those improvement areas. As such, the Board of Directors does not at present intend to issue any bonds secured solely by special taxes levied in Improvement Area M. The maximum bonded indebtedness amounts to be assigned to the future improvement areas to be created from Improvement Area M shall not, in the aggregate, exceed the maximum bonded indebtedness amount for Improvement Area M set forth in this Section 3.

Section 4. Thursday, March 11, 2021, at 10:00 a.m., in the Board Room of the Tejon Ranch Company, 4436 Lebec Road, Lebec, California, be, and the same are hereby appointed and fixed as the time and place when and where this Board of Directors, as legislative body for the CFD, will conduct a public hearing on the proposed debt issuances and consider and finally determine whether the public interest, convenience and necessity require the issuance of bonds of the Water District for Improvement Areas of the CFD.

Section 5. The Secretary is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation circulated within the CFD. The publication of said notice shall be completed at least seven (7) days before the date herein set for said public hearing. Said notice shall substantially in the form specified in Section 53346 of the Act.

Section 6. This Resolution shall take effect upon its adoption.

PASSED, APPROVED AND ADOPTED, by the Board of Directors of the Tejon-Castac Water District at a regular meeting held on the 9th day of February, 2021.

By: 
Dennis Atkinson,
President

ATTEST:

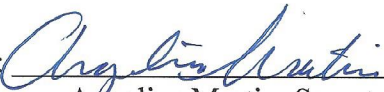
By: 
Angelica Martin,
Secretary

20035.01:J17177
2/2/21

STATE OF CALIFORNIA)
COUNTY OF KERN) ss
TEJON-CASTAC WATER DISTRICT)

I, Angelica Martin, Secretary of the Tejon-Castac Water District, HEREBY DO CERTIFY that the foregoing Resolution No. 2021-05 was duly adopted at a regular meeting of the Board of Directors of the Tejon-Castac Water District on the 9th day of February, 2021, by the following roll call vote:

AYES: DIRECTORS: Cappello, Fanucchi, Mettler, Valpredo.
NAYS: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAINED: DIRECTORS: Atkinson

By: 
Angelica Martin, Secretary,
Tejon-Castac Water District

1. Blue Beacon Flows: Tina had a composite sampler set up East plant to monitor influent flows prior to receive Blue Beacon flows.
2. Last board meeting I mentioned we did a pump test on the two older turbines pumps when we installed the third turbine, the 150gpm pump test showed loss close to 30gpm so I had Southwest pump pull pump before summer for repairs. Cost \$11,900.00
3. West side blowers went out, Perc ask Root distributor for cost to rebuild blower, waited two weeks no answer back from sales Rep. Told Perc to find another supplier, they had new blower and could rebuild the old blower without going through the other company. I told Ben to get two new blower \$7,300.00 we need to get the backup blower back online for availability as soon as possible. Old blowers were rebuilt:
 - 2018/2019 rebuilt 3 time - \$5,400.00
 - 2019/2020 rebuilt 3 times \$4,000.00
 - 2020/2021 rebuilt 5 times - \$6,400.00
4. I'm planning on starting budget for 2021/2022 for June board meeting. The five-year water rate will be completed 2021/2022 Should Provost & Pritchard be contacted for a proposal for another five-year study for TRCC?
5. CV-Salts Program -Two permitting approach they provide one of the two needs to be approved before July 15, 2021. I ask Ben Perc Water to research the two option and have a recommendation for the best option for TCWD. See attached.
6. Perc asking for approval to have PALL out for a system inspection Water Treatment Skids. See proposal.

Aftermarket Comprehensive Services Plan
for
Tejon Castac Water District
Pall Water Aria Filtration System

Equipment Type
PALL SAP#:
WBS No.:
Start Up Date:
Module Warranty Expires:
Equipment Warranty Expired:

Company Contact: Ben Mitchell
E-Mail: bmitchell@percwater.com
Phone: (661) 857-2233

Site Location:

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2	Proposal Summary, Description of Services and pricing detail
3	Customer Authorization for Service Form; Site & Billing addresses
4	Definition of Contract Terms
6	Essential Service Event Details
8	Terms and Conditions

Ordering Instructions

Complete the “Customer Authorization for Service” form on page 3 and remit to:

Pall Water Customer Service
Email: Pall_Technology_csc@pall.com

OR
P.O. Box 5630, 839 State Route 13
Cortland, New York 13045-5630
Fax: 607-758-4526

PROPOSAL SUMMARY

Pall Water provides a post-warranty support service plan to ensure continued aftermarket operation of your System. Over time, machinery ages and may malfunction. Components and technology also get upgraded - or become obsolete - as new innovations develop and get implemented. Our Technical Team is also commissioned to 24/7 on-call availability.

The frequency of the proposed service is an **Annual** visit. If you require service frequency of Semi- Annual or Quarterly, the contract can be revised to accommodate your service needs. If additional service support is required beyond the contract frequency and scope, it can also be provided at the Pall standard service rates above. Advance authorization is required for any time that exceeds the scope of service and the amount of the issued PO. Additional T&E will apply.

DESCRIPTION OF SERVICE	Pricing Per visit	Annual Service Plan Fee per 12-Mo. visit
SYSTEM INSPECTION SERVICE* (MM #38588) Overall System Review <ul style="list-style-type: none"> • Review system and process operation • Make system adjustments and improvements as time allows • Identify future needs for operation staff to maintain plant performance • All travel and expenses included in pricing 	\$10,080.00	\$10,080.00
CIP SERVICE* (MM #25678)- (performed in conjunction with the above-scheduled System Inspection Service visit during the contracted Services Plan visit) <ul style="list-style-type: none"> • Evaluate CIP Process and Equipment Functionality • CIP Effectiveness Review • Operation Protocol and Permeability Assessment 	\$2,800.00	\$2,800.00
ANNUAL RATES		\$12,880.00

****Note:** Without an Aftermarket agreement, non-contracted customers will be subject to a Fee-per-Incident for phone support service (credit card required at time of call).

Customer Authorization for Service Form

I am an authorized representative of the Customer, and I accept the Terms and Conditions of this Service Agreement on behalf of the Customer. I authorize Pall Water Systems to perform the work defined in this agreement, and accept the costs and charges defined in this agreement.

Company: _____

_____ **Print Name** _____ **Title/Position**

_____ **Signature** _____ **Date**

Purchase Order No. or Reference for Billing: _____

Circle Plan Term: 3-Year Term Annual

Requested Date(s) to Schedule Service Visit(s): _____
(unless deemed emergency service, please allow a 4-week window to accommodate scheduling by Pall Water Systems.)

Remit this form & PO# to our Pall Water Customer Service email: pall_technology_csc@pall.com

Effective Date and Duration: This Agreement will be effective as of the date signed below, and will remain in effect:

- for 12 consecutive months (or as indicated in the annual or multi-year contract)
- or until 30 days after receipt of written notice of termination by either party.

Customer **Billing** Address:

Customer **Shipping** Address (Spare Parts):

Customer Comments: _____

Definition of Plan Terms

Pall - Pall Water or its assigned Representative

Customer - Company or Organization purchasing services as defined by this contract The Customer's maintenance staff will be responsible for supplying tools, ladders, lifts, or other equipment required to execute the maintenance function. Site personnel will be solely responsible for ensuring that all maintenance procedures are performed in accordance with all applicable safety regulations.

FSE - The role of the Pall Water Field Service Engineer (FSE) is to complement the sites existing technical / maintenance staff by providing expertise specific to Pall Water supplied technology. The Pall Water FSE will direct site maintenance staff in the proper execution of maintenance procedures.

Description of the Plan Services

1. System Inspection Service
2. CIP Service

1. System Inspection Service

Upon arrival, the Pall Water FSE will meet with designated plant personnel to review the planned scope of work for the Inspection, and obtain confirmation prior to proceeding. Should the Customers expectations be outside of the scope of work, the inspection will not proceed until Pall Water and the Customer agree to the Scope of Service. If necessary, Scope changes can be quoted and accepted onsite, prior to performing the planned service.

The FSE will perform a comprehensive inspection of the Pall Water Aria Filtration System, which includes all hardware and operating parameters to determine System functional status, and make preventive maintenance recommendations. Should an issue be identified that can be resolved by the FSE during this visit, a price for the immediate service can be provided, and the work completed with your approval by means of a verbal change order to Pall Water Systems Customer Service. Advance authorization is required for any time that exceeds the Scope of Service and the amount of the issued PO.

Upon completion of the service, the FSE will meet with designated Plant personnel to review the findings of the Inspection, and discuss any problems, corrective actions or recommendations.

2. CIP (Clean in Place)

Pall Water Systems require periodic cleaning and the cleaning frequency varies. CIP neglect will cause long-term specific flux (permeability) deterioration, which can be difficult to restore. If not performed on a regular basis, CIP protocols may become unfamiliar, ominous and critical. Special CIP protocols can be quoted, for Systems that experience reduced permeability.

Also, Water Module Warranty is dependent on proper System operation and maintenance, including CIP. Pall Water highly recommends at least quarterly CIP events, with an FSE present to evaluate one annual CIP event to make sure that appropriate CIP protocol is being used, to identify and resolve any potential issues, and to help keep the module warranty in good standing. CIP service can be either full service or flux verification. Flux verification is a service to verify CIP process functionality only, whereas with full service CIP, our engineer will perform the CIP process on the entire Pall Water system under contract.

3. Fee-per-Incident Technical Phone Support (non-contracted Customers)

Pall Water Engineers are on full-time rotation to provide live, around-the-clock technical support.

Prior to the phone consult, customers will need to provide a credit card number or PO# that will be billed at Pall Water's standard service rates, with a minimum charge of \$250.00. Telephone support will be billed per call, logged at a rate of \$250.00 for the first 30 minutes, then, at \$375.00/hour. The Customer will only be billed the half hour rate once per Call Log Number. Subsequent calls for the same call log will be billed at \$375.00/hr.

If the problem cannot be resolved over the telephone, the Customer can request a Pall Water System Service Representative to visit the site location. You will be quoted an Emergency Service Rate and billed for last-minute travel expenses.

Essential Service Event Details

Materials: This proposal covers the scope of work described above. All additional materials purchased by Pall Water for use on your System that have been verbally authorized by you to complete this work will be invoiced as part of this contract.

Scheduling: When possible, Pall Water will make every effort to accommodate a Customer's schedule for services, once they have been defined and communicated. Field Service requires a minimum 4-week advance notification. Upon receipt of your purchase order, we can confirm the schedule, and allocate the appropriate Pall Water Service resources.

Validity: This proposal is valid for 90 days.

Terms of Sale: Pall Water Standard Terms and Conditions of Sale of Services apply.

Terms of Service:

- Regular minimum service charge is for a 10-hour day.

Service Order acceptance and payment terms: Pall Water requires all accounts outstanding beyond 30 days to be paid in full prior to order acceptance. Your account status will be verified at the time of order placement, and you will be notified if you have a balance due. To avoid order processing, goods shipment, or service scheduling delays, please insure your account is up to date in advance of placing your order. Charges per the proposal will be invoiced automatically, and become payable within 30 business days of receipt.

Changes: If additional service is required beyond the Plan frequency and scope, Pall Water will work with you to make those changes. Advance authorization is required for any activity that exceeds the scope of service and the amount of the issued PO. Additional T&E may apply.

Pall Water shall not implement any changes in the Scope of Services described in its proposal unless Customer and Pall Water agree to the details of the change, and any resulting price, schedule or other contractual modifications. This includes any changes necessitated by a change in applicable law.



Aftermarket Comprehensive Services Plan

Pall Water Proposal No.: OPP1589441

Date: March 17 , 2021

A Purchase Order or acceptable letter of authorization, including Travel & Expense per diem reimbursements, and a signed copy of the attached Customer Authorization of Service Form is required prior to Pall Water providing the services defined in this proposal.

Maintaining an Aftermarket Service Plan, or an Aftermarket Phone Support Service, provides the best possible return on your Pall Water System investment. The Plan also provides pre-emptive measures that help to identify potential anomalies or malfunctions which may create untimely disruptions, costly down-times, or otherwise, could contribute to disaster response issues encountered by Municipal Plants and a community's water system. Implementing the Service Plan ensures priority response and avoids the Fee-per-Incident charges.

Sincerely,

Alexander Braman
Inside Sales Representative
Cell: 720-202-6536
E-mail: Alexander_Braman@pall.com

**Standard Terms and Conditions of Sale
Non-Systems – The Americas
Pall Water**

1. Applicability: Entire Agreement:

1.1. These terms and conditions of sale (these "**Terms**") are the only terms which govern the sale of the goods identified on Buyer's purchase order (the "**Goods**") by Seller to Buyer. By placing a purchase order, Buyer makes an offer to purchase the Goods pursuant to these Terms, including (a) a list of the Goods to be purchased; (b) the quantity of each of the Goods ordered; (c) the requested delivery date; (d) the unit Price for each of the Goods to be purchased; (e) the billing address; and (f) the delivery location (the "**Basic Purchase Order Terms**"), and on no other terms.

1.2. The accompanying quotation, proposal, confirmation of sale, invoice, order acknowledgment or similar document delivered by Seller to Buyer (the "**Sales Confirmation**"), the Basic Purchase Order Terms and these Terms (collectively, this "**Agreement**") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Buyer's general terms and conditions of purchase regardless whether or when Buyer has submitted its purchase order or such terms. Fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms.

1.3. Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the Goods covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms.

2. Non-delivery:

2.1 The quantity of any installment of Goods as recorded by Seller on dispatch from Seller's Shipment Point (as defined in **Section 4**) is conclusive evidence of the quantity received by Buyer on delivery unless Buyer can provide conclusive evidence proving the contrary.

2.2 Seller shall not be liable for any non-delivery of Goods (even if caused by Seller's negligence) unless Buyer gives written notice to Seller of the non-delivery within 10 days of the date when the Goods would in the ordinary course of events have been received.

2.3 Any liability of Seller for non-delivery of the Goods shall be limited to replacing the Goods within a reasonable time or adjusting the invoice respecting such Goods to reflect the actual quantity delivered.

3. Delivery:

3.1 The Goods will be delivered within a reasonable time after the receipt of Buyer's purchase order, subject to availability of finished Goods. The delivery and/or shipping schedule is the best estimate possible based on conditions existing at the time of Seller's Sales Confirmation or Seller's quotation and receipt of all specifications, as applicable, and in the case of non-standard items, any such date

is subject to Seller's receipt of complete information necessary for design and manufacture. Seller shall not be liable for any delays, loss or damage in transit or for any other direct, indirect, or consequential damages due to delays, including without limitation, loss of use.

3.2 Seller may, in its sole discretion, without liability or penalty, deliver partial shipments of Goods to Buyer and ship the Goods as they become available, in advance of the quoted delivery date. If the Goods are delivered in installments, then insofar as each shipment is subject to the same Agreement, the Agreement will be treated as a single contract and not severable.

3.3 Seller shall make the Goods available to Buyer at Seller's factory or designated shipment point (each, "**Seller's Shipment Point**") using Seller's standard methods for packaging and shipping such Goods. Buyer shall take delivery of the Goods within 5 days of Seller's written notice that the Goods have been delivered to the Seller's Shipment Point.

3.4 If for any reason Buyer fails to accept delivery of any of the Goods on the date fixed pursuant to Seller's notice that the Goods have been delivered at the Seller's Shipment Point, or if Seller is unable to deliver the Goods at the Seller's Shipment Point on such date because Buyer has not provided appropriate instructions, documents, licenses or authorizations: (i) title and risk of loss to the Goods shall pass to Buyer; (ii) the Goods shall be deemed to have been delivered; and (iii) Seller, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

4. Shipping Terms: Unless otherwise mutually agreed to in writing by the parties, delivery shall be FCA (Seller's Shipment Point) INCOTERMS 2010. At Buyer's request, Seller will, at Buyer's risk and expense, arrange for the delivery of the Goods to Buyer's site/facility and Buyer will pay, or reimburse Seller, for all freight charges, taxes, duties, entry fees, brokers' fees, special, miscellaneous and all other ancillary charges and special packaging charges incurred.

5. Title and Risk of Loss: Title and risk of loss passes to Buyer upon the earlier of (i) delivery of the Goods at the Seller's Shipment Point or (ii) deemed delivery pursuant to clause 3.4 above. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the New York Uniform Commercial Code.

6. Inspection and Rejection of Nonconforming Goods:

6.1 Buyer shall inspect the Goods within 10 days of receipt (the "**Inspection Period**"). Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any nonconforming Goods during the Inspection Period and furnishes such written evidence or other documentation as required by Seller. Such notification shall identify each and every alleged nonconformity of the Goods and describe that portion of the shipment being rejected. Seller shall then respond with instructions as to the disposition of the Goods.

6.2 If Buyer timely notifies Seller of any nonconforming Goods, Seller shall, in its sole discretion, (i)

replace such nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the nonconforming Goods to Seller's Shipment Point. If Seller exercises its option to replace nonconforming Goods, Seller shall, after receiving Buyer's shipment of nonconforming Goods, ship to Buyer, at Buyer's expense and risk of loss, the replaced Goods to the Seller's Shipment Point.

6.3 Buyer acknowledges and agrees that the remedies set forth in **Section 6.2** are Buyer's exclusive remedies for the delivery of Nonconforming Goods. Except as provided under **Section 6.2**, all sales of Goods to Buyer are made on a one-way basis and Buyer has no right to return Goods purchased under this Agreement to Seller.

6.4 If Seller delivers to Buyer a quantity of Goods of up to 5% more or less than the quantity set forth in the Sales Confirmation, Buyer shall not be entitled to object to or reject the Goods or any portion of them by reason of the surplus or shortfall and shall pay for such Goods the price set forth in the Sales Confirmation adjusted pro rata.

7. Services: Seller will provide such services as are expressly described in the Sales Confirmation (collectively, the "**Services**"), during normal business hours, unless otherwise specified in the Sales Confirmation. Services requested or required by Buyer outside of these hours or in addition to the quoted or agreed upon services will be charged at Seller's then current schedule of rates, including overtime charges, if applicable, and will be in addition to the charges outlined in the Sales Confirmation.

8. Purchase Price: The price for the Goods and/or Services thereof shall be Seller's quoted price. Seller may also at any time assess a fuel or energy surcharge (in addition to the price of the Goods) (the "**Purchase Price**"). The Purchase Price is based on the project schedule defined in this Agreement, Sales Confirmation or applicable contract documents. Notwithstanding anything to the contrary set out herein, in the event of any delay to Seller's delivery schedule caused by Buyer or its representatives (other than for Force Majeure or delays caused by Seller), including without limitation, a suspension of work or the project, a postponement of the delivery date or failure to timely issue of a notice of commencement or similar document, then the Purchase Price shall increase by 1% for every month or partial month of such delay and this Agreement shall be construed as if the increased Purchase Price were originally inserted herein, and Buyer shall be billed by Seller on the basis of such increased Purchase Price.

9. Taxes: The Purchase Price is exclusive of any applicable federal, state or local sales, use, excise or other similar taxes, including, without limitation, value added tax, goods and services tax or other similar tax imposed by any governmental authority on any amounts payable by Buyer. All such taxes will be for Buyer's account and will be paid by Buyer to Seller upon submission of Seller's invoices. Buyer agrees to make tax accruals and payments to the tax authorities as appropriate. If Buyer is exempt from any applicable sales tax or equivalent, but fails to notify Seller of such exemption or fails to furnish its Sales Tax Exemption Number to Seller in a timely manner and Seller is required to pay such tax, the amount of any such payment made by Seller will be reimbursed by Buyer to Seller upon submission of Seller's invoices.

10. Payment:

10.1 Buyer shall pay all invoiced amounts due to Seller within 30 days from the date of Seller's invoice. Buyer shall make all payments hereunder by EFT, wire transfer, or check and in US dollars. Payment for foreign billing shall be in accordance with Seller's written instructions.

10.2 Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, reasonable attorneys' fees. In addition to all other remedies available under these Terms or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend performance of any Purchase Order, or suspend the delivery of any Goods, if Buyer fails to pay any amounts when due hereunder and such failure continues for 5 days following written notice thereof. Additionally Seller may require payment in cash, security or other adequate assurance satisfactory to Seller when, in Seller's opinion, the financial condition of Buyer or other grounds for insecurity warrant such action.

10.3 All sales are subject to the approval of Seller's credit department. Seller and Buyer both recognize that there is a risk of banking fraud when individuals impersonating a business demand payment under new banking or mailing instructions. To avoid this risk, Buyer must verbally confirm any new bank or mailing instructions by calling Seller and speaking with Seller's accounts receivable contact before mailing or transferring any monies using the new instructions. Both parties agree that they will not institute any mailing or bank transfer instruction changes or require immediate payment under the new instructions but will instead provide a ten (10) day grace period to verify any payment instruction changes before any new or outstanding payments are due using the new instructions.

10.4 Buyer may not withhold or setoff any amounts that may be claimed by Buyer against any amounts that are due and payable to Seller by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy or otherwise.

10.5 Notwithstanding anything herein to the contrary, this Agreement may be modified or terminated/cancelled, and scheduled shipments hereunder may be deferred or changed, only: (i) upon Buyer's prior written notice to Seller, and Seller's written acknowledgment of the notice; and (ii) upon terms satisfactory to Seller. Buyer shall pay to Seller all fees, charges and/or costs that Seller assesses because of any modification, termination/cancellation, deferment and/or change, including without limitation all termination/cancellation fees, restocking fees, storage fees, insurance costs, freight costs, nonrecurring engineering or production costs and recovery of cost plus reasonable profit required in the event of Buyer's termination without cause.

11. Limited Warranty:

11.1 Limited Warranty for Goods. Seller warrants to Buyer that for a period of twelve months from the date of delivery of the Goods, including deemed delivery pursuant to clause 3.4 above (the "**Warranty Period**"), that the Goods manufactured by Seller, when properly installed and maintained, and operated at ratings, specifications and design conditions specified by Seller, will materially conform to Seller's specifications for such Goods set forth in Seller's proposal, or, in the absence of such a proposal, such specifications for such Goods appearing in Seller's product catalogues and literature or in the Sales Confirmation, at the time of the order and will be free from material defects in material and workmanship (this "**Limited Warranty**"). Buyer shall notify Seller

promptly in writing of any claims within the Warranty Period and provide Seller with an opportunity to inspect and test the Goods or service claimed to fail to meet this Limited Warranty. Buyer shall provide Seller with a copy of the original invoice for the product or service, and prepay all freight charges to return any Goods to Seller's factory, or other facility designated by Seller. All claims must be accompanied by full particulars, including system operating conditions, if applicable. If the defects are of such type and nature as to be covered by this Limited Warranty, Seller shall, at its option and in its sole discretion, either: (a) accept return of the defective Goods and furnish replacement Goods; (b) furnish replacement parts for the defective Goods; (c) repair the defective Goods; or (d) accept return of the defective Goods and return payments made, or issue credits for, such defective Goods. If Seller determines that any warranty claim is not, in fact, covered by this Limited Warranty, Buyer shall pay Seller its then customary charges for any additionally required service or products.

11.2 Limited Warranty for Services. Seller further warrants that all Services performed hereunder, if any, will be performed in a workmanlike manner in accordance with applicable law and industry standards by qualified personnel (this "**Limited Warranty for Services**"); this Limited Warranty for Services shall survive for 30 days following Seller's completion of the Services (the "**Service Warranty Period**"). In the event of a warranty claim under this Limited Warranty for Services, Buyer shall inform Seller promptly in writing of the details of the claim within the Service Warranty Period. Seller's liability under any service warranty is limited (in Seller's sole discretion) to repeating the service that during the Service Warranty Period does not meet this Limited Warranty for Services or issuing credit for the nonconforming portions of the service. If Seller determines that any warranty claim is not, in fact, covered by the foregoing Limited Warranty for Services, Buyer shall pay Seller its then customary charges for all services performed by Seller.

11.3 No Warranty as to Third Party Products. Products manufactured by a third party ("**Third Party Product**") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Goods. Third Party Products are not covered by the warranty in **Section 11.1**. For the avoidance of doubt, **SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD PARTY PRODUCT, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.** With respect to any Third Party Product, the warranty, if any, is provided solely through the manufacturer of such Third Party Product, the terms of which vary from manufacturer to manufacturer and Seller assumes no responsibility on their behalf. For Third Party Products, specific warranty terms may be obtained from the manufacturer's warranty statement.

11.4 Other Limits. EXCEPT FOR THE WARRANTIES SET FORTH IN SECTIONS 11.1 and 11.2, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS AND SERVICES, INCLUDING WITHOUT LIMITATION ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE. Seller does not warrant against, and in no event shall Seller be liable for, damages or defects arising out of improper or abnormal use, misuse, abuse, improper installation (other than by Seller), application, operation, maintenance or repair, alteration, accident, or for negligence in use, storage, transportation or handling or other

negligence of Buyer. In no event shall Seller be liable for any Goods repaired or altered by someone other than Seller other than pursuant to written authorization by Seller. All product warranties and performance guarantees shall only be enforceable if (a) all equipment is properly installed, inspected regularly and is in good working order, (b) all operations are consistent with Seller recommendations, (c) operating conditions at the job site have not materially changed and remain within anticipated specifications, and (d) no reasonably unforeseeable circumstances exist or arise.

11.5 Exclusive Obligation. THIS WARRANTY IS EXCLUSIVE. THE LIMITED WARRANTY AND THE LIMITED WARRANTY FOR SERVICES ARE THE SOLE AND EXCLUSIVE OBLIGATIONS OF SELLER WITH RESPECT TO THE DEFECTIVE GOODS AND SERVICES. SELLER SHALL NOT HAVE ANY OTHER OBLIGATION WITH RESPECT TO THE GOODS, SERVICES, OR ANY PART THEREOF, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THE REMEDIES SET FORTH IN SECTIONS 11.1 AND 11.2 SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN SECTION 11.1 AND 11.2.

11.6 Buyer Breach. In no event shall Buyer be entitled to claim under the above Limited Warranties if Buyer is in breach of its obligations, including but not limited to payment, hereunder.

12. Limitation of Liability:

12.1 IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, INCLUDING WITHOUT LIMITATION, REMANUFACTURING COSTS AND REWORK COSTS, DE-INSTALLATION OR REINSTALLATION COST, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY BUYER OR COULD HAVE BEEN REASONABLY FORESEEN BY BUYER, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (TORT, CONTRACT, OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND WHATEVER THE FORUM, WHETHER ARISING OUT OF OR IN CONNECTION WITH THE MANUFACTURE, PACKAGING, DELIVERY, STORAGE, USE, MISUSE OR NON-USE OF ANY OF ITS GOODS OR SERVICES OR ANY OTHER CAUSE WHATSOEVER.

12.2 IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS SOLD HEREUNDER

12.3 The limitation of liability set forth in **Section 12.2** above shall not apply to liability resulting from Seller's gross negligence or willful misconduct.

13 Cancellation: Buyer may not cancel this Agreement after Sales Confirmation unless all the details are approved in writing by the parties, including Buyer's agreement to pay a stated amount of termination charges.

14 Termination: In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (i) fails to pay any amount when due under this Agreement and such failure continues for 10 days after Buyer's

receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any of these Terms, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

15 Changes: Seller shall not be obligated to implement any changes or variations in the scope of work described in Seller's Documentation unless Buyer and Seller agree in writing to the details of the change and any resulting price, schedule or other contractual modifications. This includes any changes or variations necessitated by a change in applicable law occurring after the effective date of this Agreement including these Terms.

16 Intellectual Property Infringement: Buyer has no authorization to make any representation, statement or warranty on behalf of Seller relating to any Goods sold hereunder. Buyer shall indemnify and defend, at its own expense, Seller against claims or liability for U.S. or applicable foreign patent, copyright, trademark or other intellectual property infringement and for product liability arising from the preparation or manufacture of the Goods according to Buyer's specifications or instructions, or from Buyer's unauthorized or improper use of the Goods or part thereof, or from any changes or alterations to the Goods or part thereof made by persons other than Seller, or from the use of the Goods in combination with products not furnished by Seller or from the manufacture or sale or use of Buyer products which incorporate or integrate the Goods.

17 Ownership of Materials: All ideas, concepts, whether patentable or not, devices, inventions, copyrights, improvements or discoveries, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information that are: a) created, prepared, reduced to practice or disclosed by Seller; and/or b) based upon, derived from, or utilize the Confidential Information of Seller, and all related intellectual property rights, shall at all times remain Seller's property. No right, title or interest in any patents, trademarks, trade names or trade secrets, or in any pattern, drawing or design for any of the Goods or in any other Seller intellectual property right, shall pass or transfer to the Buyer and Seller shall at all times retain ownership rights therein. Notwithstanding the foregoing, Seller grants Buyer a non-exclusive, non-transferable license to use any such material to the extent necessary and solely for Buyer's use of the Goods purchased by Buyer from Seller hereunder. Buyer shall not disclose any such material to third parties without Seller's prior written consent. As a condition to Seller's delivery to Buyer of the Goods, Buyer shall not, directly or indirectly, and shall cause its employees, agents and representatives not to: (i) alter or modify the Goods, (ii) disassemble, decompile or otherwise reverse engineer or analyze the Goods, (iii) remove any product identification or proprietary rights notices, (iv) modify or create derivative works, (v) otherwise take any action contrary to Seller's rights in the technology and intellectual property relating to the Goods, (vi) assist or ask others to do any of the foregoing.

18. Export: As a condition to Seller's delivery to Buyer of the Goods, Buyer agrees, with respect to the exportation or resale of the Goods by Buyer, to comply with all requirements of the International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"), regulations issued thereunder and any subsequent amendments thereto, and all other national, including, but not limited to, European, government laws and regulations on export controls, including laws and regulations pertaining to export licenses, restrictions on export to embargoed countries and restrictions on sales to certain persons and/or entities. Buyer further agrees that the shipment and/or

delivery of the Goods by Seller is contingent upon Seller obtaining all required export authorizations, licenses, and permits (collectively, "**Authorizations**") and Buyer agrees that Seller shall not be liable to Buyer for any failure or delay in the shipment or delivery of the Goods if such Authorizations are delayed, conditioned, denied or not issued by the regulatory or governmental agencies having jurisdiction over such Authorizations.

19. Confidentiality: If Seller discloses or grants Buyer access to any research, development, technical, economic, or other business information or "know-how" of a confidential nature, whether reduced to writing or not, Buyer will not use or disclose any such information to any other person or company at any time, without Seller's prior written consent. In the event that Buyer and Seller have entered into a separate confidentiality agreement (the "**Confidentiality Agreement**"), the terms and conditions of the Confidentiality Agreement shall take precedence over the terms of this paragraph.

20. No Waiver: No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. Seller's failure to exercise, or to delay in exercising, any right, remedy, power or privilege arising from this Agreement, or to insist on Buyer's strict performance of these Terms shall not operate as or be construed as a waiver by Seller.

21. Force Majeure: Under no circumstances shall Pall have any liability for any breach relating to nonperformance or underperformance caused by extreme weather, natural disaster, fire, accident or other act of God; strike, lock out or other labor shortage or disturbance; lock down, boycott, embargo or tariff; terrorism or act of terrorism, war or war condition or civil disturbance or riot; failure of public or private telecommunications networks; delay of carriers or other industrial, agricultural or transportation disturbance; failure of normal sources of supply; epidemics, pandemics, contagion, disease or quarantine; law, regulation or any act of government; or any other cause beyond Pall's reasonable control. Pall's performance shall be excused and deemed suspended during the continuation of such event or events and, for a reasonable time thereafter, delayed or adjusted accordingly.

22. No Third-Party Beneficiaries: This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

23. Relationship of the Parties: The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

24. Validity: If any provision of this Agreement, the Sales Confirmation or these Terms is held by any competent authority to be invalid or unenforceable in whole or in any part, such provision shall be ineffective, but only to the extent of such invalidity or unenforceability, without invalidating the remainder of such provision nor the other provisions, which shall not be affected.

25. Governing Law: This Agreement, and all the rights and duties of the parties arising from or relating in any way to the subject matter of this Agreement or the transaction(s) contemplated by it, shall be governed by the laws of the State of New York, without giving effect to any choice or conflict

of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of New York. The parties expressly exclude the application of the United Nations Conventions on Contracts for the International Sale of Goods, and further exclude the applications of the International Sale of Goods Contracts Convention Act, S.C. 1990-1991, C. 13, and the International Sale of Goods Act, R.S.O. 1990, C.I. 10, as amended.

26. Submission to Jurisdiction: Buyer and Seller hereby unconditionally and irrevocably submit to (and waive any objection on the grounds of inconvenient forum or otherwise) the jurisdiction of the Supreme Court of the State of New York, County of Nassau or the United States District Court for the Southern District of New York, which courts shall have exclusive jurisdiction to adjudicate and determine any suit, action or proceeding regarding or relating to this Agreement and the purchase and supply of the Goods. A judgment, order or decision of those courts in respect of any such claim or dispute shall be conclusive and may be recognized and enforced by any courts of any state, country or other jurisdiction.

27. No Jury Trial: BUYER AND SELLER HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

28. Survival: All payment, confidentiality and indemnity obligations, warranties, limitations of liability, product return, and ownership of materials provisions, together with those sections the survival of which is necessary for the interpretation or enforcement of these Terms, shall continue in full force and effect for the duration stated in such provisions or the applicable statute of limitations.

29. Amendment and Modification: This Agreement may only be amended or modified in a writing which specifically states that it amends this Agreement and is signed by an authorized representative of each party.



Central Valley Regional Water Quality Control Board

January 5, 2021

N15 2529

Tejon Castac Water District
PO Box 1000
Lebec, CA 93243

SALT CONTROL PROGRAM

NOTICE TO COMPLY

This letter contains legal requirements that must be followed. Failure to respond may result in enforcement action(s) being taken against you. Please note that you may have received a separate Notice to Comply for the new Nitrate Control Program that will also require your response.

You are receiving this Notice to Comply because you operate the following one or more facilities:

Tejon Industrial Complex East WWTF
Near Wheeler Ridge road and 1st Street
Lebec, CA 93243

Facility/Place ID: 740731
Order Number: R5-2011-0066
CV-SALTS ID: 2835

Tejon Mountain Village
1401 Crane Canyon
Lebec, CA 93243

Facility/Place ID: 739154
Order Number: R5-2019-0085
CV-SALTS ID: 2829

Tejon Industrial Complex West WWTF
I-5 at Wheeler Ridge
Lebec, CA 93203

Facility/Place ID: 273156
Order Number: R5-2008-0004
CV-SALTS ID: 2703

Truckstops Corp of America
5800 Wheeler Ridge
Arvin, CA 93203

Facility/Place ID: 266620
Order Number: 5-01-002
CV-SALTS ID: 2576

KARL E. LONGLEY SCD, P.E., CHAIR | PATRICK PULIIPA, ESQ., EXECUTIVE OFFICER

Salt Control Program

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Salt Control Program
Notice to Comply

BACKGROUND

In May 2018, the Central Valley Water Board adopted Resolution R5-2018-0034, approving new Salt and Nitrate Control Programs. The Salt Control Program was developed to address salt accumulation issues in surface water and groundwater throughout the Central Valley Region.

Under the new Salt Control Program, the Central Valley Water Board will impose new permit requirements to protect surface waters and groundwater from salts in wastewater. This Notice to Comply (NTC) requires you to choose between new salinity permitting options established under the new Salt Control Program. Regardless of which compliance option you choose, your permit requirements will change at your next permit renewal. Please note that NTCs such as this one are being issued to all permittees that discharge salt to surface water and/or groundwater in the Sacramento-San Joaquin River Basins and in the Tulare Lake Basin.

If our information is incorrect, please contact us so that we may correct our records. If you have questions or believe you should be exempt from the NTC, please contact us as soon as possible by email or telephone. Our contact information is provided at the end of the letter.

SALT CONTROL PROGRAM

The Salt Control Program covers the entire Central Valley region and is broken into three phases, each of which will last from 10-15 years. The Board is currently beginning to implement Phase I. During Phase I, all permittees whose discharges exceed certain salinity thresholds set in the Salt Control Program will be required to participate in and help fund a comprehensive study to assess salinity problems and potential salinity solutions in the valley. This study has been named the Prioritization and Optimization Study, or P&O Study.

This NTC requires that you let the Board know whether you qualify for permit coverage under the “conservative” permitting approach, which is reserved for dischargers that fall under the salinity thresholds set by the Salt Control Program, or whether you will instead need permit coverage under the “alternative” salinity permitting approach. These two permitting options are described in more detail below:

1. Conservative Salinity Permitting Approach

The Conservative Salinity Permitting Approach (Conservative Approach) utilizes the existing regulatory structure and focuses on source control, use of conservative permit limits, and limited use of assimilative capacity and/or compliance time schedules.

2. Alternative Salinity Permitting Approach

The Alternative Salinity Permitting Approach (Alternative Approach) provides a compliance option to permittees who participate in and provide a minimum level of financial support for the Prioritization and Optimization Study (P&O Study), led by the Central Valley Salinity Coalition, during Phase I of the Salt Control Program. Permittees in the Alternative Approach are not required to meet the more stringent

Salt Control Program
Notice to Comply

limitations of the Conservative Approach, however, they must continue to implement efforts to control salt discharges through salinity management practices and/or performance-based measures as determined by the Central Valley Water Board.

RESPONDING TO THIS NTC

1. Visit the website, cvsalts.info, for more information on the Salt Control Program, including:
 - Salt Control Program requirements and timelines for both permitting pathways
 - Characterizing your salinity impacts to surface and/or groundwater
 - Participation requirements and fees for the P&O Study
 - Answers to Frequently Asked Questions

The cvsalts.info website will be updated regularly, so be sure to check back frequently for the latest information. You can also check the website for upcoming webinars that will provide guidance information.

A full copy of the Salt and Nitrate Control Program Basin Plan language, can be found at:

https://www.waterboards.ca.gov/cvsalts/salt_nitrate_bpa/sncp_accepted_bp_language_official.pdf.

2. Choose between the Conservative or Alternative Approach, submit the Notice of Intent (NOI) to the Central Valley Water Board, and begin meeting program requirements. The general NOI requirements for each approach are as follows:

A. Conservative Approach

- i. Conduct a comprehensive assessment of your salinity impacts to surface and/or groundwater.
- ii. Prepare a Salinity Characterization Report that demonstrates how your discharge will comply with the Conservative Approach requirements.
- iii. Submit your Salinity Characterization Report along with your NOI indicating your choice of the Conservative Approach Pathway to the Central Valley Water Board.
- iv. Obtain Central Valley Water Board staff approval.

B. Alternative Approach

- i. Contact the lead entity of the P&O Study to determine your required level of financial support. Submit your NOI indicating your choice of the Alternative Approach Pathway to the Central Valley Water Board along with documentation from the lead entity confirming your compliance with the required level of support.
- ii. Maintain the minimum required level of participation and financial support for the P&O Study and implement salinity source control measures and

Salt Control Program
Notice to Comply

meet performance-based salinity effluent limits or targets to ensure effluent salinity levels are maintained.

An electronic fillable PDF version of the NOI is available at: https://www.waterboards.ca.gov/cvsalts/forms_temps_guide/salt_noi_form.pdf. A hardcopy can be sent to you by sending a request by email to cvsalts@waterboards.ca.gov. NOI submissions shall be sent via email to cvsalts@waterboards.ca.gov or mailed to the address below by **July 15, 2021**. Documents too large to be sent in one email may be sent in multiple emails.

Central Valley Water Board
CV-SALTS Program
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670

The Central Valley Water Board recommends that the documentation be submitted in electronic format to the email or as a CD mailed to the address above. If you choose to submit documentation as a CD or hardcopy, USPS Certified Mail is the preferred mailing method to ensure receipt of delivery by the Central Valley Water Board.

ENFORCEMENT

This NTC requires your response under Water Code section 13260. If you do not respond to this request with the materials specified above by the due date, you may be subject to enforcement actions, including actions under Water Code section 13261, which authorizes the Board to impose liability of up to \$1,000 per day for failure to submit a report. Under the new regulations, the Board will regulate permittees who do not elect a pathway under the Conservative Approach. **After July 15, 2021, discharges of salts at concentrations that exceed the conservative salinity limits identified in the Conservative Approach are prohibited unless the permittee is implementing the Phase 1 requirements of the Salt Control Program through either the Conservative Approach or the Alternative Approach.** Permittees who do not respond within the time frame may still be eligible to select the Alternative Approach, however they will need to obtain approval from the lead entity conducting the P&O Study to join late and will be subject to the lead entity's requirements in addition to providing the minimum required level of financial support.

For general information about the Central Valley Water Board's Salt and Nitrate Control Program, please visit our website <https://www.waterboards.ca.gov/cvsalts>.

If you have any further questions about what is required of you, please email cvsalts@waterboards.ca.gov or call (916) 464-4675.



Patrick Pulupa
Executive Officer

Salt Control Program
Notice to Comply

Para obtener una versión traducida de este documento, envíe un correo electrónico a cvsalts@waterboards.ca.gov. (Spanish)

如需本文档翻译版，请发送邮件至 cvsalts@waterboards.ca.gov. (Chinese)

Để nhận phiên bản dịch của tài liệu này, vui lòng gửi email đến cvsalts@waterboards.ca.gov. (Vietnamese)

Yog koj xav tau daim ntaub ntawv no txhais ua lus Hmoob, thov xa email rau cvsalts@waterboards.ca.gov. (Hmong)

ਇਸ ਦਸਤਾਵੇਜ਼ ਦੇ ਪੰਜਾਬੀ ਅਨੁਵਾਦ ਲਈ, ਕ੍ਰਿਪਾ ਕਰਕੇ ਸਾਨੂੰ ਇਸ ਪਤੇ ਉਪਰ ਈ – ਮੇਲ ਭੇਜੋ cvsalts@waterboards.ca.gov. (Punjabi)

To obtain a translated version of this document in a language other than what is provided above, please email cvsalts@waterboards.ca.gov.

P&O Fee Summary by Industry/Permit Type

Type/Indust.	Communities	Irrigated Ag Coalitions	Dairy	Food Proc	Wine	Oil/Gas	Others **	Total ***
Total Cost	\$493,000	\$496,182	\$57,750	\$128,100	\$77,550	\$160,000	\$87,500	\$1,500,082
Percentage	32.9%	33.1%	3.9%	8.5%	5.2%	10.7%	5.8%	100.0%
Permits/WDRs	256	14	1100	183	118	1000	350+	3500+
Each*	\$250-\$12,500	\$3,200-\$100,000	by acreage	\$700	\$250-\$3,000	\$160/fac	\$250 min	

* Most permit types contribute on sliding scale for size, salinity and other factors

** All Other Permit Types are a minimum of \$250 by permit

*** Total includes P&O Study plus collection and overhead

**** Indicated Path A Intention - Cost reallocated to ILRP

Communities	Irrigated Ag Coalitions	Dairy	Wine
POTW and/or RECYCLED	Salt Factors	90%-110%	125%
by MGD \$350-\$12,500	By Coalitions Acreage	Annual	of Ag Rate
WDR - SSO/COLLECTIONSYSTEM	Sacramento Valley****	\$100,586	Paid via
by size \$150-\$300	San Joaquin County/ Delta	\$34,703	Dairy RMP
WDR - WATER TREATMENT	Eastern San Joaquin	\$58,584	
by MGD \$350-\$12,500	Western San Joaquin	\$40,039	
LANDFILL \$300	Grasslands Drainage Area	\$7,471	
	Westlands	\$45,248	
	Kings River WSC	\$71,469	
	Kaweah Basin	\$15,112	
	Tule Basin ****	\$21,438	
	Cawelo Water District	\$3,223	
	Westside WQC	\$9,157	
	Kern River WCA	\$48,492	
	Buena Vista Coalition	\$2,861	
	Rice Commission	\$37,800	
	Total Acres	\$496,182	

SIZE	# PERMITS	FEE
Waiver	72	\$250
WDR <50K C	24	\$750
WDR 50-200 C	16	\$1,500
WDR >200 C	6	\$3,000
Total	118	

Oil and Gas	
Entities number of facilities (Ponds)	
Each Permitted Facility	\$160

TEJON CASTAC WATER DISTRICT
 MONTHLY CASH FLOW STATEMENT-FORECAST
 FOR THE FISCAL YEAR 2021

FORECASTED CASH FLOWS

Budget	FY2021											
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Beginning Cash and Investments	\$ (127,686)	\$ (269,934)	\$ (305,119)	\$ (388,620)	\$ (120,364)	\$ (298,221)	\$ (355,423)	\$ 104,817	\$ 19,849	\$ (103,159)	\$ 195,117	\$ 134,129
Net Cash	(142,248)	(35,184)	(83,502)	268,257	(177,858)	(57,201)	460,239	(84,968)	(123,008)	298,277	(60,989)	(38,706)
Ending Cash and Investments	(269,934)	(305,119)	(388,620)	(120,364)	(298,221)	(355,423)	104,817	19,849	(103,159)	195,117	134,129	95,422
Forecast												
Beginning Cash and Investments	(127,686)	11,185	713	5,770	18,493	32,064	86,019	29,212	(61,334)	(56,164)	242,113	181,124
Net Cash	138,871	(10,472)	5,057	12,723	13,571	53,955	(56,807)	(90,546)	5,170	298,277	(60,989)	(38,706)
Ending Cash and Investments	11,185	713	5,770	18,493	32,064	86,019	29,212	(61,334)	(56,164)	242,113	181,124	142,418
Variance	\$ 281,119	\$ 305,832	\$ 394,390	\$ 138,857	\$ 330,285	\$ 441,442	\$ (75,605)	\$ (81,183)	\$ 46,995	\$ 46,995	\$ 46,995	\$ 46,995

Bank Balance as of February 4, 2021 \$ 48,623

	FY2021 Billings	Collections	A/R
July	\$ 125,112.14	\$ 124,245.42	\$ 866.72
August	\$ 123,041.53	\$ 122,200.54	\$ 840.99
September	\$ 129,295.51	\$ 126,432.50	\$ 2,863.01
October	\$ 122,349.45	\$ 119,403.33	\$ 2,946.12
November	\$ 99,726.06	\$ 93,321.57	\$ 6,404.49
December	\$ 105,066.90	\$ 103,749.35	\$ 1,317.55
January	\$ 103,975.50	\$ 97,264.79	\$ 6,710.71
February	\$ 89,410.50	\$ 74,906.04	\$ 14,504.46
March	\$ 84,054.11	\$ -	\$ 84,054.11
			\$ 120,508.16

Outstanding A/R

Tejon Castac Water District Consolidated Budget vs Actual

	Feb-21			Feb-21			2021			Remaining		Feb-20	
	Actual	Budget	Over(Under)	Actual	Budget	Over(Under)	Budget	Budget	Forecast	Actual	YTD	YTD vs PY	
	PTD	PTD		YTD	YTD		YTD	YTD		YTD			
Revenue													
40050-Sales Water	-	-	-	-	630,000	(630,000)	630,000	-	-	-	-	-	
40052-Sales Assessments	100,000	-	100,000 A	1,100,000	1,050,000	50,000	1,400,000	350,000	1,450,000	2,200,000	1,100,000		
40055-Sales Utilities	103,604	113,392	(9,788)	1,064,755	1,019,054	45,701	1,499,235	480,181	1,544,936	1,093,747	28,991		
43056-Connection Fees	(1,809)	500	(2,309)	7,501	4,000	3,501	6,000	2,000	9,501	5,266	(2,235)		
49010-Other	38,589	8,000	30,589	221,859	64,000	157,859	96,000	32,000	253,859	(336,142)	(558,000)		
Total Revenue	240,384	121,892	118,492	2,394,115	2,767,054	(372,939)	3,631,235	864,181	3,258,296	2,962,871	568,756		
Expense													
60001-Payroll	(15,250)	14,749	(29,999)	(14,441)	29,498	(43,939)	88,494	58,996	44,555	121,560	(136,001)		
61000-Profession Services	19,639	68,738	(49,099)	83,587	483,103	(399,516) A	686,705	925,349	287,189	340,845	(257,258)		
61040-Other Services	95	25	70	2,569	200	2,369	300	100	2,669	669	1,900		
62000-Licenses	-	-	-	12	-	12	-	-	12	12	-		
62030-Fees	290	2,200	(1,910)	59,520	36,643	22,877	36,643	-	94,520	69,967	(10,447)		
62050-Repairs & Maintenance	19,636	27,900	(8,264)	229,887	302,650	(72,763)	444,400	141,750	371,637	256,793	(26,906)		
62060-Fuel	187	500	(313)	1,962	5,000	(3,038)	7,500	2,500	4,462	4,006	(2,044)		
63000-Depreciation	87,835	85,651	2,184	705,222	687,241	17,981	1,033,361	346,120	1,051,342	661,803	43,419		
64000-Operating Expense	55,122	57,481	(2,359)	1,030,774	1,391,948	(361,174) B	1,623,070	231,122	1,261,896	1,124,374	(93,600)		
66010-Supplies	2,999	3,750	(751)	24,818	40,000	(15,182)	55,000	15,000	39,818	33,157	(8,339)		
67000-Utilities	17,244	20,030	(2,786)	248,535	200,140	48,395	289,030	88,890	337,425	155,387	93,148		
69070-Interest	7,703	3,953	3,750	56,663	31,629	25,034	47,441	15,812	72,475	8,155	48,508		
69090-Other Expense	52,095	7,533	44,562	73,956	63,710	10,246	94,542	30,832	104,788	59,619	14,337		
Total Expense	247,595	292,510	(44,915)	2,503,064	3,271,762	(768,698)	4,406,486	1,856,471	3,672,788	2,836,347	(333,283)		
Net Income/(loss)	(7,211)	(170,618)	163,407	(108,949)	(504,708)	395,759	(775,251)	(992,290)	(414,492)	126,524	902,039		

A Timing of charges/revenues.

B Refund of \$97K from KCWA