



# SAN ANTONIO WATER COMPANY

## BOARD OF DIRECTORS MEETING

Tuesday, June 18, 2024 at  
5:00 p.m.

In the Upland City Hall Council Chambers 460 N.  
Euclid Avenue, Upland, CA 91786  
And Virtual/Online or Teleconference

**Members of the public may join the meeting by computer, tablet or smartphone.**

<https://meet.goto.com/197691997>

**You can also dial in using your phone.**

Access Code: 197-691-997

United States: [+1 \(408\) 650-3123](tel:+14086503123)

- Call to Order
- Salute to the Flag

1. Recognitions and Presentations:

2. Additions-Deletions to the Agenda:

3. Shareholder-Public Testimony:

This is the time for any shareholder or member of the public to address the board members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the board is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Consent Calendar Items:

All items listed hereunder are considered to be routine and there will be no separate discussion of these items unless members of the board request specific items to be removed from the consent calendar for separate action. All items listed or remaining will be voted upon in a single action.

A. Approval of Board Meeting Minutes

Regular Meeting Minutes of May 21, 2024

B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes

No meeting minutes to approve.

C. Administration and Finance Committee (AFC) Meeting Minutes

Approve Meeting Minutes of March 26, 2024.

D. AdHoc Committee for Office Feasibility Study

No meeting minutes to approve.

E. Financial Statement

Income Statement and Balance Sheet for April 30, 2024.

F. Investment Activity Report

Monthly Report of Investments Activity.

G. Water Production and Consumption

Monthly water production and consumption figures.

H. Prominent Issues Update

Status summaries on certain on-going active issues.

I. Projects and Operations Update

Status summaries on projects and operations matters.

J. Groundwater Level Patterns [Quarterly in January, April, July, and October]

Tracking patterns of groundwater elevations relative to ground surface.

K. Conservation Program Update [Quarterly in January, April, July, and October]

Update on SAWCo's existing water conservation programs.

L. Correspondence of Interest

5. Board Committee – Delegate Report:

A. PVPA Representative Report

Verbal report by Director Parker.

- B. Six Basins Representative Report  
Verbal report by Ms. Layton.
- C. Chino Basin Representative Report  
Verbal report by Ms. Layton.
- D. Cucamonga Basin Representative Report  
Verbal update by Ms. Layton.
- E. Administration and Finance Committee (AFC) Chairman's Report  
Verbal update by Director Velto.
- F. Planning, Resources, and Operations Committee (PROC) Chairman's Report  
No meeting to report.
- G. Office & Yard Feasibility Study Ad Hoc Committee  
No meeting to report.

- 6. Updated Employee Manual  
Review and approve updated Employee Handbook

- 7. Closed Session:

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION [Government Code Section 54956.9(d)(1)] Name of Case: Victor Asemota et al. v. City of Claremont, et al., Los Angeles County Superior Court Case No. 24STCV08598

- 8. Director's Comments and Future Agenda Items:

Adjournment:

*The next regular Board Meeting will be held on Tuesday, July 16, 2024 at 5:00 p.m.*

NOTE: All agenda report items and back-up materials are available for review and/or acquisition from the Company Office (139 N. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Thursday [8:00a – 11:30a and 12:30p – 4:00p] and alternating Fridays [8:00a – 11:30a and 12:30p – 3:00p] and on the Company's website [www.sawaterco.com](http://www.sawaterco.com). The agenda is also available for review and copying at the Upland Public Library located at 460 N. Euclid Avenue.

POSTING STATEMENT: On June 13, 2024, a true and correct copy of this agenda was posted at the entry of the Water Company's office (139 N. Euclid Avenue), on the City of Upland public bulletin board (460 N. Euclid Ave.), Public Library (450 N. Euclid Ave.), and on the Water Company's website.

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, May 21, 2024**

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:00 p.m. on the above date at the City of Upland Council Chambers, 460 N. Euclid Ave., Upland, California. Directors present were Rudy Zuniga, Will Elliott, Bill Velto, Bob Bowcock, Kati Parker, Bob Cable, and Becky Miller. Also in attendance were SAWCo's General Manager Brian Lee, Assistant General Manager Teri Layton, General Legal Counsel Derek Hoffman, and Administrative Specialist Tiffany Dickinson. President Zuniga presided.

Director Velto led all in attendance in the flag salute.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: Mr. Lee noted Item 4B Organizational Meeting Minutes, Item 5F Representatives for the Administrative and Finance Committee, there was an overlook and Director Goss was changed with Director Miller.
3. Shareholder-Public Testimony: None.
4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of April 16, 2024.
  - B. Organizational Meeting Minutes  
Approve Meeting Minutes of April 9, 2024.
  - C. Planning, Resources and Operations Committee (PROC) Meeting Minutes  
No meeting minutes to approve.
  - D. Administration and Finance Committee (AFC) Meeting Minutes  
No meeting minutes to approve.
  - E. AdHoc Committee for Office Feasibility Study  
No meeting minutes to approve.
  - F. Financial Statement  
Income Statement and Balance Sheet for February 29, 2024, and March 30, 2024.
  - G. Investment Activity Report  
Monthly Report of Investments Activity for February 2024 and March 2024.
  - H. Water Production and Consumption  
Monthly water production and consumption figures.
  - H. Prominent Issues Update  
Status summaries on certain on-going active issues.
  - I. Projects and Operations Update  
Status summaries on projects and operations matters.
  - J. Groundwater Level Patterns [Quarterly in January, April, July, and October]  
Tracking patterns of groundwater elevations relative to ground surface.
  - K. Conservation Program Update [Quarterly in January, April, July, and October]  
Update on SAWCo's existing water conservation programs.
  - L. Correspondence of Interest

Director Miller moved and Director Velto seconded to approve the Consent Calendar items along with the corrections. Motion carried unanimously.

5. Board Committee – Delegate Report:

- A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Parker stated there was a meeting held Wednesday, May 8, 2024, which most was routine in nature. They did approve a contract for Crystal Waters Consulting services for an additional \$15,000, working on the new spreading basin, working alongside Six Basins Watermaster. She noted it is the San Antonio Replenishment Basin in which they hope will become the Tom Thomas Basin. She also added they have weed abatement services currently going on to remove weeds from the roads for fire hazard.
- B. **Six Basins Representative Report** – Ms. Layton stated she was out, and the alternate Tommy Hudspeth was not able to attend the meeting, therefore there is no update to report.
- C. **Chino Basin Representative Report** – Mr. Lee reported they are heading towards approval of the budget which will likely happen at the board meeting on Thursday, May 23, 2024. It is a good effort forward in terms of prior years' budget process.

Mr. Lee added at the advisory and pool committees there was discussion of a change order of \$2 million dollars for a major project. He commented he is sufficient with the information provided but not necessarily happy, but both the appropriate pool and advisory committee are recommending approval at the board level.

- D. **Cucamonga Basin Representative Report** – Mr. Lee stated there is no update to report.
- E. **Administration and Finance Committee (AFC) Chairman’s Report** –No meeting to report.
- F. **Planning, Resources, and Operations Committee (PROC) Chairman’s Report** – No meeting to report.
- G. **Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. Key Man Insurance: Mr. Lee stated number of months ago the board had discussed looking into getting ‘key man’ insurance for himself. He explained key man insurance is if Mr. Lee becomes incapacitated in any way shape or form and he is not able to fulfill the duties as general manager, there will be an insurance policy that would provide the Company the financial where with all to backfill the position non-permanently, or for the HR efforts to hire somebody should the need arise.

Mr. Lee added staff has reached out to their insurance company and they have recommended reaching out and talking with Victor Paz of LWT Agency. Staff have since reached out and talked with Mr. Paz and he provided documents that are provided in the board packet.

Mr. Lee commented given the current situation staff is recommending a ten- year term, with prices for annual premiums ranging from \$1,600 to \$2,000. He also added Mr. Paz recommended going with a company staff is comfortable with or a company that has higher ranking in customer service.

Mr. Lee stated if the Board wishes to move forward with obtaining the key man insurance, staff is asking the Board to give direction, staff is recommending a \$1 million dollar face amount at a 10-year level term and if there are any recommendations on which company the Board would recommend or look into deeper.

Director Parker stated she feels a staff member can temporarily step into Mr. Lee’s position and staff would be able to maintain until someone else is brought in.

Director Velto explained this type of insurance is common when an organization has key personnel, this insurance acts as a buffer so when an organization does hire someone you are getting it paid for a couple of years through the insurance company. It is difficult and costly trying to hire new key personnel.

Director Zuniga added this insurance is more of a protection, hiring an outside consultant is very costly upfront, and instead of paying with funds straight from the Company this insurance will cover the costs until someone is hired.

Director Parker moved and Director Miller seconded to approve staff choosing a company that is best for key man insurance at the recommended ten-year term no more than \$2,000.00 premium. Motion carried unanimously.

7. Six Basins Groundwater Basin Watermaster Representative: Mr. Lee stated this is a request by staff to change the representation matrix on Six Basins Watermaster. Mr. Lee will take over as the primary and Ms. Layton will be the alternate. This is key to the company’s succession planning, where Mr. Lee will be looking outward, and Ms. Layton will be looking inward to make sure the company is prepared for the future.

Director Velto moved and Director Cable seconded to approve appointing General Manager Brian Lee as the primary representative and appointing Assistant General Manager Teri Layton as alternate representative for Six Basins Groundwater Basin Watermaster. Motion carried unanimously.

8. New Office and Operations Yard Facilities Project: Mr. Lee commented staff’s intent is for this to be an informational item. There were discussions about contracting at the previous board meeting for CEQA, geotechnical, and engineering work for the new office and operation yard facilities. Those contracts are included in the packet for review.

There was no further discussion on this agenda item.

9. Closed Session:  
 CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION [Government Code Section 54956.9(d)(1) Name of Case: San Antonio Water Company v. Foothill Irrigation Company, et al., San Bernardino Superior Court Case No. 92645

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION [Government Code Section 54956.9(d)(1) Name of Case: Victor Asemota et al. v. City of Claremont, et al., Los Angeles County Superior Court Case 24STCV08598

The Board went into closed session at 5:28 PM. Upon return from the closed session at 5:51 PM, Director Zuniga stated Director Velto left the meeting at 6:05 PM.

Mr. Hoffman stated the Board went into closed session for the two items on the agenda and has received an update from legal counsel. He concluded there is no reportable action.

10. Director's Comments and Future Agenda Items: Director Miller complimented SAWCo staff in their leadership and the organization of the board packets. She added as a new board member she felt very informed before the start of the meeting.

Mr. Lee added he will not be in attendance for the June Board Meeting, Ms. Layton will be running the meeting.

Adjournment:

With no further business to discuss the meeting was adjourned at 6:53 p.m.

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Assistant Secretary  
Brian Lee

SAN ANTONIO WATER COMPANY  
ADMINISTRATION and FINANCE COMMITTEE (AFC)  
MINUTES  
March 26, 2024

An open meeting of the Administration and Finance Committee (AFC) of the San Antonio Water Company (SAWCo) was held at the Company office and called to order at 3:00 p.m. on the above date as noticed. Committee Members present were Bill Velto, Becky Miller, Bob Cable, and Rudy Zuniga. Also in attendance were SAWCo's General Legal Counsel Derek Hoffman, General Manager Brian Lee, and Administrative Specialist Tiffany Dickinson. Director Velto presided.

1. Recognitions and Presentations: None.
2. Additions-Deletions to the Agenda: None.
3. Public Comments: None.
4. Approval of Committee Meeting Minutes: Director Miller moved and Director Zuniga seconded to approve the meeting minutes of January 23, 2023. Motion carried unanimously.
5. Administrative and Financial Issues:
  - A. ***Salary Table Adjustment*** – Mr. Lee reported the annual review of the cost of living in the Inland Empire, and if the Company wants to adjust the Company salary tables to account for the inflationary changes. The change last year was 3.05%, which would shift the current salary tables up.

Mr. Lee added it does not impact current salaries, it keeps the salary tables consistent with inflation and during employee review process, employees have the opportunity to get an x-percentage of a raise if they are in the bottom of their salary range. He added this does affect one employee who is currently being paid at the lowest scale of their salary position, they would bump up automatically, which amounts to about \$1,800.00 annually. He also mentioned the previous class and comp study was completed in 2020 and the next one is scheduled for 2025.

Director Velto questioned if this adjustment of the salary table is being used as a merit raise for employees.

Mr. Lee responded this adjustment is not used as a merit raise. The merit raise is based purely on merit and there is a three-tier merit bracket that is looked at. He further explained the COLA salary table adjustment is not automatically given to each employee, rather each employee has a chance to get a bigger percentage merit raise if, after the COLA adjustment they are at the bottom of their salary range and perform well, they may get a bigger merit raise.

Mr. Hoffman added another reason for the adjustment being presented is the competitive marketplace. For example, adjusting the salary ranges, for new hires there is an understanding the Board is considering COLA.

Director Velto added he wishes to form an academy, formed by water boards and surrounding water agencies, either starting at the high school or college level to start training the youth in water and water treatment.

Director Cable moved and Director Miller seconded to recommend the Board approve adjusting the Company's salary table upwards of 3.05% based on the 2023-2024 cost of living in the Inland Empire. Motion carried unanimously.

**B. Consideration for 4/10 Work Schedule** – Mr. Lee stated legal counsel had drafted a memo that is in the packet for the proposed 4/10 work schedule and has been distributed to all employees. He added a secret vote, where employees will vote either for or against the proposed 4/10 schedule, will occur Tuesday, April 9, 2024.

Mr. Lee suggested whichever the outcome may be for or against the proposed schedule, to bring the results back to the full Board at the April Board Meeting and decide if the Board would like to move forward or not.

Director Velto questioned if any employee has come forward not in favor of the 4/10 schedule.

Mr. Lee responded no employee has expressed rejection of the proposed 4/10 schedule but there have been a lot of questions and the impact of a new schedule.

Director Cable commented that even though he is not a fan of the 4/10 schedule he understands it is a great incentive to keep employees, makes a Company competitive, and a monetary incentive where employees will take less pay for a 4/10 schedule.

Mr. Lee concluded if employees vote in favor of the proposed 4/10 schedule, he will announce the results at the April 2024 Board Meeting and in hopes the full Board will also be in favor of the 4/10 schedule, which will give staff enough time for managerial and administrative work to have a start date of July 1, 2024.

Mr. Hoffman added his legal team have gone over the employee handbook as it currently stands and are prepared to present any amendments needed. He added the June Board Meeting will be for the approval of the updated employee handbook to in turn start the proposed 4/10 schedule as anticipated on July 1, 2024.

Mr. Lee added the updated employee handbook is anticipated to be brought to the AFC Committee at the May 2024 AFC Meeting.

Director Miller moved and Director Zuniga seconded to accept the proposed 4/10 schedule, starting no earlier than July 1, 2024, and taking it to the full Board at the April 2024 Board Meeting. Motion carried unanimously.

**C. Consideration for a 'Cash in-leu option' for Company Health Plan** – Mr. Lee stated this is absent in the opposition, he needs to research before this can be brought up. He stated before he continues to research this option, if the committee is in favor of this then he will continue to research and involve legal counsel.

Director Cable questioned if this option is legal for the Company to consider.

Mr. Lee responded, yes, the company can legally do this and has confirmed with legal counsel, but there are several issues that need to be looked at before staff can move forward.

He stated the overall concept is if an employee chooses not to sign up for the company offered health plan, that is a savings to the Company. He added the question being is the Company willing to put some of that money back to the employee, where both sides benefit.

Director Zuniga asked if the Company is or is not currently offering a good health plan to the employees.

Mr. Lee responded there have not been any specific complaints regarding the current plan. He added the Company is grandfathered into the current health plan and not subject to the Obamacare regulation, which is a huge benefit.

Mr. Hoffman emphasized today staff is asking if the committee is interested in exploring this option further or not in favor of this option.

There was a general consensus that it is a binary decision and will remain a binary decision.

6. Closed Session: None.
7. Committee Comments and Future Agenda Items: Director Velto asked if the Company has any property, not being utilized, that is available to lease for revenue income to be added to the future agenda.

Mr. Hoffman reiterated Director Velto's suggestion of adding to the future agenda of SAWCo's participation in an academy to train youth in the water industry.

8. Adjournment: Seeing no further business, the meeting was adjourned at 3:25 p.m.

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Assistant Secretary  
Brian Lee





San Antonio Water Company, CA

# Income Statement Group Summary

For Fiscal: 2024 Period Ending: 04/30/2024

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Category: 4 - Income</b>					
<b>SubCategory: 40 - Shareholder Revenue</b>					
1185 - Water Sales - Domestic	730,000.00	730,000.00	49,406.79	104,410.29	625,589.71
1230 - Water Fixed Charges - Domestic	261,000.00	261,000.00	43,988.21	88,085.41	172,914.59
1245 - Water Sales - Municipal	3,100,000.00	3,100,000.00	179,413.50	628,436.99	2,471,563.01
1268 - Water Fixed Charges - Municipal	554,000.00	554,000.00	46,170.00	184,680.00	369,320.00
1274 - Water Sales - Misc.	260,000.00	260,000.00	10,685.32	23,704.21	236,295.79
1288 - Water Fixed Charges - Misc.	46,000.00	46,000.00	3,810.00	15,534.00	30,466.00
1295 - Water Fixed Charges - Inactive Shareholders	52,000.00	52,000.00	8,582.43	17,071.97	34,928.03
1309 - Shareholder Fees	8,800.00	8,800.00	345.00	6,097.44	2,702.56
1405 - Capital Facility Connection Fee	0.00	0.00	0.00	5,691.00	-5,691.00
<b>SubCategory: 40 - Shareholder Revenue Total:</b>	<b>5,011,800.00</b>	<b>5,011,800.00</b>	<b>342,401.25</b>	<b>1,073,711.31</b>	<b>3,938,088.69</b>
<b>SubCategory: 42 - Non-Shareholder Revenue</b>					
1725 - Misc. Income	2,000.00	2,000.00	3,862.54	10,993.05	-8,993.05
1750 - Service/Litigation Agreements	0.00	0.00	191.93	570.51	-570.51
1753 - Ground Lease Income	70,000.00	70,000.00	5,070.54	21,482.16	48,517.84
1755 - Interest Earned	20,000.00	20,000.00	28,088.03	63,636.87	-43,636.87
<b>SubCategory: 42 - Non-Shareholder Revenue Total:</b>	<b>92,000.00</b>	<b>92,000.00</b>	<b>37,213.04</b>	<b>96,682.59</b>	<b>-4,682.59</b>
<b>Category: 4 - Income Total:</b>	<b>5,103,800.00</b>	<b>5,103,800.00</b>	<b>379,614.29</b>	<b>1,170,393.90</b>	<b>3,933,406.10</b>
<b>Category: 5 - O &amp; M Expense</b>					
<b>SubCategory: 50 - Operating Facilities</b>					
2175 - Field Labor	480,000.00	480,000.00	35,655.04	152,366.17	327,633.83
2235 - Repairs to Facilities and Equipment	350,000.00	350,000.00	36,513.47	86,314.81	263,685.19
2265 - Power-Gas & Electric (utilities)	900,000.00	900,000.00	48,635.76	165,411.06	734,588.94
<b>SubCategory: 50 - Operating Facilities Total:</b>	<b>1,730,000.00</b>	<b>1,730,000.00</b>	<b>120,804.27</b>	<b>404,092.04</b>	<b>1,325,907.96</b>
<b>SubCategory: 51 - Operating Activities</b>					
2475 - Customer Service	10,000.00	10,000.00	115.24	3,330.14	6,669.86
2498 - Conservation	26,000.00	26,000.00	575.65	4,456.93	21,543.07
<b>SubCategory: 51 - Operating Activities Total:</b>	<b>36,000.00</b>	<b>36,000.00</b>	<b>690.89</b>	<b>7,787.07</b>	<b>28,212.93</b>
<b>SubCategory: 52 - Other Operating Expense</b>					
2210 - O & M - All Other	3,500.00	3,500.00	226.14	351.14	3,148.86
2295 - Supplies (Inventory & Tools Expense)	10,000.00	10,000.00	3,664.00	8,962.77	1,037.23
2565 - Depreciation/Amortization	1,100,000.00	1,100,000.00	94,757.18	378,894.76	721,105.24
2715 - Property Taxes	240,000.00	240,000.00	0.00	127,296.41	112,703.59
2805 - Water Resource Mgmt.	143,000.00	143,000.00	0.00	150,569.76	-7,569.76
<b>SubCategory: 52 - Other Operating Expense Total:</b>	<b>1,496,500.00</b>	<b>1,496,500.00</b>	<b>98,647.32</b>	<b>666,074.84</b>	<b>830,425.16</b>
<b>Category: 5 - O &amp; M Expense Total:</b>	<b>3,262,500.00</b>	<b>3,262,500.00</b>	<b>220,142.48</b>	<b>1,077,953.95</b>	<b>2,184,546.05</b>
<b>Category: 6 - G &amp; A Expense</b>					
<b>SubCategory: 60 - Personnel</b>					
2115 - Administrative Labor	540,000.00	540,000.00	26,611.26	169,826.25	370,173.75
2325 - Payroll Taxes	80,000.00	80,000.00	6,624.91	34,170.00	45,830.00
2355 - Worker's Compensation Insurance	18,000.00	18,000.00	0.00	783.80	17,216.20
2385 - Benefit Pay (Vac., sick, etc.)	195,000.00	195,000.00	23,713.13	85,524.67	109,475.33
2415 - Benefit Insurance (Pension, Life, Medical, Vision etc)	250,000.00	250,000.00	20,393.16	88,237.23	161,762.77
2430 - Benefit Administrative Services	2,000.00	2,000.00	0.00	0.00	2,000.00
<b>SubCategory: 60 - Personnel Total:</b>	<b>1,085,000.00</b>	<b>1,085,000.00</b>	<b>77,342.46</b>	<b>378,541.95</b>	<b>706,458.05</b>
<b>SubCategory: 61 - Other</b>					
2445 - Office/IT Support	60,000.00	60,000.00	6,267.77	25,873.49	34,126.51
2505 - Directors Fees & Expense	32,000.00	32,000.00	3,833.29	12,823.00	19,177.00
2535 - Liability Insurance	60,000.00	60,000.00	2,956.69	3,464.69	56,535.31
2595 - Communication	43,000.00	43,000.00	1,808.82	20,046.87	22,953.13

**Income Statement**

**For Fiscal: 2024 Period Ending: 04/30/2024**

<b>IncomeStatement</b>	<b>Original Total Budget</b>	<b>Current Total Budget</b>	<b>MTD Activity</b>	<b>YTD Activity</b>	<b>Budget Remaining</b>
2625 - Dues & Publications	3,500.00	3,500.00	28.00	8,901.00	-5,401.00
2655 - Outside Services	20,000.00	20,000.00	0.00	16,161.05	3,838.95
2745 - Income Tax Expense	12,500.00	12,500.00	0.00	19,200.00	-6,700.00
2775 - Accounting	20,000.00	20,000.00	0.00	21,320.00	-1,320.00
2776 - Legal	200,000.00	200,000.00	0.00	39,293.80	160,706.20
2865 - All other	30,000.00	30,000.00	178.87	2,620.06	27,379.94
<b>SubCategory: 61 - Other Total:</b>	<b>481,000.00</b>	<b>481,000.00</b>	<b>15,073.44</b>	<b>169,703.96</b>	<b>311,296.04</b>
<b>Category: 6 - G &amp; A Expense Total:</b>	<b>1,566,000.00</b>	<b>1,566,000.00</b>	<b>92,415.90</b>	<b>548,245.91</b>	<b>1,017,754.09</b>
<b>Total Surplus (Deficit):</b>	<b>275,300.00</b>	<b>275,300.00</b>	<b>67,055.91</b>	<b>-455,805.96</b>	

Income Statement

For Fiscal: 2024 Period Ending: 04/30/2024

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	275,300.00	275,300.00	67,055.91	-455,805.96	731,105.96
<b>Total Surplus (Deficit):</b>	<b>275,300.00</b>	<b>275,300.00</b>	<b>67,055.91</b>	<b>-455,805.96</b>	

## Balance Sheet

## Account Summary

As Of 04/30/2024



San Antonio Water Company, CA

Account	Name	Balance
<b>Fund: 10 - 10</b>		
<b>Assets</b>		
<b>BalSubCategory: 10 - Cash</b>		
<a href="#">10-00-00-10100-00000</a>	Petty Cash	250.00
<a href="#">10-00-00-10201-00000</a>	Checking Account-8431	993,066.10
<a href="#">10-00-00-10415-00000</a>	D&O Checking Account	912,524.81
<a href="#">10-00-00-10438-00000</a>	Depre/Obsolescene Res (LAIF)	2,658,020.09
	<b>Total BalSubCategory 10 - Cash:</b>	<b>4,563,861.00</b>
<b>BalSubCategory: 11 - Accounts Receivable</b>		
<a href="#">10-00-00-11100-00000</a>	Accounts Receivable-Domestic	92,504.00
<a href="#">10-00-00-11200-00000</a>	Accounts Receivable-Municipal	409,035.73
<a href="#">10-00-00-11250-00000</a>	Accounts Receivable-Misc.	14,507.75
<a href="#">10-00-00-11260-00000</a>	Accounts Receivable - Dormant	8,924.80
<a href="#">10-00-00-11275-00000</a>	Contra Accounts Receivable - Unapplied C	-24,690.83
<a href="#">10-00-00-11300-00000</a>	Accounts Receivable-Other	217,313.05
	<b>Total BalSubCategory 11 - Accounts Receivable:</b>	<b>717,594.50</b>
<b>BalSubCategory: 12 - Inventory</b>		
<a href="#">10-00-00-12100-00000</a>	Inventories-Materials & Supply	154,063.65
	<b>Total BalSubCategory 12 - Inventory:</b>	<b>154,063.65</b>
<b>BalSubCategory: 13 - Prepaid</b>		
<a href="#">10-00-00-13100-00000</a>	Prepaid Insurance	8,868.75
<a href="#">10-00-00-13105-00000</a>	PREPAID POSTAGE	369.00
	<b>Total BalSubCategory 13 - Prepaid:</b>	<b>9,237.75</b>
<b>BalSubCategory: 14 - Investments</b>		
<a href="#">10-00-00-14150-00000</a>	P.V.P.A. Investment	1.00
<a href="#">10-00-00-14151-00000</a>	457B Plan Investment	98,733.86
	<b>Total BalSubCategory 14 - Investments:</b>	<b>98,734.86</b>
<b>BalSubCategory: 15 - Property, Plant, &amp; Equipment</b>		
<a href="#">10-00-00-15100-00000</a>	Land & Water Rights	920,161.26
<a href="#">10-00-00-15110-00000</a>	Work in Progress	176,000.00
<a href="#">10-00-00-15110-1507J</a>	Work in Progress "Proj J"	178,036.25
<a href="#">10-00-00-15110-1602U</a>	Work in Progress	2,147,444.82
<a href="#">10-00-00-15110-20070</a>	Work in progress	1,332,515.61
<a href="#">10-00-00-15110-2201</a>	Work in Progress	63,548.63
<a href="#">10-00-00-15110-2203</a>	Work in Progress-Proj 2203	25,560.05
<a href="#">10-00-00-15110-23030</a>	Work in Progress	1,614,870.00
<a href="#">10-00-00-15150-00000</a>	Buildings & Site Improvements	1,827,589.96
<a href="#">10-00-00-15200-00000</a>	Wells-Shafts, Bldgs, & Equip	5,320,782.90
<a href="#">10-00-00-15250-00000</a>	Boosters-Bldgs & Equip	2,629,884.62
<a href="#">10-00-00-15300-00000</a>	Reservoirs	3,078,102.33
<a href="#">10-00-00-15350-00000</a>	Tunnels, Forebay, & Ponds	1,592,905.29
<a href="#">10-00-00-15400-00000</a>	Spreading Works-Cucomonga Wash	54,859.53
<a href="#">10-00-00-15410-00000</a>	Spreading Works-SanAntonio Wsh	50,235.18
<a href="#">10-00-00-15450-00000</a>	Pipelines	19,727,407.10
<a href="#">10-00-00-15500-00000</a>	Autos & Equipment	693,786.89
<a href="#">10-00-00-15550-00000</a>	Tools	109,906.68
<a href="#">10-00-00-15600-00000</a>	Telemetry System	683,601.29
<a href="#">10-00-00-15650-00000</a>	Office Equipment	510,373.67
<a href="#">10-00-00-15990-00000</a>	Accumulated Depreciation	-16,671,778.75
	<b>Total BalSubCategory 15 - Property, Plant, &amp; Equipment:</b>	<b>26,065,793.31</b>
<b>BalSubCategory: 16 - Other Assets</b>		
<a href="#">10-00-00-16100-00000</a>	Documents & Studies	952,379.74
<a href="#">10-00-00-16105-2204</a>	Work in Progress (Docs)	6,857.50

**Balance Sheet**

**As Of 04/30/2024**

Account	Name	Balance
<a href="#">10-00-00-16990-00000</a>	Accumulated Amortization	-630,104.50
	<b>Total BalSubCategory 16 - Other Assets:</b>	<b>329,132.74</b>
	<b>Total Assets:</b>	<b>31,938,417.81</b>
		<b><u>31,938,417.81</u></b>
<b>Liability</b>		
<b>BalSubCategory: 20 - Short-term less than 1 year</b>		
<a href="#">10-00-00-20100-00000</a>	Trade Accounts Payable	129,113.55
<a href="#">10-00-00-20115-00000</a>	D&O Trade Accounts Payable	7,571.25
<a href="#">10-00-00-20261-00000</a>	Section 125 - Dental	0.38
<a href="#">10-00-00-20262-00000</a>	Section 125 - Vision	0.35
<a href="#">10-00-00-20263-00000</a>	Section 125 - Medical	0.16
<a href="#">10-00-00-20600-00000</a>	Water Hydrant Meter Deposit	1,700.00
<a href="#">10-00-GN-20820-00000</a>	Accrued Vacation Payable	20,404.60
<a href="#">10-00-OP-20820-00000</a>	Accrued Vacation Payable	24,818.57
	<b>Total BalSubCategory 20 - Short-term less than 1 year:</b>	<b>183,608.86</b>
<b>BalSubCategory: 21 - Long-term more than 1 year</b>		
<a href="#">10-00-00-20152-00000</a>	457B Deferred Comp Liability	98,733.86
<a href="#">10-00-00-21500-00000</a>	Unclaimed Credits	262,422.89
	<b>Total BalSubCategory 21 - Long-term more than 1 year:</b>	<b>361,156.75</b>
	<b>Total Liability:</b>	<b>544,765.61</b>
<b>Equity</b>		
<b>BalSubCategory: 30 - Stockholder equity</b>		
<a href="#">10-00-00-30200-00000</a>	Contributed Capital - Ext. Fee	447,258.02
<a href="#">10-00-00-30210-00000</a>	Contr. Property, Plant & Equip	2,432,256.77
<a href="#">10-00-00-30300-00000</a>	Capital Account	1,500,000.00
<a href="#">10-00-00-30310-00000</a>	Unissued Capital Stock	-861,100.00
<a href="#">10-00-00-30400-00000</a>	Retained Earnings-Brd Designated	3,400,452.40
<a href="#">10-00-00-30410-00000</a>	Retained Earnings-Unrestricted	24,930,590.97
	<b>Total BalSubCategory 30 - Stockholder equity:</b>	<b>31,849,458.16</b>
	<b>Total Beginning Equity:</b>	<b>31,849,458.16</b>
Total Revenue		1,170,393.90
Total Expense		1,626,199.86
<b>Revenues Over/Under Expenses</b>		<b>-455,805.96</b>
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>31,393,652.20</b>
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b><u>31,938,417.81</u></b>

Monthly Investment Activity Summary - Compiled from Banking Statements for Correlation with Monthly Financials								
	Institution	Type of Investment	Date of Maturity	Rate of Interest	Account Balance as of 4/30/2024	Reserves		
						Operating target: \$930k-\$1.85M	Depreciation & Obsolescence target: \$1.3M-\$5.2M	
Undesignated	Citizens Business Bank (CBB)	Checking	N/A	None	\$ 993,066.10	\$ 993,066.10	Capital Investment & Depreciation	Modernization
Designated	Citizens Business Bank (CBB)	Checking	N/A	None	\$ 912,524.81		\$ 912,524.81	
	Local Agency Investment Fund	LAIF	N/A	4.272%	\$ 2,658,020.09		\$ 874,857.89	\$ 1,783,162.20
					\$ 4,563,611.00	\$ 993,066.10	\$ 1,787,382.70	\$ 1,783,162.20

2024 Production

Item 4G

CHINO BASIN	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Yearly Production Rights = 1232	0.22%	0.28%	0.28%	0.29%	0.31%	0.33%	-	-	-	-	-	-	-
Well #12 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
Well #15 - Domestic	0.05	-	-	0.04	-	-	-	-	-	-	-	-	0.09
Well #16 - Domestic	0.19	0.83	-	0.08	0.26	-	-	-	-	-	-	-	1.35
Well#18 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>0.23</b>	<b>0.83</b>	<b>-</b>	<b>0.12</b>	<b>0.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.44</b>
CUCAMONGA BASIN	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Yearly Production Rights = 5637 (1137 10-yr Average Spread)	2.92%	6.01%	8.71%	12.02%	16.98%	19.84%	23.39%	26.83%	30.33%	33.83%	37.33%	40.83%	-
Well #2	108.71	106.00	105.14	112.23	114.98	-	-	-	-	-	-	-	547.05
Well #3	0.24	-	-	0.19	-	-	-	-	-	-	-	-	0.43
Well#19 - inactive	-	-	-	-	-	-	-	-	-	-	-	-	-
Well #22	4.21	1.30	6.17	17.16	33.10	-	-	-	-	-	-	-	61.94
Well #24	0.61	-	-	0.46	-	-	-	-	-	-	-	-	1.07
Well #31	0.48	-	-	-	-	-	-	-	-	-	-	-	0.48
Well #32 - Domestic	-	-	-	-	-	-	-	-	-	-	-	-	-
Upl. # 15 (SAWCo's Rts)	50.06	67.43	40.33	56.68	131.58	-	-	-	-	-	-	-	346.08
<b>Subtotal</b>	<b>164.32</b>	<b>174.73</b>	<b>151.64</b>	<b>186.71</b>	<b>279.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>957.06</b>
Upl. # 15 (WECWCo's Rts) Memo Only	-	-	-	-	-	-	-	-	-	-	-	-	-
SIX BASINS	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Yearly Production Rights = 932	7.58%	15.95%	30.05%	38.93%	54.81%	62.92%	77.79%	86.61%	101.53%	110.01%	125.16%	133.59%	-
Well #25-A	-	-	-	-	-	-	-	-	-	-	-	-	-
Well #26	0.19	3.22	54.64	7.75	70.60	-	-	-	-	-	-	-	136.39
Well 27-A	70.47	74.80	76.77	75.02	77.40	-	-	-	-	-	-	-	374.47
<b>Subtotal</b>	<b>70.66</b>	<b>78.02</b>	<b>131.41</b>	<b>82.76</b>	<b>148.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>510.86</b>
<b>TOTAL PUMPED</b>	<b>235.22</b>	<b>253.57</b>	<b>283.05</b>	<b>269.60</b>	<b>427.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,469.35</b>
GRAVITY FLOW	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
V screen	510.78	581.62	982.80	1,055.15	1,100.92	-	-	-	-	-	-	-	4,231.26
backwash from city treatment plant	0.96	0.18	1.75	0.98	3.30	-	-	-	-	-	-	-	7.18
San Antonio Tunnel (forebay)	200.81	226.66	239.26	245.10	267.55	-	-	-	-	-	-	-	1,179.38
Frankish & Stamm Tunnel 8" PRODUCTION	26.39	85.95	125.18	108.82	91.86	-	-	-	-	-	-	-	438.20
San Ant. Tunnel Connect to City	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL GRAVITY</b>	<b>738.94</b>	<b>894.41</b>	<b>1,349.00</b>	<b>1,410.03</b>	<b>1,463.64</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,856.01</b>
<b>Monthly</b>													
San Antonio Tunnel	200.81	226.66	239.26	245.10	267.55	-	-	-	-	-	-	-	1,179.38
V Screen, Frankish & Stamm Tunnel and TP Backwash	538.13	667.75	1,109.73	1,164.94	1,196.09	-	-	-	-	-	-	-	4,676.63
Gravity Production	738.94	894.41	1,349.00	1,410.03	1,463.64	-	-	-	-	-	-	-	5,856.01
<b>Cumulative</b>													
San Antonio Tunnel	200.81	427.47	666.73	911.83	1,179.38	-	-	-	-	-	-	-	1,179.38
V Screen, Frankish & Stamm Tunnel and TP Backwash	538.13	1,205.88	2,315.61	3,480.55	4,676.63	-	-	-	-	-	-	-	4,676.63
Gravity Production	738.94	1,633.35	2,982.34	4,392.38	5,856.01	-	-	-	-	-	-	-	5,856.01
Purchased Water - Upl. City to Dom. Sys.	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Production</b>	<b>974.16</b>	<b>1,147.98</b>	<b>1,632.05</b>	<b>1,679.63</b>	<b>1,891.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,325.37</b>
<b>Total Cumulative Production</b>	<b>974.16</b>	<b>2,122.14</b>	<b>3,754.18</b>	<b>5,433.81</b>	<b>7,325.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,325.37</b>
Domestic Production	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Domestic Production	201.05	227.49	239.26	245.22	267.81	-	-	-	-	-	-	-	1,180.82
Irrigation Production	773.11	920.50	1,392.78	1,434.41	1,623.75	-	-	-	-	-	-	-	6,144.55
<b>Rainfall (Inches)</b>													
RainFall (Inches)	2.28	15.90	6.10	1.60	0.22	-	-	-	-	-	-	-	-
Cumulative (Inches)	2.28	18.18	24.28	25.88	26.10	-	-	-	-	-	-	-	-

## 2024 Consumption

<b>DOMESTIC</b>	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Dom. Sys. - Base	45.61	23.31	50.00	31.15	75.93	-	-	-	-	-	-	-	226.00
Dom. Sys. - Supplemental	6.60	12.14	15.00	2.37	5.22	-	-	-	-	-	-	-	41.33
Dom Sys - Tier 3	4.02	15.88	2.00	7.29	2.24	-	-	-	-	-	-	-	31.43
Dom. Sys. - Del. to Upland(24th/Campus)	39.88	36.96	55.00	51.63	76.65	-	-	-	-	-	-	-	260.12
Dom. Sys. -Del. To Upland ( Well 16/15)	-	-	-	-	-	-	-	-	-	-	-	-	-
Dom. Sys. - Del. to Upland(24th/Mtn)-installed 4/2/19	0.11	0.01	0.27	0.21	-	-	-	-	-	-	-	-	0.60
Tunnel meter to the Upland	-	-	-	-	-	-	-	-	-	-	-	-	-
Discharge to waste	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>96.22</b>	<b>88.30</b>	<b>122.27</b>	<b>92.65</b>	<b>160.04</b>	-	-	-	-	-	-	-	<b>559.47</b>

Truck Loads - note only crosswall projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Well 32 Hydrant Mtr. - note only( started 8/6/18)Crosswalls	0.02	0.02	0.04	0.04	-	-	-	-	-	-	-	-	0.12

Irr. Note only Del. to MVWD(wheeled through Upland)	38.39	-	-	-	21.44	-	-	-	-	-	-	-	59.83
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<b>IRRIGATION</b>	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Irrig. Sys.-Upland(Pump & Rec'd) (City W#15)	50.06	67.43	40.33	56.68	131.58	-	-	-	-	-	-	-	346.08
Irrig. Sys. - Upl. City - Tier 1	435.80	175.31	386.45	420.89	479.93	-	-	-	-	-	-	-	1,898.38
Irrig. Sys. - Upl. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Monte Vista - Tier 1	38.10	37.20	45.70	40.40	46.00	-	-	-	-	-	-	-	207.40
Irrig. Sys. - Monte Vista - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Ont. City - Tier 1	33.80	33.00	40.50	35.90	40.80	-	-	-	-	-	-	-	184.00
Irrig. Sys. - Ont. City - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 1	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Cucamonga Valley - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Holiday Rock Co - Tier 1	14.52	6.22	10.28	17.31	22.86	-	-	-	-	-	-	-	71.19
Irrig. Sys. - Holiday Rock Co - Tier 2	0.12	-	-	-	6.41	-	-	-	-	-	-	-	6.53
Irrig. Sys. - Holiday Rock Co - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 1	4.03	1.24	5.91	16.43	31.73	-	-	-	-	-	-	-	59.34
Irrig. Sys. - Red Hill Golf Course - Tier 2	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hill Golf Course - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Red Hills HOA - Tier 1	0.03	0.03	0.10	1.26	1.56	-	-	-	-	-	-	-	2.98
Irrig. Sys. - Red Hills HOA - Tier 2	-	-	-	0.32	0.56	-	-	-	-	-	-	-	0.88
Irrig. Sys. - Red Hills HOA - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrig. Sys. - Minor Irrigators - Tier 1	1.04	0.11	0.13	0.23	1.42	-	-	-	-	-	-	-	2.92
Irrig. Sys. - Minor Irrigators - Tier 2	-	-	-	-	0.13	-	-	-	-	-	-	-	0.13
Irrig. Sys. - Minor irrigators - Tier 3	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>577.50</b>	<b>320.54</b>	<b>529.40</b>	<b>589.42</b>	<b>762.97</b>	-	-	-	-	-	-	-	<b>2,779.82</b>

<b>COMPANY TOTALS</b>	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
San Antonio Heights	56.23	51.33	67.00	40.81	83.39	-	-	-	-	-	-	-	298.76
City of Upland	525.85	279.72	482.05	529.40	688.16	-	-	-	-	-	-	-	2,505.17
Monte Vista Water District	38.10	37.20	45.70	40.40	46.00	-	-	-	-	-	-	-	207.40
City of Ontario	33.80	33.00	40.50	35.90	40.80	-	-	-	-	-	-	-	184.00
Cucamonga Valley Water District	-	-	-	-	-	-	-	-	-	-	-	-	-
Holiday Rock Company	14.64	6.22	10.28	17.31	29.27	-	-	-	-	-	-	-	77.72
Red Hills Golf Course	4.03	1.24	5.91	16.43	31.73	-	-	-	-	-	-	-	59.34
Red Hill HOA	0.03	0.03	0.10	1.59	2.11	-	-	-	-	-	-	-	3.86
Minor Irrigators	1.04	0.11	0.13	0.23	1.55	-	-	-	-	-	-	-	3.05
<b>TOTAL</b>	<b>673.72</b>	<b>408.84</b>	<b>651.67</b>	<b>682.06</b>	<b>923.00</b>	-	-	-	-	-	-	-	<b>3,339.29</b>

<b>IRRIGATORS</b>	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Irrigator Emberton	0.12	0.09	0.11	0.18	0.25	-	-	-	-	-	-	-	0.75
Irrigator McMurray - now Dicarlo 7/23	0.00	-	0.02	0.05	0.05	-	-	-	-	-	-	-	0.12
Irrigator Mistretta	-	-	-	-	0.60	-	-	-	-	-	-	-	0.60
Irrigator Nisbit	-	-	-	-	-	-	-	-	-	-	-	-	-
Irrigator Scheu	0.79	-	-	-	-	-	-	-	-	-	-	-	0.79
Irrigator Pfister	0.13	0.01	-	-	0.64	-	-	-	-	-	-	-	0.78



2024 Spread and Storage

Cucamonga Basin	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
23rd St. (Meter) - Basin 6 - A	0.08	65.79	205.56	180.93	139.47	-	-	-	-	-	-	-	591.83
15th Street Basin	-	-	-	0.08	-	-	-	-	-	-	-	-	0.08
Basin 3 meter (23rd street Clock)	156.69	178.49	236.03	228.30	247.65	-	-	-	-	-	-	-	1,047.16
Frankish & Stamm Tunnel to Basin 3	26.39	85.95	125.18	39.62	93.21	-	-	-	-	-	-	-	370.35
Vscreen via Frankish & Stamm Meter to Basin 3	47.08	68.23	70.57	101.79	3.23	-	-	-	-	-	-	-	290.91
PRV Station (res 1)(basin 6)	2.61	-	73.29	0.14	0.26	-	-	-	-	-	-	-	76.29
<b>Monthly Spread</b>	<b>232.85</b>	<b>398.46</b>	<b>710.64</b>	<b>550.86</b>	<b>483.81</b>	-	-	-	-	-	-	-	<b>2,376.62</b>
<b>Cumulative Spread</b>	<b>232.85</b>	<b>631.31</b>	<b>1,341.95</b>	<b>1,892.81</b>	<b>2,376.62</b>	-	-	-	-	-	-	-	

Six Basins

Note: City of Upland Well Exercising may contribute to spread

<b>Monthly Spread</b>	<b>61.44</b>	<b>324.45</b>	<b>61.92</b>	<b>20.80</b>	<b>0.26</b>	-	-	-	-	-	-	-	<b>468.86</b>
<b>Cumulative Spread</b>	<b>61.44</b>	<b>385.89</b>	<b>447.81</b>	<b>468.60</b>	<b>468.86</b>	-	-	-	-	-	-	-	

Note: Maximum end of year storage limit: 2,000 AF

Previous Storage	2,247.00	2,315.44	2,639.89	2,701.81	2,722.60	2,722.86	2,722.86	2,722.86	2,722.86	2,722.86	2,722.86	2,722.86	-
Spread	61.44	324.45	61.92	20.80	0.26	-	-	-	-	-	-	-	-
Unused Monthly OSY	7.00	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current Storage Estimate</b>	<b>2,315</b>	<b>2,640</b>	<b>2,702</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	-

932 yearly OSY = 77.67 monthly OSY

Chino Basin

<b>Monthly Spread</b>	-	-	<b>270.69</b>	<b>383.44</b>	<b>429.58</b>	-	-	-	-	-	-	-	<b>1,083.72</b>
<b>Cumulative Spread</b>	-	-	<b>270.69</b>	<b>654.14</b>	<b>1,083.72</b>	-	-	-	-	-	-	-	

Local Supplemental Account (Spreading)*	3,923.25	3,923.25	3,923.25	4,193.94	4,577.39	-	-	-	-	-	-	-	-
Carry Over Account	1,232.00	1,232.00	1,232.00	1,232.00	1,232.00	-	-	-	-	-	-	-	-
Excess Carry Over Account*	2,104.00	2,206.43	2,308.27	2,410.94	2,513.49	-	-	-	-	-	-	-	-
Preemptive Replenishment Account	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Storage</b>	<b>7,259.25</b>	<b>7,361.68</b>	<b>7,463.52</b>	<b>7,836.88</b>	<b>8,322.87</b>	-	-	-	-	-	-	-	-
Spread	-	-	270.69	383.44	429.58	-	-	-	-	-	-	-	-
Unused Monthly OSY	102.43	101.84	102.67	102.55	102.41	-	-	-	-	-	-	-	-
<b>Current Storage Estimate*</b>	<b>7,362</b>	<b>7,464</b>	<b>7,837</b>	<b>8,323</b>	<b>8,855</b>	-	-	-	-	-	-	-	-

1,232 yearly OSY = 102.67 monthly OSY

\* Does not include yearly storage losses calc of 0.07%

Company Wide

<b>Monthly Spread</b>	<b>294.30</b>	<b>722.91</b>	<b>1,043.25</b>	<b>955.10</b>	<b>913.66</b>	-	-	-	-	-	-	-	<b>3,929.20</b>
<b>Cumulative Spread</b>	<b>294.30</b>	<b>1,017.20</b>	<b>2,060.45</b>	<b>3,015.55</b>	<b>3,929.20</b>	-	-	-	-	-	-	-	
<b>Total Current Storage Estimate</b>	<b>9,677</b>	<b>10,103</b>	<b>10,539</b>	<b>11,045</b>	<b>11,578</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	<b>2,723</b>	-

Meter to spread ponds (NOTE ONLY)	0.18	-	-	-	-	-	-	-	-	-	-	-	0.18
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## 2024 GW Production Rights

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### Cucamonga Basin Production

Yearly Production Rights = 5637 (4,500AF + 1137AF 10-yr Average Spread)

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Production	164.32	174.73	151.64	186.71	279.66	-	-	-	-	-	-	-	
Cumulative Production	164.32	339.05	490.69	677.40	957.06	-	-	-	-	-	-	-	<b>957.06</b>
Cumulative Production Rights	469.72	939.45	1,409.17	1,878.90	2,348.62	-	-	-	-	-	-	-	<b>5,637</b>
<b>% of Production Rights*</b>	<b>2.92%</b>	<b>6.01%</b>	<b>8.71%</b>	<b>12.02%</b>	<b>16.98%</b>	<b>19.84%</b>	<b>23.39%</b>	<b>26.83%</b>	<b>30.33%</b>	<b>33.83%</b>	<b>37.33%</b>	<b>40.83%</b>	<b>17.0%</b>

### Six Basins Production

Yearly Production Rights = 932AF

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Production	70.66	78.02	131.41	82.76	148.01	-	-	-	-	-	-	-	
Cumulative Production	70.66	148.68	280.09	362.85	510.86	-	-	-	-	-	-	-	<b>510.86</b>
Cumulative Production Rights	77.68	155.35	233.03	310.70	388.38	-	-	-	-	-	-	-	<b>932</b>
<b>% of Production Rights*</b>	<b>7.58%</b>	<b>15.95%</b>	<b>30.05%</b>	<b>38.93%</b>	<b>54.81%</b>	<b>62.92%</b>	<b>77.79%</b>	<b>86.61%</b>	<b>101.53%</b>	<b>110.01%</b>	<b>125.16%</b>	<b>133.59%</b>	<b>54.8%</b>

### Chino Basin Production

Note: Chino Basin production rights are calculated from July through June.

Yearly Production Rights = 1232AF

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Production		0.23	0.83	-	0.12	0.26	-	-	-	-	-	-	-	1.44
Cumulative Production for 2023	2.43	0.23	1.06	1.06	1.18	1.44	-	-	-	-	-	-	-	
<b>Water Year 23-24</b>														
Cumulative Production	2.43	2.66	3.49	3.49	3.61	3.87	-	-	-	-	-	-	-	3.87
Cumulative Rights	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00	-	-	-	-	-	-	1,232.00
<b>% of Production Rights 22-23*</b>		<b>0.22%</b>	<b>0.28%</b>	<b>0.28%</b>	<b>0.29%</b>	<b>0.31%</b>	<b>0.33%</b>	-	-	-	-	-	-	
<b>Water Year 24-25</b>														
Cumulative Production		-	-	-	-	-	-	-	-	-	-	-	-	-
Cumulative Rights		102.67	205.33	308.00	410.67	513.33	616.00	-	-	-	-	-	-	1,232.00
<b>% of Production Rights 22-23*</b>		-	-	-	-	-	-	-	-	-	-	-	-	

\* - Out months are Exponential Smoothing (ETS) forecasts based on basin production to date

Chino Basin	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	WY19-20
<b>Water Year 19-20</b>													
Cumulative Production	5.24	110.22	227.03	351.18	470.30	470.30	470.53	470.80	470.80	471.09	486.34	614.43	
Cumulative Rights	102.67	205.33	308.00	410.67	513.33	616.00	718.67	821.33	924.00	1,026.67	1,129.33	1,232.00	1,232.00
<b>% of Production Rights 19-20</b>	<b>5.10%</b>	<b>53.68%</b>	<b>73.71%</b>	<b>85.51%</b>	<b>91.62%</b>	<b>76.35%</b>	<b>65.47%</b>	<b>57.32%</b>	<b>50.95%</b>	<b>45.89%</b>	<b>43.06%</b>	<b>49.87%</b>	

## 2024 Production v Consumption

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### Consumption versus Entitlement, Company Wide **Active Shares**

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Consumption	673.72	408.84	651.67	682.06	923.00	-	-	-	-	-	-	-	
Cumulative Consumption	673.72	1,082.56	1,734.23	2,416.29	3,339.29	-	-	-	-	-	-	-	<b>3,339.29</b>
<i>Cumulative Entitlement (straight line)</i>	1,048.53	2,097.06	3,145.59	4,194.12	5,242.65	-	-	-	-	-	-	-	<b>12,582</b>
<b>% of Entitlement*</b>	<b>5.35%</b>	<b>8.60%</b>	<b>13.78%</b>	<b>19.20%</b>	<b>26.54%</b>	<b>31.07%</b>	<b>36.72%</b>	<b>42.10%</b>	<b>47.55%</b>	<b>53.00%</b>	<b>58.46%</b>	<b>63.91%</b>	<b>26.5%</b>

### Consumption versus Entitlement, Company Wide **Total Shares**

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Consumption	673.72	408.84	651.67	682.06	923.00	-	-	-	-	-	-	-	
Cumulative Consumption	673.72	1,082.56	1,734.23	2,416.29	3,339.29	-	-	-	-	-	-	-	<b>3,339.29</b>
<i>Cumulative Entitlement (straight line)</i>	1,083.33	2,166.67	3,250.00	4,333.33	5,416.67	-	-	-	-	-	-	-	<b>13,000</b>
<b>% of Entitlement*</b>	<b>5.18%</b>	<b>8.33%</b>	<b>13.34%</b>	<b>18.59%</b>	<b>25.69%</b>	<b>30.07%</b>	<b>35.54%</b>	<b>40.75%</b>	<b>46.02%</b>	<b>51.30%</b>	<b>56.58%</b>	<b>61.86%</b>	<b>25.7%</b>

### Production versus Consumption, Company Wide

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Production	974.16	1,147.98	1,632.05	1,679.63	1,891.56	-	-	-	-	-	-	-	7,325.37
Consumption	673.72	408.84	651.67	682.06	923.00	-	-	-	-	-	-	-	3,339.29
Spread	294.30	722.91	1,043.25	955.10	913.66	-	-	-	-	-	-	-	3,929.20
Total Consumption	968.01	1,131.75	1,694.91	1,637.16	1,836.66	-	-	-	-	-	-	-	7,268.50
Difference	6.14	16.23	(62.87)	42.47	54.90	-	-	-	-	-	-	-	56.87
<b>% of Production</b>	<b>0.6%</b>	<b>1.4%</b>	<b>-3.9%</b>	<b>2.5%</b>	<b>2.9%</b>	<b>0.0%</b>	<b>0.00%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.8%</b>

### Production versus Consumption, Domestic System

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Production	201.05	227.49	239.26	245.22	267.81	-	-	-	-	-	-	-	1,180.82
Consumption	96.22	88.30	122.27	92.65	160.04	-	-	-	-	-	-	-	559.47
Monthly Difference	104.83	139.18	117.00	152.57	107.77	-	-	-	-	-	-	-	621.35
<b>% difference</b>	<b>108.95%</b>	<b>157.62%</b>	<b>95.69%</b>	<b>164.68%</b>	<b>67.34%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>111.1%</b>

### Production versus Consumption, Irrigation System

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR
Production	773.11	920.50	1,392.78	1,434.41	1,623.75	-	-	-	-	-	-	-	6,144.55
Addition from Domestic	104.83	139.18	117.00	152.57	107.77	-	-	-	-	-	-	-	621.35
Total Production	877.94	1,059.68	1,509.78	1,586.98	1,731.52	-	-	-	-	-	-	-	6,765.89
Consumption	871.80	1,043.45	1,572.65	1,544.51	1,676.62	-	-	-	-	-	-	-	6,709.02
Monthly Difference	6.14	16.23	(62.87)	42.47	54.90	-	-	-	-	-	-	-	56.87
<b>% difference</b>	<b>0.70%</b>	<b>1.56%</b>	<b>-4.00%</b>	<b>2.75%</b>	<b>3.27%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.8%</b>

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

## 2024 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### COMPANY TOTALS

#### Active Shares

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	6,184
Consumption	673.72	408.84	651.67	682.06	923.00	-	-	-	-	-	-	-			
Cumulative Consumption	673.72	1,082.56	1,734.23	2,416.29	3,339.29	-	-	-	-	-	-	-	3,339.29		
Cumulative Entitlement	984.72	1,969.45	2,970.88	3,987.21	5,036.92	-	-	-	-	-	-	-	12,582.37		
<b>% of Yearly Entitlement*</b>	<b>5.35%</b>	<b>8.60%</b>	<b>13.78%</b>	<b>19.20%</b>	<b>26.54%</b>	<b>31.07%</b>	<b>36.72%</b>	<b>42.10%</b>	<b>47.55%</b>	<b>53.00%</b>	<b>58.46%</b>	<b>63.91%</b>	<b>26.54%</b>		

### COMPANY TOTALS

#### All Shares

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	6,389
Consumption	673.72	408.84	651.67	682.06	923.00	-	-	-	-	-	-	-			
Cumulative Consumption	673.72	1,082.56	1,734.23	2,416.29	3,339.29	-	-	-	-	-	-	-	3,339.29		
Cumulative Entitlement	1,083.33	2,166.67	3,250.00	4,333.33	5,416.67	-	-	-	-	-	-	-	13,000.00		
<b>% of Yearly Entitlement*</b>	<b>5.18%</b>	<b>8.33%</b>	<b>13.34%</b>	<b>18.59%</b>	<b>25.69%</b>	<b>30.07%</b>	<b>35.54%</b>	<b>40.75%</b>	<b>46.02%</b>	<b>51.30%</b>	<b>56.58%</b>	<b>61.86%</b>	<b>25.69%</b>		

### San Antonio Heights

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	646
Consumption	56.23	51.33	67.00	40.81	83.39	-	-	-	-	-	-	-			
Cumulative Consumption	56.23	107.56	174.56	215.37	298.76	-	-	-	-	-	-	-	298.76		
Cumulative Entitlement	70.95	141.89	223.31	314.06	425.71	-	-	-	-	-	-	-	1,314.45		
<b>% of Yearly Entitlement*</b>	<b>4.28%</b>	<b>8.18%</b>	<b>13.28%</b>	<b>16.38%</b>	<b>22.73%</b>	<b>25.46%</b>	<b>31.13%</b>	<b>34.53%</b>	<b>39.97%</b>	<b>43.30%</b>	<b>48.94%</b>	<b>52.17%</b>	<b>22.73%</b>		

### City of Upland

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	4,511.50
Consumption	525.85	279.72	482.05	529.40	688.16	-	-	-	-	-	-	-			
Cumulative Consumption	525.85	805.56	1,287.61	1,817.01	2,505.17	-	-	-	-	-	-	-	2,505.17		
Cumulative Entitlement	764.98	1,529.96	2,294.94	3,059.92	3,824.90	-	-	-	-	-	-	-	9,179.76		
<b>% of Yearly Entitlement*</b>	<b>5.73%</b>	<b>8.78%</b>	<b>14.03%</b>	<b>19.79%</b>	<b>27.29%</b>	<b>31.91%</b>	<b>37.64%</b>	<b>43.18%</b>	<b>48.74%</b>	<b>54.32%</b>	<b>59.90%</b>	<b>65.48%</b>	<b>27.29%</b>		

### Monte Vista Water District

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	333
Consumption	38.10	37.20	45.70	40.40	46.00	-	-	-	-	-	-	-			
Cumulative Consumption	38.10	75.30	121.00	161.40	207.40	-	-	-	-	-	-	-	207.40		
Cumulative Entitlement	56.42	112.84	169.27	225.69	282.11	-	-	-	-	-	-	-	677.06		
<b>% of Yearly Entitlement*</b>	<b>5.63%</b>	<b>11.12%</b>	<b>17.87%</b>	<b>23.84%</b>	<b>30.63%</b>	<b>36.37%</b>	<b>43.25%</b>	<b>48.94%</b>	<b>55.80%</b>	<b>61.53%</b>	<b>68.39%</b>	<b>74.11%</b>	<b>30.63%</b>		

### City of Ontario

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	295
Consumption	33.80	33.00	40.50	35.90	40.80	-	-	-	-	-	-	-			
Cumulative Consumption	33.80	66.80	107.30	143.20	184.00	-	-	-	-	-	-	-	184.00		
Cumulative Entitlement	50.06	100.13	150.19	200.25	250.32	-	-	-	-	-	-	-	600.76		
<b>% of Yearly Entitlement*</b>	<b>5.63%</b>	<b>11.12%</b>	<b>17.86%</b>	<b>23.84%</b>	<b>30.63%</b>	<b>36.37%</b>	<b>43.25%</b>	<b>48.94%</b>	<b>55.80%</b>	<b>61.53%</b>	<b>68.38%</b>	<b>74.11%</b>	<b>30.63%</b>		

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

## 2024 Consumption Analysis

Yearly %	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	100%

### Cucamonga Valley Water District

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	4
Consumption	-	-	-	-	-	-	-	-	-	-	-	-			
Cumulative Consumption	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cumulative Entitlement	-	-	-	-	-	-	-	-	-	-	-	-	8.14		
<b>% of Yearly Entitlement*</b>															

### Holiday Rock Company

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	132
Consumption	14.64	6.22	10.28	17.31	29.27	-	-	-	-	-	-	-			
Cumulative Consumption	14.64	20.86	31.14	48.45	77.72	-	-	-	-	-	-	-	77.72		
Cumulative Entitlement	14.52	29.05	45.72	64.29	87.15	-	-	-	-	-	-	-	269.10		
<b>% of Yearly Entitlement*</b>	<b>5.44%</b>	<b>7.75%</b>	<b>11.57%</b>	<b>18.00%</b>	<b>28.88%</b>	<b>32.68%</b>	<b>39.05%</b>	<b>45.02%</b>	<b>51.07%</b>	<b>57.14%</b>	<b>63.21%</b>	<b>69.29%</b>	<b>28.88%</b>		

### Red Hills Golf Course

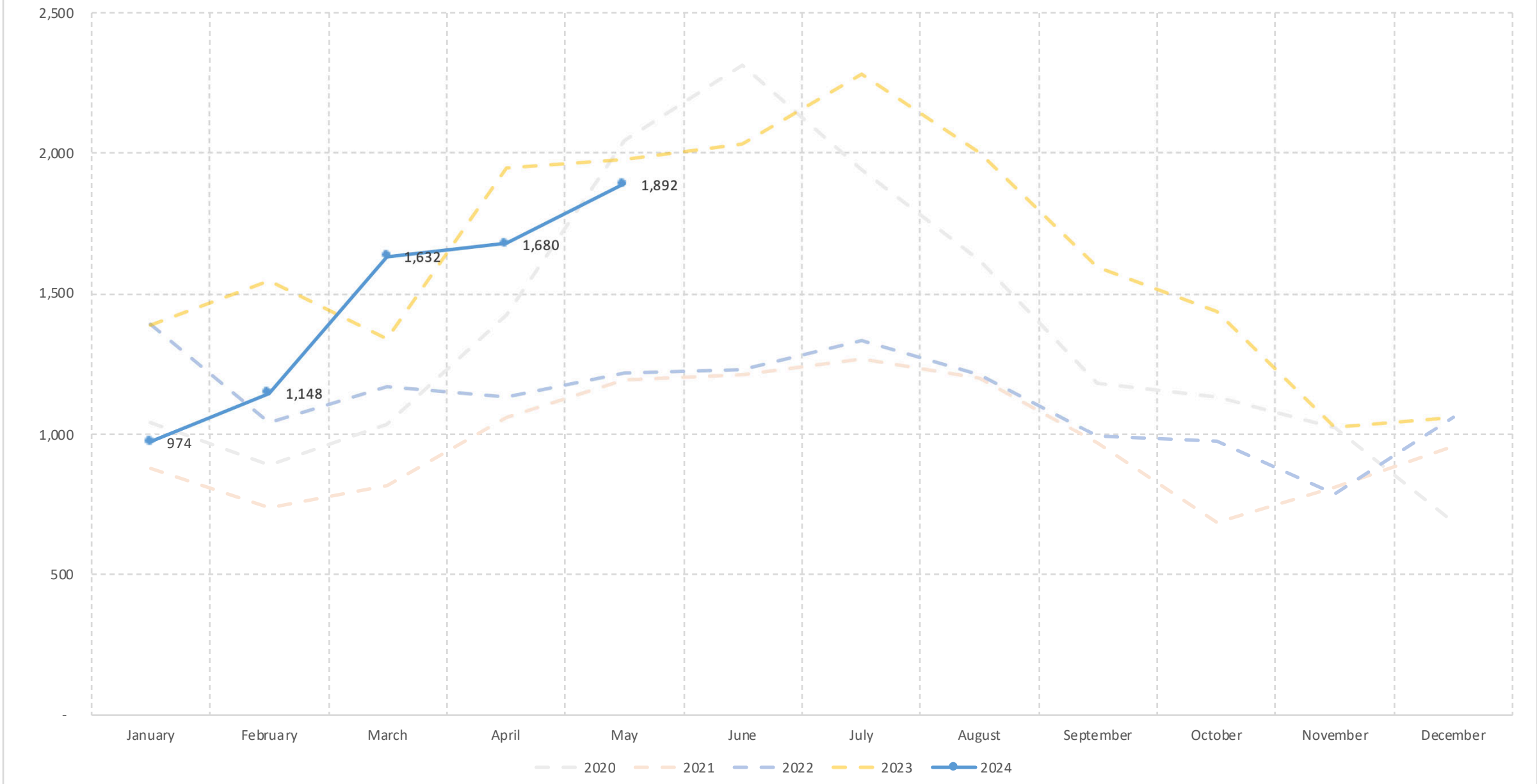
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	198
Consumption	4.03	1.24	5.91	16.43	31.73	-	-	-	-	-	-	-			
Cumulative Consumption	4.03	5.27	11.18	27.61	59.34	-	-	-	-	-	-	-	59.34		
Cumulative Entitlement	21.72	43.44	68.36	96.14	130.32	-	-	-	-	-	-	-	402.37		
<b>% of Yearly Entitlement*</b>	<b>1.00%</b>	<b>1.31%</b>	<b>2.78%</b>	<b>6.86%</b>	<b>14.75%</b>	<b>16.34%</b>	<b>20.24%</b>	<b>23.78%</b>	<b>27.38%</b>	<b>31.00%</b>	<b>34.63%</b>	<b>38.27%</b>	<b>14.75%</b>		

### Minor Irrigators

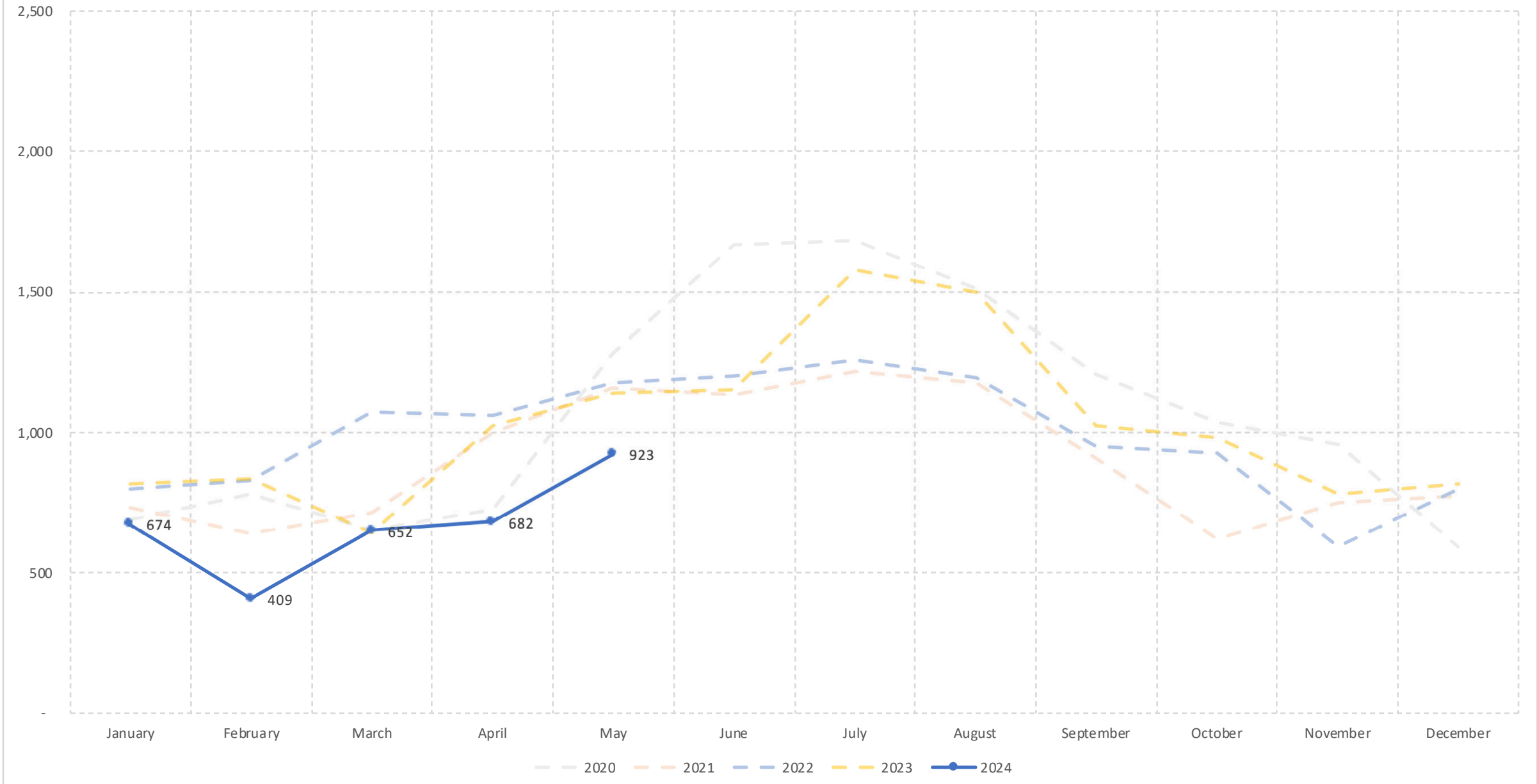
	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	THIS YEAR	Shares	55
Consumption	1.04	0.11	0.13	0.23	1.55	-	-	-	-	-	-	-			
Cumulative Consumption	1.04	1.15	1.28	1.51	3.05	-	-	-	-	-	-	-	3.05		
Cumulative Entitlement	6.07	12.14	19.10	26.86	36.41	-	-	-	-	-	-	-	112.42		
<b>% of Yearly Entitlement*</b>	<b>0.92%</b>	<b>1.02%</b>	<b>1.14%</b>	<b>1.34%</b>	<b>2.71%</b>	<b>2.76%</b>	<b>3.24%</b>	<b>3.65%</b>	<b>4.09%</b>	<b>4.53%</b>	<b>4.96%</b>	<b>5.40%</b>	<b>2.71%</b>		

\* - Out months are Exponential Smoothing (ETS) forecasts based on consumption to date

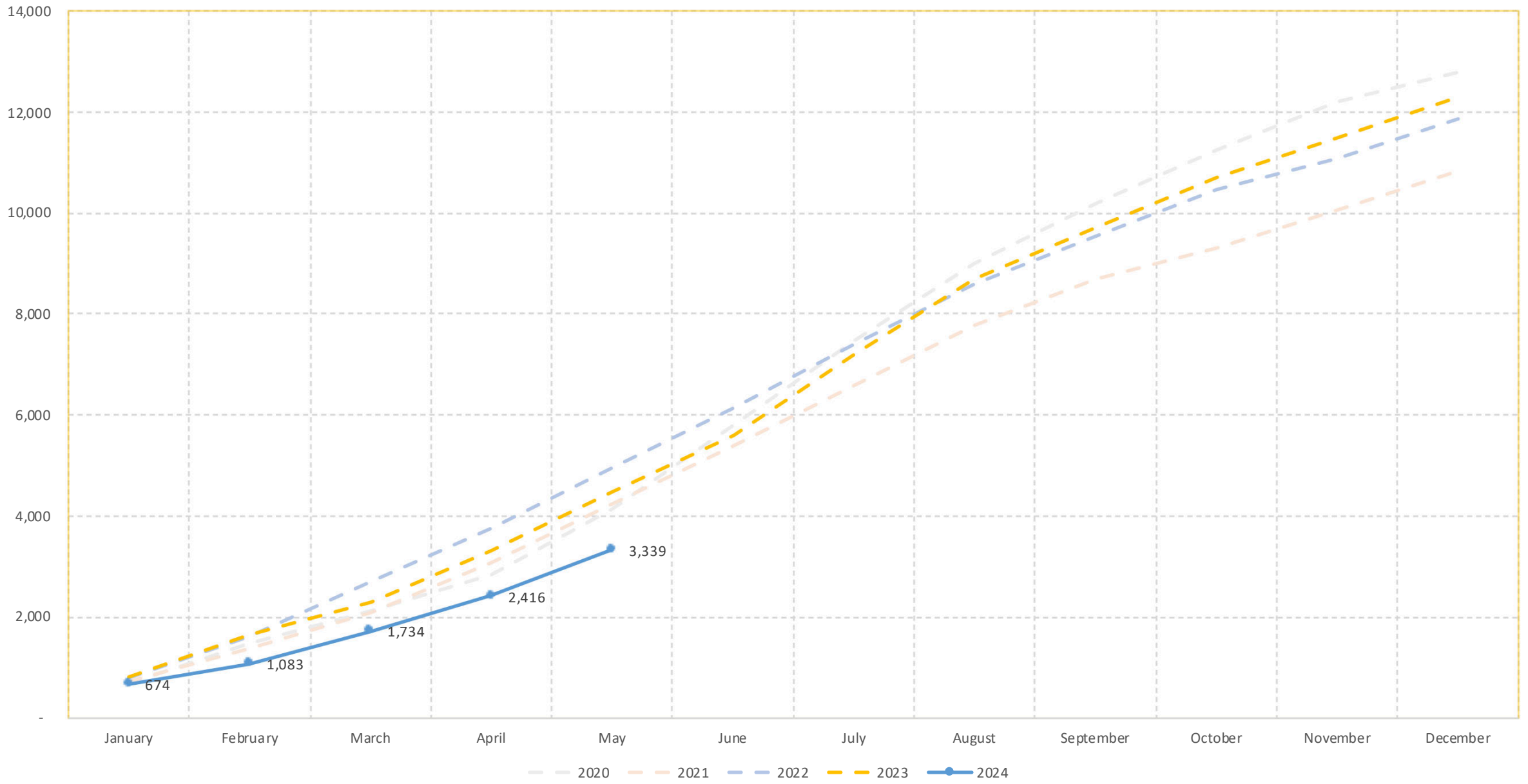
5 Year Production (AF)



5 Year Consumption (AF)

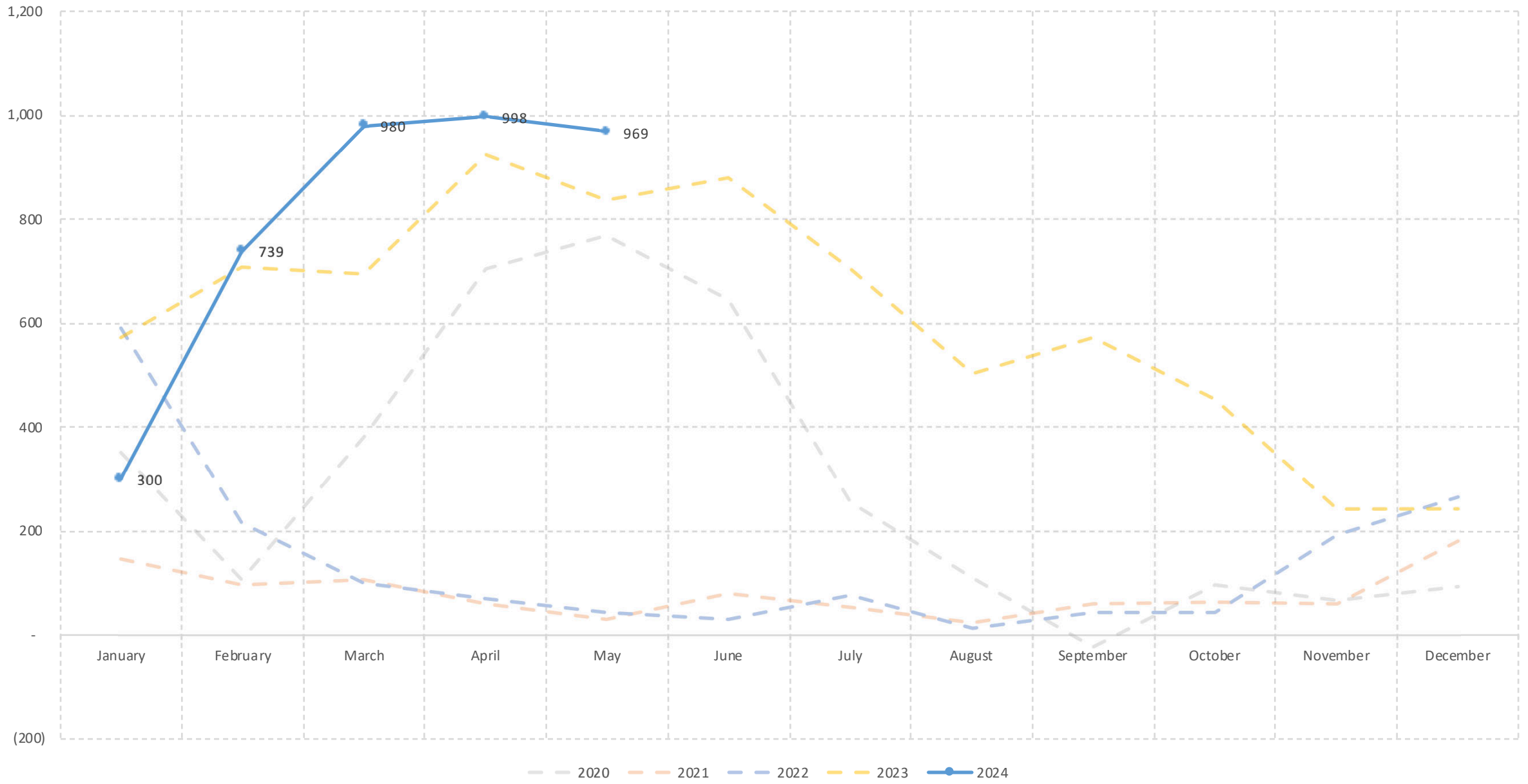


Cumulative Consumption (AF)

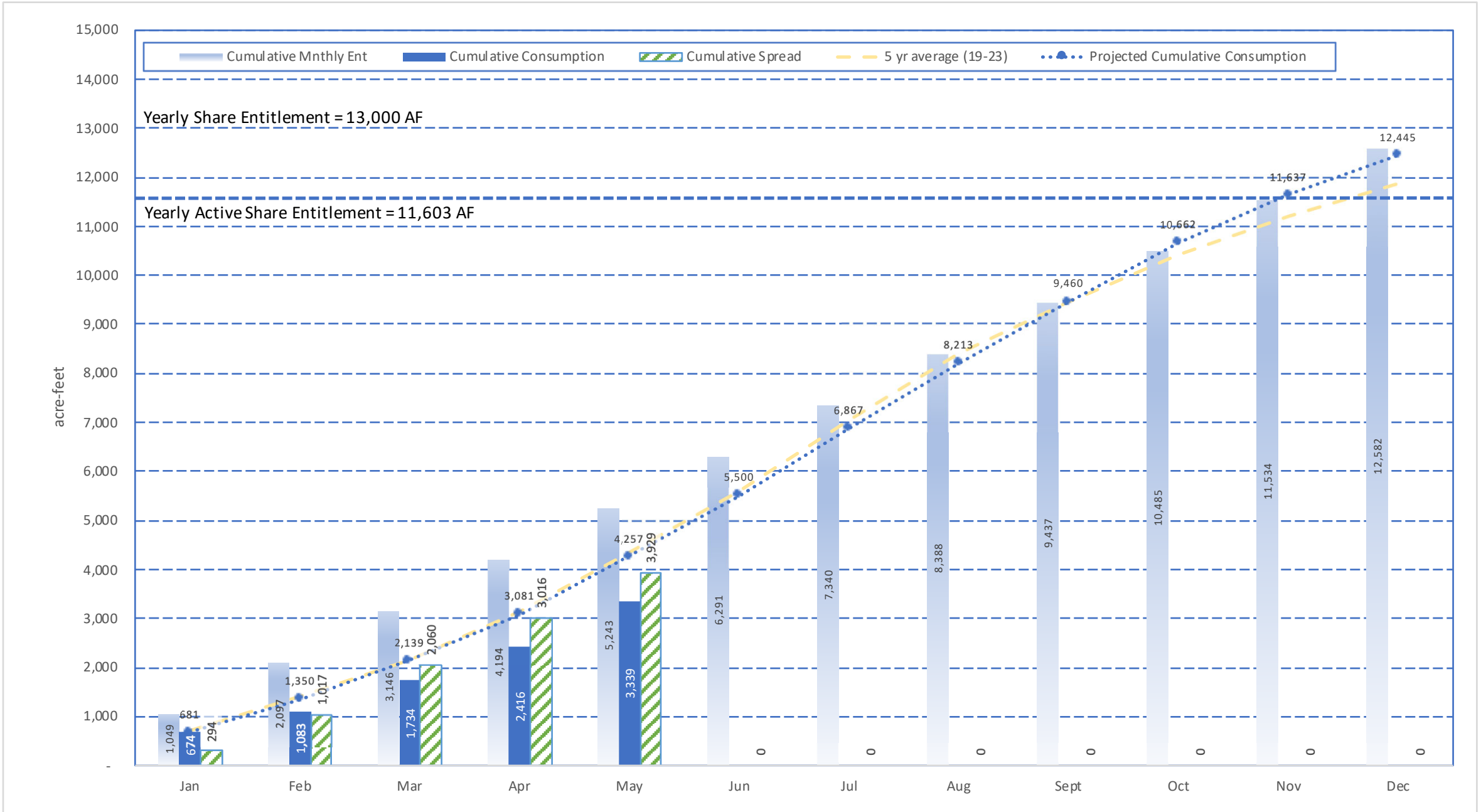




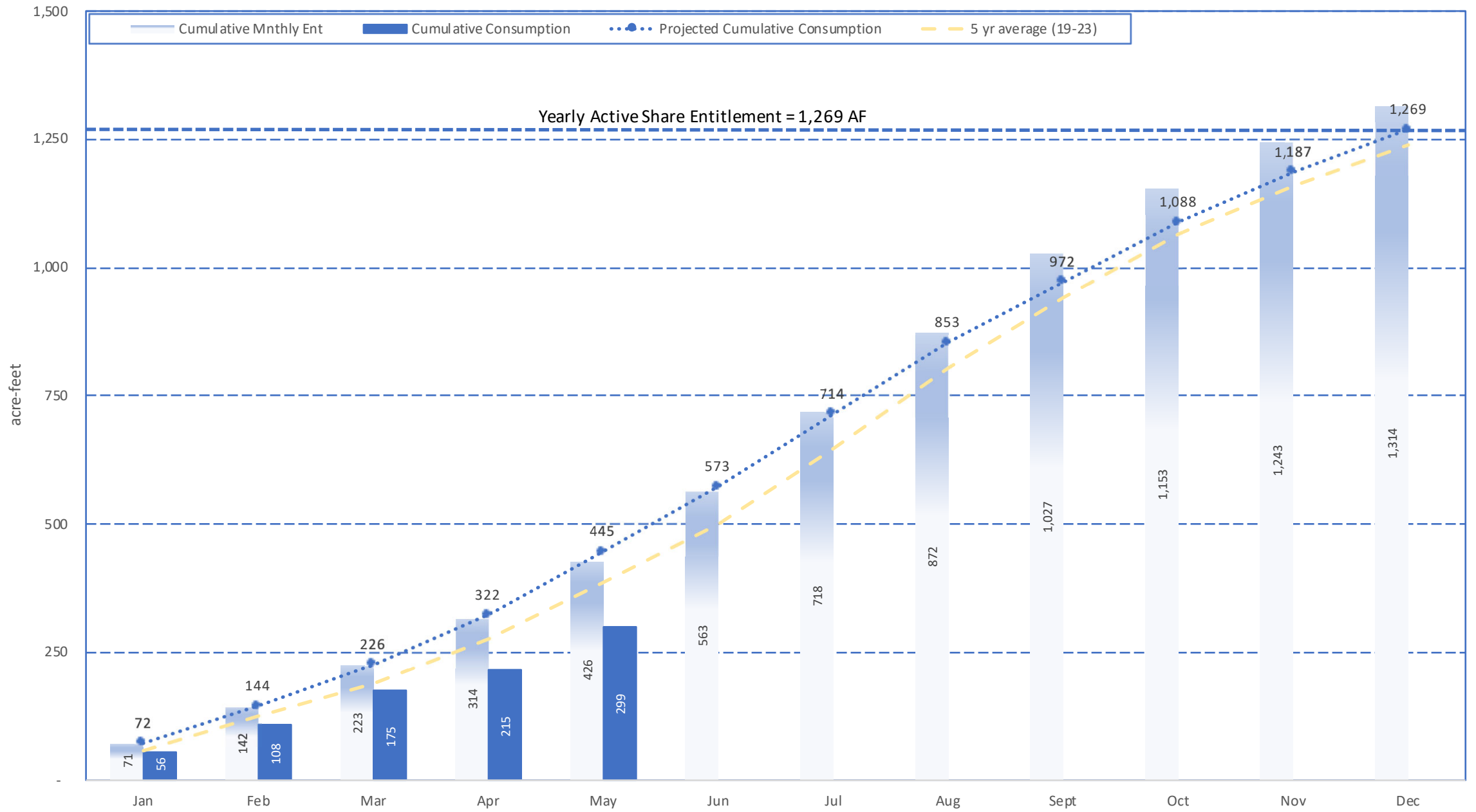
Production minus Consumption (AF)



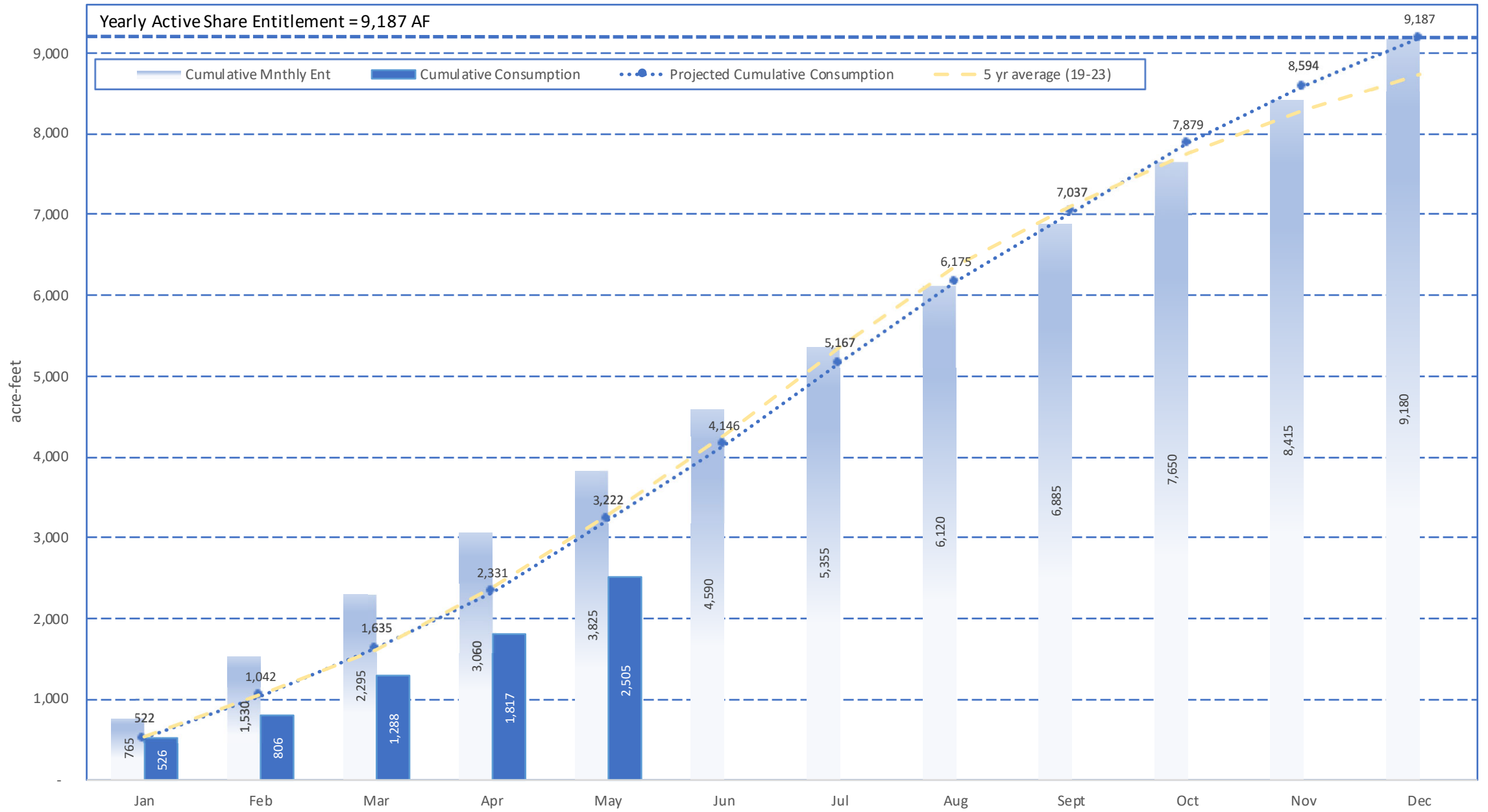
### 2024 Consumption Chart



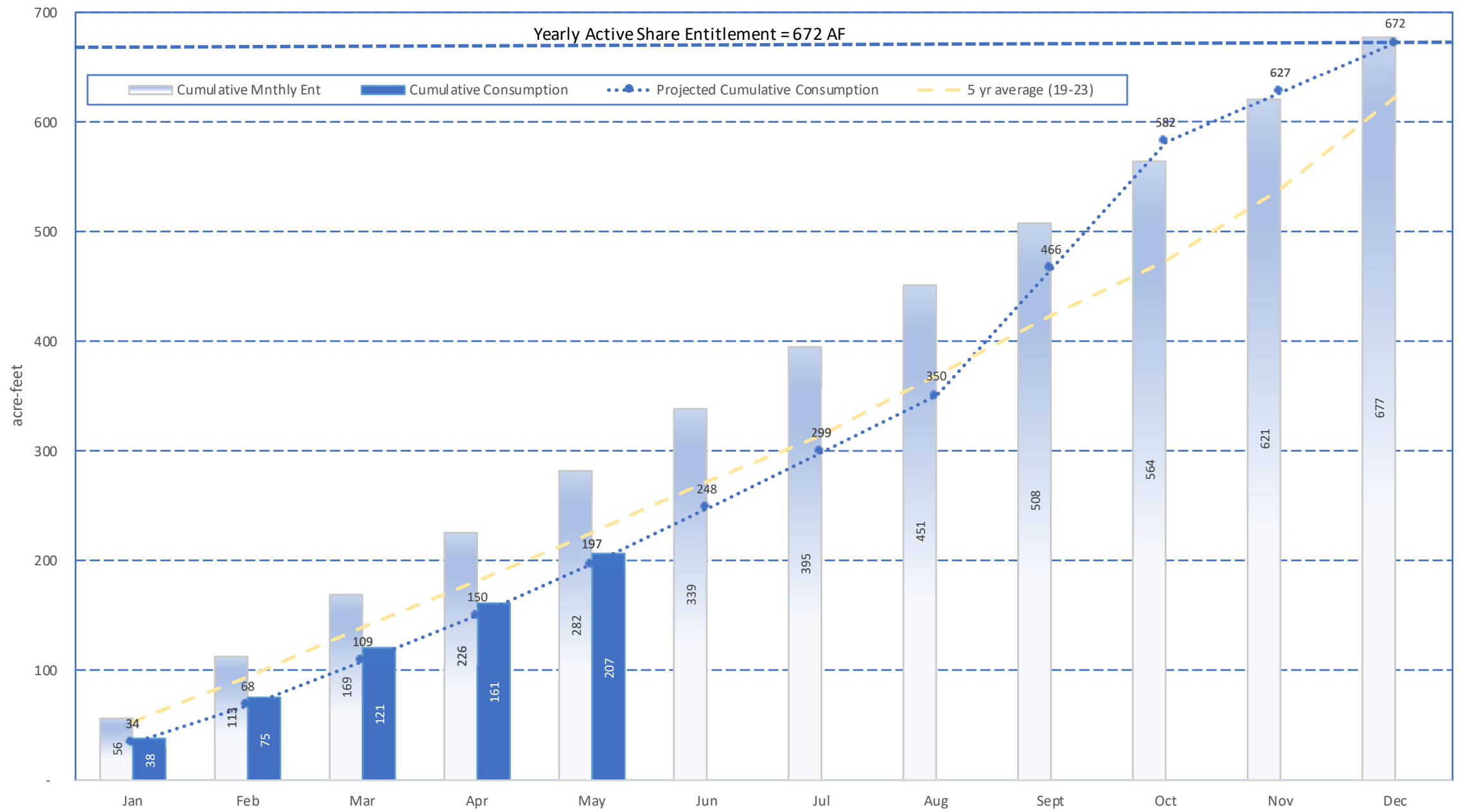
### 2024 Domestic Consumption



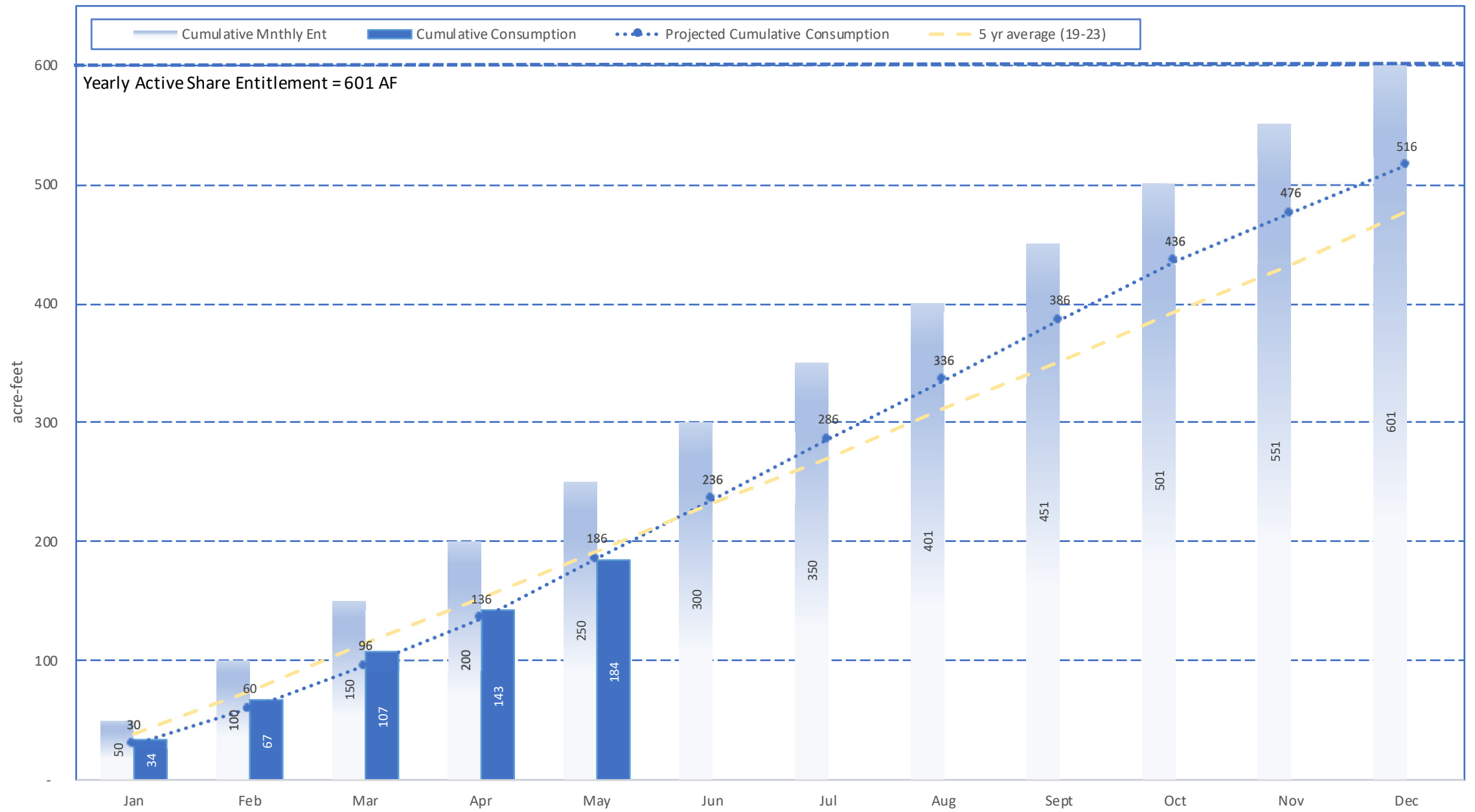
## 2024 Upland Consumption



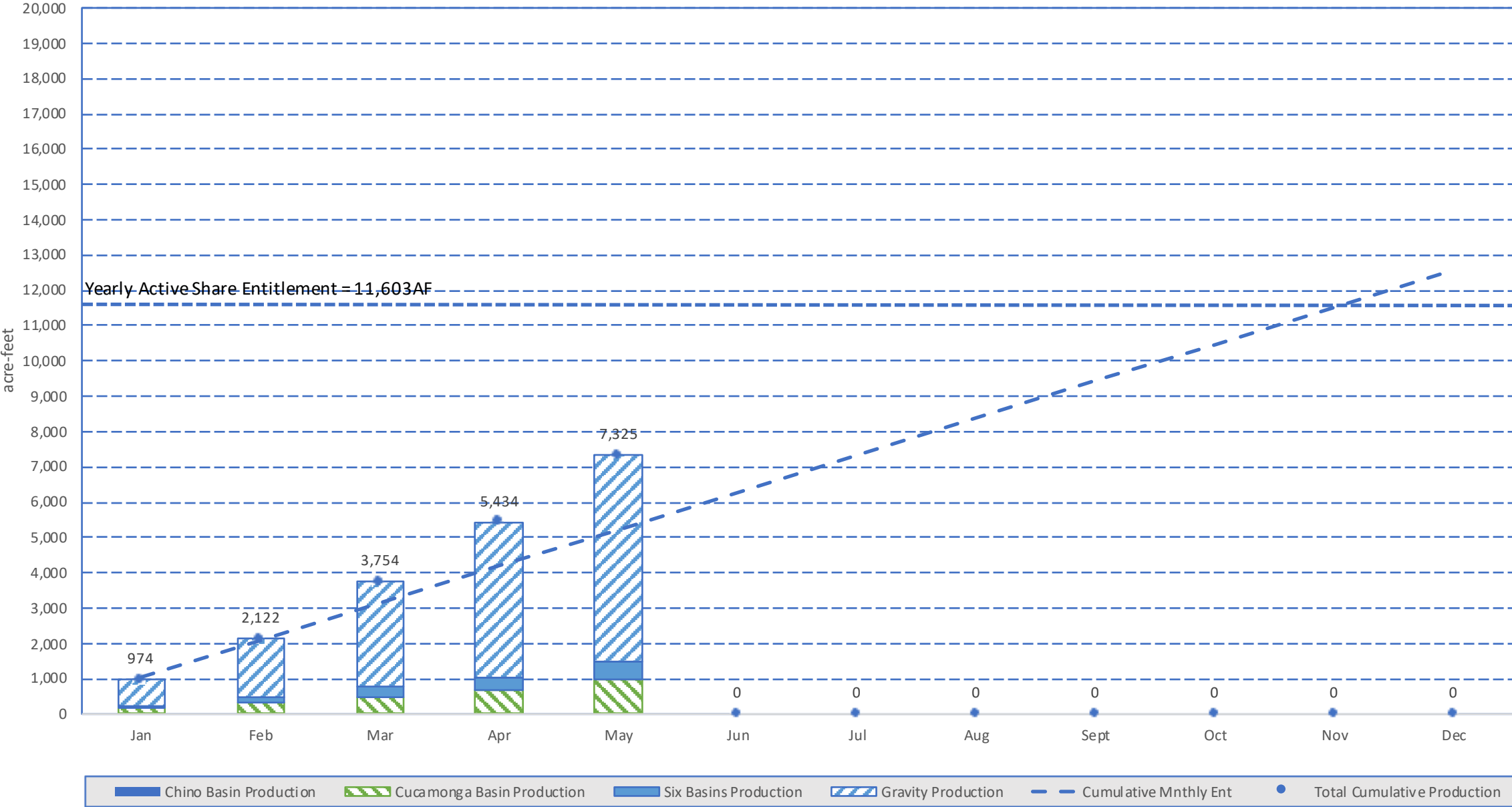
### 2024 Monte Vista Consumption



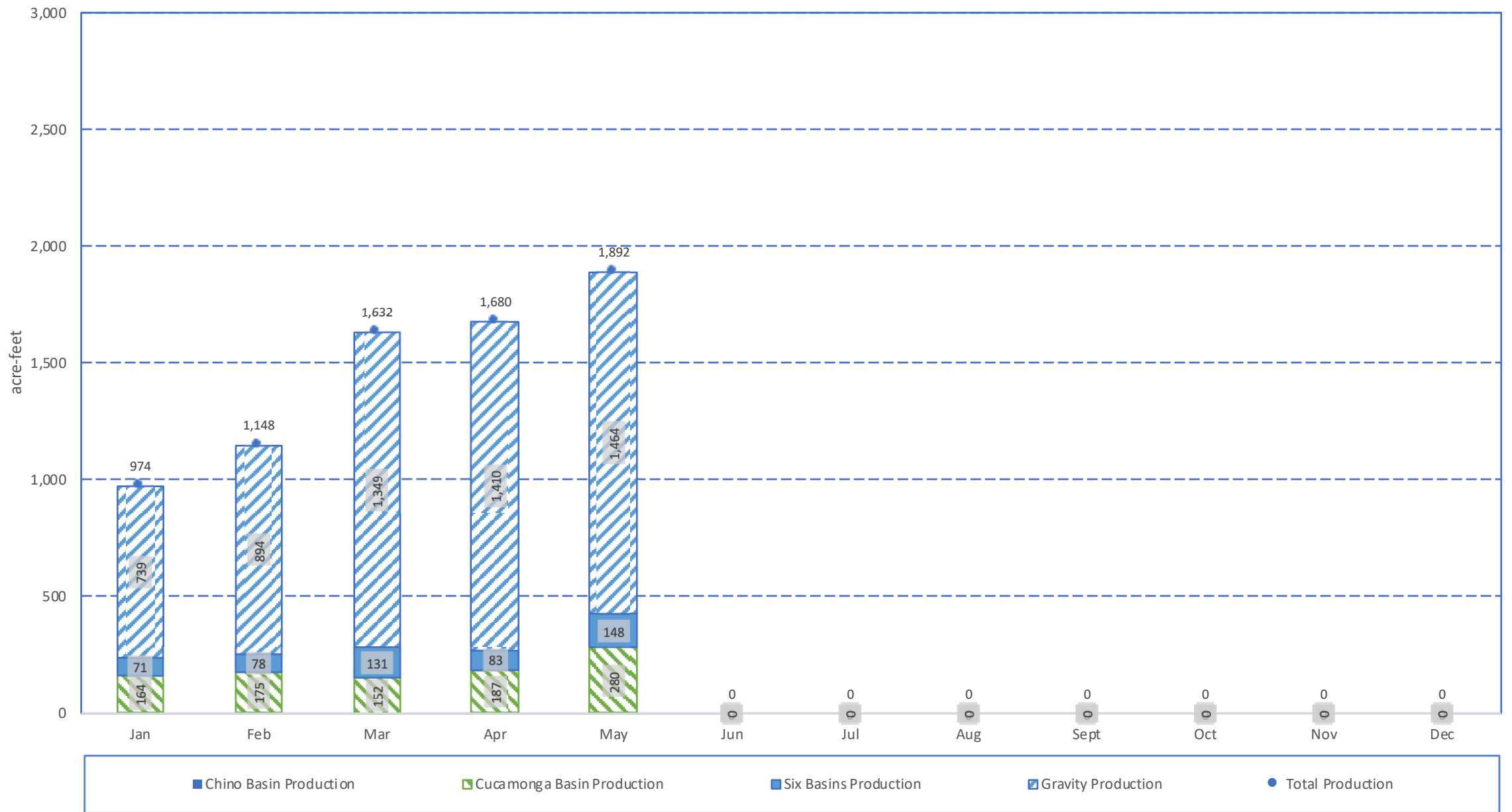
## 2024 Ontario Consumption



2024 Total Yearly Production

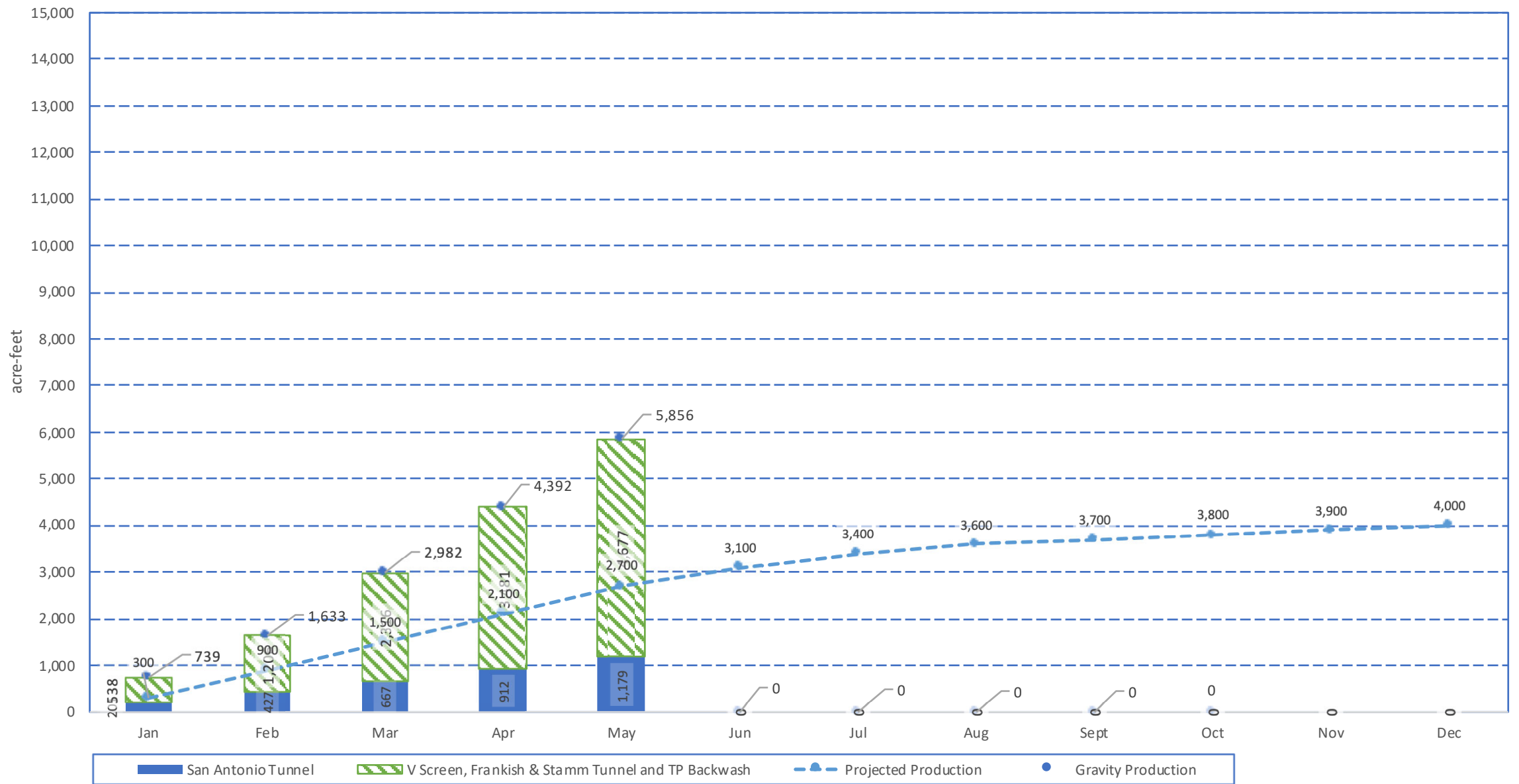


### 2024 Monthly Production

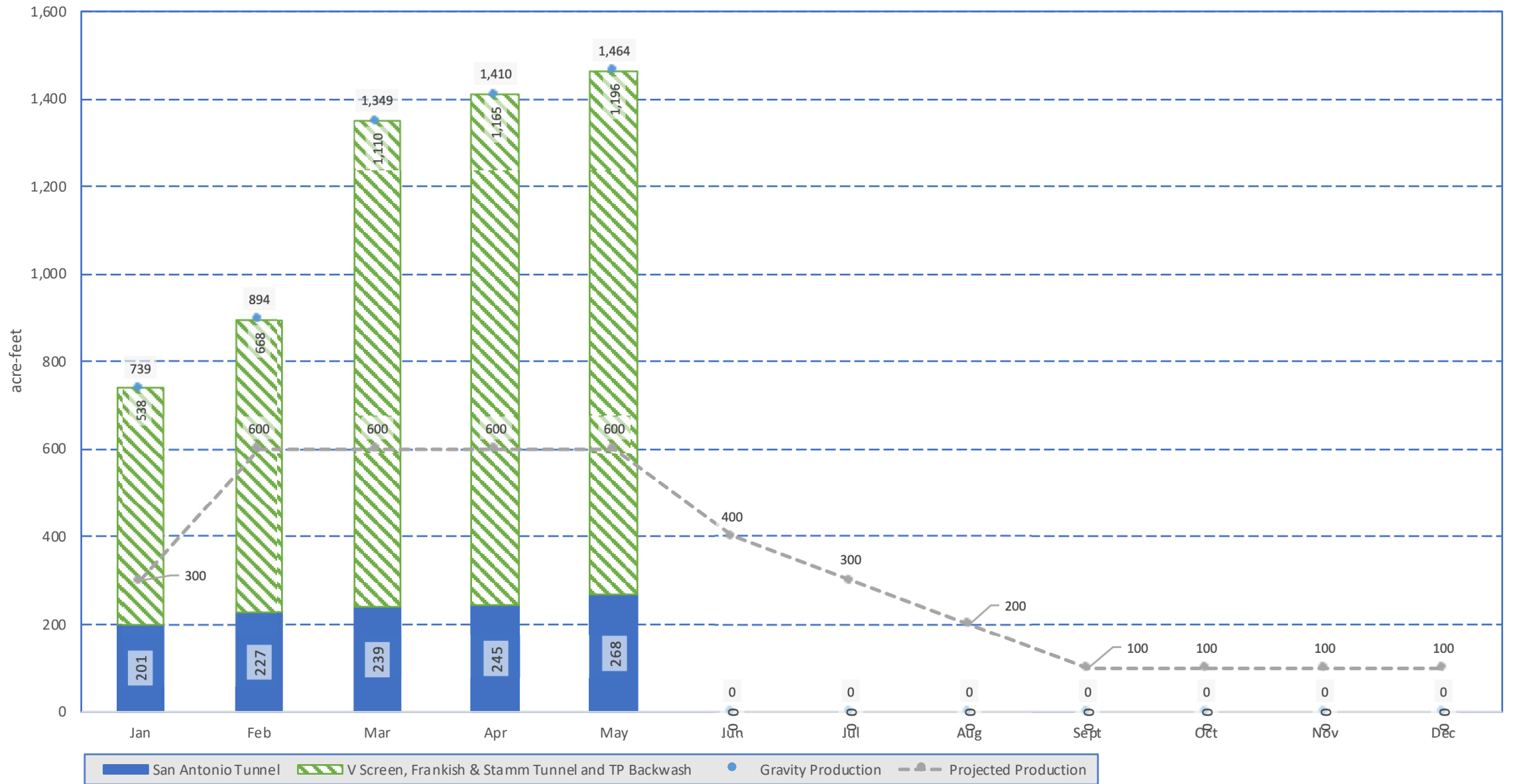




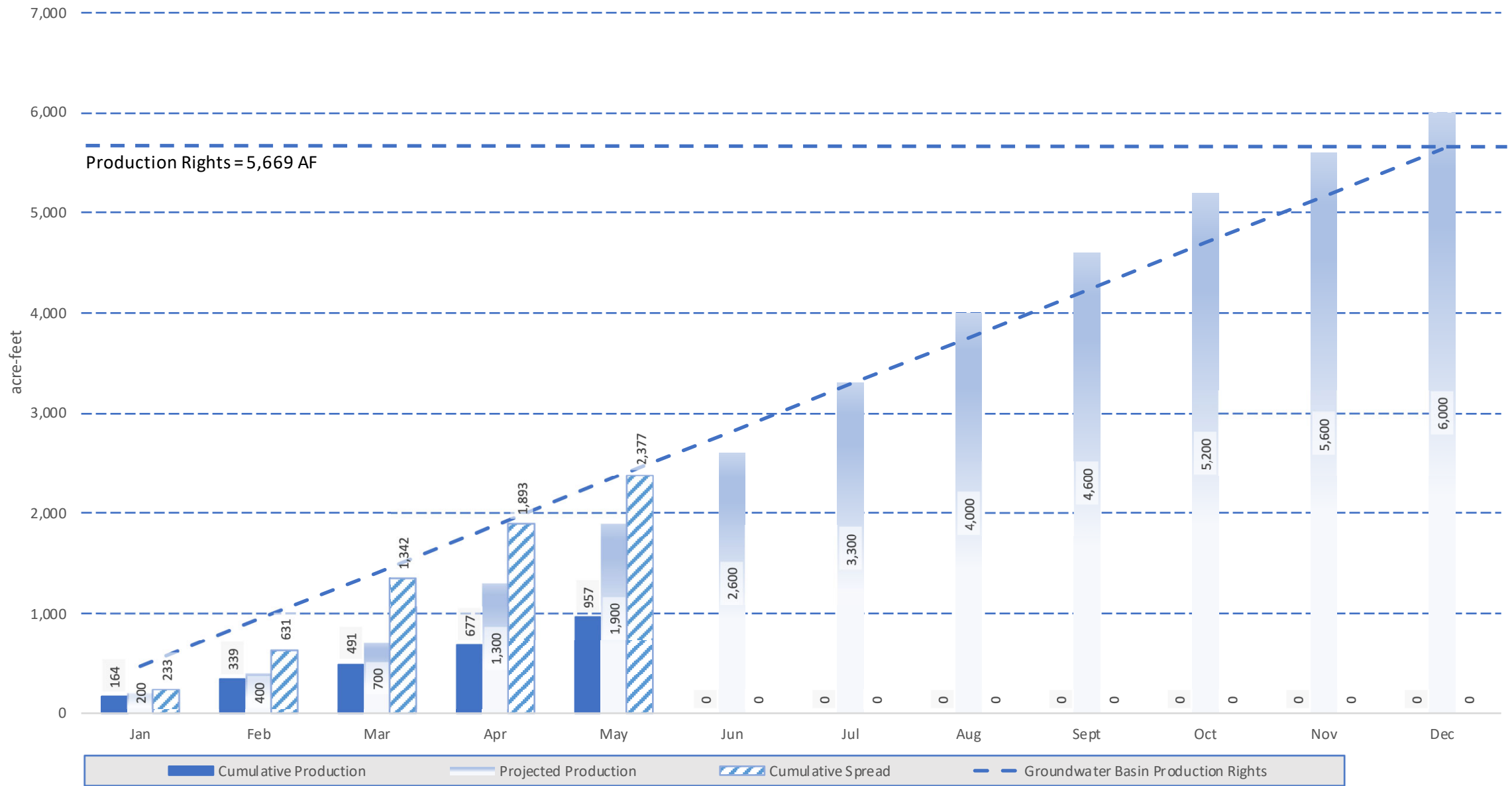
### 2024 Gravity Cumulative



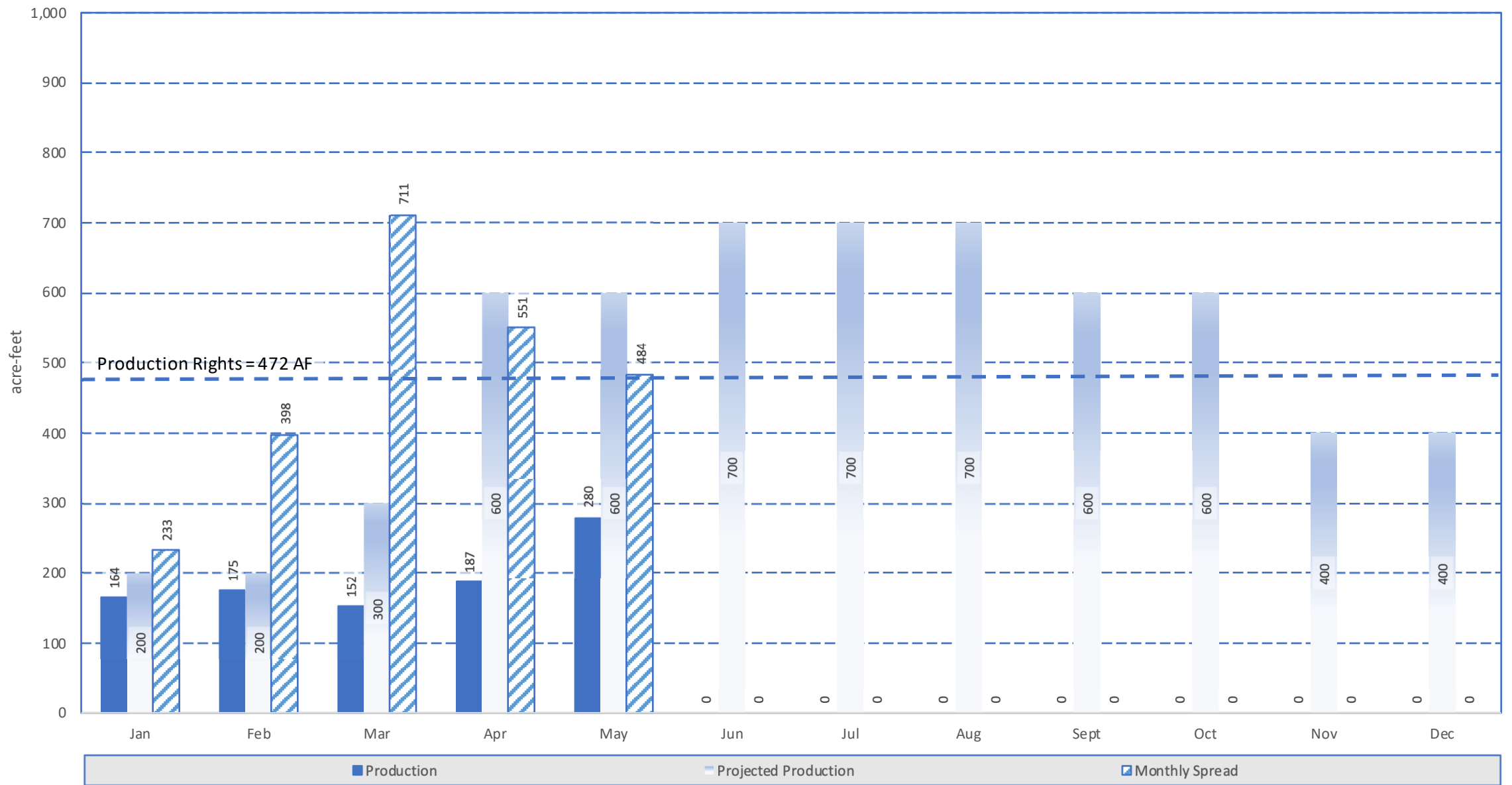
### 2024 Gravity Monthly



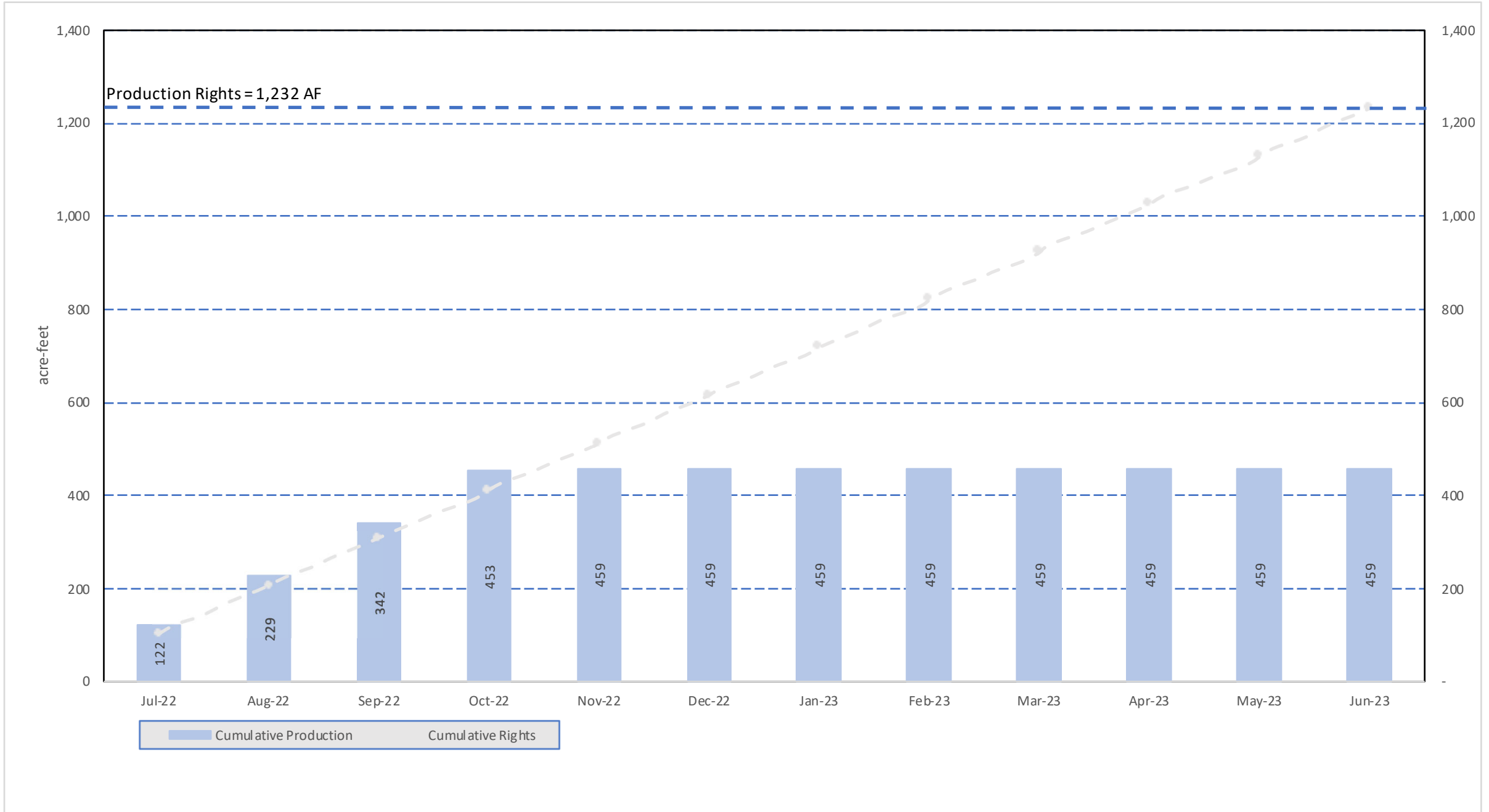
2024 Cucamonga Basin Cumulative



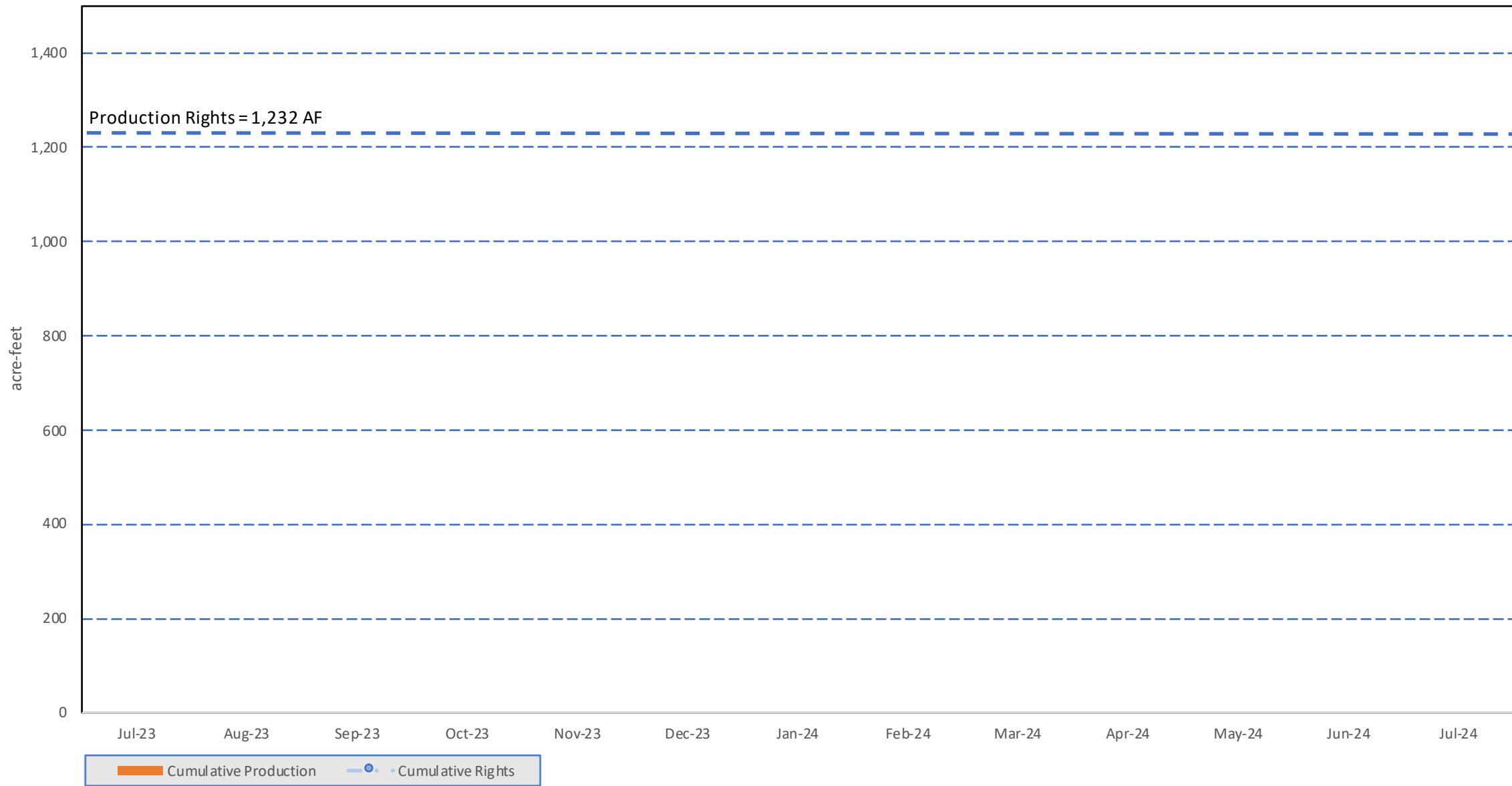
2024 Cucamonga Basin Monthly



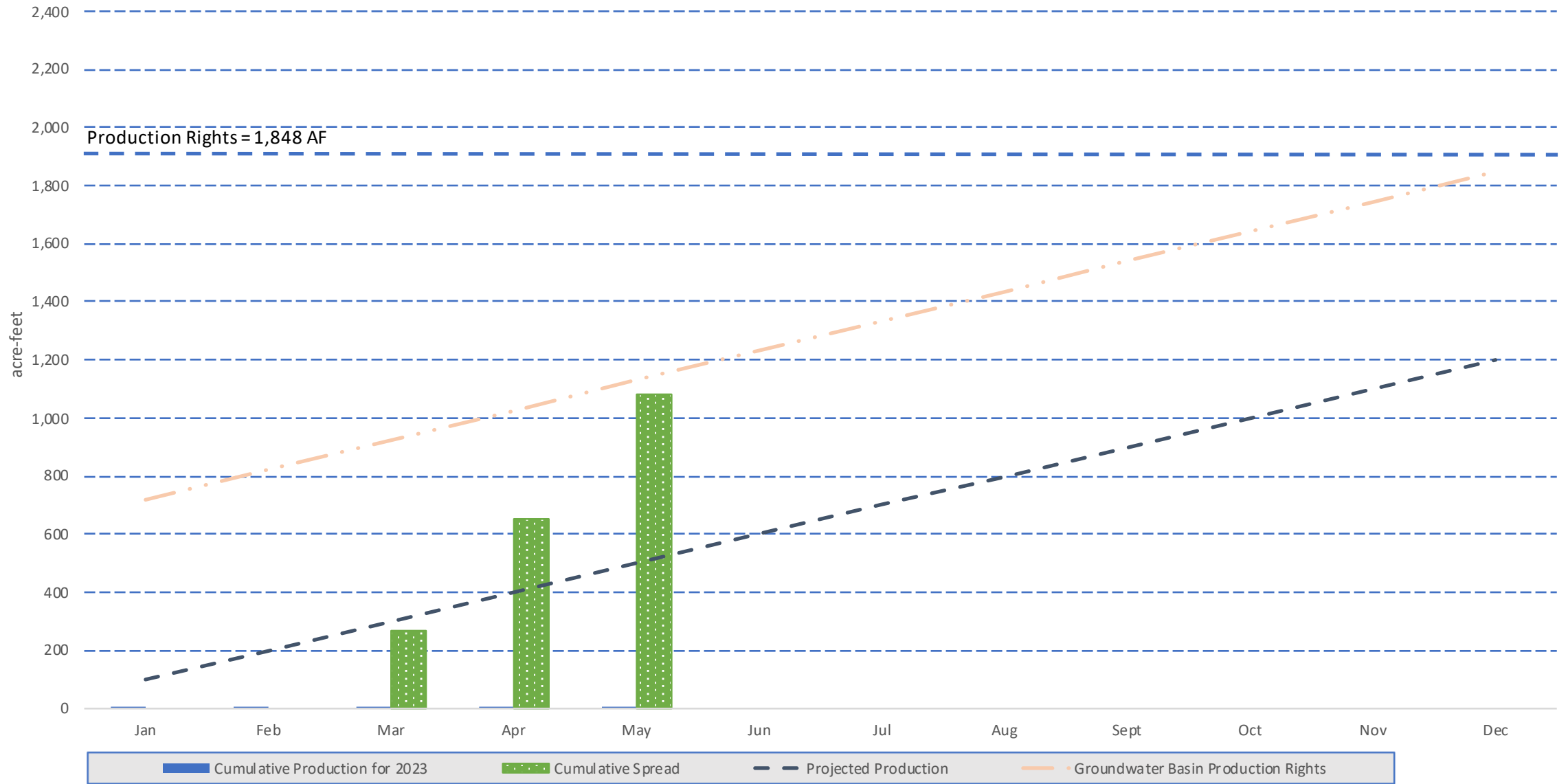
23-24 Chino Basin Cumulative



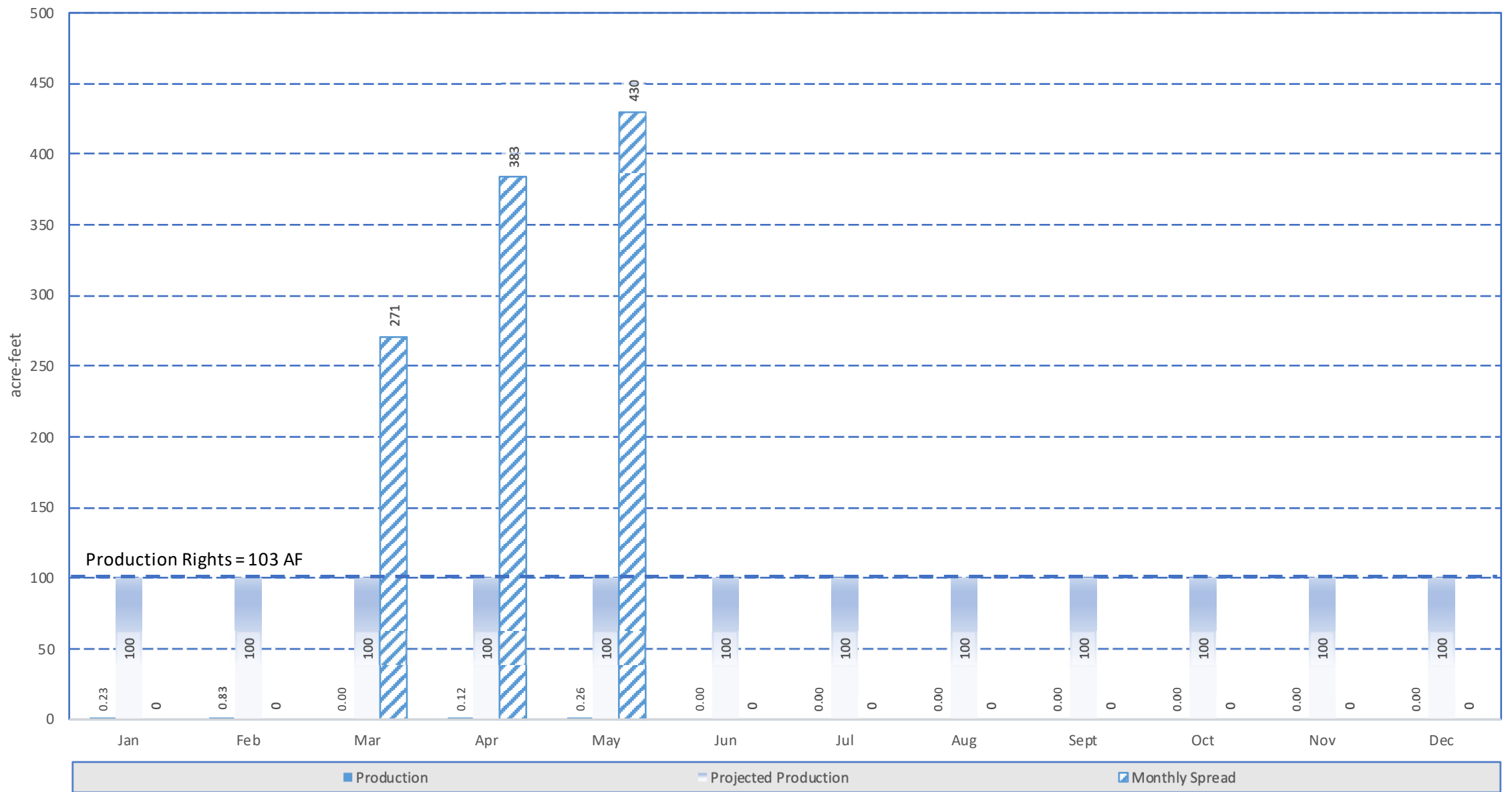
24-25 Chino Basin Cumulative



2024 Chino Basin Cumulative

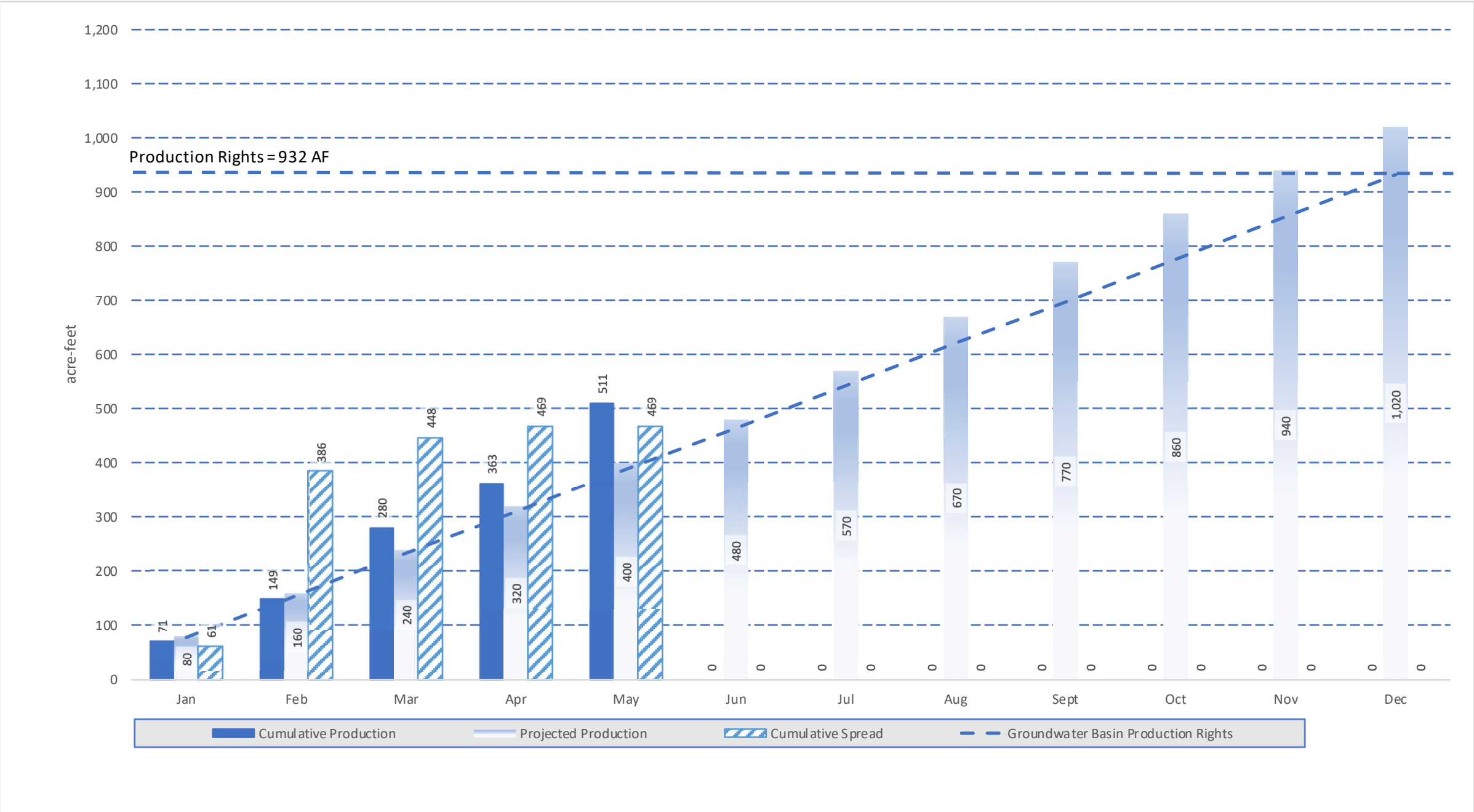


2024 Chino Basin Monthly

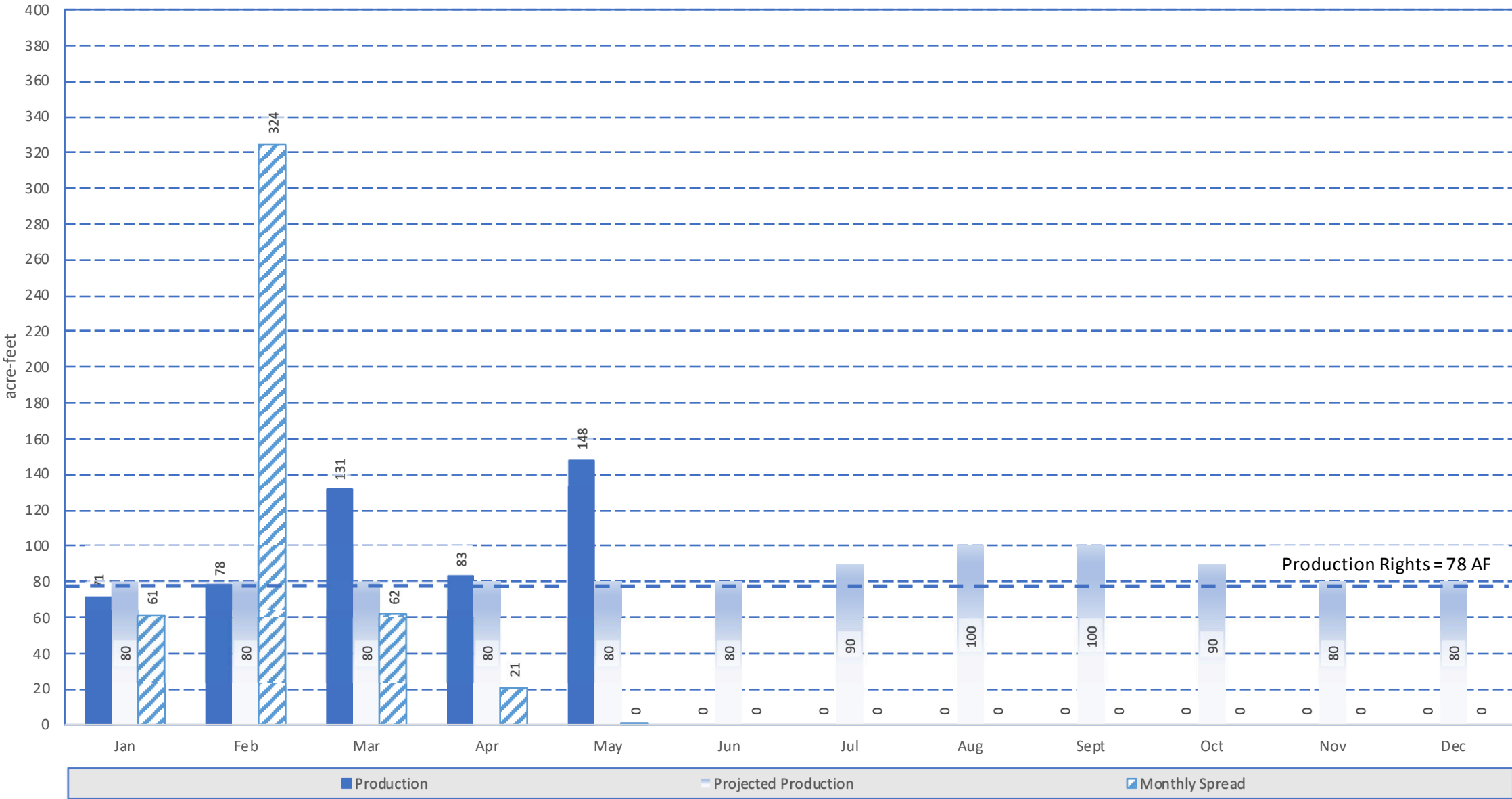




2024 Six Basins Cumulative



2024 Six Basins Monthly



A. Water Supply through May 2024

- Annual entitlement for CY2024 is 13,000 AF
  - Cumulative yearly production is 7,325 AF
  - Cumulative yearly consumption was 3,339 AF
  - Cumulative yearly spread was 3,929 AF
  - Cumulative unaccounted water was 57 AF

Six Basins Production for 2024

- Annual production right is 932 AF.
- Cumulative production is 511 AF.  
*Production is sent to the WFA treatment facility to meet City of Ontario and MVWD entitlement.*
- The Company spread a total of 469 AF.

Cucamonga Basin Production for 2024

- Annual production right is 5,637 AF.
- Cumulative production was 957 AF.
- The Company spread a total of 2,377 AF.

Chino Basin Production for 2024

- Annual production right is 1,232 AF.
- Cumulative production was 1 AF.
- The Company spread a total of 1,084 AF.

Surface Water (San Antonio Creek) flow for 2024

Total flow was 4,231 AF.

Tunnel flow for 2024

San Antonio Tunnel flow was 1,179 AF.  
Frankish and Stamm Tunnel flow was 438 AF.

B. Company Stock

Zero (0) shares of water stock moved from active to dormant this transfer period.  
One and one-quarter (1 1/4) shares of water stock moved from dormant to active this transfer period.

C. Communication and Information Activities

Quarterly Spring Newsletter was mailed via email to approximately 550 shareholders.

D. Administration Matters

Meetings of interest:

- none

E. Groundwater Basin Matters

Chino Basin -

2024/25 Budget – Watermaster is currently working through a proposed budget for 2024/25. Multiple workshops have been held and discussions in pool, advisory and board meetings. The proposed budget is \$10.5M, an increase of \$700k over the 23/24 budget. Primary drivers of the increase are engineering studies and new debt payments.

Safe Yield – CBWM has begun discussions on the court mandated 2025 safe yield reset.

Spread Water from SAWCo - Application to spread 2,500 AF per year for years 21/22 through 25/26 was approved by WM Board in July, 22. We started spreading water in January 2023.

## Prominent Issues Report

**Agenda Item No. 4H**  
Agenda Date: June 18, 2024

### Legal Issues-

No update to report

### Six Basins –

There was a meeting held on May 22, 2024. No update to report.

The next meeting will be June 26, 2024.

### Cucamonga Basin –

There was a meeting held on June 4, 2024. No update to report.

**Agenda Item No. 4I**

Item Title: Projects and Operations Update

Purpose:

To update the Board and Shareholders on Company capital projects.

Updates:

1507 – Office Relocation

The Board approved a design and construction management contract at its March 2023 regular meeting. Contract has been executed and Architect is currently working on plans. Consultant has started discussions with Edison regarding eastern easement onto property. Company hired a CEQA consultant in May 2024. Architect hired civil engineering, geotechnical and survey subconsultants in May 2024.

Original Budget .....	\$4,000,000
Original Contracts .....	\$283,550
New Contracts or Authorized Change Orders .....	\$163,550
Current Contracts .....	\$447,100

1602 – Holly Drive Reservoir, Phase 3

Proposed construction of a second 120,000-gallon tank at the Holly Drive Tank site. Professional services agreement has been fully executed. Contract has been executed. Coating has been completed. Permit amendment has been submitted to the State. Contractor waiting on final delivery of internal plumbing. Project nearing completion. State inspection occurred last week. Waiting on State Permit. Tank has been permitted by the State and is in service. Project is completed and in the process of close-out.

Original Budget .....	\$985,260
Original Contracts .....	\$985,260
Authorized Change Orders .....	NA
Current Contracts .....	\$985,260

1902 – Cucamonga Crosswalls Mitigation

TKE Engineering is working with staff to close out certain State and Federal Permits. Staff is also looking into long-term maintenance permits that will allow the Company yearly access to the site for clearing and grubbing.

2303 Well 19 Production Well

Project approved at September 2023 Board Meeting. Production Well drilling was completed on Nov 8 and casing/screen installation has been completed. Drilling and installation has completed. Flushing and testing is completed. Full 24-hr flush test is completed. Initial testing indicates near 2,000 gpm of good quality water. Contractor has demobilized from site. Engineer working to finalize project.

Original Budget .....	\$1,600,880
Original Contracts .....	\$1,600,880
Authorized Change Orders .....	\$0
Current Contracts .....	\$1,600,880

2201 Paloma Hydraulic Break

Predesign meeting was held in June and consultant is working on a predesign report. Survey has been completed and predesign work is ongoing. Engineer is currently reviewing elevations and flow to determine best solution. Predesign meeting held to discuss difficulty in controlling flow at such high static head. Options were discussed and engineer is reviewing.

Original Predesign Budget	\$40,000
Original Design/Const. Budget	\$1,080,000
Original Contracts	\$39,750
Authorized Change Orders	NA
Current Contracts	\$39,750

2203 Well 31 Pipeline

Project budgeted in the 2022 year. Replace approximately 1,400 linear feet of 14” pipeline from Well 31 delivering water to facilities at Golf Club Drive along backside of homes and within Upland Hills Country Club waterline easement. Abandon aged pipeline. The current steel pipeline was installed before 1976 and has exceeded its useful life. Identified by staff as a high maintenance pipeline. Design contract has been awarded and predesign meeting has occurred. Base maps are completed and alignment is being discussed between engineer and staff. Staff met with design engineers to finalize alignment. Engineers are currently working on 60% bid package. Staff anticipates bidding project in early Summer.

Original Budget .....	\$420,000
Original Contracts .....	\$0
Authorized Change Orders.....	NA
Current Contracts .....	NA

2204 GIS Update

At the August Special Meeting, the Board authorized a contract with WSC to update the Company’s GIS maps. Contract has been executed. Consultant working on updates. WSC conducted training and system review with staff in May. Staff is providing field updates into the GIS system for consultant to correct on a quarterly/half year basis.

Original Budget .....	\$11,110
Original Contracts .....	\$11,110
Authorized Change Orders.....	NA
Current Contracts .....	\$11,110

Item Title: Updated Employee Manual

Purpose:

Bring the Company's Employee Manual up to date

Issues:

Legal Council has conducted a review of the Company's Employee Manual, editing for compliance with current State employment law and Company practices

Manager's Recommendation:

Approve proposed modernized Company Employee Manual

Background:

The Company's Employee Manual (Employee Handbook) is a compilation of policies and practices related to expectations and legal requirements of employment at San Antonio Water Company. Each employee is provided a copy of the updated manual and required to sign an acknowledgement that they have received said copy.

The proposed updated manual was brought to the AFC at its regular 2024 May meeting. The AFC unanimously recommended approval by the Board.

Previous Action:

The Employee Manual was last updated in August 2020

Impact on Budget:

Updating the Employee Manual has no direct impact to the budget

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# WELCOME TO OUR TEAM

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## GENERAL MANAGER'S MESSAGE

Welcome to the San Antonio Water Company. By joining our team, you become part of a historically significant and progressive organization that dates back to 1882. I look forward to your contribution continuing the progress and future development of our Company.

As an organization, we value individual qualities such as courtesy, helpfulness, a willingness to learn and a creative spirit. The aim of the Company is to provide a productive working environment that fosters personal growth, meets Company goals and ensures quality products and services to our shareholders.

The Company provides this policy manual to familiarize you with work-related rules, benefits, policies and procedures. The policies contained in this manual help answer the most basic questions about your workplace and provide you guidance on what the Company expects of you. The policies do not create any contract right, or contract of employment; and the Company may modify the policies at its discretion in accordance with law at any time with due notice. We ask that you take the time to carefully read the employee handbook in order to obtain a clear understanding of these expectations.

## HISTORY AND ORGANIZATION OF THE COMPANY

The San Antonio Water Company's history spans multiple centuries and involves no less than three nations; Spain, Mexico and The United States. We are one of the oldest mutual water companies in the nation and extremely proud of our heritage. The genesis of our story predates the United States of America and the State of California.

In 1771, four years prior to the Declaration of Independence, the Mission San Gabriel was established by Spaniards of the Franciscan order. It was the fourth of twenty-one Spanish missions established in California along the El Camino Real. Given the remote locations of California missions at the time, self-sufficiency was critical to survival. To that end, the missionaries established rancherias surrounding Mission San Gabriel to provide food and supplies. Along with dozens of other rancherias, Cucamonga was established for cattle grazing in support of the Mission.

In 1821 Mexico (including the lands of Alta California) gained its independence from Spain. The Mexican secularization act of 1833 removed most of the mission's property rights, transferring to the Mexican government those lands granted to the Franciscan missions by the Spanish crown.

In 1839 the 13,045-acre rancheria Cucamonga (and its water rights) was granted by the Mexican Governor of California to Tiburcio Tapia, a wealthy Los Angeles merchant. As an unencumbered

property right, this land grant established Rancho Cucamonga under private ownership. Tapia is also credited with planting the first grape vines in the area.

Marking the end of the Mexican American war, the Treaty of Guadalupe Hidalgo, signed in 1848, ensured that previous land grants and associated water rights would be honored by the American government in its newly acquired California territory. California was admitted as the 31<sup>st</sup> State of the Union on September 9, 1850. The US Government officially recognized the Rancho Cucamonga land grant to Leon V. Prudhomme in 1872. For the next 30 some-odd years the Rancho transferred ownership several times, including some family intrigue and an unsolved murder as a back-story.

In 1882 Canadians George and William Chaffey purchased 8,000-acres of the Cucamonga Rancho, including the water rights, and established an irrigation colony which they named Ontario, in honor of their homeland. On October 25, 1882 they also established the San Antonio Water Company under the General Corporation Laws of the United States. Those rancheria water rights established way back in the 1700's, passed down from owner to owner, were transferred to the Company to support the newly established irrigation colony.

The brother's vision was to develop a Mutual Water Company whose members shared equally in the locally available water supply. They sold irrigation colony land in 10-acre blocks, primarily intended for the booming citrus industry. Along with the land, the brothers sold shares in the Company, one share for each purchased acre. Each shareholder was entitled to a portion of available local water, distributed equally by the company amongst all the shareholders. The Company was responsible for distributing water on a non-profit basis to the shareholders.

Since 1882 the Company has consistently provided water service to its shareholders. Although the local citrus industry has largely disappeared, the Company maintains delivery to current shareholders utilizing the same successful 'per share' distribution plan established over 135 years ago.

A major component of the Company's water system is the incredible San Antonio tunnel. The tunnel is built into the head of the San Antonio Canyon about 90 feet below the ground surface. Groundwater percolating through the alluvium collects in the tunnel and, after chlorination, is channeled into the Company's potable water system.

## **CORE VALUES**

We believe our Company has succeeded over the course of its long history as a result of our established core values. These core values reflect what is truly important to the organization. They

do not change from time to time, situation to situation or person to person, but rather they are the foundation of our Company's culture.

San Antonio Water Company's core company values create a framework within which individuals are free to contribute to the long-term prosperity of the business.

As a Company we value:

- High standards of business ethics and personal integrity. We believe that doing what is right, in accordance with the Company's core values, will enhance the perception of its shareholders and its counterparts.
- Personal growth through continuing education and certification, thereby reinforcing the confidence of our shareholders in our ability to provide excellent water quality.
- Respect for the dignity and importance of all staff members and their contribution towards achievement of the Company's objectives. We are committed to creating a workplace where employees are encouraged to strive for their personal best.
- Teamwork. We seek to support each other and make choices that put team before individual performance. The strength of our team relies on our combined experience and expertise working in unison. We know that our best work is produced by collaboration and supporting each other every day. Team mentality also extends to our customers as we approach every relationship as a partnership and work collaboratively with each other to meet our goals.
- Cost effectiveness and efficiency. We encourage our employees to contribute their ideas for improving our business and operational processes.
- Safety. We are committed to ensuring a work environment that is clean, orderly and safe.
- Following through on our commitments as management and employees. We pledge accountability to our shareholders and employees for achieving our commitments, results, and quality.

Our continued vision is to achieve the following goals:

- Be the place where the best people choose to work - to encourage creative thinking and reward performance in appropriate, measurable ways.

- Embrace change, growth, and diversity.
- Seize every opportunity to serve our shareholders better through expanding services, staff culture, education, and technological development.
- Enable our employees to realize their full potential by encouraging self-development and professional growth.

## CORPORATE COMMITMENT

“To provide our shareholders with reliable and good quality water  
service at a cost-effective rate.”

Achieving this commitment to our shareholders and customers is the first responsibility of every staff member.

# GENERAL EMPLOYMENT POLICIES

---

## AT-WILL EMPLOYMENT

Your employment with the Company is on an At-Will basis. This means you are free to leave your employment at any time, with or without cause or notice, and the Company retains the same right to terminate your employment at any time, with or without cause or notice. Nothing in this handbook or in any document or statement, including benefit plan descriptions, creates or is intended to create a promise or representation for your continued employment, or limits your rights or the rights of the Company to terminate the employment relationship at any time.

No manager, supervisor or employee of the Company has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than on an at-will basis. Only the Board of Directors of the Company has the authority to make any such agreement, and then only in writing.

## CATEGORIES OF EMPLOYMENT

The Company utilizes several categories of employment that define eligibility for benefits and determine eligibility for payment of overtime under the Fair Labor Standards Act and applicable state law. These categories are:

- **Regular full-time position:** Employees work a full-time schedule (40 hours a week) on a continuing basis and are eligible for benefits as defined by Company policy (see *Time Off* and *Benefits* sections).
- **Regular part-time position with benefits:** Employees work a partial schedule of 30 hours and over per week on a continuing basis. ~~These employees are eligible to receive paid time off and medical insurance and are eligible for benefits as defined by Company policy (see *Time Off* and *Benefits* sections).~~
- **Part-time position:** Employees work a partial schedule of less than 30 hours per week on a continuing or limited basis. These employees are eligible to receive paid sick time off as mandated by State and Federal law.

In addition, all Company positions are classified according to their coverage under the Fair Labor Standards Act (FLSA) and applicable state law regarding the payment of overtime. Your position is classified as either exempt or non-exempt.

- **Exempt positions** include, but are not limited to, some managers, supervisors and others who are paid on a salary basis for performing particular functions.. Exempt employees are

paid a bi-weekly salary that is intended to compensate them for the completion of their job responsibilities and are not entitled to overtime pay.

- **Non-exempt positions** are all other types of positions that entitle employees to overtime pay for hours worked in compliance with applicable state and federal law.

Your exempt/non-exempt category may change if you transfer to another position. In considering a transfer, the Company will notify you if your exempt/nonexempt classification will change and explain how this change will affect your overtime status and any other Company benefits.

If employment is reduced from full-time to part-time, your benefits will also be adjusted in accordance with Company Benefits policies. Your supervisor is available to assist you in understanding the effects of employment status changes on your benefits.

## EQUAL EMPLOYMENT OPPORTUNITY

As part of the Company's Equal Employment Opportunity, and in accordance with federal and state law, the Company is committed to providing you with a professional work environment free of harassment and discrimination ~~based on a protected category, against employees, applicants, or any other covered persons, including interns, by co-workers, supervisors, managers, or third parties on the basis of a person's race, color, age (40 or older), religious creed (including religious belief, observance, and practice; and dress or grooming practices), national origin, ancestry, physical disability, mental disability, medical condition (including any cancer-related physical or mental health impairment from a diagnosis, record, or history of cancer; or a genetic characteristic) genetic information (including information about an individual's genetic tests, family members' genetic tests, family members' diseases or disorders, an individual's or family member's receipt of, or request for, genetic services; and participation by an individual or their family member in clinical research that includes genetic services), marital status, sex (including pregnancy, childbirth, breast feeding; or medical conditions related to pregnancy, childbirth, or breast feeding), gender, gender expression (meaning a person's gender-related appearance or behavior, the perception of such appearance or behavior, whether or not stereotypically associated with the person's sex at birth), gender identity (meaning a person's internal understanding of their gender, or the perception of a person's gender identity, which may include male, female, a combination of male and female, neither male or female, a gender different from the person's sex assigned at birth, or transgender), sexual orientation (including heterosexuality, homosexuality; and bisexuality), military or veteran status (including past, current, or prospective service in the uniformed services), reproductive health decision-making, or any other characteristic protected under applicable federal, state, or local law.~~ In addition, the Company is committed to providing you with an environment free from retaliation for participating in any protected activity. Accordingly, we have adopted and maintain this discrimination and harassment prevention policy designed to encourage professional and respectful



behavior and prevent discriminatory and harassing conduct in our workplace. We will implement appropriate corrective action(s), up to and including formal discipline, in response to misconduct that violates policy, even if the violation does not rise to the level of unlawful conduct.

This policy applies to all executives, employees, applicants and agents of the Company, including contractors, interns and volunteers regardless of status.

## **Policy Against Discrimination, Harassment and Retaliation**

### **Discrimination**

In accordance with federal and applicable state laws and regulations, the Company encourages workplace diversity and will not discriminate against ~~any applicant or employee because of race, color, religion, religious creed, sex, (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, medical condition, age (40 years and over), veteran or military status or any other considerations made unlawful by federal, state or local law~~ any employees, applicants, or any other covered persons, including interns, by co-workers, supervisors, managers, or third parties on the basis of a person's race, color, age (40 or older), religious creed (including religious belief, observance, and practice; and dress or grooming practices), national origin, ancestry, physical disability, mental disability, medical condition (including any cancer-related physical or mental health impairment from a diagnosis, record, or history of cancer; or a genetic characteristic) genetic information (including information about an individual's genetic tests, family members' genetic tests, family members' diseases or disorders, an individual's or family member's receipt of, or request for, genetic services; and participation by an individual or their family member in clinical research that includes genetic services), marital status, sex (including pregnancy, childbirth, breast feeding; or medical conditions related to pregnancy, childbirth, or breast feeding), gender, gender expression (meaning a person's gender-related appearance or behavior, the perception of such appearance or behavior, whether or not stereotypically associated with the person's sex at birth), gender identity (meaning a person's internal understanding of their gender, or the perception of a person's gender identity, which may include male, female, a combination of male and female, neither male or female, a gender different from the person's sex assigned at birth, or transgender), sexual orientation (including heterosexuality, homosexuality; and bisexuality), military or veteran status (including past, current, or prospective service in the uniformed services), reproductive health decision-making, or any other characteristic protected under applicable federal, state, or local law.

All decisions affecting your employment, at all job levels, are to be made on the basis of your qualifications as to the job-related requirements of the position. A description of your rights under federal and state Equal Employment Opportunity law is posted in our offices.

~~Employees are encouraged to promptly report complaints of alleged discrimination to the General Manager or a member of the Board of Directors. A serious, comprehensive and timely investigation will be conducted of all complaints. If unlawful discrimination has occurred, effective remedial action will be taken, consistent with the severity of the offense. Appropriate steps will also be taken to prevent any future unlawful discrimination from occurring. No action will be permitted by any manager or employee in retaliation against an employee for filing a discrimination complaint.~~

## Harassment

The Company follows a zero-tolerance policy in maintaining a workplace free from harassment of any kind from any source. Conduct does not need to rise to the level of a violation of the law to violate this policy. This includes not condoning “jokes” or derogatory comments or slurs aimed at the race, color, religion, sex, age, national origin, sexual orientation or disability of any individual, even if made without malice.

Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creates an intimidating, hostile, or offensive working environment.

Harassing conduct can take many forms and includes, but is not limited to:

- Verbal harassment, e.g., jokes, epithets, derogatory comments, or slurs (on the basis of protected categories, including but not limited to, sex, race, national origin, etc.);
- Physical harassment, e.g., assault, impeding or blocking movement, or any physical interference with normal work or movement when directed at an individual (on the basis protected categories, including but not limited to, of sex, race, national origin, etc.);
- Visual harassment, e.g., derogatory posters, cartoons, or drawings (on the basis of protected categories, including but not limited to, sex, race, national origin, etc.); and
- Sexual favors, e.g., unwanted sexual advances which condition an employment upon an exchange of sexual favors.

Sexual harassment does not need to be motivated by sexual desire to be unlawful or to violate this policy. This list is not a complete list of what may be deemed to be harassment under the law. As a general guideline, however, problems in this area can be avoided if we act professionally and treat each other with respect.

Actions or words that harass or intimidate fellow employees are expressly forbidden and will not be tolerated by the Company. Similarly, the Company will not tolerate harassment by employees of non-employees with whom the Company employees have a business, service, or professional

relationship. The Company also will take all reasonable steps to protect employees from harassment by non-employees in the workplace.

You are expected to treat all other employees and members of the public with respect. You are responsible for refraining from harassment and other inappropriate behavior.

## **Retaliation**

The Company has a strong commitment to prohibiting and preventing retaliation in the workplace. Retaliation occurs when adverse conduct is taken against a covered individual because of the individual's protected activity. "Adverse conduct" may include but is not limited to: disciplinary action, counseling, taking sides because an individual has reported harassment or discrimination; spreading rumors about a complainant or about someone who supports or assists the complainant; shunning or avoiding an individual who reports harassment or discrimination; or making real or implied threats of intimidation to prevent or deter an individual from reporting harassment or discrimination.

The Company prohibits retaliation against employees, independent contractors, interns, volunteers, or persons providing services pursuant to a contract, or their family members, for having reported misconduct, having engaged in or perceived to have engaged in protected whistle-blowing activities, having participated in any workplace investigation, or having reported a violation of a local, county, state or federal law to a government agency or to your supervisor. Further, the Company prohibits retaliation for requesting accommodation for a disability or religious beliefs, regardless of whether the accommodation request was granted. In addition, the Company prohibits retaliation against an employee because the employee refuses to report to the worksite or refuses to leave the worksite based on the employee's reasonable belief that the worksite is unsafe during emergency conditions.

## Complaint Process

If you believe you have been subjected to treatment in violation of ~~this policy~~ discrimination, harassment or retaliation, you should immediately make a written or oral complaint to your supervisor, the General Manager or a member of the Board of Directors. The complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant and any documentary evidence (notes, pictures, cartoons, etc.).

All complaints will be treated with the utmost seriousness. A comprehensive and timely investigation will be conducted of all complaints. Every possible effort will be made to ensure the confidentiality of individuals filing complaints. Complete confidentiality cannot always be assured because of the need to fully investigate and the duty to take effective remedial action. The investigation will be documented and tracked for reasonable progress.

Any employee found to be responsible for discrimination or harassment in violation of this policy will be subject to appropriate discipline up to and including termination. The severity of the action taken will be based upon the facts determined during the investigation and the circumstances of the offense.

If you observe what you believe to be a violation of this policy, you must report the situation immediately to the General Manager or a member of the Board of Directors, even if the employee directly affected asks that “nothing be done about it” or says that it has been satisfactorily resolved. If you are a supervisor or manager, you have a particularly significant obligation and must report any apparent violations of this policy.

The Company will not retaliate against an employee for filing a complaint, and will not tolerate or permit retaliation by management, employees or co-workers. Any incidents of further harassment

or retaliation should be reported immediately to a supervisor, the General Manager or a member of the Board of Directors.

This policy applies to all executives, employees, applicants and agents of the Company, regardless of status.

~~In addition to the Company's internal complaint procedure, you should also be aware that the federal Equal Employment Opportunity Commission (EEOC) investigates and prosecutes complaints of unlawful harassment in employment. If you believe you have been unlawfully harassed, you may file a complaint with this agency. Further, the California Department of Fair Employment and Housing (DFEH) fulfills the same functions as the EEOC and also accepts and processes complaints of unlawful harassment. Both the EEOC and the DFEH serve as neutral fact finders and attempt to help the parties voluntarily resolve disputes. For more information, contact the General Manager. You may also contact the nearest office of the EEOC or the DFEH as listed in the telephone directory.~~

Any employee determined by the Company to be responsible for harassment, discrimination, retaliation, or other prohibited conduct will be subject to appropriate disciplinary action, up to, and including termination. If you, as an employee, are found to have engaged in sexual harassment or if you, as a supervisor or manager, know about the conduct and condone or ratify it, you may be personally liable for monetary damages. The Company will not pay damages assessed against you personally. In addition, the Company will take appropriate disciplinary measures -- termination is one possible action -- against any employee who engages in sexual harassment.

An individual who presents a knowingly false or frivolous claim that is proven to be untrue could be subject to civil repercussions from the falsely-accused party.

### **Other Options for Reporting**

In addition to notifying the Company about harassment, discrimination or retaliation complaints, employees can contact the Equal Employment Opportunity Commission (EEOC), the federal agency that resolves sexual harassment claims. To contact the commission, consult directory, assistance for Washington, D.C. or write to Equal Employment Opportunity Commission, 131 M Street, NE, Washington, DC 20507.

In addition, if an individual believes that he or she has been discriminated against, the worker may file a complaint with any local U.S. Department of Labor, Wage and Hour Division (WHD) office. All complaints are confidential and investigations are conducted in such a manner so as to protect confidentiality.

Affected California employees may also direct their complaints to the California Civil Rights Department ("CRD"), which has the authority to conduct investigations of the fact. The deadline for filing complaints with the CRD is three years from the date of the alleged unlawful conduct. If CRD believes that a complaint is valid and settlement efforts fail, the CRD may seek an

administrative hearing before the California Civil Rights Counsel (“CRC”) or file a lawsuit in court. Both the CRC and the courts have the authority to award monetary and non-monetary relief in meritorious cases.

California employees can contact the nearest CRD office by consulting your local telephone directory under State Government Offices or ask directory assistance for the number of the California Civil Rights Department headquartered in Sacramento or write to the California Civil Rights Department, 2218 Kausen Drive, Suite 100, Elk Grove, CA 95758.

## **ACCOMMODATION OF DISABLED APPLICANTS AND EMPLOYEES**

In accordance with the Americans with Disabilities Act (ADA) and other laws and regulations, the Company will not discriminate against anyone because of a disability. The Company is committed to ensuring that individuals with qualified physical or mental disabilities receive equal employment opportunity. The Company will provide reasonable accommodations to individuals with qualified disabilities, provided the reasonable accommodation does not create an undue hardship to the Company or pose a direct threat to the health or safety of others in the workplace or to the requesting employee. This policy extends to all applicants and employees and extends to all aspects of the Company’s employment practices, including recruiting, hiring, discipline, transfer, promotion, medical examination, job assignment, training, compensation, benefits, leaves of absence, performance appraisal and Company-sponsored educational, social and recreational activities.

Reasonable accommodations will be made to enable you to perform the essential functions of a job, provided they will not impose an undue hardship on the Company with respect to significant costs and expenses, operational needs and safety considerations. Accommodations may include acquisitions and modifications to equipment or facilities to make them readily accessible and usable, part-time or modified work schedules, job restructuring, reassignment to a vacant position, appropriate modifications to materials or policies, provision of qualified readers and interpreters and similar other accommodations. Accommodations will vary from case to case and will be evaluated on an individual basis.

If you need to request accommodation to perform the essential functions of your job, you should submit a written request, along with medical verification and a statement of the accommodation

you need, to your Supervisor or the General Manager. It is the Company's intent that determining appropriate accommodations will be an informal, interactive, problem-solving process between you and the Company. The final determination as to whether your disability can be reasonably accommodated is made by the General Manager, in consultation with you, your Supervisor and your health care provider.

The Company reserves the right to require an examination by a Company-appointed physician at the Company's expense to make a determination regarding your fitness to continue to perform the essential functions of your position without undue risk to yourself or others. This examination will be based on current medical knowledge and the best available objective evidence, including input from you and your experience in your job. If a determination is made that a direct health or safety risk exists, the General Manager will work with you, your supervisor and your doctor to determine whether a reasonable accommodation can be made to eliminate or minimize the risk.

## **NEW HIRE REQUIREMENTS**

The Company relies on the accuracy of information contained in data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or omissions of information on a job application, personnel form, or any other document may result in the exclusion of the individual from further consideration for employment, or, if the person has been hired, termination of employment.

As a condition of employment, each new employee must complete, sign and date the Employment Eligibility Verification (I-9) Form and present documentation establishing identity and employment eligibility prior to the first day of employment.

Depending on the position, the employee may be required to present certification or licensure and/or take and pass a background test that includes fingerprinting, a physical examination and a drug screening test prior to hire.

## **EMPLOYMENT OF RELATIVES AND INDIVIDUALS WITH PERSONAL RELATIONSHIPS**

Immediate and extended family of employees and/or other individuals with whom employees have close personal or romantic relationships may not be employed by the Company in a capacity in which one individual has a direct supervisory (or higher level management responsibility) relationship with the other or in any position in which a potential conflict of interest exists, consistent with applicable law.

This policy applies equally to employees who become related or enter a close personal or romantic relationship following their employment. The Company will make every reasonable effort to accommodate these employees. However, if reasonable accommodation cannot be made within 60



calendar days, only one employee will be permitted to continue employment within the same department. The decision as to which individual will remain with the Company should be made by the affected employees within an additional 30 days. If the employees do not make the decision, it will be made by the General Manager, based on consideration of factors such as quality of performance, comparative need for skills and experience, length of service or other appropriate factors. If co-employees marry, the Company will make reasonable efforts to assign job duties so as to minimize problems of supervision, safety, security or morale.

### **Family Definitions**

The Company defines immediate family as employee's:

- Child including biological, foster or adopted child, stepchild, legal ward, child of a registered domestic partner or child of a person standing in loco parentis
- Spouse or Registered Domestic Partner
- Parent including biological, foster or adoptive parent, stepparent or legal guardian
- Grandparent
- Grandchild
- Sibling including stepfamily and in-laws

The Company defines extended family as employee's

- Aunt or uncle
- Niece or nephew
- Cousin

### **Domestic Partners**

In compliance with the California Insurance Equality Act, the Company offers domestic partners of eligible Company employees equal access to its employee benefits programs, including health and dental plans, disability, life, sick leave benefits (if applicable) and bereavement leave benefits. To obtain these benefits, you and your domestic partner must meet the following conditions:

- Must be in a committed and mutually exclusive relationship in which you are jointly responsible for each other's welfare and financial obligations.
- Must reside together in the same principal residence and intend to do so indefinitely.
- Must be 18 years of age or older, unmarried and not blood relatives.
- You are both either, (i) of the same sex; or (ii) of the opposite sex.
- Have filed a Declaration of Domestic Partnership with the California Office of the Secretary of State.

To obtain domestic partner benefits, you are required to submit the following:

- A copy of the Declaration of Domestic Partnership filed with the California Office of the Secretary of State.

- A California driver's license or identification card for both you and your domestic partner. The addresses on the respective licenses or identification cards must match one another and be the same as your address of record with the Company; the application cannot be processed until all addresses are consistent with one another.
- If you have a domestic partner and are in the process of divorcing a spouse, your application cannot be processed earlier than one year from the effective date of divorce, regardless of how long you have been living with your domestic partner.

You are not required to enroll in a health and/or dental plan in order to file a copy of the Declaration of Domestic Partnership. The Declaration may be filed at any time. However, if you wish to enroll your domestic partner and his/her dependent children in a health or dental plan, you may do so only at specified times:

- Within 60 days of your employment date, or returning from a non-pay status in which you did not make direct payments, resulting in cancellation of benefits;
- During an annual Open Enrollment Period; or
- Within 30 days of you meeting the domestic partner definition.

If you choose to enroll a domestic partner in a health plan, you will be responsible for paying income taxes on the additional amount of health care subsidy paid by the Company to provide coverage for your domestic partner and his/her dependent children (per the Internal Revenue Service). Any questions regarding the tax consequences of adding a domestic partner to your benefits should be discussed with your tax professional.

## **NON-SOLICITATION/NON-DISTRIBUTION POLICY**

Solicitation is prohibited while you and your co-workers are on work time and in a work area. Additionally, employees' distribution of advertising materials, handbills and literature of any kind unrelated to Company business or events is prohibited in work areas at all times.

“Work time” is all the time that you and your co-workers are being paid and/or are scheduled to perform work for the Company. It does not include meal periods, break periods or periods of time you are not scheduled to work for the Company (e.g. before your starting time).

“Work area” includes Company offices, workstations, facility sites and other office service areas, such as printer and copier locations and hallways within work areas. It does not include break rooms, lunchrooms and other similar areas in which regular work is not performed.

Solicitation by or distribution of advertising materials, handbills, and literature of any kind by non-employees is prohibited on Company property, including buildings and parking lots, at all times.

# YOUR POSITION AND PAY

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## WORK HOURS

The Company's established hours of service are as follows:

### Office Employees

- ~~7:00~~6:45 a.m. to ~~5:00~~5:30 p.m. Monday through Thursday.
- ~~7:00am to 4:00pm every other Friday.~~
- The Company is closed on ~~the other~~ Fridays.

~~The workweek for Office Employees begins on Friday at 11:00 am and ends on Friday at 10:59am.~~

### Field Employees

- ~~6:30~~6:00 a.m. to ~~4:00~~4:30 p.m. (may vary with Standby Duty) Monday through Thursday.
- ~~6:30am to 3:00pm every other Friday.~~
- The Company is closed on ~~the other~~ Fridays.

The workweek for Field-all Employees begins ~~on Friday at 10:30 am and ends on Friday at 10:29 am~~ at 12:00 a.m. on Monday and ends at 11:59 p.m. on the following Sunday.

The Company endeavors to be flexible and reasonable in considering requests for alternative work hours. You may submit a request for adjusted work hours Monday through Thursday to your manager. ~~You may not submit requests to adjust your work hours on Friday, unless it is for an unplanned or emergency adjustment.~~ Your request will be favorably considered provided your adjusted hours will not adversely affect the operations of your section or crew or cause inconvenience to Company customers.

You are expected to be at your desk, workstation or work location at the start of your scheduled shift, ready to perform work and to work to the end of your work schedule. You are also expected to remain at work for your entire work schedule, except for meal periods or when authorized to leave. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

If you are an exempt employee, you are expected to work the necessary hours to successfully accomplish your assigned work responsibilities, even when this exceeds the normal workweek. You are expected to manage your work schedule, beginning and ending work times in a manner that ensures the Company's business and operational requirements are met.

## LUNCH AND REST PERIODS

Non-exempt field employees are provided a mandatory thirty minute unpaid, uninterrupted meal period. Non-exempt office employees are provided a mandatory ~~sixty-fourty-five~~ minute unpaid, uninterrupted meal period. A meal period is an unpaid period when employees are relieved of all work duties and responsibilities, generally for the purpose of consuming a meal. During the meal period break, employees may not perform any work-related activities.

If non-exempt employees work more than five hours, they will be scheduled for one unpaid meal break, to begin after working no more than five hours. Unless a second meal period waiver is signed, nNon-exempt employees working more than 10 hours will be scheduled for a second meal break to begin after working no more than 10 hours of work. If your work day is no more than six hours, the meal period may be waived by mutual consent of you and your manager. The second meal period can only be waived by mutual consent if you work no more than 12 hours and if your first meal period was not waived.

Non-exempt employees are also allowed paid ten-minute rest periods for every four hours of work or major portion thereof. You will schedule your meal and rest periods to ensure adequate work coverage in your work area or unit.

You are required to use your full meal and rest periods and not work during that time. The meal period is intended to provide a time for relaxation and refreshment and should be enjoyed *away* from your work area. Using the meal period in this way is important for sustained productivity during the remainder of the workday. If for any reason your rest or meal period is interrupted by work demands, you should immediately notify your supervisor so appropriate adjustments in your pay or schedule can be made.

Consult with your supervisor about the scheduling of lunch and rest periods.

## ATTENDANCE

If you are unable to report for work on any particular day, you must notify your supervisor at least thirty minutes before the time you are scheduled to begin work for that day. If you notify less than thirty minutes before the scheduled time to begin work, you may be considered tardy for that day. In all cases of absence or tardiness, you must provide your supervisor with an honest reason or explanation. You must also inform your supervisor of the expected duration of any absence. Unless there are extenuating circumstances, you must notify your supervisor on any day you are scheduled but will not report to work on time.

If you do not report to work for three or more consecutive workdays and fail to contact the Company during that time, you are deemed to have voluntarily terminated your employment with the Company.

## **PERFORMANCE PLANNING AND APPRAISAL**

The Company follows a process of annual performance planning, ongoing performance coaching and feedback, and formal performance appraisal to accomplish the following objectives:

- To recognize and commend good performance.
- To promote open, honest, positively-oriented dialogue between employees and supervisors regarding employees' achievement of established performance expectations.
- To discuss performance expectations and work-related goals and objectives for the coming performance period.
- To promote enhancement of employee performance through communication about areas for improvement.
- To promote near- and long-term employee development efforts.

Initial performance assessments are usually conducted six months after an employee's date of hire. Subsequent performance assessments are conducted annually, within the anniversary month of your date of hire or promotion.

Unsatisfactory overall performance appraisals may result in action up to and including termination.

## **PAY FOR PERFORMANCE**

The Company follows a "pay for performance" philosophy to acknowledge and reward full-time and part-time employees' contributions and accomplishments as a result of job performance. Salary ranges are established and each position is allocated to a specific salary grade. You will be scheduled for annual performance evaluations and may receive salary increases based upon the quality of your work performance in accordance with established merit increase guidelines. Appendix A includes the current merit increase guidelines.

You are recommended for a merit increase only on the basis of competent performance that "consistently meets expectations." It is not the Company's intent to grant automatic annual increases adjustments or compensate you for reasons other than quality of performance.

Positive performance appraisals do not guarantee increases in salary or promotions. Salary increases and/or promotions depend upon many factors in addition to performance. Any salary increase due to performance will typically be applied on your hire/promotion anniversary date. Using the merit increase guidelines, your merit increase will be calculated on the basis of your overall performance evaluation and where your current salary falls within your salary range.

Merit increases require the approval of your supervisor and the General Manager.

## STANDBY DUTY

On a rotating shift basis during the week, over the weekends and on holidays, field employees will be placed on “standby duty”. Field employees shall be required to remain within a 60-minute travel time distance from the Operations Center while on standby duty.

Based on an urgent issue that initiates a “call-out,” employees are expected to proficiently perform tasks associated with pump operations, storage, treatment and setting irrigation runs.

For an employee on Standby Duty, all time spent on callouts is counted as time worked. This includes a reasonable time for travel from the point at which the employee is summoned to return to the work site and then return to the employee’s originating location or home.

If you are not on Standby Duty and are called into work outside of your normal workday or work hours, you will receive pay for a minimum of two hours of work time, regardless of whether you work a full two hours or not. Hours worked on ‘call in’ may or may not be considered overtime, depending on total hours worked during that workweek.

## TIMEKEEPING AND OVERTIME

An employee’s time sheet is the record of their hours worked, from which a payroll check is computed. Employees must accurately record all time worked on his or her timesheet. If for any reason an employee fails to sign in or signs in incorrectly, the employee should see his supervisor immediately so that the error or omission can be corrected and initialed.

Non-exempt employees who are required or permitted to work overtime receive overtime pay in accordance with applicable federal and state law. The Company will provide as much advance notice of overtime work requirements as is feasible. However, lack of advance notice is not a valid reason for employees to refuse to meet the Company's work needs.

Exempt employees are not eligible for overtime pay.

Non-exempt employees are required to obtain advance approval from their manager and/or supervisor before working overtime or hours beyond the regular work schedule. ~~Managers and supervisors must approve in advance all overtime to be worked.~~

For full-time non-exempt employees, overtime is payable as follows:

Time and one-half pay for hours *worked*:

- ~~In excess of~~ Over 9-10 hours worked in a regularly scheduled workday, Monday through Thursday, up to 12 hours

- ~~In excess of~~Over 8 hours worked in a regularly scheduled Friday workday on any day after the scheduled days
- Over 40 hours ~~of work~~worked in a workweek
- The first 8 hours ~~of work~~worked on the 7<sup>th</sup> consecutive day
- Holidays, sick time and vacation time do not count as hours worked for purposes of overtime calculations

Double-time pay for hours *worked*:

- Over 12 hours ~~of work~~worked in a workday
- Over 8 hours ~~of work~~worked on the 7<sup>th</sup> consecutive day
- Over 8 hours on any day worked after the regularly scheduled workday
- Holidays, sick time and vacation time do not count as hours worked for purposes of double-time calculations

For part-time non-exempt employees, overtime is payable as follows:

Time and one-half pay for hours *worked*:

- Over 8 hours *worked* in a day
- Over 40 hours *worked* in a workweek
- The first 8 hours *worked* on the 7<sup>th</sup> consecutive day
- Holidays, sick time and vacation time do not count as hours worked for purposes of overtime calculations

Double-time pay for hours *worked*:

- Over 12 hours *worked* in a day
- Over 8 hours *worked* on the 7<sup>th</sup> consecutive day
- Holidays, sick time and vacation time do not count as hours worked for purposes of double-time calculations

~~Only hours actually worked are counted for overtime purposes. Therefore, work on a non-scheduled workday may or may not entitle you to overtime pay.~~

## **PAY POLICIES**

Employees are paid on a biweekly basis, every other Thursday. Each pay day, employees are paid for work performed through the completion of the previous pay period. Payments for overtime are in addition to base salary and are also paid biweekly. When a payday falls on a Company-observed holiday, paychecks are issued on the preceding regularly scheduled workday. The company provides payment by check or direct deposit. Should you desire direct deposit please see the Accounting and Personnel Specialist for details and authorization form.



If you are absent on a pay day, contact your supervisor after returning to work to obtain your paycheck/pay stub. The Accounting and Personnel Specialist may mail your paycheck to your home address if you submit a written request. No one else may pick up your paycheck/pay stub for you without your written authorization. You must report a lost or stolen paycheck to the Accounting and Personnel Specialist *immediately*.

The Company takes all reasonable steps to ensure that employees receive the current amount of pay in each paycheck, and that employees are paid promptly on the scheduled payday. In the unlikely event there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Accounting and Personnel Specialist so that corrections can be made as quickly as possible.

Please note that the Company's accounting system processes accrual transactions first, and then processes deductions for vacation or sick leave time taken. Therefore, you should plan to take vacation time off or sick leave before the payroll period in which your accruals will reach the maximum.

## **PERSONNEL INFORMATION**

The Company's personnel files are considered confidential records, and access is limited to you and those with proper authorization, such as your manager or supervisor or a hiring manager, or pursuant to legal process. No documents contained in your personnel file will be released without your written consent, except pursuant to legal process.

Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, subpoena, court order or as otherwise required by law.

All medical information about an employee or applicant is kept in separate medical files and is treated as confidential. Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for Company business reasons, or if access is required by law, subpoena or court order. In the case of an employee with a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations.

Providing information (either on- or off-the-record) regarding current or former employees to any non-Company employee shall occur only as authorized in advance by Management. This includes letters of reference and requests for employment references regarding current or former employees.

You may review your own personnel file with Management at a mutually convenient time to answer any questions. You may request a copy of your personnel file and/or copies of all documents that you have previously signed or received. You may also add your response with informational copies to an appropriate party of any disputed item within your personnel file.

Prior to making a copy of personnel records or allowing inspection, the Company may redact the names of nonsupervisory employees. Under no circumstances will the Company provide access or copying of the following categories of personnel file documents: records relating to the investigation of a possible criminal offense; letters of reference; ratings, reports, or records that were obtained prior to employment, prepared by identifiable examination committee members, or obtained in connection with a promotional examination.

Promptly notify your manager when important changes in your personal circumstances occur. These include:

- Driving record or status of driver's license if you operate a Company vehicle or regularly drive on Company business
- Changes in address or contact information
- Changes in your dependents or beneficiaries (deadlines apply to reporting changes affecting your benefit plans)
- Completion of educational and training courses
- Emergency contact information

## TERMINATION

### Resignation

If you desire to resign from Company employment, two weeks' written notice is encouraged. If you do not provide advance notice, the Company may deem you to be ineligible for rehire. Your immediate supervisor is available to answer any questions you may have regarding resignation procedures.

If you provide at least 72 hours notice, your final paycheck will be given to you prior to the end of your last day of work. If no advance notice is given, the Company will make your final paycheck available within 72 hours of your last day of work. The check will include payment for time worked, overtime if applicable, and any available accrued leave time for which you are eligible based on legal requirements.

### Other Terminations

In addition to resignation, termination may occur for any of the following reasons:

- When the Company decides to exercise its right to terminate you as an At Will employee.
- You do not report to work for three consecutive working days and fail to contact the Company during that time. (See *Attendance* section)
- The Company, in its sole discretion, deems that your performance, behavior or conduct warrant *immediate* discharge. (See *Serious Misconduct* section.)
- A layoff as a result of a reduction in the workforce due to economic conditions or Company-wide reorganization that eliminates jobs or results in changed job aptitude or skill requirements.

If you are terminated for any of the above reasons, your final paycheck will be given to you prior to the end of your last day of work. The check will include payment for time worked, overtime if applicable, and any available accrued vacation time for which you are eligible based on legal requirements.

# YOUR TIME OFF BENEFITS

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For information regarding your eligibility for time off benefits, refer to *Your Benefits: Eligibility* section.

## VACATION

The Company grants regular full-time and regular part-time employees paid vacation to provide you with time to rest and relax away from work or to address other personal needs. Vacation may be used for any planned or unplanned absence, such as vacation, a personal illness, a child's or other family member's illness, preventive healthcare appointments or personal business.

Vacation time-off benefits start accruing your first pay period. Use of vacation is permitted before completion of your first year based on available accrual. Following is the accrual schedule for full-time employees:

Full-time employees hired after June 1, 1999:

Completed Years of Employment	Vacation Hours Per Year
1-4	80
5-15	120
16 or more	160

Full-time employees hired before June 1, 1999 will receive 184 hours Vacation per year.

Regular part-time employees accrue vacation benefits at the rate of 1 hour for every 30 hours worked.

Vacation may be taken in increments of at least 0.25 hours. You may not take vacation time off in excess of what you have accrued as of the last day of the preceding pay period.

The maximum number of Vacation hours you may accrue is 300. When you reach the maximum allowable vacation accrual, no further leave will accrue until your balance is reduced below the maximum allowed. When the balance is reduced below the maximum, you will once again begin to accrue vacation time up to the maximum allowed accrual. Vacation balances are reflected on your pay stub.

<sup>4</sup> Approved at the Board of Directors Meeting February 16, 2021 to increase vacation accrual hours

Vacation is accrued as follows:

- While actively at work,
- While on paid time off, provided you return to work following an absence,
- While on unpaid leave of absence shorter than 30 calendar days, provided you return to work following an absence. Vacation accrual will cease on the thirty-first day of any unpaid leave of absence,
- If you are a reinstated employee returning from military leave, your vacation accrual rate is determined by including your period of military leave in the calculation of your continuous service time, as if you had not been absent.

Vacation leave is compensated at your current rate of pay. Company-observed holidays occurring during your vacation will not be considered vacation days.

If you become ill while you are on vacation, the General Manager may authorize use of sick leave in place of vacation leave, provided you provide prompt notification and any documentation the General Manager may require.

Vacations are scheduled with your supervisor's advanced approval, consistent with Company needs. Requests for vacation time should be submitted to your supervisor as soon as possible in a new calendar year. Your wishes will be considered in evaluating leave requests. The Company retains full discretion to schedule planned vacations and vacation requests may be denied to meet business needs.

The Company allows employees to buy back  $\frac{1}{2}$  of the vacation time utilized in a year. The criteria to do so is there must be at least 40 hours remaining on the books after buy back and it would be only one time a year in November.

Upon separation of employment from the Company, you will be paid for all unused accrued vacation time. You will accrue vacation only through the last pay period in which you actually worked. Compensation for accrued vacation will be at your rate of pay at the time of termination.

8 Approved at the Board of Directors Meeting on April 20, 2021 to adopt a Vacation Buy Back Policy

## HOLIDAYS

### Observed Holidays:

In addition to vacation, the Company provides regular full-time employees with ~~nine-eight~~ (98) commonly observed paid holidays. The Company recognizes the following holidays each year:

New Year's Day

Labor Day

Martin Luther King's Birthday  
President's Birthday  
Memorial Day  
Independence Day

Thanksgiving Day  
~~Day after Thanksgiving Day~~  
Christmas Day

If a holiday falls on a Sunday, you will have the following Monday off. If the holiday falls ~~on a Saturday following a working Friday, you will have the preceding Friday off. If the holiday falls on a Saturday following a non-working Friday, you will have the preceding Thursday off on a Friday or Saturday, you will have the preceding Thursday off. If a holiday falls on a non-working Friday, you will have the preceding Thursday off.~~ The Company will also close its office  $\frac{1}{2}$  day on Christmas Eve Day for which you will receive  $\frac{1}{2}$  day of holiday pay.

Holiday pay will be based on your base hourly rate of pay for a 910-hour day if the holiday falls on a 910-hour work day. Holiday pay will be based on your base hourly rate of pay for an 8-hour day if the holiday falls on an 8-hour workday. You will receive holiday pay if you are a regular full-time employee and you are on paid status.

Holiday hours will not be included when determining overtime hours. Non-exempt, regular full-time employees who are required to work on a holiday will receive pay for the number of hours worked in the time period and will also receive holiday pay.

Unless prior arrangements have been made and approved, you must work your regularly scheduled workdays immediately before and after the holiday to receive holiday pay. Holidays occurring during your vacation are not charged against your vacation balance unless you fail to return to work following vacation or paid sick time is approved by the General Manager.

If you are on an unpaid leave of absence, you are not eligible for holiday pay. Employees on paid disability leave receive disability pay, not holiday pay, for the holiday. Exempt employees on approved military leave without pay are entitled to holiday pay regardless of pay status.

### **Personal Holidays:**

The Company grants 36 hours of personal holiday paid time off on January 1 of each calendar year to regular, full-time employees. New employees hired after January 1 will be granted personal holiday time on a pro-rata basis, based on the proportion of the year the employee will have worked. Personal holiday time off may be used for any purpose, including special occasions, such as a birthday, anniversary or religious holiday, or to extend your normal holiday or vacation. Use of this time off requires your supervisor's prior approval and scheduling must be in accordance with the Company's business needs.

If you have a remaining balance of personal holiday time off on December 31, you will only be awarded on January 1 of the next calendar year the number of additional hours that will bring you to a total of 36<sup>3</sup> hours. Employees who terminate employment during the calendar year will be paid for any unused personal holiday hours.

## **SICK LEAVE**

The Company grants employees with paid sick leave to provide you with time to recover from illness or an accident or to address other personal or immediate family [refer to Family Definitions located under General Employment Policies] healthcare needs.

### **Accrual**

Beginning on the 1<sup>st</sup> day of employment, employees accrue sick leave at the rate of:

Regular Full-time Employees	8 hours per month
Regular Part-time Employees	One hour of sick leave for every 30 hours worked.
Part-time Employees	One hour of sick leave for every 30 hours worked.

Regular Full-time Employees will accrue sick leave while actively at work or on paid time off (such as vacation or Company-observed holidays), provided you return to work following absence. If you are on an unpaid leave of absence of longer than 30 days, you will cease to accrue sick leave.

The maximum number of sick leave hours that you may accrue is 800<sup>5</sup> hours for all employee categories. When you reach the maximum allowable sick leave accrual, no further leave will accrue until the balance is reduced below the maximum allowed. When your balance is reduced below the maximum, you will once again begin to accrue sick leave time up to the maximum allowed accrual.

~~Sick leave will be granted upon the oral or written request of an employee for themselves or an immediate family member (as previously defined) for the diagnosis, care or treatment of an existing health condition or preventive care, or for an employee who is a victim of domestic violence, sexual assault, or stalking. For reasons defined in this paragraph the employee may use all of the paid time off they have available.~~

~~With the exception of bereavement needs, you may not take sick leave off in excess of what has been granted as of the last day of the preceding pay period.~~

## Use of Paid Sick Leave

Employees may use their available paid sick leave in a minimum amount of 0.25 hour increments.

An employee may use paid sick leave for any reason allowed under California law, including for:

- The employee's care, preventive care, diagnosis, or treatment;
- The care, preventive care, diagnosis, or treatment of the employee's family member and, the employee's designated person, as defined below;
- An employee who is a victim of domestic violence, sexual assault, or stalking to take time off to: (1) obtain or attempt to obtain any relief to help ensure the health, safety, or welfare of the employee or the employee's child, such as a temporary restraining order, restraining order, or other injunctive relief; (2) seek medical attention; (3) obtain services from a shelter, program, rape crisis center, or victim services organization or agency; (4) obtain psychological counseling or mental health services; or (5) participate in safety planning or take other actions to increase safety from future incidents;
- The employee to attend judicial proceedings related to a crime that is a serious or violent felony or a felony involving theft or embezzlement, when the employee is a victim of that crime or an immediate family member, registered domestic partner, or child of a registered domestic partner of a victim of that crime; or
- Bereavement leave for their family member.

For purposes of this policy, "family member" means a child, spouse, registered domestic partner, parent, grandparent, grandchild, and sibling. A "designated person" means a person identified by the employee at the time the employee requests paid sick days. A "child" includes a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in place of a parent (*in loco parentis*). A "parent" includes a biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in place of a parent (*in loco parentis*) when the employee was a minor child.

Employees are allowed to use their paid sick leave by providing an oral or written request. If the need for paid sick leave is foreseeable (such as for scheduled medical appointments), employees must provide reasonable advance notice. If the need is not foreseeable, employees must provide notice of the need for the leave as soon as practicable.

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<sup>3</sup> Approved at the Board of Directors Meeting February 16, 2021 to increase personal holiday hours

<sup>4</sup> Approved at the Board of Directors Meeting on February 16, 2021 to increase sick leave accrual



If you need to take sick leave, you must notify your supervisor as soon as practicable. We request notification no later than an hour after your normal start time on each day when sick leave is

needed. If you become ill while on duty, you must notify your supervisor prior to leaving your worksite. Failure to comply may result in the loss of sick leave pay for the work shift in which proper notification was not provided.

You may be required to take sick leave if, in the reasonable opinion of your supervisor, you are exposing fellow employees to hazard, illness or injury.

~~The use of paid or unpaid sick leave time off is generally not cause for discipline. However, the Company expects you to maintain an acceptable standard of attendance. Excessive absenteeism may result in corrective action up to and including termination.~~

The Company reserves the right to investigate any reported illness/injury or require you to present proof of illness in the form of a Doctor's Statement or Release from Work for any day(s) you are using sick leave. Further, if you are absent for more than three days as a result of illness/injury, you may be required to present a Doctor's Statement when you return to active work.

If you are returning to work following a non-work-related injury/illness that may affect your ability to perform essential job functions in a safe and efficient manner, you must contact the Accounting and Personnel Specialist prior to commencing work. The Accounting and Personnel Specialist will review your medical release and, if needed, have the Company physician review your condition to confirm that you can safely and efficiently perform job functions or based on the medical release whether modified/light duty may be necessary at which point the Company will engage in the interactive process. (See Accommodation of Disabled Applicants and Employees Section)

### **Payment of Sick Leave Taken**

Employees will be paid for sick leave not later than the payday for the next regular payroll period after the sick leave is taken.

For nonexempt employees, paid sick leave will be compensated at the regular rate of pay for the workweek in which the employee takes paid sick time.

For exempt employees, paid sick leave will be compensated in the same manner as the employer calculates wages for other types of paid leave.

Once an employee has exhausted their paid sick leave bank but needs to be out for sick leave purposes, then their vacation pay bank will be deducted accordingly.

### **Sick Leave at Employment Termination and on Rehire**

Any remaining paid sick leave that is not used before the last day of employment is forfeited and is not paid out upon the termination of employment.

If an employee is rehired within one year of the date of termination, any paid sick leave that was forfeited upon termination will be reinstated and available for the employee to use.

50% of sick leave will be paid to the employee on retirement.<sup>7</sup>

## **ADMINISTRATIVE LEAVE**

The Company understands that management and other exempt employees are expected to work the necessary hours to successfully accomplish assigned work responsibilities, even when this exceeds the normal workweek. In recognition of this requirement, the Company provides management and other exempt employees with administrative leave which may be used for any purpose including vacation, sick leave and other personal time off requirements.

Management and exempt employees covered by this policy are awarded 40 hours of paid administrative leave on January 1 of each calendar year.

<sup>7</sup> Approved at the Board of Director's Meeting on April 20, 2021 to allow sick leave payout upon retirement at 50%

Eligible employees who are hired during the calendar year will be awarded administrative leave time on a pro-rata basis, based on the proportion of the year they will have worked.

If you have a remaining balance of administrative leave time on December 31, you will only be awarded on January 1 of the next calendar year the number of additional hours that will bring you to a total of 40 hours. Employees who terminate employment during the calendar year will be paid for any unused administrative leave time.

The Company retains full discretion to schedule administrative leave to meet its business requirements. When taking administrative leave employees are expected to provide as much advance notice of the absence as possible.

## **JURY DUTY/COURT APPEARANCE**

In accordance with state law, the Company provides time off for employees who are called to serve as a juror or required by court order to serve as a witness in a court action in which you are not a party. You will receive paid leave at your base rate for the period of your absence for jury duty, up to a maximum of ~~ten-eight~~ days or total of 80 hours. You are expected to report to work on any day in which you are excused from jury duty with two or more hours left in the workday. Exempt employees will be paid for jury duty time to the extent required by law. Your per-diem juror fee, reimbursement for mileage and other court service fees must be assigned to the Company.

You are expected to notify your supervisor of the need for time off for jury duty or to serve as a witness as soon as a notice or summons from the court is received. You may be required to show the summons, as well as proof of your presence pursuant to the summons to your supervisor and/or the General Manager.

If you are called as a witness in a Company-related case or hearing, this time will be considered work time.

If you are ordered to appear in court as a witness in a court action or you must appear in court as a witness in any legal proceeding in which you are a party in interest, you may use accrued vacation or administrative leave time or take unpaid leave for the period of your absence from work.

## **BEREAVEMENT LEAVE**

~~Regular full-time employees will be granted paid sick leave for bereavement purposes in the event of the death of an immediate family member or domestic partner (see Sick Leave section for more information regarding Sick Leave).~~

~~You may take up to three normally scheduled workdays per incident to attend the funeral and take care of personal matters related to the death of an immediate family member, and this time off may be taken, even if you do not have 3 days of accrued sick leave. At the General Manager's discretion, proof of death may be required.~~

~~If you require more than three workdays off, you may use vacation time or request an unpaid leave of absence, subject to the approval of the General Manager.~~

~~Full-time employees are expected to use vacation leave to attend the funeral of relatives or friends other than those listed in the above policy. You may also be excused by your immediate supervisor to attend the funeral of deceased Company employees without loss of pay, at the discretion of the General Manager.~~

~~Employees who have been employed for at least 30 days before the start of leave are eligible for five days of unpaid bereavement leave for the death of a family member, as defined below. Bereavement leave must be completed within three months of the family member's date of death, although the days do not need to be consecutive.~~

~~Employees may use accrued but unused vacation or sick leave to substitute for any unpaid bereavement leave. Additional unpaid time off may be granted at the discretion of the General Manager on a case-by-case basis.~~

~~For purposes of this policy, a family member includes an employee's:~~

- ~~• Spouse or registered domestic partner~~
- ~~• Parent~~
- ~~• Child~~
- ~~• Sibling~~
- ~~• Grandparent~~
- ~~• Grandchild~~

~~"Child" means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in place of a parent (in loco parentis). "Parent" means a biological, adoptive, or foster parent, stepparent, or legal guardian of an eligible employee or the eligible employee's spouse or domestic partner, or a person who stood in place of a parent (in loco parentis) when the eligible employee was a minor child. "Sibling" means a person related to an eligible employee by blood, adoption, or affinity through a common legal or biological parent.~~

~~Employees are responsible for requesting bereavement leave from their supervisor as far in advance as possible. The Company may require verification in the form of a death certificate, obituary, or other verifiable documentation of the need for bereavement leave.~~

## **TIME OFF FOR VOTING**

The Company encourages employees to vote in local, state and national elections. Since the polls are open for long periods, employees are encouraged to vote before or after working hours. In circumstances where an employee's work schedule does not provide sufficient time to vote on an election day, the Company will provide a reasonable amount of time off during scheduled work time, including up to two hours of paid time off, for employees to vote. Employees who need time off to vote should notify their supervisor at least two days prior to election day and submit proof of voting. The company reserves the right in its sole discretion to specify a time period during which the polls are open for employees to leave work to vote.

### WITNESS AND VICTIMS OF CRIME LEAVE POLICY

Company acknowledges that, on occasion, employees may need to take time off to participate in judicial proceedings as a witness or because an employee or their close family member was victimized by various crimes under several California Labor Code provisions. Retaliation or discrimination against an employee taking leave as permitted under this policy is strictly prohibited.

Company authorizes leave under the circumstances described in this policy. You may take time off to appear in court to comply with a subpoena or other court order as a witness in any judicial proceeding.

If you are a victim (as defined below), you may take time off to seek relief from a court, including to obtain a temporary restraining order, restraining order, or other injunctive relief, to help ensure your or your child's health, safety, or welfare.

"Victim" includes any of the following:

- A victim of stalking, domestic violence, or sexual assault.
- A victim of a crime that caused physical injury or that caused mental injury and a threat of physical injury.
- A person whose immediate family member (as defined below) is deceased as the direct result of a crime.

For purposes of this policy, immediate family member includes an employee's:

- Spouse or registered domestic partner
- Parent or legal guardian
- Parent-in-law or registered domestic partner's parent
- Step-parent
- Sibling
- Step-sibling or half-sibling
- Child or a registered domestic partner's child
- Step-child
- Anyone who has a similar familial relationship with the employee
- Grandparent
- Grandchild

- Son-in-law or daughter-in-law
- Aunt or uncle
- Niece or nephew
- Brother-in-law or sister-in-law

## REPRODUCTIVE LOSS EVENT LEAVE

Employees who have been employed for at least 30 days before the start of leave are eligible for five days of unpaid reproductive loss leave after a reproductive loss event, as defined below. Reproductive loss leave must be completed within three months of the event, although the days do not need to be consecutive. Employees may take up to a total of 20 days of reproductive loss leave within a 12-month period.

Employees may use accrued but unused vacation or sick leave to substitute for any unpaid reproductive loss leave.

For purposes of this policy, a reproductive loss event means the day or, for a multiple-day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction.

Employees are responsible for requesting reproductive loss leave from their supervisor or the General Manager as far in advance as possible. The Company may require verification in the form of a health care provider's note or other documentation of the need for reproductive loss leave. Any information provided to the Company will be kept confidential except as legally required or to process this leave.

## **SCHOOL ACTIVITIES LEAVE**

- In accordance with state law, the Company allows employees up to eight hours per month during the school year, or a maximum of forty hours annually, to attend their children's school activities during grades kindergarten through 12. This applies to any employees who are a parent, legal guardian, stepparent, foster parent, grandparent, or person standing loco parentis to the child . You may use vacation time or unpaid leave for this purpose.

You are expected to notify your supervisor as far in advance as possible if you wish to take time off to attend your children's school activities during working hours.

## EMERGENCY DUTY/TRAINING LEAVE

In California, no employee shall receive discipline for taking time off to perform emergency duty/training as a volunteer firefighter, reserve peace officer, or emergency rescue personnel. If

you are participating in this kind of emergency duty/training, please alert your supervisor so he or she may be aware of the fact that you may have to take unpaid time off for emergency duty/training. In the event that you need to take time off for emergency duty/training, please alert your supervisor before doing so whenever possible. If you feel you have been treated unfairly as a result of taking or requesting Emergency Duty/Training Leave, you should contact your supervisor or any other manager, as appropriate.

## ~~PREGNANCY DISABILITY LEAVE~~

~~Consistent with California law, the Company provides a leave of absence, to a maximum of four months (17 1/3 weeks), to you for disability caused by your pregnancy, childbirth or related medical condition. Full time and part time female employees are eligible for pregnancy disability leave as of their first day of employment.~~

~~Such leave may be taken:~~

- ~~➤ When you are disabled by pregnancy, childbirth or related medical conditions;~~

- ~~At any time during or after pregnancy;~~
- ~~When you are suffering from morning sickness;~~
- ~~For prenatal care.~~

~~Note: Pregnancy disability leave is not intended for “baby bonding time.” Once you are no longer disabled, you are no longer eligible for pregnancy disability leave.~~

~~Pregnancy disability leave may be granted for up to four months (17 1/3 weeks or 88 workdays for a full-time employee) per pregnancy. Part-time employees are entitled to leave on a pro-rata basis. Pregnancy disability leave will usually begin when ordered by your physician. You must provide the Company with written certification from a healthcare provider. The leave does not have to be one continuous period. You may take pregnancy disability leave intermittently, as needed, in hour or partial hour increments.~~

~~If requested by you and recommended by your health care provider, your work assignment may be changed as required to protect the health and safety of you and your child. Requests for transfers and other requests for reasonable accommodations from a pregnant employee will follow the Company’s procedures and policies in the *Accommodation of Disabled Applicants and Employees* Section. Temporary transfers due to health considerations will be granted when possible. You will receive the pay that accompanies the job to which you will transfer, as is the case with any other temporary transfer due to temporary health reasons. (See *Accommodation of Disabled Applicants and Employees* Section)~~

~~It is your responsibility to:~~

- ~~Provide at least 30 calendar days’ advance notice, or as much notice as feasible, before a leave is to begin.~~
- ~~Provide a written certification from your health care provider within 15 calendar days of your request for the leave, unless it is not feasible for you to do so. You may not be required to provide such documentation for intermittent and recurring absences for pregnancy related reasons such as morning sickness.~~
- ~~Consult with your supervisor regarding the scheduling of any planned medical treatment to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of your health care provider.~~
- ~~Maintain contact with your supervisor during the duration of the leave of absence.~~

~~Certification must include:~~

- ~~Date on which you became disabled due to pregnancy;~~
- ~~Probable duration of the period or periods of disability;~~



- ~~A statement that, due to the disability, you are unable to perform one or more of the essential functions of your position without undue risk to yourself, the successful completion of your pregnancy or to other persons.~~

~~The Company will require re-certification from the health care provider if additional leave is requested/required.~~

~~You must exhaust all accrued sick leave prior to utilizing unpaid leave while on an approved pregnancy disability leave. You may use any other accrued paid leave during your pregnancy leave. Short term disability benefits, if available, may also be utilized under the terms of that plan. Paid leave will be used in the following order:~~

- ~~Accrued, unused sick leave.~~
- ~~Vacation and personal holiday time.~~
- ~~Any other available paid leave time.~~

~~While you are on paid pregnancy disability leave, your insurance benefit coverage will continue in the same manner as if you were actively at work, beginning on the date the pregnancy disability leave begins and continuing up to four months in a 12-month period. You will continue to be responsible for any additional dependent premiums. Once you have exhausted your pregnancy disability leave and paid leave time and move to unpaid leave status, you will be provided the opportunity to continue medical and dental benefits through CalCOBRA coverage. Vacation or sick leave accrual while on unpaid pregnancy disability leave shall be treated the same as any other unpaid leave policy.~~

~~At the conclusion of your pregnancy disability leave, you will be returned to your former position or to an equivalent position. The Company may make a determination to deny your reinstatement where you would not have been employed at the time reinstatement is requested because of legitimate business reasons unrelated to the leave. . You have no greater right to reinstatement than any other employee who had been continuously employed. . You will be provided with required notice of the Company's intent to deny reinstatement and/or be given the option to return to work.~~

~~When you are ready to return from pregnancy disability leave, you must report to your supervisor with a medical release to return to work prior to beginning any activity in your work area.~~

~~If the end of the four-month leave period has been reached and you are unable to return to your regular position for continuing health reasons, you should notify your supervisor at least five days prior to your approved return date. The Company may be required to make a good faith effort to accommodate your medical condition in accordance with provisions of the Americans with Disabilities Act. The General Manager, in consultation with you, your supervisor and your health care provider, will make a determination as to whether an accommodation can be made as provided~~

~~for in the Accommodation of Disabled Employees section. This may include approval of an extended medical leave where doing so would not impose an undue hardship to Company operations. Provided you are not eligible and/or do not request additional leave and/or cannot be reasonably accommodated, you will be separated from employment on the fourth calendar day following the end of the approved four month leave of absence. The separation will be treated as a voluntary resignation.~~

~~If the end of the approved leave period has been reached prior to the end of the four month allotment and you have neither returned to work nor provided certification from the appropriate health care provider extending your leave of absence, you will be separated from employment on the fourth calendar day following the end of the approved leave. The separation will be treated as a voluntary resignation.~~

~~The Company reserves the right, at its sole discretion, to extend a leave due to an employee's pregnancy disability beyond the four months required by law. (See Other Unpaid Leaves of Absence section.)~~

## **CALIFORNIA FAMILY RIGHTS ACT (CFRA) AND PREGNANCY DISABILITY LEAVE COMBINED POLICY**

The Company provides leave under the California Family Rights Act (CFRA), which provides unpaid, job-protected leave to covered employees in certain circumstances. The CFRA applies to private employers of five or more employees and to California state and local governments as employers of one for more employees.

### **Eligibility**

To be eligible for CFRA leave, an employee must have worked for the Company for at least 12 months and have worked at least 1,250 hours in the 12-month period before the date leave begins. If you have any questions about your eligibility for CFRA leave, please contact the General Manager.

### **Leave Entitlement**

This leave may be up to 12 workweeks in a 12-month period, which uses a "rolling" method that is measured backward from the date you use any CFRA leave for any of the following reasons:

- The birth, adoption, or foster care placement of your child.
- To care for your own serious health condition.
- To care for the serious health condition of your child, spouse, registered domestic partner, parent, including parent-in-law, grandparent, grandchild, or sibling. Employees may also be eligible to take leave for their designated person, meaning any person related by blood

or whose association is the equivalent of a family relationship. Employees are limited to one designated person per 12-month period for family care and medical leave.

- A qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, registered domestic partner, child, parent, including parent-in-law, in the US Armed Forces. More information is available through the General Manager about this CFRA-qualifying reason.

### **Substitution of Paid Leave**

While the law provides only unpaid leave, employees may choose or may be required to substitute accrued and unused leave while taking CFRA leave under certain circumstances. Employees on CFRA leave may also be eligible for benefits administered by the Employment Development Department.

### **Pregnancy Disability Leave**

Even if you are not eligible for CFRA leave, if you are disabled by pregnancy, childbirth, or a related medical condition, you are entitled to take pregnancy disability leave (PDL) of up to four months (the working days you normally would work in one-third of a year or 17-1/3 weeks) depending on your period(s) of actual disability. If you are CFRA-eligible, you have certain rights to take **both** PDL and CFRA leave for reason of the birth of your child.

### **Right to Reinstatement**

Both CFRA leave and PDL contain a guarantee of reinstatement – for pregnancy disability it is to the same position, and for CFRA it is to the same or a comparable position – at the end of the leave, subject to any defense allowed under the law.

### **Notice of Leave**

You must provide, if possible, at least 30 days' advance notice for foreseeable events (such as the expected birth of a child or a planned medical treatment for yourself or of a family member). For events that are unforeseeable, you must notify your employer, at least verbally, as soon as you learn of the need for the leave. When possible, your notice must include the estimated time and duration of the reasonable accommodation, transfer, or leave required.

Failure to comply with these notice requirements is grounds for, and may result in, deferral of the requested leave until you comply with this notice policy.

### **Certification of Need for Leave**

The Company may require medical certification from your health care provider before allowing leave for either:

- Your serious health condition.
- Reasonable accommodation, transfer, or leave for your pregnancy disability.

The Company may require medical certification from the health care provider of your family member, including a designated person, who has a serious health condition, before granting leave to take care of that family member.

You may obtain a medical certification form to give to the appropriate health care provider from General Manager to complete.

### **Intermittent Leave and Reduced Work Schedule**

When medically necessary, leave may be taken intermittently or on a reduced work schedule. If you are taking a leave for the birth, adoption, or foster care placement of a child, the basic minimum duration of the leave is two weeks and you must conclude the leave within one year of the birth or placement for adoption or foster care.

### **Medical and Other Benefits**

During approved CFRA or PDL leave, your health insurance benefits are maintained as if you continued to be actively employed. Employees approved for CFRA or PDL leave will be informed in writing of the terms and conditions under which health insurance and other benefits will be continued during their leave. Taking CFRA or PDL leave may impact certain employee benefits and seniority date. If you have any questions about the impact of your leave on seniority and benefits, please contact the General Manager.

### **Return-to-Work Release**

Employees on leave for their own serious health condition or returning from "PDL" will be required to obtain a release to return to work from their healthcare provider that the employee is able to resume work. This is a requirement of all employees returning from other types of medical leave. Otherwise, the employee will not be permitted to resume work until it is provided.

### **Mediation Program**

The California Civil Rights Department (CRD) offers mediation to smaller employers of five to 19 employees and their employees to resolve any dispute over CFRA leave before an employee can proceed with a court case. For more information about this program, please see Section 12945.21 of the California Government Code. Employers and employees wishing to take advantage of these mediation services should contact the CRD at [DRDOnlineRequests@CRD.ca.gov](mailto:DRDOnlineRequests@CRD.ca.gov) or using their contact information below.

### **Contact Information**

For more information regarding this policy, including your eligibility for a leave and/or the impact of leave on your benefits and seniority, please contact the Company's General Manager. If you have been subjected to discrimination, harassment, or retaliation at work, or have been improperly denied protected leave, please contact General Manager.

You may also contact the California Civil Rights Department (CRD) to file a complaint at [www.calcivilrights.ca.gov/complaintprocess](http://www.calcivilrights.ca.gov/complaintprocess), toll-free at (800) 884-1684, TTY (800) 700-2320. If you have a disability that requires a reasonable accommodation, the CRD can assist you with your complaint or, for individuals who are Deaf or Head of Hearing or have speech disabilities, through the California Relay Service (711).

## BREASTFEEDING

### *Lactation Break Time and Location*

The Company will provide a reasonable amount of break time to accommodate any employee desiring to express breast milk for the employee's infant child each time the employee has a need to express milk. The break time shall, if possible, run concurrently with any break time already provided to the employee. If the employee takes lactation breaks at times other than their provided break times, then the lactation break shall be unpaid or the employee may choose to use accrued leave.

Those desiring to take a lactation break at times other than their provided break times must notify a supervisor prior to taking such a break. Breaks may be reasonably delayed if they would seriously disrupt operations. Once a lactation break has been approved, the break should not be interrupted except for emergency or exigent circumstances.

The Company will provide a room or other appropriate location in close proximity to the employee's worksite that is not in a bathroom to express milk in private. ~~The room or location will meet the following requirements:~~

~~Be shielded from view and free from intrusion while being used to express milk;~~

~~Be safe, clean, and free of hazardous materials;~~

~~Contain a surface on which to place a breast pump and personal items;~~

~~Contain a place to sit; and~~

~~Have access to electricity needed to operate an electric battery powered breast pump.~~

~~An employee occupying such private area shall either secure the door or otherwise make it clear to others through signage that the area is occupied and should not be disturbed. All other employees should avoid interrupting an employee during an authorized break under this section, except to announce an emergency or other urgent circumstance.~~

~~The Company will provide access to a sink with running water and a refrigerator, or other cooling device, suitable for storing milk, in close proximity to the employee's work area.~~

### ***Lactation Accommodation***

An employee may make a request for lactation accommodation, either orally or in writing, with his or her supervisor.

Following receipt of a request for lactation accommodation, the Company will provide a timely written response to the employee in which the Company will indicate if it is unable to provide the requested break time or a requested location for the purposes of expressing breast milk.

An employee does not believe that the Company is providing an appropriate lactation accommodation should immediately inform the General Manager.

An employee who does not believe that the Company is providing an appropriate lactation accommodation as required by state law has the right to file a complaint with the California Division of Labor Standards Enforcement/Labor Commissioner.

### **~~MEDICAL DISABILITY LEAVES OF ABSENCE~~**

~~The Company may grant an unpaid medical disability leave of absence if you are temporarily incapacitated because of a non-work related injury/illness and you have exhausted your paid sick leave and any short-term disability benefits, if available. A disability is defined as any illness/injury, either physical or mental, that prevents you from performing the essential functions of your position. Medical disability also includes absences from work for elective surgery or related medical conditions.~~

~~To request an unpaid medical disability leave, you must provide a statement from a licensed physician stating when a leave is expected to begin and the expected date of return. All requests for unpaid medical disability leaves must approved by the General Manager.~~

~~While you are on an unpaid medical disability leave, you have the opportunity to continue your medical and dental insurance through CalCOBRA coverage. You will not continue to accrue vacation or sick leave while on an unpaid medical disability leave of more than 30 days.~~

~~The Company reserves the right to select a health care provider at the Company's expense to obtain a second opinion regarding the expected duration and medical necessity for your extended disability leave.~~

~~You must notify the Company at least five (5) days prior to returning to work. When you return from disability leave:~~

- ~~➤ You must report to your supervisor with the required medical release to return to work before beginning any activity in your department.~~
- ~~➤ The Accounting and Personnel Specialist will notify your supervisor of any work restrictions and assist in determining how to accommodate them.~~

~~If you are unable to return from the leave within the specified time frame, you must contact your supervisor at least five days prior to your approved return date. If you are unable to return to work within the maximum allowable medical disability leave or if you accept alternate employment during the leave, your employment with the Company will be terminated. The separation will be treated as a voluntary resignation.~~

## **MILITARY SERVICE AND RESERVE LEAVE**

In accordance with federal and state law, the Company grants military service or reserve leave to you if you enter the Uniformed Services of the U.S. or State Militia and if you are fulfilling a Unit Field Training or Military Reserve obligation in compliance with military orders. You are required to provide advance notice of need for military leave, to the extent practicable.

In the event of military reserve/training duty, you will be provided with unpaid leave for the duration of the time shown on your military orders and enough travel time to get to and from the base. To receive Company pay for this time, you may use any unused accrued vacation.

Military leave, benefits and payment will be provided in accordance with the California Military Veterans Code. You will be eligible for reinstatement following military service leave as established by state and federal law. The Accounting and Personnel Specialist is available to answer questions you may have regarding military leave, payment, reinstatement and participation in the Company's benefit plans.

## **OTHER LEAVES OF ABSENCE**

In addition to the paid and unpaid leave outlined above, the Company may also provide other types of leave at its sole discretion and in accordance with Federal and State laws.

To request a leave of absence, you must submit a written request to your Supervisor and the General Manager. The General Manager's prior approval for a leave of absence is required.

## **EXTENDED LEAVES OF ABSENCE**

The Company may grant an extended leave without pay to you if you are unable to perform essential job functions or for other good and sufficient reasons in the Company's sole discretion. An extended leave of absence without pay must be approved by the General Manager in writing prior to the absence.

Extended medical leave, beyond any leaves approved under the Medical Disability Leave and Pregnancy Disability Leave Policies, may be granted in accordance with the requirements of the Americans with Disabilities Act as a reasonable accommodation for your continuing health condition when granting such leave does not create an undue hardship to Company operations.

If you are unable to return from an approved medical or pregnancy disability leave of absence within the specified timeframes, you must contact your supervisor at least five days prior to your approved return date. The General Manager will determine if additional extended leave may be granted, consistent with Company policy and practice.

Other requests for extended personal unpaid leave may be granted under unusual circumstances and in the sole discretion of the Company. If you are requesting an extended leave, you must exhaust all accrued unused vacation and sick leave, as appropriate, prior to taking such leave. Extended personal leave requests may be favorably considered for such purposes as:

- Returning to school to obtain a baccalaureate or graduate degree or a special certificate, if the degree or certificate is likely to enhance your performance or advancement in the Company.
- Resolving extended family problems of a unique and compelling nature.
- Other circumstances of mutual benefit to you and the Company.

While you are on an approved extended leave without pay, you may elect to continue to participate in the Company's health and welfare programs as if you were actively at work, provided you pay in advance to the Company on a monthly basis the full employer and employee costs for the benefit plans in which you choose to participate. Failure to reimburse the Company for benefit costs on a timely basis may result in termination of your leave and your employment with the Company.



If you do not elect to participate in the Company's health plans, you will be notified of your CalCOBRA rights to continue healthcare benefits coverage.

An extended leave of absence will result in a break of continuous service with the Company. If you are re-hired following a break in continuous regular employment, you will be considered a new employee.

No guarantees will be made regarding the availability of a position or reemployment at the end of an extended leave. Failure to return to work following a leave of absence without pay will be considered a voluntary termination as of the date the leave of absence began.

# YOUR BENEFITS

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The Company offers a comprehensive benefits program designed to give eligible employees time off to help balance family and work needs, provide protection from financial loss and help provide future security for the employee and the employee’s family.

This section is meant to highlight some features of the benefit plans available to eligible Company employees (time-off benefits are described in a separate section). These plans are described in more detail in the Summary Plan Descriptions that are provided to you upon enrollment in these programs. In the event of any contradiction or misinterpretation of any information in this handbook, provisions in the plan contracts will govern in all instances.

## ELIGIBILITY

Employees are eligible to participate in the Company’s benefits programs as follows:

<b>Type of benefit</b>	<b>Eligibility Participation Date</b>	<b>Eligible Employees</b>
<b>Insurance and Other Benefits</b>		
Medical Insurance Section 125 Plan (available for premium only dependent coverage for medical, dental, vision, etc.)	30 calendar days after the first of the month following date of hire	Full/ Regular Part-Time Employees
Vision and Dental Insurance	First of the month following two months of continuous full-time employment.	Full-Time Employees
Employee Assistance Program	First of the month following two months of continuous full-time employment.	Full-Time Employees
401 (K)	30 calendar days after the first of the month following date of hire <sup>2</sup>	Full-Time Employees and eligible Part-Time Employees
457 (B) Deferred Comp Plan <sup>6</sup>	To be determined	
Life and AD&D Insurance	First of the month following two months of continuous full-time employment.	Full-Time Employees
Educational Assistance	First of the month following three months of continuous full-time employment.	Full-Time Employees
Statutory Benefits	As mandated by law	Full/Part-Time Employees

Type of benefit	Eligibility Participation Date	Eligible Employees
<b>Paid Time Off</b>		
Observed/Personal Holidays	Upon Hire	Full-Time Employees
Jury Duty	Upon Hire	Full/Part-Time Employees
Administrative Leave	Upon Hire	Exempt Employees only
Vacation	Upon Hire	Full-Time/ Regular Part-time Employees
Sick Leave	Upon Hire	Full-Time/Part-Time Employees
Bereavement Leave		
<b>Other Time Off</b>		
Pregnancy Disability Leave (Unpaid)	Upon Hire	Full/Part-Time Employees
Workers' Comp Leave		
Military Training Leave		
Medical Disability Leave for serious illness (Unpaid)		
Bereavement Leave (Unpaid)		
Recognized Religious Holidays (Unpaid)		
All Other Types of Leaves of Absence	First of the month following three months of continuous full-time employment.	Full/Part-Time Employees

The Company conducts annual benefits re-enrollment periods, also known as “Open Enrollment,” during which you are permitted to make benefit elections decisions for the coming Plan Year.

If you have a change in your family status, contact the Accounting and Personnel Specialist promptly to discuss your situation. Family status changes, such as marriage, birth or adoption of a child, divorce or legal separation, etc., may affect either your need or eligibility for certain benefits or your covered dependents’ CalCOBRA rights. Typically, to be eligible to add or delete eligible dependents or to make other permitted changes to benefit elections, you must notify the

<sup>3</sup> Approved 401k reinstatement at the Board of Directors Meeting June 15, 2021 eliminating 1 year requirement for eligibility and coinciding effective date with medical enrollment time

<sup>6</sup> Approved at the Board of Directors Meeting February 16, 2021 adding the benefit of 457 (B) deferred comp plan

Accounting and Personnel Specialist within thirty days of the “qualifying event” (e.g., the date of marriage, birth of a child, etc.).

Employees who elect not to be covered by the Company's benefits plan must sign a waiver.

## **MEDICAL AND DENTAL INSURANCE**

The Company offers fully paid medical, vision, and dental plans to eligible employees. In addition, the Company pays 50% of the cost of premiums for the plans in which you elect to enroll your dependents.<sup>1</sup> \_\_\_ Premium allowance amounts are subject to change. The cost of your share of the insurance premiums for your spouse/domestic partners and/or dependent children is paid through payroll deduction. A plan summary will be provided to you upon enrollment.

## **SECTION 125 CAFETERIA PLAN**

A Section 125 Cafeteria Plan allows you to pay for medical insurance premium costs for spouse/domestic partner and/or dependent children on a pre-tax basis. The Company pays 50% of the premium costs for dependent medical, dental and vision coverage upon completion of one year of service.

## **LIFE INSURANCE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE**

The Company provides to its full-time employees a Company-paid group term life insurance plan and accidental death & dismemberment insurance (AD&D) plan. The benefit amount is a minimum of \$100,000 and pays one times your annual salary up to a maximum of \$150,000.

## **EMPLOYEE ASSISTANCE PROGRAM (EAP)**

The Company is sincerely interested in the emotional health of individual employees and their family members. The intent of the EAP is to respond to employees and their family members and help them deal with any emotional issues and problems they may face.

## **401(K)/RETIREMENT**

To assist you in saving for retirement, employees who work over 1,000 hours per year are eligible to participate in the Company's 401 (k) benefit plan. You make voluntary pre-tax contributions to the plan, and the Company will provide contributions according to an established schedule based on years of service. These contributions are up to maximum limits set annually by the Internal Revenue Service.

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<sup>1</sup> Approved at the Board of Directors Meeting February 16, 2021 to eliminate 1 year employment requirement when paying 50% dependent coverage  
Complete details of the plan, including investment options, distribution information, loan options and administration procedures and fees are available in the summary plan description booklet that you will receive upon enrollment. The Accounting and Personnel Specialist is available to assist you with any questions you might have.

## STATUTORY BENEFITS

In addition to your welfare benefits, you receive certain other benefits under federal and state laws. These legislated benefits include Social Security, Unemployment Insurance and Workers' Compensation. These benefits are financed through required contributions made by you and the Company. They can provide you and your family with financial assistance in special circumstances.

### **State Unemployment Insurance:**

If your employment terminates, you may be eligible to receive unemployment insurance under certain circumstances as specified by California law. Claimants terminated for misconduct, including performance may be disqualified for benefits. The Company pays the full cost of this program. Contact your local state employment office at the time of your termination for additional information regarding eligibility for benefits, requirements for filing claims, weekly payments, length of coverage and other information.

### **State Disability Insurance:**

California State Disability Insurance provides temporary income for you if you are unable to work due to a non-work related accident or illness. You are covered under this plan as soon as you are employed by the Company, and benefits begin on the eighth (8<sup>th</sup>) day of your disability. This benefit is completely paid for by payroll deductions set by California law.

Your physician or the local Employment Development Department office can assist you in filing a claim. You must file the SDI claim promptly to receive the benefits.

Your accrued sick leave (if available) will be used to make up the difference between SDI benefits and your regular base wages. You must provide a copy of your SDI check(s) to the Company in order for the Company to provide proper sick leave payment to you.

### **Workers' Compensation Insurance:**

The Company provides Workers' Compensation Insurance coverage that protects you if you are injured on the job. This coverage provides Company-paid medical, surgical and hospital services, in addition to payment for loss of earnings due to the work-related illness or injury. You will not receive workers' compensation benefits payments for the first three (3) days unless you are hospitalized or unable to work more than 14 days.

If you're injured at work, immediately report the injury - no matter how minor - to your supervisor or the General Manager. If you sustain a work-related injury or illness, you will be examined and treated by a company-designated physician unless you have previously arranged with your supervisor and the General Manager for treatment to be provided by a personal physician. If you are unable to return to work on the day of injury or sickness the Company will pay you through the end of your regular shift for the day.

Fraudulent claims for Workers' Compensation will be vigorously defended. This includes any claims for injuries occurring off the job.

**Social Security:**

As required by law, a deduction is taken from your wages for Social Security taxes. The Company matches this deduction. The total contribution is credited toward your Social Security benefits, which are available when you retire and/or meet Social Security retirement age requirements. In addition, some federal (not Company) disability and survivor's benefits are financed through Social Security deductions.

**EDUCATIONAL ASSISTANCE**

The Company encourages employee development and excellence of performance by sharing in the cost of educational programs. Programs provided by accredited academic institutions directly related to the employee's job performance will be considered for cost sharing.

The Company may provide tuition and out of pocket expense reimbursement. Any grant money received by the employee will not be reimbursed. Courses must meet position-related development needs, certification/licensing requirements or be relevant to the Company's technical and strategic goals. Courses must be approved in advance by the General Manager. In addition to the cost of tuition or course fees reimbursement may be requested for related expenses, including registration fees, textbooks and other required course materials, parking fees and examination fees. Other costs charged by the institution that are not directly related to the course/program content are not reimbursable. Allowable reimbursements shall be based on service years as follows:

- \$2,000 – < than 1 year
- \$3,000 – 1 – 5 years
- \$4,500 – > than 5 years

All reimbursements are subject to the employee earning of 2.5 Grade Point Average or higher. Once an employee completes their approved course with a passing grade of a C+ or better or proof of passing a certification exam they may request reimbursement by providing their supervisor with certification and academic receipts. The General Manager shall solely decide whether the request for reimbursement meets any of the eligibility requirements, and maintains the sole discretion to deny requests.

If required by federal and/or state law, taxes will be withheld from the employee's reimbursement.

Reimbursement for job-related courses/programs is subject to the availability of budgeted funds. While participation in this program is beneficial to both the Company and its employees, it should

be understood that participation does not guarantee promotion, transfer or continued employment with the Company.

## CAL-COBRA

In accordance with the California Continuation Benefits Replacement Act (Cal-COBRA), the Company provides you and/or your covered dependents an opportunity to continue your group health coverage on a temporary basis beyond the date where coverage otherwise would have ended. Under Cal-COBRA, you and/or your qualified dependents have the right to continue medical, vision, and dental insurance coverage if previously covered under a Company group health plan.

Eligibility for continuation coverage begins when a qualifying event occurs. A qualifying event is an event that results in the loss of group health care for individuals covered under a group health plan. Loss of coverage must be due to:

- Termination of employment, except for gross misconduct
- Your death
- Divorce or legal separation
- Loss of dependent status
- Your entitlement to Medicare coverage
- Reduction of hours or extended leaves of absence

Cal-COBRA coverage may be continued for the following time periods:

- 18 months if the qualifying event is separation from employment
- 29 months in the event you or an eligible dependent was disabled in accordance with the terms of the Social Security Act on the date employment was terminated.
- 36 months, if the qualifying event is:
  - Your death (dependent coverage)
  - Divorce or legal separation
  - Loss of dependent status

When a qualifying event occurs, you are responsible for informing the Accounting and Personnel Specialist promptly. The Company maintains Cal-Cobra status if they remain under 20 employees in a calendar year, which means the carrier would send the Cal-COBRA notice out. If the Company employs more than 20 employees in a calendar year, you and/or your dependents will have 60 days following the date the Accounting and Personnel Specialist mails the notification to



you to respond to the Cal-COBRA administrator. If a response is not received within 60 days, you and/or your dependents will no longer be eligible for continuation of group health insurance.

## **SERVICE RECOGNITION**

The Company recognizes that its most valuable assets are its employees. Company management believes it is important to recognize and honor employees who, through their commitment and dedicated service, have enhanced the quality of life for the communities we serve.

Service awards are given annually to employees who have completed continuous periods of Company employment, beginning with five years of service.

# YOUR PERFORMANCE

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## DRESS REQUIREMENTS AND UNIFORM ALLOWANCE

The Company's professional atmosphere is maintained, in part, by the image you present to Company customers, the public and others. You are expected to be suitably attired and groomed during working hours or when representing the Company. Clothing must be neat and clean and free from offensive odors.

The Company provides an annual uniform allowance for the purchase and maintenance of work shoes (with toe safety protectors) and work pants for field maintenance and operations personnel. Work shirts, sweatshirts, caps and other uniform items with Company identification and insignia will be provided by the Company and are mandatory. Uniforms are to be worn only during working hours. Any exceptions to this policy must be approved by the General Manager.

It is the responsibility of all employees to maintain their on-duty clothing in a clean, safe and sound condition. Tears, holes, stains and other unsightly conditions will not be tolerated.

Clothing affixed with the Company logo must be returned to the Company for logo removal when no longer suitable for wear during working hours. In the event an employee terminates or resigns, all items with a Company logo must be returned to the Company.

Suitable attire for other employees is defined as:

- 1' Suits
- 1' Slacks
- 1' Skirts
- 1' Dress
- 1' Collared and sleeved shirt
- 1' Blouse
- 1' Sweater
- 1' Jumper
- 1' Culottes
- 1' Appropriate footwear
- 1' Blazer, Sports jacket
- 1' Ties

Jeans may be allowed if considered acceptable in the judgment of the General Manager. Jeans, if permitted, must be neat, clean and unfrayed.

Hemlines should be no shorter than 4 inches above the knee. Shirts should be buttoned and wrinkle-free.

Company-issued hats are allowed. Other headwear will be at the discretion of the General Manager.

Jewelry must not pose a health or safety risk to you, your co-workers or the public.

Hair is to be maintained in a neat and safe manner, in a style that will permit the safe use of hard hats as necessary. If your duties require use of machinery with rotating, reciprocating or moving parts hair will be cut or safely controlled to avoid the possibility of becoming tangled in equipment.

Except under special circumstances, the following are not appropriate during business hours:

- Any blouse, shirt or dress that exposes the mid-drift area
- Any clothing that reveals undergarments
- Sun dresses with bare backs and/or shoulders or revealing necklines
- Shorts (of any kind)
- T-shirts, tank tops, sweatshirts, (unless imprinted with official Company identification/insignia)
- Beach attire
- Flip-flops or thongs
- Torn, dirty or unkempt clothing or shoes of any type
- Biker shorts
- Sweats
- Flashy, skimpy or revealing outfits
- Gym-style outfits
- Extreme hairstyles, makeup and jewelry
- Clothing or Tattoos that exhibit offensive graphics or language

Field personnel may wear appropriate non-uniform clothing while attending or participating in training sessions or seminars.

Employees violating this policy will be required to return home on their own time and change into appropriate attire. Repeated violations may be subject to disciplinary procedures.

## ETHICS/CONFLICTS OF INTEREST

It is vital that you understand the fundamental importance of integrity and the highest standards of ethical conduct as a way of life for the Company. High ethical standards must be evident in both fact and appearance in all the Company does. You are responsible for assisting the Company in maintaining high ethical standards by reporting any situations, practices or conduct that may be in violation of this policy without fear of retaliation or adverse action.

In carrying out your responsibilities, you are expected to adhere to the following principles of conduct:

1. You will demonstrate scrupulous honesty and ethical behavior in your personal conduct, business operations and management practices. You will avoid any conduct or action that would create the appearance of violating legal or ethical standards.
2. You will exercise your discretion in business decisions and dealings with co-workers, vendors, consultants and others in a fair, objective and truthful manner.
3. You will avoid any situation, interest or conduct that conflicts or appears to conflict with impartial performance of your work responsibilities. This requirement extends to the acceptance of gifts that exceed standard business practice from vendors, suppliers and others with whom the Company has a business relationship or potential business relationship.
4. You will maintain and respect the confidentiality of information about Company employees and the Company.
5. You will exhibit mutual respect in your interactions with co-workers, customers and others through civil, courteous and business-like behavior.
6. You will respect others and participate in maintaining a workplace that is free of unlawful or inappropriate conduct, including discrimination, harassment or retaliation of any kind.
7. You will take initiative to resolve any situations in your area of responsibility that are inconsistent with these above principles. Employees are expected to report situations or actions that appear to be in violation of these principals. Management will investigate all concerns..

You shall not:

1. Release financial, personal or other confidential or sensitive information about customers, co-workers, the Company or other parties to individuals who have no business reason for access to the information.
2. Take any action or engage in any conduct that violates the law and/or regulations governing the Company's business.
3. Take any action on a matter in which you or a family member has a personal interest. This prohibition also applies in situations involving business organizations in which you or a family member serves as an officer, director, trustee, general partner or employee.
4. Misuse your position for personal or another's private gain.
5. Accept a gift or gratuity of any amount or value from anyone in exchange for special consideration.
6. Accept a personal gift, gratuity or service from vendors or individuals with business interests with the Company without prior discussion with management to ensure no conflict of interest or ethical violation would exist.
7. Obtain, use or divert any Company property for personal use or benefit; nor shall you remove from the premises, alter or destroy any Company property without prior approval from management.
8. Knowingly provide information of material importance to the Company inaccurately or dishonestly, including attendance reports, applications for employment and benefits, etc.
9. Fail to report any action, conduct or situation that you reasonably believe may represent a violation of the Company's legal and ethical obligations.
10. Engage in any other conduct that violates these principles and standards or other accepted standards of business conduct.

You are permitted to accept standard business gifts of limited value (not to exceed \$50 individually or cumulatively), such as lunches or other items, provided acceptance of such gifts does not create a conflict or violate this policy. If you receive a gift that cannot be accepted, you must either return the gift or pay its market value. With management approval the gift may be shared in the office or given to a charity.

If you believe you may be in a potential conflict of interest situation with respect to a pending business decision, you should discuss the situation with the General Manager. When so advised, you should remove yourself from the decision making process. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of the committees with governing board-delegated powers considering the proposed transaction or arrangement. In an effort to aid such disclosure, each member (board, committee, or staff) shall complete a conflict-of-interest questionnaire as circumstances warrant, but no less frequently than annually.

You should report a potential violation of legal requirements or provisions of the Company's ethics standards to the General Manager.

If you are found to have engaged in conduct in violation of this policy you will be subject to discipline up to and including termination. The severity of the discipline will be based on the facts determined during the investigation and the circumstances of the offense. Conduct involving theft, fraud, embezzlement or other unlawful activity is subject to immediate termination without regard to the dollar amount involved. It is the practice of the Company to pursue prosecution to the fullest extent permitted by law of employees found to have engaged in unlawful activities.

## **PERSONAL CONDUCT**

You are required at all times, both on and off the job, to conduct yourself in such a manner as to avoid bringing discredit to the Company or otherwise interfere in the normal and routine operations of the Company.

You are required to disclose to the General Manager if you have been convicted of a felony even if you were not incarcerated for such conviction. You are also required to notify the General Manager of any arrest for which you are out on bail or on your own recognizance. You will not be required to provide information that is prohibited by federal or state law.

You are expected to conduct your personal financial affairs in such a manner that creditors and collectors will not have to make use of Company offices or employee time for the purpose of collecting legal debts. Repeated garnishments (not including wage assignments for child or spousal support) by more than one creditor or repeated contact by your creditors that takes substantial time of Company employees and thereby imposes a cost on the Company will be grounds for disciplinary action up to and including termination.

WHILE ON DUTY YOU WILL NOT SUPPORT, INSTIGATE OR HONOR ANY BOYCOTT IMPRESSED ON ANY COMPANY, AGENCY, INDIVIDUAL OR EMPLOYER THAT THE COMPANY DEALS WITH OR PROVIDES SERVICES TO.

## **CORRECTIVE ACTION**

Corrective Action is a process through which the Company, in its sole discretion, may provide improvement opportunities to you if you do not meet job performance expectations or engage in inappropriate personal conduct. The Company's system of corrective action in no way limits or alters the at-will employment relationship. If the Company determines that circumstances warrant, immediate action up to and including termination may be taken without initiating or continuing the corrective action process.

While it is not possible to identify each and every act that may result in corrective action, some examples include:

- Failure to report to work on time.
- Failure to communicate directly to your immediate supervisor or manager if you cannot report to work.
- Poor attendance.
- Receiving or making excessive or repeated non-emergency personal telephone calls during work hours.
- Failure to respect others in a courteous and professional manner.
- Failure to immediately report an accident or injury to your immediate supervisor.
- Failure to maintain equipment assigned to you for use or operation.
- Failure to immediately report breakdowns, improper or unsafe operation of equipment or facilities.
- Failure to perform assigned tasks that are within the scope of your position without undue waste or delay.

Corrective Action may involve a verbal or written warning, which will provide performance/conduct expectations and timeframes for improvement. Normally the period in which improvement must be demonstrated will be 90 days. If expected improvements do not occur within the designated timeframe, the Company may take action including suspension, demotion or termination. Conduct that requires repeated warnings will be cause for further discipline, up to and including termination.

## **SERIOUS MISCONDUCT**

Serious misconduct will not be tolerated by the Company and you may be subject to immediate suspension or termination. Serious misconduct includes, but is not necessarily limited to:

- Using intoxicants to the extent it interferes with your ability to perform your duties including alcohol, narcotics, hallucinatory drugs or unprescribed stimulating or depressing drugs, or being under the influence thereof while on duty, including standby duty. If you are reasonably suspected of being under the influence of any of the above intoxicants you will be immediately required to undergo medical evaluation, which may include a drug/alcohol screening test. (See *Drug-Free Workplace* section.)
- Insubordination or refusal to take direction from managers and supervisors making appropriate and reasonable requests for action or behavior.
- Refusal to perform assigned tasks for any reason other than personal safety.
- Possession, display, use, transfer or selling of firearms, explosives or weapons on Company premises at any time.
- Theft or misappropriation of any property of the Company or of its employees.
- Careless, negligent or intentional mishandling of any Company property, vehicles, materials or equipment.
- Careless, negligent, abusive or other actions that endanger or threaten to endanger yourself, other employees or the public.
- Unauthorized binding of the Company to a contract.
- Placing the Company in a position of liability for damage or injury to another person or property.
- Falsifying work records or fraud of any type.
- Misuse of sick leave.
- Leaving the job during your work hours without approval of your supervisor or the General Manager.
- Violation of safety rules and regulations.
- Becoming uninsurable by the standards of the Company's vehicle insurance carrier for any reason.
- Sleeping on the job.
- Conviction of a felony in a state or federal court that may affect your ability to perform your duties; or that involves an act of moral turpitude.
- Misrepresenting or withholding material facts in securing employment.
- Disclosing confidential information to unauthorized parties.
- Engaging in conduct that is a conflict of interest or a violation of the *Conflict of Interest* policy.
- Exhibiting abusive or grossly inappropriate conduct.
- Harassing (sexually or otherwise), threatening, intimidating or coercing any other employee, customer or the public.
- Any other conduct or behavior deemed by the General Manager to be seriously detrimental to the Company's interests.



## WORKPLACE VIOLENCE

Any act or threat of violence by any employee against any individual, including co-workers, visitors or other individuals, in the Company's workplace or property or while conducting Company business will not be tolerated. All employees are expected to understand what constitutes threatening conduct or communication and to play an active part in helping to maintain a safe and secure workplace. The Company practices a zero-tolerance policy with respect to real or implied workplace violence. Full compliance with this policy is a condition of employment for all Company employees.

A threat of violence is an implicit or explicit remark or act that can be reasonably interpreted as intimidating and causes another individual or group of individuals to fear for their physical safety or property. The threat need not be directed at any particular individual but may apply to a group or category of individuals. The apparent ability to immediately act upon the threat is not required.

Prohibited conduct includes, but is not limited to, direct or indirect threats of harm, assault, battery, intimidation, physical fighting, altercations or unauthorized possession or use of weapons. Any actual or implied threat of violence in the workplace will be considered a real and serious danger and will not be tolerated. Any occurrence of such is subject to discipline, up to and including termination. Because intent may be difficult to determine, jokes about physical acts of violence will not be tolerated.

You may not possess weapons, including but not limited to guns, knives, dangerous chemicals, explosives and blasting caps on Company property, including in parked cars and parking lots, or while conducting Company business, except as authorized or issued by the Company.

If you commit violent acts or engage in threatening conduct, you will be subject to discipline up to and including immediate termination and also may be subject to criminal prosecution.

Every verbal or physical threat of violence, including bomb threats and suspicious packages, must be treated seriously. You are expected to report any threat or act of violence to your supervisor and the General Manager immediately. Call 911 immediately in the event of an emergency.

All threats or prohibited physical conduct will be reported promptly to the Police Department or other designated officials. Appropriate preventive or remedial action will be taken and the reporting individual will be advised regarding the results of investigation and actions taken. Every effort will be made to respect and maintain the privacy and confidentiality of the reporting individual as well as the alleged perpetrator. However, the Company cannot guarantee that this information can be kept private.

If you obtain protective restraining orders that bar an individual from Company property, you must notify your supervisor, the General Manager and the Police Department immediately. This notification should include the name of the individual whom the restraining order is filed against, a description of the individual and a photograph, if available.

If an individual who has made a threat unexpectedly arrives at the workplace and you see the individual, you must notify your supervisor and the General Manager immediately.

Employees who are determined to have made a serious threat and/or present a danger to themselves or others can be placed on an immediate non-disciplinary suspension with pay, pending the results of an investigation.

Training on workplace violence policies and procedures will be given periodically. All employees should understand that certain risk factors and behavior patterns may offer early warning signs of potential violent behavior. You should bring to your supervisor's attention without delay any warning signs you may observe on the part of other employees or individuals who are on Company facilities and property. Your supervisor or manager will consult with the General Manager on appropriate actions to be taken.

## **SMOKING**

~~The Company prohibits smoking in the workplace and Company vehicles. To maintain a safe and comfortable working environment and to comply with California state laws, smoking and/or tobacco use is strictly regulated.~~

~~Smoking, use of, or disposal of tobacco products is prohibited inside company facilities, company vehicles, outside the Company's main entrances and within 20 feet of the main entrances, exits, operable windows, and ventilation ducts. "Tobacco products" include all types of tobacco, regardless of how consumed, including, but not limited to, cigarettes, cigars, pipes, chewing tobacco, snuff, hookah, electronic cigarettes, or other electronic devices that deliver nicotine or other substance to the person using the device.~~

~~The smoking, use, consumption, or disposal of marijuana or marijuana products is prohibited in all company facilities.~~

~~This policy applies equally to all employees and visitors.~~

## **DRUG-FREE WORKPLACE**

~~The Company promotes a drug and alcohol free workplace and strictly prohibits the use, sale, dispensing or possession of alcohol, illegal drugs and controlled substances, including marijuana,~~

~~while in the workplace. Substance abuse will not be tolerated while employees are on Company property, or performing Company related business elsewhere and such conduct is grounds for disciplinary action, up to and including termination. You are expected to perform your duties with no illegal drugs and controlled substances, including marijuana, or alcohol in your body. Compliance with this policy is an essential job qualification for all Company employees.~~

~~No alcoholic beverages or controlled substances, including marijuana, are allowed on Company premises. Violation can result in disciplinary action up to and including termination, even for first offense.~~

~~Prescription drugs are only allowed on Company premises for whom the drug is prescribed by a licensed medical practitioner and will be used only in the manner prescribed. Violation can result in disciplinary action up to and including termination, even for first offense.~~

### **Purpose of Guideline**

It is the intent of the Company to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by its employees. Employees who are under the influence of a drug or alcohol on the job compromise the Company's interests and endanger their own health and safety and the health and safety of others. Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, and inferior quality in products or service.

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment, and operations, The Company has established this Drug-Free Workplace Policy ("Policy") concerning the use of alcohol and drugs. As a condition of continued employment with The Company, each employee must abide by this Policy.

If questions arise regarding this Policy, please direct them to the Company Drug-Free Workplace Program Coordinator, presently the General Manager.

This Policy covers all employees, including contract or temporary employees while performing the Company services. This Policy also covers applicants insofar as applicants, after a conditional offer of employment has been made, are required to take and participate in a pre-employment test.

### **Inspections**

The Company reserves the right to inspect company vehicles, premises (including owned or leased parking lots), and property (including offices, desks, lockers and other repositories) and personal effects (such as lunch boxes/bags, purses, gym bags, backpacks, handbags, briefcases, packages or coats) where there is reasonable cause to believe an employee has violated this Policy. Where

reasonable cause exists to believe an employee has used, possessed, consumed, transferred, transported, distributed, manufactured, sold, purchased or dispensed illegal drugs on The Company premises, in company vehicles or during working time, The Company will notify and cooperate with an appropriate law enforcement agency in any related investigation (e.g., permitting drug detection/sniffing dogs on company property). This Policy extinguishes and eliminates any continuing expectation of privacy as to the ability to conduct an inspection where reasonable cause exists to believe that there has been a Policy violation. Where reasonably practical, inspections will be conducted in the presence of the employee implicated in the potential Policy violation.

### **Non-discrimination**

Per the Americans with Disability Act and similar state law requirements, The Company does not discriminate against employees or applicants who are qualified individuals with a disability who are not current illegal drug users and who do not otherwise violate this Policy, including individuals who are no longer engaging in such use and: 1) have successfully completed or who are currently participating in a supervised rehabilitation program; or 2) have otherwise been rehabilitated successfully.

### **Definitions**

For purposes of this Policy:

1. “Drug” means a controlled substance, as defined in Schedules I through V of Section 202 of the Controlled Substances Act, 21 U.S.C. § 812, including cocaine, opiates, marijuana, amphetamines, phencyclidine (PCP). The term “illegal drug” includes any drug the possession or use of which is illegal under federal, state, or local law, and includes prescription medications not used by the person for whom prescribed or used in a manner other than prescribed.
2. “Under the influence of alcohol” means (1) the presence of alcohol in the individual’s system which equals or exceeds a blood alcohol content (BAC) of .08; or (2) behavior, appearance, speech, or bodily odors that lead a supervisor or manager to reasonably suspect that the employee is impaired by alcohol during working time or on Company premises.
3. “Under the influence of drugs” means (1) the presence of any detectable amount of an illegal drug or its metabolites demonstrated by a verified positive drug test result, or (2) behavior, appearance, speech, or bodily odors that lead a supervisor or manager to reasonably suspect that the employee is impaired by illegal drugs or is using illegal drugs during working time or on Company property.
4. “Abuse of any legal drug” means the use of any legal drug (a) for purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
5. “During working time” means time during which the employee is being paid to work for or represent The Company or the employee is in fact representing the Company’s interests. The term also includes all paid break and meal periods.

6. “Safety-sensitive position” means a job, including any supervisory or management position, in which impairment caused by drug or alcohol usage, would threaten the health or safety of any person.

### **Prohibited Conduct**

The Company Employees are strictly prohibited from engaging in the conduct listed below.

1. With respect to illegal drugs, employees violate this Policy by engaging in the following conduct, whether or not during work time or on The Company premises or property:

- a) bringing and/or storing (including in a desk, locker, automobile, or other repository) illegal drugs or drug paraphernalia on the Company’s premises or property, including company-owned or leased vehicles, in vehicles used for business purposes or a customer’s premises;
- b) having possession of, being under the influence of, testing positive for, or otherwise having in one’s system, illegal drugs;
- c) using, consuming, transferring, transporting, distributing or attempting to distribute, manufacturing, selling, purchasing, or dispensing illegal drugs;
- d) abuse of prescription drugs which includes exceeding the recommended prescribed dosage or using others’ prescribed medications;
- e) switching, tampering with or adulterating any specimen or sample collected under this Policy, or attempting to do so;
- f) refusing to cooperate with the terms of this Policy which includes submitting to questioning, drug testing, medical or physical tests or examinations, when requested or conducted by The Company or its designee; a refusal to test includes conduct obstructing testing such as failure to sign necessary paperwork, failing to report to the collector and/or collection site at the appointed time and failing to be reasonably available for a post-accident test;
- g) failure to advise a supervisor or manager of the use of a prescription or over-the-counter drug which may alter the employee’s ability to perform the essential functions of his or her job, including situations in which use would create a significant risk to the health or safety of others that cannot be eliminated by reasonable accommodation;
- h) failure of employees to notify a supervisor before going to work if he or she believes that he or she is under the influence of drugs; or,
- i) where lawful, The Company strictly prohibits employees from using hemp products (including “medical marijuana”). Similarly, except where prohibited or restricted by law, and in accordance with and consistent with Department of Transportation guidelines for drug testing of certain truck drivers, The Company will not generally consider use of hemp products (including “medical marijuana”) a valid medical explanation for a positive

marijuana test result. Any questions about this prohibition should be directed to The Company's Drug-Free Workplace Program Coordinator.

2. With respect to alcohol, employees violate this Policy by engaging in the following conduct during work time or on the Company premises or property, or as otherwise provided:
- a) bringing and/or storing (including a desk, locker, automobile, or other repository) alcohol on the Company premises or property, including Company owned or leased vehicles, in vehicles used for Company purposes or a customer's premises;
  - b) having possession of, being under the influence of, testing positive for or having in one's system, alcohol;
  - c) using, consuming, transporting, distributing or attempting to distribute, manufacturing, selling or dispensing alcohol;
  - d) switching, tampering with or adulterating any specimen or sample collected under this Policy, or attempting to do so;
  - e) refusing to cooperate with the terms of this Policy which includes submitting to questioning, alcohol testing, medical or physical tests or examinations, when requested or conducted by the Company or its designee; a refusal to test includes conduct obstructing testing such as failure to sign necessary paperwork, failing to report to the collector and/or collection site at the appointed time and failing to be reasonably available for a post-accident test; or
  - f) failure of employees to notify his or her supervisor before going to work if he or she believes that he or she is under the influence of alcohol.

### **Disciplinary Action**

Employees who engage in any of the prohibited conduct listed above are in violation of this Policy and are subject to discipline, up to and including termination of employment and at the Company's sole discretion. While the discipline imposed will depend on the circumstances and the Company reserves the right to determine, in its discretion, discipline imposed, certain offenses will result in immediate termination (e.g. possession, sale or use of illegal drugs on the Company premises or during working time). Employees who refuse to submit to testing, attempt to switch, adulterate or tamper with a specimen, or receive a positive test result will be terminated, unless otherwise limited by applicable state or local law.

The Company also reserves the right to refer employees with a verified positive drug and/or confirmed alcohol test for assessment, counseling, rehabilitation services or treatment by a Rehabilitation Service Provider, Substance Abuse Professional, or other qualified person licensed or certified in accordance with applicable state law, if any, to provide chemical dependency counseling and to require any employee so referred to enter into and abide by one or more of the following: a Rehabilitation Agreement and/or a Return-to-Work Agreement. Costs associated with this benefit may be covered by the employee's medical insurance plan; however, any costs not covered by the employee's medical

insurance plan and which are not otherwise required to be paid by any applicable plan are entirely the employee's sole responsibility.

All employees subject to post-accident or reasonable cause testing and each employee with an initial positive test result will be removed from his or her position and, at the Company's discretion, receive either a non-disciplinary suspension or transfer, until the Company receives confirmatory test results (or, if requested, after any confirmatory re-test the Company permits).

Employees who are terminated as the result of a positive verified or confirmed test result may not re-apply for a period of 90 days after receipt of the results by the Company. Employees who fail to, as determined by the Company, successfully complete any rehabilitation program may not re-apply for a period of 90 days from the date of the referral or the date of Rehabilitation/Return-to-Work Agreement, whichever is earlier.

### **Use of Legal Drugs**

The Company recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to Company property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the employee may use accrued vacation leave time. The employee may also contact the General Manager or General Manager, to determine whether or not he or she qualifies for an unpaid leave of absence. Nothing in this Policy is intended to sanction the use of accrued leave time to accommodate absences due to the abuse of legal drugs. Further, nothing in this Policy is intended to diminish the Company's commitment to employ and reasonably accommodate qualified disabled individuals. The Company will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

### **Unregulated or Authorized Conduct**

#### **Customary Use of Over-the-Counter Drugs**

Nothing in this Policy is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Policy.

#### **Authorized Use of Alcohol**

There may be occasions when it is permissible to consume reasonable amounts of alcohol on the Company property during work time or at a Company sponsored/sanctioned event, provided that consumption of alcohol is authorized in advance in writing by the Company's President. Examples of occasions that might qualify for exemption include social events (e.g., holiday parties, summer picnics) or business functions, consumption after business hours (after 5:00 p.m.) at professional



events or professional association meetings, or while traveling on business or marketing/entertaining clients or potential clients.

Notwithstanding the foregoing exceptions, employees understand that alcohol must be consumed in moderation, and that the Company's policies and standards, including those pertaining to harassment/offensive behavior, continue to apply. Additionally, in no event may any minors who are in attendance at such events consume alcohol. Further, it is a violation of this Policy to drive any vehicle if a supervisor has reasonable cause to believe that an employee authorized to consume alcohol under this section is under the influence of alcohol, or the employee believes that he or she is under the influence of alcohol. Managers or employees who find themselves in these circumstances are expected to ensure that the involved employee or employees do not drive, but instead take a taxi cab or are driven to a test collection site, if referred for a reasonable cause/suspicion test, and/or after any test or otherwise are driven home or take a taxi cab and/or stay at a hotel. Except in marketing/sales or business entertainment situations, employees are prohibited at all times from consuming alcohol if company business must be conducted or services must be provided after alcohol intake.

### **Confidentiality**

Disclosures made by employees to an employee's supervisor or any manager concerning his/her use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to the General Manager, concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

### **Counseling/Employee Assistance**

Employees who suspect they may have alcohol or drug problems, even in the early stages, are encouraged voluntarily to seek diagnosis and the follow through with the treatment as prescribed by qualified professionals. Employees who wish to voluntarily enter and participate in an approved alcohol or drug rehabilitation program are encouraged to contact the General Manager, who will determine whether the Company can accommodate the employee by providing unpaid leave for the time necessary to complete participation in the program. Employees should be aware that participation in a rehabilitation program will not necessarily shield them from disciplinary action for a violation of this Policy, particularly if the discipline is imposed for a violation occurring before the employee seeks assistance.

### **Drug Testing of Employees**

The Company reserves the right, within the limits of federal, state or local laws, to examine and test for the presence of drugs and/or alcohol, including the right to conduct on-site collections as well as point-of-collection testing and the right to use drug or alcohol test results conducted by a third party including, but not limited to, law enforcement agencies and hospitals as the basis for determining whether an employee has committed misconduct. Under the conditions of this Policy, applicants or employees may be asked to submit to a medical examination and/or submit to hair, urine, saliva, sweat, breath, blood or other testing for drugs and/or alcohol. All costs related to testing will be paid by the



Company, with the exception of any permitted confirmatory re-tests, which, unless restricted by law, the donor requesting the re-test must pay. Testing will occur during working time.

The circumstances in which testing will be performed include, but are not limited to, the following:

### **1. Reasonable Suspicion Testing.**

If an employee's supervisor or other company manager has a reasonable suspicion that the employee is working in an impaired condition or otherwise engaging in conduct that violates this Policy, the employee will be asked about any observed behavior and offered an opportunity to give a reasonable explanation. Reasonable cause/suspicion means a basis for forming a belief based on specific facts and rational inferences drawn from those facts. If the employee is unable to explain the behavior, he or she will be asked to take a drug and/or alcohol test in accordance with the procedures outlined below.

### **2. Post-Accident Testing.**

Alcohol and/or drug screening may be required for employees holding safety-sensitive positions following any work-related accident or any violation of safety precautions or standards, whether or not an injury resulted from such accident or violation.

### **3. Return-to-Duty.**

Employees who have tested positive and have been removed from duty must submit to a return-to-duty drug and/or alcohol test the result of which must be negative before an employee will be permitted to return to duty. Appropriate consideration, as determined by the Company, will be given to metabolization rates for certain drugs in connection with any return-to-duty test.

If the employee refuses to cooperate with the administration of the drug and/or alcohol test, the refusal will be handled in the same manner as a positive test result.

### **Procedures for Drug Testing**

1. The Company will refer the employee to an independent, National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory, which will administer the test. The Company will pay the cost of the test and reasonable transportation costs to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. All drug testing will be performed by urinalysis. Positive results will be confirmed by gas chromatography/mass spectrometry. You are entitled to submit independent evaluations at your own cost if the test comes back positive. The decision to employ you will be based solely on the tests performed and the independent evaluations provided, if any.
2. You will be asked to sign forms acknowledging the procedures governing testing, and authorizing the collection of a urine sample for the purpose of determining the presence of drugs. Refusal to sign the necessary forms provided by the laboratory, or to submit to the drug test will result in the

retraction of the Company's offer to employ you and can subject you to discipline up to and including termination.

The clinic or laboratory will inform the Company as to whether the applicant passed or failed the drug test. If an employee fails the test, he or she will be considered to be in violation of this Policy and will be subject to discipline accordingly.

### **Acknowledgment and Consent**

Any employee subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing, and consenting to (1) the collection of a urine sample for the purpose of determining the presence of drugs, and (2) the release to the Company of medical information regarding the test results. Refusal to sign the agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or will subject an employee to discipline up to and including termination.

### **Confidentiality**

All drug and alcohol test results are reported to the Company's Drug-Free Workplace Program Coordinator and will remain and be considered confidential. Results will only be disclosed within the Company on a need-to-know basis and as allowed by law and retained in a secure location with controlled access. Information about an employee's medical condition or history obtained in connection with a drug and/or alcohol test will be kept in a file separate and apart from the employee's personnel file. The release of an individual's drug and/or alcohol test results and other information gained in the testing process will only be otherwise disclosed in accordance with an individual's written authorization or as otherwise required or permitted by applicable law. By way of example only, test results and other information obtained in the testing process may be used and disclosed in litigation (e.g., arbitration, administrative hearings or judicial proceedings) if the information is relevant to the hearing or proceeding, to any government agency to the extent required by law, rule or regulation or is compelled by judicial or administrative process, or to a substance abuse or rehabilitation assessment/treatment facility or provider for the purpose of evaluation/assessment or treatment.

The Company will attempt to ensure that all aspects of the testing process, including specimen or sample collection, are as private and confidential as reasonably practical. If a urine specimen is requested, employees or applicants will not be observed while providing a specimen unless there is reason to believe the employee has tampered with, adulterated, switched or attempted to tamper with, adulterate or switch a urine specimen or in the case of specimen dilution, as discussed in this Policy.

### **Follow-Up**

An employee who has been removed voluntarily or otherwise from his or her job duties on the basis of a verified or confirmed positive drug test result and/or confirmed positive alcohol test result will be subject to unannounced drug and/or alcohol testing to determine whether he or she is under the influence of alcohol or drugs. Follow-up testing may also occur with respect to employees who, either through referral by the Company or self-referral, have accessed or are participating in an Employee

Assistance Program or rehabilitation program and the responsible program provider or Substance Abuse Professional has prescribed testing. Follow-up testing may continue up to twenty-four (24) months from the return-to-work date

~~The Company reserves the right to search, with or without your consent, all areas and property in which the Company maintains control or joint control with you. If the Company has a reasonable suspicion that you have possession of contraband, the Company may notify the appropriate law enforcement agency for further investigation and action by such agency.~~

~~You may be required to submit to a test for the presence of alcohol or drugs when:~~

- ~~➤ You report to work and there is reasonable suspicion you are intoxicated or under the influence of an intoxicating substance or drug (e.g., smells of an intoxicating substance, exhibits irrational or inappropriate behavior, thick or slurred speech or is incoherent).~~
- ~~➤ You drink an alcoholic beverage or use drugs while on the job.~~
- ~~➤ You are involved in an accident while driving a Company vehicle or operating Company equipment.~~
- ~~➤ You exhibit dangerous or bizarre behavior.~~

~~Refusal to submit to a test is insubordination, is considered to be equivalent to a positive test and is sufficient grounds for dismissal.~~

~~Substance abuse testing will occur on Company time and at Company expense. The specific procedures that will be followed are available from the Accounting and Personnel Specialist. If you provide false information in connection with a urine or blood test, or attempt to falsify test results through tampering, contamination, adulteration or substitution, you are subject to discipline up to and including discharge.~~

~~If you have reasonable cause to suspect another employee is under the influence of drugs or alcohol, you should:~~

- ~~➤ Contact the employee's supervisor or your own supervisor about your concerns.~~
- ~~➤ Document in writing the facts substantiating your reasonable suspicion and forward it directly to the General Manager.~~
- ~~➤ If you suspect a supervisor is under the influence of drugs or alcohol, you should immediately contact the General Manager.~~
- ~~➤ If you request to remain anonymous, your identity will not be revealed unless compelled by law.~~

~~While use of medically prescribed medications is not per se a violation of this policy, the Company will not allow you to operate any Company vehicles, or equipment while taking any kind of medication that impairs your performance.~~

~~If you are concerned about your ability to safely perform job functions while on prescription medication, you have an obligation to report this to your supervisor. The Accounting and Personnel Specialist may contact your physician to determine whether you are able to safely perform job~~

~~duties while on the medication. The Company reserves the right to send you home until proper clearance from your physician is obtained. Failure to report legal drugs that may interfere with work performance or safety can result in disciplinary action up to and including termination. Information concerning use of legal drugs will be treated as confidential and consistent with the Company's obligations under the Americans with Disabilities Act and state law protecting persons with disabilities.~~

~~If you have a substance abuse problem, you are encouraged to seek assistance. Any form of assistance may be sought with complete confidentiality and with no adverse consequences to your employment. You should be aware, however, that a request for assistance will not insulate you from disciplinary action already contemplated. If you disclose that you have a substance abuse problem and wish to seek treatment the Company will grant you a leave of absence in order to undergo treatment in compliance with its obligations to provide reasonable accommodation as required by state and federal law.~~

# WORK PRACTICES

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## ADDRESSING YOUR CONCERNS – OPEN DOOR POLICY

At times, you may have a concern about some aspect of working at the Company. It is important that you voice those concerns to your manager to constructively address the issue.

In most cases we encourage you to speak directly with your manager about your concerns. If you are uncomfortable discussing the issue with your manager, discuss it with the General Manager. Company managers are committed to listening and addressing your concerns.

We will make every effort to resolve your issues through these direct discussions. However, there may be situations when issues may not be resolved to your satisfaction.

## WORKPLACE SAFETY

The Company is committed to providing a workplace that is safe, healthy and free of hazards. You are expected to observe all workplace safety rules and emergency procedures and are responsible for exercising reasonable care to prevent the possibility of injury to yourself and others. You are expected to attend all scheduled safety meetings and required safety training. You should keep informed about potential workplace hazards and actions to take in the event of incidents and exposures.

You are expected to report all injuries (no matter how slight) to your supervisor immediately. You are expected to report anything that needs repair or that you consider a safety hazard. If you willfully or deliberately disobey safety rules you may be subject to discipline up to and including termination.

You will not be subject to retaliation of any kind for expressing concerns or making comments or suggestions about any safety-related matters. You (or your physician) have a right to receive information on any hazardous substances to which you may be exposed to in the workplace. Materials Safety Data Sheets are available to you in your work area. You may not be disciplined or discriminated against for requesting such information or exercising any other rights you have under state and federal hazardous substance laws.

To comply with local laws emergency evacuation drills are conducted periodically. You are required to participate in these drills and to follow the instructions of designated emergency team members.

The Company's emergency procedures are available from your supervisor or manager. These procedures are to be observed in the event of an earthquake, natural disaster, evacuation, fire, bomb threat or other crisis situation.

The following safety guidelines should be observed at all times:

- Report all unsafe or hazardous conditions, including torn carpeting, broken tiles, hanging wires, unsecured shelving, etc. to your manager.
- Obey posted safety and/or warning signs, such as "Wet Paint," "Do Not Enter," etc.
- Keep exits, stairways and aisles clear of materials including combustibles such as boxes, files, furniture, etc.
- Keep work areas clean and in safe condition at all times.
- Do not block fire doors in the open position.
- Do not stack, store or place any materials in a hazardous manner.
- Report lights that have burned out to your supervisor.
- Strictly comply with the Company's "no smoking" policy in compliance with state law.
- Keep fire extinguishers easily accessible and unobstructed.
- If clarification of these guidelines or assistance is required ask your supervisor

For additional information on safety practices and procedures that apply to your department or work area talk with your manager.

If you observe any unsafe condition in the workplace you should report it to your manager and/or the General Manager.

## **WORKPLACE PRIVACY**

The Company recognizes the need for confidentiality in the collection, custody, use and dissemination of personal information concerning employees and those with whom the Company does business. However, you should not have an expectation of privacy in your assigned work area and with respect to any Company equipment or resources, including but not limited to, your Company e-mail, Company computer or other device, or Company voicemail messages. The Company reserves the right to examine the following at any time in its sole discretion, with or without notice or consent:

- Computer files and data on an assigned Company computer
- Electronic communication systems messages and information (e.g., e-mail and voice -mail)
- Desks, filing cabinets and Company vehicles

Your personal property, e.g., briefcase, purse, vehicle, etc., will not be searched without obtaining your prior consent. The nature of the consent obtained will be carefully documented and you must be present throughout the course of the search.

The company uses or may use video surveillance in public areas (not in restrooms, locker rooms or changing areas). The video surveillance will not include sound recording.

## **PERSONAL USE OF COMPANY PROPERTY**

Your job may require you to use Company supplies, materials, tools and various types of equipment. As a Company employee it is your responsibility to keep tools and equipment in good working order and to exercise prudent care in using supplies and materials. You should immediately report any faulty or dangerous conditions regarding tools, equipment and machinery to your supervisor.

Additionally, you are expected to comply with the following policies:

- Company tools, equipment or materials of any kind may not be removed from Company facilities or worksites at any time during off duty hours without written permission from the General Manager. This written authorization must be on your person when leaving Company property. Violations of this policy are grounds for discipline up to and including discharge.
- Company supplies and materials, such as paper supplies, stationery and envelopes are not to be used for personal reasons under any circumstances.
- Limited personal use of copiers is permitted with management approval.
- Employees are not to receive personal, non-business-related mail or packages at Company offices.
- You may not make any personal long-distance telephone calls using Company telephones without prior management approval. You may use telephones on a limited basis for compelling personal business that cannot be conducted outside business hours.
- You are prohibited from making use of Company facilities for personal business, including time when you are not on duty, without prior approval from your manager.

Willful or repeated violations of this policy are grounds for discipline, up to and including discharge.

## **USE OF VEHICLES ON COMPANY BUSINESS**

The Company maintains vehicles for employees to operate while conducting Company business. Additionally, the Company may request that an employee drive their own vehicle for Company



business. The Company participates in the Department of Motor Vehicle's (DMV) Employer Pull Notice Program. This program is implemented for employees whose duties include driving.

If you operate a Company vehicle, the following policies must be complied with:

- Company-owned vehicles should not be used for personal business. Employees driving Company-owned vehicles are also prohibited from driving passengers, including family and friends, who are not involved in official Company business unless pre-authorized by the General Manager.
- The General Manager may authorize designated employees to use Company vehicles in order to quickly respond to call-out emergencies. These employees are expected to park and secure the vehicle in a reasonably safe location when not in use. All other Company vehicles must remain secured on Company premises during non-work hours.
- You are personally responsible for all traffic fines and other violations incurred while driving a Company vehicle. You must promptly report any citations received, including parking violations, as well as proof of resolution to the General Manager.

No employee may operate a company-owned vehicle without a valid California driver's license for the particular class of vehicle.

While on standby the Company vehicle must be kept within a reasonable response time of the Company, (i.e. within thirty (30) minutes of the Company headquarters). It is recognized that the Company vehicle may be used by the standby personnel on occasion for personal errands within the response time area.

If you are requested to use a personal vehicle to conduct Company business, the following guidelines must be complied with:

- Employees must receive prior approval from the General Manager in order to drive their own vehicle on Company business.
- Employees must provide proof of automobile insurance coverage at the following limits
  - Bodily Injury Liability at \$300,000 each accident and \$100,000 each person
  - Property Damage Liability at \$100,000 each accident
- The Company will provide a monthly reimbursement allowance for pre-approved use of personal vehicles on Company business.

## **VEHICLE ACCIDENTS – WHAT SHOULD YOU DO**

If you are involved in an accident while operating a Company vehicle you must follow established procedures to ensure proper reporting. You should document the exact time, location and circumstances of the accident. Take photographs of the accident scene if possible. Obtain contact information for:

- All persons involved in the accident, including names, addresses and telephone numbers.

- Any witnesses to the accident, including names, addresses and telephone numbers.

You should notify the General Manager. Await direction from manager before leaving the scene unless medical attention is needed. In the event there are injuries or there appears to be significant damage to vehicle or private property call the Police Department immediately. Make no statements regarding responsibility for the accident. If possible, stay with the vehicle until assistance arrives.

If you observe an accident or respond to assist a co-worker involved in an accident, immediately take the steps described above.

## COMPUTER USAGE

The Company's electronic systems are intended for the sole purpose of conducting Company business in an efficient and effective manner and are not intended for personal use. "Electronic systems" include, but are not limited to, Company servers, individual workstations and laptops, related program and operating software, peripheral equipment, electronic and voice mail, internet services, facsimile equipment and radio, cellular and land-line telephone services.

Because these systems are intended solely for business purposes, you should have no expectation of privacy with respect to any documents or other materials you write, store, receive or send using these systems. The Company reserves the right to review and inspect, with or without notice, information stored on these systems for any purpose in its sole discretion. Any violation of Company policy regarding use of its electronic systems is subject to discipline up to and including termination.

You are also expected to comply with the following policies:

- Company computers and network systems are configured for proper operation in the Company's technology environment. Any changes to configurations and network settings can only be made by the Company's Information Technology Consultant.
- Company systems contain confidential and proprietary information. You are not permitted to share your password with any other individual for any reason without the express permission of your manager.
- No copyrighted documents may be sent or forwarded using Company electronic mail systems without specific management approval.
- Assigned computers should be diligently cared for to avoid damage. Any problems with your equipment should immediately be brought to the attention of your manager. You will be held financially responsible for damage to hardware and software due to willful misconduct on your part.

- Because of risk to the integrity of Company systems, strict procedures must be followed regarding the use of software and data. Only Company-authorized and properly licensed software is permitted on Company computers. Unauthorized software, data files, or import devices shall not be downloaded, installed or used on Company systems without their being approved in advance by the General Manager.

Violations of this policy are grounds for discipline up to and including discharge.

### **Internet and Social Media**

Using Company computers to access the internet is limited to sites that are appropriate for conducting Company business. Access to sites that contain offensive, obscene, pornographic, threatening or illegal content or that could in any way embarrass or cause loss of faith in the Company is expressly forbidden

No using social media while on work time or on equipment the Company provide, unless it is work-related as authorized by your manager. Do not use your Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Ultimately, you are solely responsible for what you post online. Keep in mind that your conduct or postings that negatively impact the Company may result in disciplinary action up to and including termination.

Inappropriate postings may include but are not limited to:

- Discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct.
- Posting complaints or criticism.
- Using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating.
- Making statements that disparage shareholders, employees, Board members or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of age, race, sex, disability, religion or any other status protected by law or company policy.
- Statements that do not maintain the confidentiality of Company's rights (including water rights) and private or confidential information. Do not post internal reports, policies, procedures or other internal business-related communications.

It is important to always be honest and accurate when posting information or news and if you make a mistake, to correct it quickly. Be open about any previous posts you have made or altered. Remember that the internet archives everything, even deleted postings.

- Do not create a link from your blog, website or other social networking site to a Company website without identifying yourself as an employee.
- Express only your personal opinions. Never represent yourself as a spokesperson for the Company. If the Company is a subject of the content you are creating, be clear and open about the fact that you are an employee and that your views do not represent those of the Company. It is best to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of San Antonio Water Company.”

## **MEDIA CONTACTS**

Employees should not speak to the media on the Company’s behalf without written permission from the General Manager. All media inquiries should be directed to the General Manager or the President of the Board.

## RECEIPT AND ACKNOWLEDGMENT OF EMPLOYEE HANDBOOK

This Employee Handbook is an important document intended to help you become acquainted with San Antonio Water Company (“Company”). This Handbook will serve as a guide for employees to learn about the Company’s policies, benefits, and practices. It is not intended to imply a contractual relationship.

The Company, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Handbook at any time without prior notice. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Please read the following statements and sign below to indicate your receipt and acknowledgment of the Employee Handbook.

- I have received and read a copy of the Employee Handbook. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of the Company at any time.
- I further understand that my employment is terminable at will, either by myself or the Company, regardless of the length of my employment.
- I also understand the Company may demote or discipline me or alter the terms of my employment at any time at its discretion, with or without cause or advance notice. Also, progressive discipline is left to the sole discretion of the Company and nothing in their handbook requires the Company to issue a warning or suspension prior to discharging any employee.
- I understand that from time to time the Company may grant raises, bonuses, promotions, commendations or other rewards for good performance, but these are not to be construed as an implied limitation of the right to terminate at-will.
- I understand that no contract of employment other than “at will” has been expressed or implied, and that no circumstances arising out of my employment will alter my “at-will” employment relationship unless expressed in writing, with the understanding specifically set forth and signed by myself.

Date: \_\_\_\_\_

\_\_\_\_\_  
Employee’s Signature

\_\_\_\_\_  
Employee’s Printed Name

**DRUG AND ALCOHOL POLICY**  
**ACKNOWLEDGMENT AND CONSENT FORM**

Drug-use and alcohol-impairment testing through urine, breath, saliva, or blood samples is part of the San Antonio Water Company's overall ongoing employment requirements. Please read the following carefully.

I understand that drug-use or alcohol-impairment tests during employment are part of the procedures of the Company.

I consent to submit to urine, breath, or blood analysis drug-use or alcohol-impairment test and any other post-offer physical examination that the Company may determine is necessary for business reasons.

I also authorize and hereby release the Company's testing laboratory, hospital, or health care provider to provide the results of any such tests to the Company.

I further agree to hold the Company, its agents, directors, owner, board members, and employees harmless from any and all liability in connection with the testing for the presence of drugs or alcohol.

I UNDERSTAND THAT WORKERS' COMPENSATION CLAIMS MAY BE DENIED IN CIRCUMSTANCES WHERE I TEST POSITIVE FOR DRUGS AND ALCOHOL AND DRUG OR ALCOHOL IMPAIRMENT WAS A SUBSTANTIAL CONTRIBUTING CAUSE OF THE ACCIDENT.

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Witness Signature

Date

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# EMPLOYEE HANDBOOK

## WELCOME TO OUR TEAM

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### GENERAL MANAGER'S MESSAGE

Welcome to the San Antonio Water Company. By joining our team, you become part of a historically significant and progressive organization that dates back to 1882. I look forward to your contribution continuing the progress and future development of our Company.

As an organization, we value individual qualities such as courtesy, helpfulness, a willingness to learn and a creative spirit. The aim of the Company is to provide a productive working environment that fosters personal growth, meets Company goals and ensures quality products and services to our shareholders.

The Company provides this policy manual to familiarize you with work-related rules, benefits, policies and procedures. The policies contained in this manual help answer the most basic questions about your workplace and provide you guidance on what the Company expects of you. The policies do not create any contract right, or contract of employment; and the Company may modify the policies at its discretion in accordance with law at any time with due notice. We ask that you take the time to carefully read the employee handbook in order to obtain a clear understanding of these expectations.

### HISTORY AND ORGANIZATION OF THE COMPANY

The San Antonio Water Company's history spans multiple centuries and involves no less than three nations; Spain, Mexico and The United States. We are one of the oldest mutual water companies in the nation and extremely proud of our heritage. The genesis of our story predates the United States of America and the State of California.

In 1771, four years prior to the Declaration of Independence, the Mission San Gabriel was established by Spaniards of the Franciscan order. It was the fourth of twenty-one Spanish missions established in California along the El Camino Real. Given the remote locations of California missions at the time, self-sufficiency was critical to survival. To that end, the missionaries established rancherias surrounding Mission San Gabriel to provide food and supplies. Along with dozens of other rancherias, Cucamonga was established for cattle grazing in support of the Mission.

In 1821 Mexico (including the lands of Alta California) gained its independence from Spain. The Mexican secularization act of 1833 removed most of the mission's property rights, transferring to the Mexican government those lands granted to the Franciscan missions by the Spanish crown. In 1839 the 13,045-acre rancheria Cucamonga (and its water rights) was granted by the Mexican Governor of California to Tiburcio Tapia, a wealthy Los Angeles merchant. As an unencumbered property right, this land grant established Rancho Cucamonga under private ownership. Tapia is also credited with planting the first grape vines in the area.

Marking the end of the Mexican American war, the Treaty of Guadalupe Hidalgo, signed in 1848, ensured that previous land grants and associated water rights would be honored by the American

## EMPLOYEE HANDBOOK

government in its newly acquired California territory. California was admitted as the 31st State of the Union on September 9, 1850. The US Government officially recognized the Rancho Cucamonga land grant to Leon V. Prudhomme in 1872. For the next 30 some-odd years the Rancho transferred ownership several times, including some family intrigue and an unsolved murder as a back-story.

In 1882 Canadians George and William Chaffey purchased 8,000-acres of the Cucamonga Rancho, including the water rights, and established an irrigation colony which they named Ontario, in honor of their homeland. On October 25, 1882 they also established the San Antonio Water Company under the General Corporation Laws of the United States. Those rancheria water rights established way back in the 1700's, passed down from owner to owner, were transferred to the Company to support the newly established irrigation colony.

The brother's vision was to develop a Mutual Water Company whose members shared equally in the locally available water supply. They sold irrigation colony land in 10-acre blocks, primarily intended for the booming citrus industry. Along with the land, the brothers sold shares in the Company, one share for each purchased acre. Each shareholder was entitled to a portion of available local water, distributed equally by the company amongst all the shareholders. The Company was responsible for distributing water on a non-profit basis to the shareholders.

Since 1882 the Company has consistently provided water service to its shareholders. Although the local citrus industry has largely disappeared, the Company maintains delivery to current shareholders utilizing the same successful 'per share' distribution plan established over 135 years ago.

A major component of the Company's water system is the incredible San Antonio tunnel. The tunnel is built into the head of the San Antonio Canyon about 90 feet below the ground surface. Groundwater percolating through the alluvium collects in the tunnel and, after chlorination, is channeled into the Company's potable water system.

### CORE VALUES

We believe our Company has succeeded over the course of its long history as a result of our established core values. These core values reflect what is truly important to the organization. They do not change from time to time, situation to situation or person to person, but rather they are the foundation of our Company's culture.

San Antonio Water Company's core company values create a framework within which individuals are free to contribute to the long-term prosperity of the business.

As a Company we value:

- High standards of business ethics and personal integrity. We believe that doing what is right, in accordance with the Company's core values, will enhance the perception of its shareholders and its counterparts.

## EMPLOYEE HANDBOOK

- Personal growth through continuing education and certification, thereby reinforcing the confidence of our shareholders in our ability to provide excellent water quality.
- Respect for the dignity and importance of all staff members and their contribution towards achievement of the Company's objectives. We are committed to creating a workplace where employees are encouraged to strive for their personal best.
- Teamwork. We seek to support each other and make choices that put team before individual performance. The strength of our team relies on our combined experience and expertise working in unison. We know that our best work is produced by collaboration and supporting each other every day. Team mentality also extends to our customers as we approach every relationship as a partnership and work collaboratively with each other to meet our goals.
- Cost effectiveness and efficiency. We encourage our employees to contribute their ideas for improving our business and operational processes.
- Safety. We are committed to ensuring a work environment that is clean, orderly and safe.
- Following through on our commitments as management and employees. We pledge accountability to our shareholders and employees for achieving our commitments, results, and quality.

Our continued vision is to achieve the following goals:

- Be the place where the best people choose to work - to encourage creative thinking and reward performance in appropriate, measurable ways.
- Embrace change, growth, and diversity.
- Seize every opportunity to serve our shareholders better through expanding services, staff culture, education, and technological development.
- Enable our employees to realize their full potential by encouraging self-development and professional growth.

### CORPORATE COMMITMENT

“To provide our shareholders with reliable and good quality water service at a cost-effective rate.”

Achieving this commitment to our shareholders and customers is the first responsibility of every staff member.

# EMPLOYEE HANDBOOK

## GENERAL EMPLOYMENT POLICIES

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### AT-WILL EMPLOYMENT

Your employment with the Company is on an At-Will basis. This means you are free to leave your employment at any time, with or without cause or notice, and the Company retains the same right to terminate your employment at any time, with or without cause or notice. Nothing in this handbook or in any document or statement, including benefit plan descriptions, creates or is intended to create a promise or representation for your continued employment, or limits your rights or the rights of the Company to terminate the employment relationship at any time.

No manager, supervisor or employee of the Company has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than on an at-will basis. Only the Board of Directors of the Company has the authority to make any such agreement, and then only in writing.

### CATEGORIES OF EMPLOYMENT

The Company utilizes several categories of employment that define eligibility for benefits and determine eligibility for payment of overtime under the Fair Labor Standards Act and applicable state law. These categories are:

- **Regular full-time position:** Employees work a full-time schedule (40 hours a week) on a continuing basis and are eligible for benefits as defined by Company policy (see Time Off and Benefits sections).
- **Regular part-time position with benefits:** Employees work a partial schedule of 30 hours and over per week on a continuing basis and are eligible for benefits as defined by Company policy (see Time Off and Benefits sections).
- **Part-time position:** Employees work a partial schedule of less than 30 hours per week on a continuing or limited basis. These employees are eligible to receive paid sick time off as mandated by State and Federal law.

In addition, all Company positions are classified according to their coverage under the Fair Labor Standards Act (FLSA) and applicable state law regarding the payment of overtime. Your position is classified as either exempt or non-exempt.

- **Exempt positions** include, but are not limited to, some managers, supervisors and others who are paid on a salary basis for performing particular functions.. Exempt employees are paid a bi-weekly salary that is intended to compensate them for the completion of their job responsibilities and are not entitled to overtime pay.
- **Non-exempt positions** are all other types of positions that entitle employees to overtime pay for hours worked in compliance with applicable state and federal law.

Your exempt/non-exempt category may change if you transfer to another position. In considering a transfer, the Company will notify you if your exempt/nonexempt classification will change and explain how this change will affect your overtime status and any other Company benefits.



## EMPLOYEE HANDBOOK

If employment is reduced from full-time to part-time, your benefits will also be adjusted in accordance with Company Benefits policies. Your supervisor is available to assist you in understanding the effects of employment status changes on your benefits.

### **EQUAL EMPLOYMENT OPPORTUNITY**

As part of the Company's Equal Employment Opportunity, and in accordance with federal and state law, the Company is committed to providing you with a professional work environment free of harassment and discrimination against employees, applicants, or any other covered persons, including interns, by co-workers, supervisors, managers, or third parties on the basis of a person's race, color, age (40 or older), religious creed (including religious belief, observance, and practice; and dress or grooming practices), national origin, ancestry, physical disability, mental disability, medical condition (including any cancer-related physical or mental health impairment from a diagnosis, record, or history of cancer; or a genetic characteristic) genetic information (including information about an individual's genetic tests, family members' genetic tests, family members' diseases or disorders, an individual's or family member's receipt of, or request for, genetic services; and participation by an individual or their family member in clinical research that includes genetic services), marital status, sex (including pregnancy, childbirth, breast feeding; or medical conditions related to pregnancy, childbirth, or breast feeding), gender, gender expression (meaning a person's gender-related appearance or behavior, the perception of such appearance or behavior, whether or not stereotypically associated with the person's sex at birth), gender identity (meaning a person's internal understanding of their gender, or the perception of a person's gender identity, which may include male, female, a combination of male and female, neither male or female, a gender different from the person's sex assigned at birth, or transgender), sexual orientation (including heterosexuality, homosexuality; and bisexuality), military or veteran status (including past, current, or prospective service in the uniformed services), reproductive health decision-making, or any other characteristic protected under applicable federal, state, or local law. In addition, the Company is committed to providing you with an environment free from retaliation for participating in any protected activity. Accordingly, we have adopted and maintain this discrimination and harassment prevention policy designed to encourage professional and respectful behavior and prevent discriminatory and harassing conduct in our workplace. We will implement appropriate corrective action(s), up to and including formal discipline, in response to misconduct that violates policy, even if the violation does not rise to the level of unlawful conduct.

This policy applies to all executives, employees, applicants and agents of the Company, including contractors, interns and volunteers regardless of status.

### **Policy Against Discrimination, Harassment and Retaliation Discrimination**

In accordance with federal and applicable state laws and regulations, the Company encourages workplace diversity and will not discriminate against any employees, applicants, or any other covered persons, including interns, by co-workers, supervisors, managers, or third parties on the basis of a person's race, color, age (40 or older), religious creed (including religious belief, observance, and practice; and dress or grooming practices), national origin, ancestry, physical disability, mental disability, medical condition (including any cancer-related physical or mental

## EMPLOYEE HANDBOOK

health impairment from a diagnosis, record, or history of cancer; or a genetic characteristic) genetic information (including information about an individual's genetic tests, family members' genetic tests, family members' diseases or disorders, an individual's or family member's receipt of, or request for, genetic services; and participation by an individual or their family member in clinical research that includes genetic services), marital status, sex (including pregnancy, childbirth, breast feeding; or medical conditions related to pregnancy, childbirth, or breast feeding), gender, gender expression (meaning a person's gender-related appearance or behavior, the perception of such appearance or behavior, whether or not stereotypically associated with the person's sex at birth), gender identity (meaning a person's internal understanding of their gender, or the perception of a person's gender identity, which may include male, female, a combination of male and female, neither male or female, a gender different from the person's sex assigned at birth, or transgender), sexual orientation (including heterosexuality, homosexuality; and bisexuality), military or veteran status (including past, current, or prospective service in the uniformed services), reproductive health decision-making, or any other characteristic protected under applicable federal, state, or local law.

All decisions affecting your employment, at all job levels, are to be made on the basis of your qualifications as to the job-related requirements of the position. A description of your rights under federal and state Equal Employment Opportunity law is posted in our offices.

### ***Harassment***

The Company follows a zero-tolerance policy in maintaining a workplace free from harassment of any kind from any source. Conduct does not need to rise to the level of a violation of the law to violate this policy. This includes not condoning “jokes” or derogatory comments or slurs aimed at the race, color, religion, sex, age, national origin, sexual orientation or disability of any individual, even if made without malice.

Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creates an intimidating, hostile, or offensive working environment.

Harassing conduct can take many forms and includes, but is not limited to:

- Verbal harassment, e.g., jokes, epithets, derogatory comments, or slurs (on the basis of protected categories, including but not limited to, sex, race, national origin, etc.);
- Physical harassment, e.g., assault, impeding or blocking movement, or any physical interference with normal work or movement when directed at an individual (on the basis protected categories, including but not limited to, of sex, race, national origin, etc.);
- Visual harassment, e.g., derogatory posters, cartoons, or drawings (on the basis of protected categories, including but not limited to, sex, race, national origin, etc.); and
- Sexual favors, e.g., unwanted sexual advances which condition an employment upon an exchange of sexual favors.

## EMPLOYEE HANDBOOK

Sexual harassment does not need to be motivated by sexual desire to be unlawful or to violate this policy. This list is not a complete list of what may be deemed to be harassment under the law. As a general guideline, however, problems in this area can be avoided if we act professionally and treat each other with respect.

Actions or words that harass or intimidate fellow employees are expressly forbidden and will not be tolerated by the Company. Similarly, the Company will not tolerate harassment by employees of non-employees with whom the Company employees have a business, service, or professional relationship. The Company also will take all reasonable steps to protect employees from harassment by non-employees in the workplace.

You are expected to treat all other employees and members of the public with respect. You are responsible for refraining from harassment and other inappropriate behavior.

### ***Retaliation***

The Company has a strong commitment to prohibiting and preventing retaliation in the workplace. Retaliation occurs when adverse conduct is taken against a covered individual because of the individual's protected activity. "Adverse conduct" may include but is not limited to: disciplinary action, counseling, taking sides because an individual has reported harassment or discrimination; spreading rumors about a complainant or about someone who supports or assists the complainant; shunning or avoiding an individual who reports harassment or discrimination; or making real or implied threats of intimidation to prevent or deter an individual from reporting harassment or discrimination.

The Company prohibits retaliation against employees, independent contractors, interns, volunteers, or persons providing services pursuant to a contract, or their family members, for having reported misconduct, having engaged in or perceived to have engaged in protected whistle-blowing activities, having participated in any workplace investigation, or having reported a violation of a local, county, state or federal law to a government agency or to your supervisor. Further, the Company prohibits retaliation for requesting accommodation for a disability or religious beliefs, regardless of whether the accommodation request was granted. In addition, the Company prohibits retaliation against an employee because the employee refuses to report to the worksite or refuses to leave the worksite based on the employee's reasonable belief that the worksite is unsafe during emergency conditions.

### ***Complaint Process***

If you believe you have been subjected to treatment in violation of discrimination, harassment or retaliation, you should immediately make a written or oral complaint to your supervisor, the General Manager or a member of the Board of Directors. The complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant and any documentary evidence (notes, pictures, cartoons, etc.).

## EMPLOYEE HANDBOOK

All complaints will be treated with the utmost seriousness. A comprehensive and timely investigation will be conducted of all complaints. Every possible effort will be made to ensure the confidentiality of individuals filing complaints. Complete confidentiality cannot always be assured because of the need to fully investigate and the duty to take effective remedial action. The investigation will be documented and tracked for reasonable progress.

Any employee found to be responsible for discrimination or harassment in violation of this policy will be subject to appropriate discipline up to and including termination. The severity of the action taken will be based upon the facts determined during the investigation and the circumstances of the offense.

If you observe what you believe to be a violation of this policy, you must report the situation immediately to the General Manager or a member of the Board of Directors, even if the employee directly affected asks that “nothing be done about it” or says that it has been satisfactorily resolved. If you are a supervisor or manager, you have a particularly significant obligation and must report any apparent violations of this policy.

The Company will not retaliate against an employee for filing a complaint, and will not tolerate or permit retaliation by management, employees or co-workers. Any incidents of further harassment or retaliation should be reported immediately to a supervisor, the General Manager or a member of the Board of Directors.

This policy applies to all executives, employees, applicants and agents of the Company, regardless of status.

Any employee determined by the Company to be responsible for harassment, discrimination, retaliation, or other prohibited conduct will be subject to appropriate disciplinary action, up to, and including termination. If you, as an employee, are found to have engaged in sexual harassment or if you, as a supervisor or manager, know about the conduct and condone or ratify it, you may be personally liable for monetary damages. The Company will not pay damages assessed against you personally. In addition, the Company will take appropriate disciplinary measures -- termination is one possible action -- against any employee who engages in sexual harassment.

An individual who presents a knowingly false or frivolous claim that is proven to be untrue could be subject to civil repercussions from the falsely-accused party.

### ***Other Options for Reporting***

In addition to notifying the Company about harassment, discrimination or retaliation complaints, employees can contact the Equal Employment Opportunity Commission (EEOC), the federal agency that resolves sexual harassment claims. To contact the commission, consult directory, assistance for Washington, D.C. or write to Equal Employment Opportunity Commission, 131 M Street, NE, Washington, DC 20507.

In addition, if an individual believes that he or she has been discriminated against, the worker may file a complaint with any local U.S. Department of Labor, Wage and Hour Division (WHD) office.

## EMPLOYEE HANDBOOK

All complaints are confidential and investigations are conducted in such a manner so as to protect confidentiality.

Affected California employees may also direct their complaints to the California Civil Rights Department (“CRD”), which has the authority to conduct investigations of the fact. The deadline for filing complaints with the CRD is three years from the date of the alleged unlawful conduct. If CRD believes that a complaint is valid and settlement efforts fail, the CRD may seek an administrative hearing before the California Civil Rights Counsel (“CRC”) or file a lawsuit in court. Both the CRC and the courts have the authority to award monetary and non-monetary relief in meritorious cases.

California employees can contact the nearest CRD office by consulting your local telephone directory under State Government Offices or ask directory assistance for the number of the California Civil Rights Department headquartered in Sacramento or write to the California Civil Rights Department, 2218 Kausen Drive, Suite 100, Elk Grove, CA 95758.

### **ACCOMMODATION OF DISABLED APPLICANTS AND EMPLOYEES**

In accordance with the Americans with Disabilities Act (ADA) and other laws and regulations, the Company will not discriminate against anyone because of a disability. The Company is committed to ensuring that individuals with qualified physical or mental disabilities receive equal employment opportunity. The Company will provide reasonable accommodations to individuals with qualified disabilities, provided the reasonable accommodation does not create an undue hardship to the Company or pose a direct threat to the health or safety of others in the workplace or to the requesting employee. This policy extends to all applicants and employees and extends to all aspects of the Company’s employment practices, including recruiting, hiring, discipline, transfer, promotion, medical examination, job assignment, training, compensation, benefits, leaves of absence, performance appraisal and Company-sponsored educational, social and recreational activities.

Reasonable accommodations will be made to enable you to perform the essential functions of a job, provided they will not impose an undue hardship on the Company with respect to significant costs and expenses, operational needs and safety considerations. Accommodations may include acquisitions and modifications to equipment or facilities to make them readily accessible and usable, part-time or modified work schedules, job restructuring, reassignment to a vacant position, appropriate modifications to materials or policies, provision of qualified readers and interpreters and similar other accommodations. Accommodations will vary from case to case and will be evaluated on an individual basis.

If you need to request accommodation to perform the essential functions of your job, you should submit a written request, along with medical verification and a statement of the accommodation you need, to your Supervisor or the General Manager. It is the Company’s intent that determining appropriate accommodations will be an informal, interactive, problem-solving process between you and the Company. The final determination as to whether your disability can be reasonably accommodated is made by the General Manager, in consultation with you, your Supervisor and your health care provider.

## EMPLOYEE HANDBOOK

The Company reserves the right to require an examination by a Company-appointed physician at the Company's expense to make a determination regarding your fitness to continue to perform the essential functions of your position without undue risk to yourself or others. This examination will be based on current medical knowledge and the best available objective evidence, including input from you and your experience in your job. If a determination is made that a direct health or safety risk exists, the General Manager will work with you, your supervisor and your doctor to determine whether a reasonable accommodation can be made to eliminate or minimize the risk.

### **NEW HIRE REQUIREMENTS**

The Company relies on the accuracy of information contained in data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or omissions of information on a job application, personnel form, or any other document may result in the exclusion of the individual from further consideration for employment, or, if the person has been hired, termination of employment.

As a condition of employment, each new employee must complete, sign and date the Employment Eligibility Verification (I-9) Form and present documentation establishing identity and employment eligibility prior to the first day of employment.

Depending on the position, the employee may be required to present certification or licensure and/or take and pass a background test that includes fingerprinting, a physical examination and a drug screening test prior to hire.

### **EMPLOYMENT OF RELATIVES AND INDIVIDUALS WITH PERSONAL RELATIONSHIPS**

Immediate and extended family of employees and/or other individuals with whom employees have close personal or romantic relationships may not be employed by the Company in a capacity in which one individual has a direct supervisory (or higher level management responsibility) relationship with the other or in any position in which a potential conflict of interest exists, consistent with applicable law.

This policy applies equally to employees who become related or enter a close personal or romantic relationship following their employment. The Company will make every reasonable effort to accommodate these employees. However, if reasonable accommodation cannot be made within 60 calendar days, only one employee will be permitted to continue employment within the same department. The decision as to which individual will remain with the Company should be made by the affected employees within an additional 30 days. If the employees do not make the decision, it will be made by the General Manager, based on consideration of factors such as quality of performance, comparative need for skills and experience, length of service or other appropriate factors. If co-employees marry, the Company will make reasonable efforts to assign job duties so as to minimize problems of supervision, safety, security or morale.

### ***Family Definitions***

The Company defines immediate family as employee's:

## EMPLOYEE HANDBOOK

- Child including biological, foster or adopted child, stepchild, legal ward, child of a registered domestic partner or child of a person standing in loco parentis
- Spouse or Registered Domestic Partner
- Parent including biological, foster or adoptive parent, stepparent or legal guardian
- Grandparent
- Grandchild
- Sibling including stepfamily and in-laws
- The Company defines extended family as employee's
- Aunt or uncle
- Niece or nephew
- Cousin

### *Domestic Partners*

In compliance with the California Insurance Equality Act, the Company offers domestic partners of eligible Company employees equal access to its employee benefits programs, including health and dental plans, disability, life, sick leave benefits (if applicable) and bereavement leave benefits. To obtain these benefits, you and your domestic partner must meet the following conditions:

- Must be in a committed and mutually exclusive relationship in which you are jointly responsible for each other's welfare and financial obligations.
- Must reside together in the same principal residence and intend to do so indefinitely.
- Must be 18 years of age or older, unmarried and not blood relatives.
- You are both either, (i) of the same sex; or (ii) of the opposite sex.
- Have filed a Declaration of Domestic Partnership with the California Office of the Secretary of State.

To obtain domestic partner benefits, you are required to submit the following:

- A copy of the Declaration of Domestic Partnership filed with the California Office of the Secretary of State.
- A California driver's license or identification card for both you and your domestic partner. The addresses on the respective licenses or identification cards must match one another and be the same as your address of record with the Company; the application cannot be processed until all addresses are consistent with one another.
- If you have a domestic partner and are in the process of divorcing a spouse, your application cannot be processed earlier than one year from the effective date of divorce, regardless of how long you have been living with your domestic partner.

You are not required to enroll in a health and/or dental plan in order to file a copy of the Declaration of Domestic Partnership. The Declaration may be filed at any time. However, if you wish to enroll your domestic partner and his/her dependent children in a health or dental plan, you may do so only at specified times:

- Within 60 days of your employment date, or returning from a non-pay status in which you did not make direct payments, resulting in cancellation of benefits;
- During an annual Open Enrollment Period; or

## EMPLOYEE HANDBOOK

- Within 30 days of you meeting the domestic partner definition.

If you choose to enroll a domestic partner in a health plan, you will be responsible for paying income taxes on the additional amount of health care subsidy paid by the Company to provide coverage for your domestic partner and his/her dependent children (per the Internal Revenue Service). Any questions regarding the tax consequences of adding a domestic partner to your benefits should be discussed with your tax professional.

### **NON-SOLICITATION/NON-DISTRIBUTION POLICY**

Solicitation is prohibited while you and your co-workers are on work time and in a work area. Additionally, employees' distribution of advertising materials, handbills and literature of any kind unrelated to Company business or events is prohibited in work areas at all times.

“Work time” is all the time that you and your co-workers are being paid and/or are scheduled to perform work for the Company. It does not include meal periods, break periods or periods of time you are not scheduled to work for the Company (e.g. before your starting time).

“Work area” includes Company offices, workstations, facility sites and other office service areas, such as printer and copier locations and hallways within work areas. It does not include break rooms, lunchrooms and other similar areas in which regular work is not performed.

Solicitation by or distribution of advertising materials, handbills, and literature of any kind by non-employees is prohibited on Company property, including buildings and parking lots, at all times.



# EMPLOYEE HANDBOOK

## YOUR POSITION AND PAY

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### WORK HOURS

The Company's established hours of service are as follows:

#### Office Employees

- 6:45 a.m. to 5:30 p.m. Monday through Thursday.
- The Company is closed on Fridays.

#### Field Employees

- 6:00 a.m. to 4:30 p.m. (may vary with Standby Duty) Monday through Thursday.
- The Company is closed on Fridays

The workweek for all Employees begins at 12:00 a.m. on Monday and ends at 11:59 p.m. on the following Sunday.

The Company endeavors to be flexible and reasonable in considering requests for alternative work hours. You may submit a request for adjusted work hours Monday through Thursday to your manager. Your request will be favorably considered provided your adjusted hours will not adversely affect the operations of your section or crew or cause inconvenience to Company customers.

You are expected to be at your desk, workstation or work location at the start of your scheduled shift, ready to perform work and to work to the end of your work schedule. You are also expected to remain at work for your entire work schedule, except for meal periods or when authorized to leave. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

If you are an exempt employee, you are expected to work the necessary hours to successfully accomplish your assigned work responsibilities, even when this exceeds the normal workweek. You are expected to manage your work schedule, beginning and ending work times in a manner that ensures the Company's business and operational requirements are met.

### **LUNCH AND REST PERIODS**

Non-exempt field employees are provided a mandatory thirty minute unpaid, uninterrupted meal period. Non-exempt office employees are provided a mandatory forty-five minute unpaid, uninterrupted meal period. A meal period is an unpaid period when employees are relieved of all work duties and responsibilities, generally for the purpose of consuming a meal. During the meal period break, employees may not perform any work-related activities.

If non-exempt employees work more than five hours, they will be scheduled for one unpaid meal break, to begin after working no more than five hours. Unless a second meal period waiver is signed, non-exempt employees working more than 10 hours will be scheduled for a second meal break to begin after working no more than 10 hours of work. If your work day is no more than six

## EMPLOYEE HANDBOOK

hours, the meal period may be waived by mutual consent of you and your manager. The second meal period can only be waived by mutual consent if you work no more than 12 hours and if your first meal period was not waived.

Non-exempt employees are also allowed paid ten-minute rest periods for every four hours of work or major portion thereof. You will schedule your meal and rest periods to ensure adequate work coverage in your work area or unit.

You are required to use your full meal and rest periods and not work during that time. The meal period is intended to provide a time for relaxation and refreshment and should be enjoyed away from your work area. Using the meal period in this way is important for sustained productivity during the remainder of the workday. If for any reason your rest or meal period is interrupted by work demands, you should immediately notify your supervisor so appropriate adjustments in your pay or schedule can be made.

Consult with your supervisor about the scheduling of lunch and rest periods.

### ATTENDANCE

If you are unable to report for work on any particular day, you must notify your supervisor at least thirty minutes before the time you are scheduled to begin work for that day. If you notify less than thirty minutes before the scheduled time to begin work, you may be considered tardy for that day. In all cases of absence or tardiness, you must provide your supervisor with an honest reason or explanation. You must also inform your supervisor of the expected duration of any absence. Unless there are extenuating circumstances, you must notify your supervisor on any day you are scheduled but will not report to work on time.

If you do not report to work for three or more consecutive workdays and fail to contact the Company during that time, you are deemed to have voluntarily terminated your employment with the Company.

### PERFORMANCE PLANNING AND APPRAISAL

The Company follows a process of annual performance planning, ongoing performance coaching and feedback, and formal performance appraisal to accomplish the following objectives:

- To recognize and commend good performance.
- To promote open, honest, positively-oriented dialogue between employees and supervisors regarding employees' achievement of established performance expectations.
- To discuss performance expectations and work-related goals and objectives for the coming performance period.
- To promote enhancement of employee performance through communication about areas for improvement.
- To promote near- and long-term employee development efforts.

## EMPLOYEE HANDBOOK

Initial performance assessments are usually conducted six months after an employee's date of hire. Subsequent performance assessments are conducted annually, within the anniversary month of your date of hire or promotion.

Unsatisfactory overall performance appraisals may result in action up to and including termination.

### **PAY FOR PERFORMANCE**

The Company follows a "pay for performance" philosophy to acknowledge and reward full-time and part-time employees' contributions and accomplishments as a result of job performance. Salary ranges are established and each position is allocated to a specific salary grade. You will be scheduled for annual performance evaluations and may receive salary increases based upon the quality of your work performance in accordance with established merit increase guidelines. Appendix A includes the current merit increase guidelines.

You are recommended for a merit increase only on the basis of competent performance that "consistently meets expectations." It is not the Company's intent to grant automatic annual increases adjustments or compensate you for reasons other than quality of performance.

Positive performance appraisals do not guarantee increases in salary or promotions. Salary increases and/or promotions depend upon many factors in addition to performance. Any salary increase due to performance will typically be applied on your hire/promotion anniversary date. Using the merit increase guidelines, your merit increase will be calculated on the basis of your overall performance evaluation and where your current salary falls within your salary range.

Merit increases require the approval of your supervisor and the General Manager.

### **STANDBY DUTY**

On a rotating shift basis during the week, over the weekends and on holidays, field employees will be placed on "standby duty". Field employees shall be required to remain within a 60-minute travel time distance from the Operations Center while on standby duty.

Based on an urgent issue that initiates a "call-out," employees are expected to proficiently perform tasks associated with pump operations, storage, treatment and setting irrigation runs.

For an employee on Standby Duty, all time spent on callouts is counted as time worked. This includes a reasonable time for travel from the point at which the employee is summoned to return to the work site and then return to the employee's originating location or home.

If you are not on Standby Duty and are called into work outside of your normal workday or work hours, you will receive pay for a minimum of two hours of work time, regardless of whether you work a full two hours or not. Hours worked on 'call in' may or may not be considered overtime, depending on total hours worked during that workweek.

# EMPLOYEE HANDBOOK

## TIMEKEEPING AND OVERTIME

An employee's time sheet is the record of their hours worked, from which a payroll check is computed. Employees must accurately record all time worked on his or her timesheet. If for any reason an employee fails to sign in or signs in incorrectly, the employee should see his supervisor immediately so that the error or omission can be corrected and initialed.

Non-exempt employees who are required or permitted to work overtime receive overtime pay in accordance with applicable federal and state law. The Company will provide as much advance notice of overtime work requirements as is feasible. However, lack of advance notice is not a valid reason for employees to refuse to meet the Company's work needs.

Exempt employees are not eligible for overtime pay.

Non-exempt employees are required to obtain advance approval from their manager and/or supervisor before working overtime or hours beyond the regular work schedule.

For full-time non-exempt employees, overtime is payable as follows:

Time and one-half pay for hours worked:

- Over 10 hours worked in a regularly scheduled workday, Monday through Thursday, up to 12 hours
- Over 8 hours worked on any day after the scheduled days
- Over 40 hours worked in a workweek
- The first 8 hours worked on the 7th consecutive day
- Holidays, sick time and vacation time do not count as hours worked for purposes of overtime calculations

Double-time pay for hours worked:

- Over 12 hours worked in a workday
- Over 8 hours worked on the 7th consecutive day
- Over 8 hours on any day worked after the regularly scheduled workday
- Holidays, sick time and vacation time do not count as hours worked for purposes of double-time calculations

For part-time non-exempt employees, overtime is payable as follows:

Time and one-half pay for hours worked:

- Over 8 hours worked in a day
- Over 40 hours worked in a workweek
- The first 8 hours worked on the 7th consecutive day
- Holidays, sick time and vacation time do not count as hours worked for purposes of overtime calculations

Double-time pay for hours worked:

## EMPLOYEE HANDBOOK

- Over 12 hours worked in a day
- Over 8 hours worked on the 7th consecutive day
- Holidays, sick time and vacation time do not count as hours worked for purposes of double-time calculations

### **PAY POLICIES**

Employees are paid on a biweekly basis, every other Thursday. Each pay day, employees are paid for work performed through the completion of the previous pay period. Payments for overtime are in addition to base salary and are also paid biweekly. When a payday falls on a Company-observed holiday, paychecks are issued on the preceding regularly scheduled workday. The company provides payment by check or direct deposit. Should you desire direct deposit please see the Accounting and Personnel Specialist for details and authorization form.

If you are absent on a pay day, contact your supervisor after returning to work to obtain your paycheck/pay stub. The Accounting and Personnel Specialist may mail your paycheck to your home address if you submit a written request. No one else may pick up your paycheck/pay stub for you without your written authorization. You must report a lost or stolen paycheck to the Accounting and Personnel Specialist immediately.

The Company takes all reasonable steps to ensure that employees receive the current amount of pay in each paycheck, and that employees are paid promptly on the scheduled payday. In the unlikely event there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Accounting and Personnel Specialist so that corrections can be made as quickly as possible.

Please note that the Company's accounting system processes accrual transactions first, and then processes deductions for vacation or sick leave time taken. Therefore, you should plan to take vacation time off or sick leave before the payroll period in which your accruals will reach the maximum.

### **PERSONAL INFORMATION**

The Company's personnel files are considered confidential records, and access is limited to you and those with proper authorization, such as your manager or supervisor or a hiring manager, or pursuant to legal process. No documents contained in your personnel file will be released without your written consent, except pursuant to legal process.

Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, subpoena, court order or as otherwise required by law.

All medical information about an employee or applicant is kept in separate medical files and is treated as confidential. Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for Company business reasons, or if access is required by law, subpoena or court order. In the case of an employee with

## EMPLOYEE HANDBOOK

a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations.

Providing information (either on- or off-the-record) regarding current or former employees to any non-Company employee shall occur only as authorized in advance by Management. This includes letters of reference and requests for employment references regarding current or former employees.

You may review your own personnel file with Management at a mutually convenient time to answer any questions. You may request a copy of your personnel file and/or copies of all documents that you have previously signed or received. You may also add your response with informational copies to an appropriate party of any disputed item within your personnel file.

Prior to making a copy of personnel records or allowing inspection, the Company may redact the names of nonsupervisory employees. Under no circumstances will the Company provide access or copying of the following categories of personnel file documents: records relating to the investigation of a possible criminal offense; letters of reference; ratings, reports, or records that were obtained prior to employment, prepared by identifiable examination committee members, or obtained in connection with a promotional examination.

Promptly notify your manager when important changes in your personal circumstances occur. These include:

- Driving record or status of driver's license if you operate a Company vehicle or regularly drive on Company business
- Changes in address or contact information
- Changes in your dependents or beneficiaries (deadlines apply to reporting changes affecting your benefit plans)
- Completion of educational and training courses
- Emergency contact information
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### TERMINATION

#### *Resignation*

If you desire to resign from Company employment, two weeks' written notice is encouraged. If you do not provide advance notice, the Company may deem you to be ineligible for rehire. Your immediate supervisor is available to answer any questions you may have regarding resignation procedures.

If you provide at least 72 hours notice, your final paycheck will be given to you prior to the end of your last day of work. If no advance notice is given, the Company will make your final paycheck available within 72 hours of your last day of work. The check will include payment for time worked, overtime if applicable, and any available accrued leave time for which you are eligible based on legal requirements.

# EMPLOYEE HANDBOOK

## *Other Terminations*

In addition to resignation, termination may occur for any of the following reasons:

- When the Company decides to exercise its right to terminate you as an At Will employee.
- You do not report to work for three consecutive working days and fail to contact the Company during that time. (See Attendance section)
- The Company, in its sole discretion, deems that your performance, behavior or conduct warrant immediate discharge. (See Serious Misconduct section.)
- A layoff as a result of a reduction in the workforce due to economic conditions or Company-wide reorganization that eliminates jobs or results in changed job aptitude or skill requirements.

If you are terminated for any of the above reasons, your final paycheck will be given to you prior to the end of your last day of work. The check will include payment for time worked, overtime if applicable, and any available accrued vacation time for which you are eligible based on legal requirements.

# EMPLOYEE HANDBOOK

## YOUR TIME OFF BENEFITS

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For information regarding your eligibility for time off benefits, refer to Your Benefits: Eligibility section.

### VACATION

The Company grants regular full-time and regular part-time employees paid vacation to provide you with time to rest and relax away from work or to address other personal needs. Vacation may be used for any planned or unplanned absence, such as vacation, a personal illness, a child's or other family member's illness, preventive healthcare appointments or personal business.

Vacation time-off benefits start accruing your first pay period. Use of vacation is permitted before completion of your first year based on available accrual. Following is the accrual schedule for full-time employees:

Full-time employees hired after June 1, 1999:

Completed Years of Employment	Vacation Hours Per Year
1-4	80
5-15	120
16 or more	160

Full-time employees hired before June 1, 1999 will receive 184 hours Vacation per year.

Regular part-time employees accrue vacation benefits at the rate of 1 hour for every 30 hours worked.

Vacation may be taken in increments of at least 0.25 hours. You may not take vacation time off in excess of what you have accrued as of the last day of the preceding pay period.

The maximum number of Vacation hours you may accrue is 300. When you reach the maximum allowable vacation accrual, no further leave will accrue until your balance is reduced below the maximum allowed. When the balance is reduced below the maximum, you will once again begin to accrue vacation time up to the maximum allowed accrual. Vacation balances are reflected on your pay stub.

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4 Approved at the Board of Directors Meeting February 16, 2021 to increase vacation accrual hours

Vacation is accrued as follows:

- While actively at work,
- While on paid time off, provided you return to work following an absence,



## EMPLOYEE HANDBOOK

- While on unpaid leave of absence shorter than 30 calendar days, provided you return to work following an absence. Vacation accrual will cease on the thirty-first day of any unpaid leave of absence,
- If you are a reinstated employee returning from military leave, your vacation accrual rate is determined by including your period of military leave in the calculation of your continuous service time, as if you had not been absent.

Vacation leave is compensated at your current rate of pay. Company-observed holidays occurring during your vacation will not be considered vacation days.

If you become ill while you are on vacation, the General Manager may authorize use of sick leave in place of vacation leave, provided you provide prompt notification and any documentation the General Manager may require.

Vacations are scheduled with your supervisor's advanced approval, consistent with Company needs. Requests for vacation time should be submitted to your supervisor as soon as possible in a new calendar year. Your wishes will be considered in evaluating leave requests. The Company retains full discretion to schedule planned vacations and vacation requests may be denied to meet business needs.

The Company allows employees to buy back 1/2 of the vacation time utilized in a year. The criteria to do so is there must be at least 40 hours remaining on the books after buy back and it would be only one time a year in November.

Upon separation of employment from the Company, you will be paid for all unused accrued vacation time. You will accrue vacation only through the last pay period in which you actually worked. Compensation for accrued vacation will be at your rate of pay at the time of termination.

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8 Approved at the Board of Directors Meeting on April 20, 2021 to adopt a Vacation Buy Back Policy

### **HOLIDAYS**

#### **Observed Holidays:**

In addition to vacation, the Company provides regular full-time employees with eight (8) commonly observed paid holidays. The Company recognizes the following holidays each year:

New Year's Day	Labor Day
Martin Luther King's Birthday	Thanksgiving Day
President's Birthday	Christmas Day
Memorial Day	Independence Day

If a holiday falls on a Sunday, you will have the following Monday off. If the holiday falls on a Friday or Saturday, you will have the preceding Thursday off. The Company will also close its office 1/2 day on Christmas Eve Day for which you will receive 1/2 day of holiday pay.

# EMPLOYEE HANDBOOK

Holiday pay will be based on your base hourly rate of pay for a 10-hour day if the holiday falls on a 10-hour work day. Holiday pay will be based on your base hourly rate of pay for an 8-hour day if the holiday falls on an 8-hour workday. You will receive holiday pay if you are a regular full-time employee and you are on paid status.

Holiday hours will not be included when determining overtime hours. Non-exempt, regular full-time employees who are required to work on a holiday will receive pay for the number of hours worked in the time period and will also receive holiday pay.

Unless prior arrangements have been made and approved, you must work your regularly scheduled workdays immediately before and after the holiday to receive holiday pay. Holidays occurring during your vacation are not charged against your vacation balance unless you fail to return to work following vacation or paid sick time is approved by the General Manager.

If you are on an unpaid leave of absence, you are not eligible for holiday pay. Employees on paid disability leave receive disability pay, not holiday pay, for the holiday. Exempt employees on approved military leave without pay are entitled to holiday pay regardless of pay status.

## **Personal Holidays:**

The Company grants 36 hours of personal holiday paid time off on January 1 of each calendar year to regular, full-time employees. New employees hired after January 1 will be granted personal holiday time on a pro-rata basis, based on the proportion of the year the employee will have worked. Personal holiday time off may be used for any purpose, including special occasions, such as a birthday, anniversary or religious holiday, or to extend your normal holiday or vacation. Use of this time off requires your supervisor's prior approval and scheduling must be in accordance with the Company's business needs.

If you have a remaining balance of personal holiday time off on December 31, you will only be awarded on January 1 of the next calendar year the number of additional hours that will bring you to a total of 36<sup>3</sup> hours. Employees who terminate employment during the calendar year will be paid for any unused personal holiday hours.

## **SICK LEAVE**

The Company grants employees with paid sick leave to provide you with time to recover from illness or an accident or to address other personal or immediate family [refer to Family Definitions located under General Employment Policies] healthcare needs.

### **Accrual**

Beginning on the 1st day of employment, employees accrue sick leave at the rate of:

Regular Full-time Employees	8 hours per month
Regular Part-time Employees	One hour of sick leave for every 30 hours worked

## EMPLOYEE HANDBOOK

Part-time Employees	One hour of sick leave for every 30 hours worked
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Regular Full-time Employees will accrue sick leave while actively at work or on paid time off (such as vacation or Company-observed holidays), provided you return to work following absence. If you are on an unpaid leave of absence of longer than 30 days, you will cease to accrue sick leave.

The maximum number of sick leave hours that you may accrue is 800 <sup>5</sup> hours for all employee categories. When you reach the maximum allowable sick leave accrual, no further leave will accrue until the balance is reduced below the maximum allowed. When your balance is reduced below the maximum, you will once again begin to accrue sick leave time up to the maximum allowed accrual.

### *Use of Paid Sick Leave*

Employees may use their available paid sick leave in a minimum amount of 0.25 hour increments.

An employee may use paid sick leave for any reason allowed under California law, including for:

- The employee's care, preventive care, diagnosis, or treatment;
- The care, preventive care, diagnosis, or treatment of the employee's family member and, the employee's designated person, as defined below;
- An employee who is a victim of domestic violence, sexual assault, or stalking to take time off to: (1) obtain or attempt to obtain any relief to help ensure the health, safety, or welfare of the employee or the employee's child, such as a temporary restraining order, restraining order, or other injunctive relief; (2) seek medical attention; (3) obtain services from a shelter, program, rape crisis center, or victim services organization or agency; (4) obtain psychological counseling or mental health services; or (5) participate in safety planning or take other actions to increase safety from future incidents;
- The employee to attend judicial proceedings related to a crime that is a serious or violent felony or a felony involving theft or embezzlement, when the employee is a victim of that crime or an immediate family member, registered domestic partner, or child of a registered domestic partner of a victim of that crime; or
- Bereavement leave for their family member.

For purposes of this policy, "family member" means a child, spouse, registered domestic partner, parent, grandparent, grandchild, and sibling. A "designated person" means a person identified by the employee at the time the employee requests paid sick days. A "child" includes a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in place of a parent (in loco parentis). A "parent" includes a biological, adoptive, or foster parent, stepparent,

## EMPLOYEE HANDBOOK

or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in place of a parent (in loco parentis) when the employee was a minor child.

Employees are allowed to use their paid sick leave by providing an oral or written request. If the need for paid sick leave is foreseeable (such as for scheduled medical appointments), employees must provide reasonable advance notice. If the need is not foreseeable, employees must provide notice of the need for the leave as soon as practicable.

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3 Approved at the Board of Directors Meeting February 16, 2021 to increase personal holiday hours

5 Approved at the Board of Directors Meeting on February 16, 2021 to increase sick leave accrual

If you need to take sick leave, you must notify your supervisor as soon as practicable. We request notification no later than an hour after your normal start time on each day when sick leave is

needed. If you become ill while on duty, you must notify your supervisor prior to leaving your worksite. Failure to comply may result in the loss of sick leave pay for the work shift in which proper notification was not provided.

You may be required to take sick leave if, in the reasonable opinion of your supervisor, you are exposing fellow employees to hazard, illness or injury.

The Company reserves the right to investigate any reported illness/injury or require you to present proof of illness in the form of a Doctor's Statement or Release from Work for any day(s) you are using sick leave. Further, if you are absent for more than three days as a result of illness/injury, you may be required to present a Doctor's Statement when you return to active work.

If you are returning to work following a non-work-related injury/illness that may affect your ability to perform essential job functions in a safe and efficient manner, you must contact the Accounting and Personnel Specialist prior to commencing work. The Accounting and Personnel Specialist will review your medical release and, if needed, have the Company physician review your condition to confirm that you can safely and efficiently perform job functions or based on the medical release whether modified/light duty may be necessary at which point the Company will engage in the interactive process. (See Accommodation of Disabled Applicants and Employees Section)

### ***Payment of Sick Leave Taken***

Employees will be paid for sick leave not later than the payday for the next regular payroll period after the sick leave is taken.

For nonexempt employees, paid sick leave will be compensated at the regular rate of pay for the workweek in which the employee takes paid sick time.

For exempt employees, paid sick leave will be compensated in the same manner as the employer calculates wages for other types of paid leave.

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Once an employee has exhausted their paid sick leave bank but needs to be out for sick leave purposes, then their vacation pay bank will be deducted accordingly.

### ***Sick Leave at Employment Termination and on Rehire***

Any remaining paid sick leave that is not used before the last day of employment is forfeited and is not paid out upon the termination of employment.

If an employee is rehired within one year of the date of termination, any paid sick leave that was forfeited upon termination will be reinstated and available for the employee to use.

50% of sick leave will be paid to the employee on retirement.<sup>7</sup>

## **ADMINISTRATIVE LEAVE**

The Company understands that management and other exempt employees are expected to work the necessary hours to successfully accomplish assigned work responsibilities, even when this exceeds the normal workweek. In recognition of this requirement, the Company provides management and other exempt employees with administrative leave which may be used for any purpose including vacation, sick leave and other personal time off requirements.

Management and exempt employees covered by this policy are awarded 40 hours of paid administrative leave on January 1 of each calendar year.

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<sup>7</sup> Approved at the Board of Director's Meeting on April 20, 2021 to allow sick leave payout upon retirement at 50%

Eligible employees who are hired during the calendar year will be awarded administrative leave time on a pro-rata basis, based on the proportion of the year they will have worked.

If you have a remaining balance of administrative leave time on December 31, you will only be awarded on January 1 of the next calendar year the number of additional hours that will bring you to a total of 40 hours. Employees who terminate employment during the calendar year will be paid for any unused administrative leave time.

The Company retains full discretion to schedule administrative leave to meet its business requirements. When taking administrative leave employees are expected to provide as much advance notice of the absence as possible.

## **JURY DUTY/COURT APPEARANCE**

In accordance with state law, the Company provides time off for employees who are called to serve as a juror or required by court order to serve as a witness in a court action in which you are not a party. You will receive paid leave at your base rate for the period of your absence for jury duty, up to a maximum of eight days or total of 80 hours. You are expected to report to work on any day

## EMPLOYEE HANDBOOK

in which you are excused from jury duty with two or more hours left in the workday. Exempt employees will be paid for jury duty time to the extent required by law. Your per-diem juror fee, reimbursement for mileage and other court service fees must be assigned to the Company.

You are expected to notify your supervisor of the need for time off for jury duty or to serve as a witness as soon as a notice or summons from the court is received. You may be required to show the summons, as well as proof of your presence pursuant to the summons to your supervisor and/or the General Manager.

If you are called as a witness in a Company-related case or hearing, this time will be considered work time.

If you are ordered to appear in court as a witness in a court action or you must appear in court as a witness in any legal proceeding in which you are a party in interest, you may use accrued vacation or administrative leave time or take unpaid leave for the period of your absence from work.

### **BEREAVEMENT LEAVE**

Employees who have been employed for at least 30 days before the start of leave are eligible for five days of unpaid bereavement leave for the death of a family member, as defined below. Bereavement leave must be completed within three months of the family member's date of death, although the days do not need to be consecutive.

Employees may use accrued but unused vacation or sick leave to substitute for any unpaid bereavement leave. Additional unpaid time off may be granted at the discretion of the General Manager on a case-by-case basis.

For purposes of this policy, a family member includes an employee's:

- Spouse or registered domestic partner
- Parent
- Child
- Sibling
- Grandparent
- Grandchild

“Child” means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in place of a parent (in loco parentis). “Parent” means a biological, adoptive, or foster parent, stepparent, or legal guardian of an eligible employee or the eligible employee's spouse or domestic partner, or a person who stood in place of a parent (in loco parentis) when the eligible employee was a minor child. "Sibling" means a person related to an eligible employee by blood, adoption, or affinity through a common legal or biological parent.

Employees are responsible for requesting bereavement leave from their supervisor as far in advance as possible. The Company may require verification in the form of a death certificate, obituary, or other verifiable documentation of the need for bereavement leave.

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## TIME OFF FOR VOTING

The Company encourages employees to vote in local, state and national elections. Since the polls are open for long periods, employees are encouraged to vote before or after working hours. In circumstances where an employee's work schedule does not provide sufficient time to vote on an election day, the Company will provide a reasonable amount of time off during scheduled work time, including up to two hours of paid time off, for employees to vote. Employees who need time off to vote should notify their supervisor at least two days prior to election day and submit proof of voting. The company reserves the right in its sole discretion to specify a time period during which the polls are open for employees to leave work to vote.

## WITNESS AND VICTIMS OF CRIME LEAVE POLICY

Company acknowledges that, on occasion, employees may need to take time off to participate in judicial proceedings as a witness or because an employee or their close family member was victimized by various crimes under several California Labor Code provisions. Retaliation or discrimination against an employee taking leave as permitted under this policy is strictly prohibited.

Company authorizes leave under the circumstances described in this policy.

You may take time off to appear in court to comply with a subpoena or other court order as a witness in any judicial proceeding.

If you are a victim (as defined below), you may take time off to seek relief from a court, including to obtain a temporary restraining order, restraining order, or other injunctive relief, to help ensure your or your child's health, safety, or welfare.

"Victim" includes any of the following:

- A victim of stalking, domestic violence, or sexual assault.
- A victim of a crime that caused physical injury or that caused mental injury and a threat of physical injury.
- A person whose immediate family member (as defined below) is deceased as the direct result of a crime.

For purposes of this policy, immediate family member includes an employee's:

- Spouse or registered domestic partner
- Parent or legal guardian
- Parent-in-law or registered domestic partner's parent
- Step-parent
- Sibling
- Step-sibling or half-sibling
- Child or a registered domestic partner's child
- Step-child
- Anyone who has a similar familial relationship with the employee
- Grandparent

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- Grandchild
- Son-in-law or daughter-in-law
- Aunt or uncle
- Niece or nephew
- Brother-in-law or sister-in-law

### **REPRODUCTIVE LOSS EVENT LEAVE**

Employees who have been employed for at least 30 days before the start of leave are eligible for five days of unpaid reproductive loss leave after a reproductive loss event, as defined below. Reproductive loss leave must be completed within three months of the event, although the days do not need to be consecutive. Employees may take up to a total of 20 days of reproductive loss leave within a 12-month period.

Employees may use accrued but unused vacation or sick leave to substitute for any unpaid reproductive loss leave.

For purposes of this policy, a reproductive loss event means the day or, for a multiple-day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction.

Employees are responsible for requesting reproductive loss leave from their supervisor or the General Manager as far in advance as possible. The Company may require verification in the form of a health care provider's note or other documentation of the need for reproductive loss leave. Any information provided to the Company will be kept confidential except as legally required or to process this leave.

### **SCHOOL ACTIVITIES LEAVE**

- In accordance with state law, the Company allows employees up to eight hours per month during the school year, or a maximum of forty hours annually, to attend their children's school activities during grades kindergarten through 12. This applies to any employees who are a parent, legal guardian, stepparent, foster parent, grandparent, or person standing loco parentis to the child . You may use vacation time or unpaid leave for this purpose.

You are expected to notify your supervisor as far in advance as possible if you wish to take time off to attend your children's school activities during working hours.

### **EMERGENCY DUTY/TRAINING LEAVE**

In California, no employee shall receive discipline for taking time off to perform emergency duty/training as a volunteer firefighter, reserve peace officer, or emergency rescue personnel. If you are participating in this kind of emergency duty/training, please alert your supervisor so he or she may be aware of the fact that you may have to take unpaid time off for emergency duty/training. In the event that you need to take time off for emergency duty/training, please alert your supervisor before doing so whenever possible.



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If you feel you have been treated unfairly as a result of taking or requesting Emergency Duty/Training Leave, you should contact your supervisor or any other manager, as appropriate.

### **CALIFORNIA FAMILY RIGHTS ACT (CFRA) AND PREGNANCY DISABILITY LEAVE COMBINED POLICY**

The Company provides leave under the California Family Rights Act (CFRA), which provides unpaid, job-protected leave to covered employees in certain circumstances. The CFRA applies to private employers of five or more employees and to California state and local governments as employers of one for more employees.

#### ***Eligibility***

To be eligible for CFRA leave, an employee must have worked for the Company for at least 12 months and have worked at least 1,250 hours in the 12-month period before the date leave begins. If you have any questions about your eligibility for CFRA leave, please contact the General Manager.

#### ***Leave Entitlement***

This leave may be up to 12 workweeks in a 12-month period, which uses a "rolling" method that is measured backward from the date you use any CFRA leave for any of the following reasons:

- The birth, adoption, or foster care placement of your child.
- To care for your own serious health condition.
- To care for the serious health condition of your child, spouse, registered domestic partner, parent, including parent-in-law, grandparent, grandchild, or sibling. Employees may also be eligible to take leave for their designated person, meaning any person related by blood or whose association is the equivalent of a family relationship. Employees are limited to one designated person per 12-month period for family care and medical leave.
- A qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, registered domestic partner, child, parent, including parent-in-law, in the US Armed Forces. More information is available through the General Manager about this CFRA-qualifying reason.

#### ***Substitution of Paid Leave***

While the law provides only unpaid leave, employees may choose or may be required to substitute accrued and unused leave while taking CFRA leave under certain circumstances. Employees on CFRA leave may also be eligible for benefits administered by the Employment Development Department.

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## ***Pregnancy Disability Leave***

Even if you are not eligible for CFRA leave, if you are disabled by pregnancy, childbirth, or a related medical condition, you are entitled to take pregnancy disability leave (PDL) of up to four months (the working days you normally would work in one-third of a year or 17-1/3 weeks) depending on your period(s) of actual disability. If you are CFRA-eligible, you have certain rights to take both PDL and CFRA leave for reason of the birth of your child.

## ***Right to Reinstatement***

Both CFRA leave and PDL contain a guarantee of reinstatement – for pregnancy disability it is to the same position, and for CFRA it is to the same or a comparable position – at the end of the leave, subject to any defense allowed under the law.

## ***Notice of Leave***

You must provide, if possible, at least 30 days' advance notice for foreseeable events (such as the expected birth of a child or a planned medical treatment for yourself or of a family member). For events that are unforeseeable, you must notify your employer, at least verbally, as soon as you learn of the need for the leave. When possible, your notice must include the estimated time and duration of the reasonable accommodation, transfer, or leave required.

Failure to comply with these notice requirements is grounds for, and may result in, deferral of the requested leave until you comply with this notice policy.

## ***Certification of Need for Leave***

The Company may require medical certification from your health care provider before allowing leave for either:

- Your serious health condition.
- Reasonable accommodation, transfer, or leave for your pregnancy disability.

The Company may require medical certification from the health care provider of your family member, including a designated person, who has a serious health condition, before granting leave to take care of that family member.

You may obtain a medical certification form to give to the appropriate health care provider from General Manager to complete.

## ***Intermittent Leave and Reduced Work Schedule***

When medically necessary, leave may be taken intermittently or on a reduced work schedule. If you are taking a leave for the birth, adoption, or foster care placement of a child, the basic minimum duration of the leave is two weeks and you must conclude the leave within one year of the birth or placement for adoption or foster care.

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## ***Medical and Other Benefits***

During approved CFRA or PDL leave, your health insurance benefits are maintained as if you continued to be actively employed. Employees approved for CFRA or PDL leave will be informed in writing of the terms and conditions under which health insurance and other benefits will be continued during their leave. Taking CFRA or PDL leave may impact certain employee benefits and seniority date. If you have any questions about the impact of your leave on seniority and benefits, please contact the General Manager.

## ***Return-to-Work Release***

Employees on leave for their own serious health condition or returning from "PDL" will be required to obtain a release to return to work from their healthcare provider that the employee is able to resume work. This is a requirement of all employees returning from other types of medical leave. Otherwise, the employee will not be permitted to resume work until it is provided.

## ***Mediation Program***

The California Civil Rights Department (CRD) offers mediation to smaller employers of five to 19 employees and their employees to resolve any dispute over CFRA leave before an employee can proceed with a court case. For more information about this program, please see Section 12945.21 of the California Government Code. Employers and employees wishing to take advantage of these mediation services should contact the CRD at [DRDOnlineRequests@CRD.ca.gov](mailto:DRDOnlineRequests@CRD.ca.gov) or using their contact information below.

## ***Contact Information***

For more information regarding this policy, including your eligibility for a leave and/or the impact of leave on your benefits and seniority, please contact the Company's General Manager. If you have been subjected to discrimination, harassment, or retaliation at work, or have been improperly denied protected leave, please contact General Manager.

You may also contact the California Civil Rights Department (CRD) to file a complaint at [www.calcivilrights.ca.gov/complaintprocess](http://www.calcivilrights.ca.gov/complaintprocess), toll-free at (800) 884-1684, TTY (800) 700-2320. If you have a disability that requires a reasonable accommodation, the CRD can assist you with your complaint or, for individuals who are Deaf or Head of Hearing or have speech disabilities, through the California Relay Service (711).

## **BREASTFEEDING**

### ***Lactation Break Time and Location***

The Company will provide a reasonable amount of break time to accommodate any employee desiring to express breast milk for the employee's infant child each time the employee has a need to express milk. The break time shall, if possible, run concurrently with any break time already provided to the employee. If the employee takes lactation breaks at times other than their provided

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break times, then the lactation break shall be unpaid or the employee may choose to use accrued leave.

Those desiring to take a lactation break at times other than their provided break times must notify a supervisor prior to taking such a break. Breaks may be reasonably delayed if they would seriously disrupt operations. Once a lactation break has been approved, the break should not be interrupted except for emergency or exigent circumstances.

The Company will provide a room or other appropriate location in close proximity to the employee's worksite that is not in a bathroom to express milk in private.

### ***Lactation Accommodation***

An employee may make a request for lactation accommodation, either orally or in writing, with his or her supervisor.

Following receipt of a request for lactation accommodation, the Company will provide a timely written response to the employee in which the Company will indicate if it is unable to provide the requested break time or a requested location for the purposes of expressing breast milk.

An employee does not believe that the Company is providing an appropriate lactation accommodation should immediately inform the General Manager.

An employee who does not believe that the Company is providing an appropriate lactation accommodation as required by state law has the right to file a complaint with the California Division of Labor Standards Enforcement/Labor Commissioner.

### **MILITARY SERVICE AND RESERVE LEAVE**

In accordance with federal and state law, the Company grants military service or reserve leave to you if you enter the Uniformed Services of the U.S. or State Militia and if you are fulfilling a Unit Field Training or Military Reserve obligation in compliance with military orders. You are required to provide advance notice of need for military leave, to the extent practicable.

In the event of military reserve/training duty, you will be provided with unpaid leave for the duration of the time shown on your military orders and enough travel time to get to and from the base. To receive Company pay for this time, you may use any unused accrued vacation.

Military leave, benefits and payment will be provided in accordance with the California Military Veterans Code. You will be eligible for reinstatement following military service leave as established by state and federal law. The Accounting and Personnel Specialist is available to answer questions you may have regarding military leave, payment, reinstatement and participation in the Company's benefit plans.

### **OTHER LEAVES OF ABSENCE**

In addition to the paid and unpaid leave outlined above, the Company may also provide other types of leave at its sole discretion and in accordance with Federal and State laws.

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To request a leave of absence, you must submit a written request to your Supervisor and the General Manager. The General Manager's prior approval for a leave of absence is required.

### EXTENDED LEAVES OF ABSENCE

The Company may grant an extended leave without pay to you if you are unable to perform essential job functions or for other good and sufficient reasons in the Company's sole discretion. An extended leave of absence without pay must be approved by the General Manager in writing prior to the absence.

Extended medical leave, beyond any leaves approved under the Medical Disability Leave and Pregnancy Disability Leave Policies, may be granted in accordance with the requirements of the Americans with Disabilities Act as a reasonable accommodation for your continuing health condition when granting such leave does not create an undue hardship to Company operations.

If you are unable to return from an approved medical or pregnancy disability leave of absence within the specified timeframes, you must contact your supervisor at least five days prior to your approved return date. The General Manager will determine if additional extended leave may be granted, consistent with Company policy and practice.

Other requests for extended personal unpaid leave may be granted under unusual circumstances and in the sole discretion of the Company. If you are requesting an extended leave, you must exhaust all accrued unused vacation and sick leave, as appropriate, prior to taking such leave. Extended personal leave requests may be favorably considered for such purposes as:

- Returning to school to obtain a baccalaureate or graduate degree or a special certificate, if the degree or certificate is likely to enhance your performance or advancement in the Company.
- Resolving extended family problems of a unique and compelling nature.
- Other circumstances of mutual benefit to you and the Company.

While you are on an approved extended leave without pay, you may elect to continue to participate in the Company's health and welfare programs as if you were actively at work, provided you pay in advance to the Company on a monthly basis the full employer and employee costs for the benefit plans in which you choose to participate. Failure to reimburse the Company for benefit costs on a timely basis may result in termination of your leave and your employment with the Company.

If you do not elect to participate in the Company's health plans, you will be notified of your CalCOBRA rights to continue healthcare benefits coverage.

An extended leave of absence will result in a break of continuous service with the Company. If you are re-hired following a break in continuous regular employment, you will be considered a new employee.

No guarantees will be made regarding the availability of a position or reemployment at the end of an extended leave. Failure to return to work following a leave of absence without pay will be considered a voluntary termination as of the date the leave of absence began.

EMPLOYEE HANDBOOK

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## YOUR TIME OFF BENEFITS

The Company offers a comprehensive benefits program designed to give eligible employees time off to help balance family and work needs, provide protection from financial loss and help provide future security for the employee and the employee’s family.

This section is meant to highlight some features of the benefit plans available to eligible Company employees (time-off benefits are described in a separate section). These plans are described in more detail in the Summary Plan Descriptions that are provided to you upon enrollment in these programs. In the event of any contradiction or misinterpretation of any information in this handbook, provisions in the plan contracts will govern in all instances.

### ELIGIBILITY

Employees are eligible to participate in the Company’s benefits programs as follows:

Type of benefit	Eligibility Participation Date	Eligible Employees
<b>Insurance and Other Benefits</b>		
Medical Insurance Section 125 Plan (available for premium only dependent coverage for medical, dental, vision, etc.)	30 calendar days after the first of the month following date of hire	Full/Regular Part-Time Employees
Vision and Dental Insurance	First of the month following two months of continuous full-time employment	Full-Time Employees
Employee Assistance Program	First of the month following two months of continuous full-time employment	Full-Time Employees
401 (K)	30 calendar days after the first of the month following date of hire <sup>2</sup>	Full-Time Employees and eligible Part-Time Employees
457 (B) Deferred Comp Plan <sup>6</sup>	To be determined	
Life and AD&D Insurance	First of the month following two months of continuous full-time employment	Full-Time Employees
Statutory Benefits	As mandated by law	Full/Part-Time Employees

Type of benefit	Eligibility Participation Date	Eligible Employees
<b>Paid Time Off</b>		
Observed/Personal Holidays	Upon Hire	Full-Time Employees
Jury Duty	Upon Hire	Full/Part-Time Employees
Administrative Leave	Upon Hire	Exempt Employees Only
Vacation	Upon Hire	Full-Time/Regular Part-Time Employees
Sick Leave Bereavement Leave	Upon Hire	Full-Time/Part-Time Employees

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Other Time Off		
Pregnancy Disability Leave (Unpaid) Workers' Comp Leave Military Training Leave Medical Disability Leave for serious illness (Unpaid) Bereavement Leave (Unpaid) Recognized Religious Holidays (Unpaid)	Upon Hire	Full/Part-Time Employees
All Other Types of Leaves of Absence	First of the month following three months of continuous full-time employment	Full/Part-Time Employees

The Company conducts annual benefits re-enrollment periods, also known as “Open Enrollment,” during which you are permitted to make benefit elections decisions for the coming Plan Year.

If you have a change in your family status, contact the Accounting and Personnel Specialist promptly to discuss your situation. Family status changes, such as marriage, birth or adoption of a child, divorce or legal separation, etc., may affect either your need or eligibility for certain benefits or your covered dependents' CalCOBRA rights. Typically, to be eligible to add or delete eligible dependents or to make other permitted changes to benefit elections, you must notify the

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2 Approved 401k reinstatement at the Board of Directors Meeting June 15, 2021 eliminating 1 year requirement for eligibility and coinciding effective date with medical enrollment time

6 Approved at the Board of Directors Meeting February 16, 2021 adding the benefit of 457 (B) deferred comp plan

Accounting and Personnel Specialist within thirty days of the “qualifying event” (e.g., the date of marriage, birth of a child, etc.).

Employees who elect not to be covered by the Company's benefits plan must sign a waiver.

### MEDICAL AND DENTAL INSURANCE

The Company offers fully paid medical, vision, and dental plans to eligible employees. In addition, the Company pays 50% of the cost of premiums for the plans in which you elect to enroll your dependents.<sup>1</sup> Premium allowance amounts are subject to change. The cost of your share of the insurance premiums for your spouse/domestic partners and/or dependent children is paid through payroll deduction. A plan summary will be provided to you upon enrollment.

### SECTION 125 CAFETERIA PLAN



## EMPLOYEE HANDBOOK

A Section 125 Cafeteria Plan allows you to pay for medical insurance premium costs for spouse/domestic partner and/or dependent children on a pre-tax basis. The Company pays 50% of the premium costs for dependent medical, dental and vision coverage upon completion of one year of service.

### **LIFE INSURANCE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE**

The Company provides to its full-time employees a Company-paid group term life insurance plan and accidental death & dismemberment insurance (AD&D) plan. The benefit amount is a minimum of \$100,000 and pays one times your annual salary up to a maximum of \$150,000.

### **EMPLOYEE ASSISTANCE PROGRAM (EAP)**

The Company is sincerely interested in the emotional health of individual employees and their family members. The intent of the EAP is to respond to employees and their family members and help them deal with any emotional issues and problems they may face.

### **401(K)/RETIREMENT**

To assist you in saving for retirement, employees who work over 1,000 hours per year are eligible to participate in the Company's 401 (k) benefit plan. You make voluntary pre-tax contributions to the plan, and the Company will provide contributions according to an established schedule based on years of service. These contributions are up to maximum limits set annually by the Internal Revenue Service.

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<sup>1</sup> Approved at the Board of Directors Meeting February 16, 2021 to eliminate 1 year employment requirement when paying 50% dependent coverage

Complete details of the plan, including investment options, distribution information, loan options and administration procedures and fees are available in the summary plan description booklet that you will receive upon enrollment. The Accounting and Personnel Specialist is available to assist you with any questions you might have.

### **STATUTORY BENEFITS**

In addition to your welfare benefits, you receive certain other benefits under federal and state laws. These legislated benefits include Social Security, Unemployment Insurance and Workers' Compensation. These benefits are financed through required contributions made by you and the Company. They can provide you and your family with financial assistance in special circumstances.

#### ***State Unemployment Insurance:***

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If your employment terminates, you may be eligible to receive unemployment insurance under certain circumstances as specified by California law. Claimants terminated for misconduct, including performance may be disqualified for benefits. The Company pays the full cost of this program. Contact your local state employment office at the time of your termination for additional information regarding eligibility for benefits, requirements for filing claims, weekly payments, length of coverage and other information.

State Disability Insurance:

California State Disability Insurance provides temporary income for you if you are unable to work due to a non-work related accident or illness. You are covered under this plan as soon as you are employed by the Company, and benefits begin on the eighth (8th) day of your disability. This benefit is completely paid for by payroll deductions set by California law.

Your physician or the local Employment Development Department office can assist you in filing a claim. You must file the SDI claim promptly to receive the benefits.

Your accrued sick leave (if available) will be used to make up the difference between SDI benefits and your regular base wages. You must provide a copy of your SDI check(s) to the Company in order for the Company to provide proper sick leave payment to you.

### ***Workers' Compensation Insurance:***

The Company provides Workers' Compensation Insurance coverage that protects you if you are injured on the job. This coverage provides Company-paid medical, surgical and hospital services, in addition to payment for loss of earnings due to the work-related illness or injury. You will not receive workers' compensation benefits payments for the first three (3) days unless you are hospitalized or unable to work more than 14 days.

If you're injured at work, immediately report the injury - no matter how minor - to your supervisor or the General Manager. If you sustain a work-related injury or illness, you will be examined and treated by a company-designated physician unless you have previously arranged with your supervisor and the General Manager for treatment to be provided by a personal physician. If you are unable to return to work on the day of injury or sickness the Company will pay you through the end of your regular shift for the day.

Fraudulent claims for Workers' Compensation will be vigorously defended. This includes any claims for injuries occurring off the job.

### ***Social Security:***

As required by law, a deduction is taken from your wages for Social Security taxes. The Company matches this deduction. The total contribution is credited toward your Social Security benefits, which are available when you retire and/or meet Social Security retirement age requirements. In addition, some federal (not Company) disability and survivor's benefits are financed through Social Security deductions.

# EMPLOYEE HANDBOOK

## EDUCATIONAL ASSISTANCE

The Company encourages employee development and excellence of performance by sharing in the cost of educational programs. Programs provided by accredited academic institutions directly related to the employee's job performance will be considered for cost sharing.

The Company may provide tuition and out of pocket expense reimbursement. Any grant money received by the employee will not be reimbursed. Courses must meet position-related development needs, certification/licensing requirements or be relevant to the Company's technical and strategic goals. Courses must be approved in advance by the General Manager. In addition to the cost of tuition or course fees reimbursement may be requested for related expenses, including registration fees, textbooks and other required course materials, parking fees and examination fees. Other costs charged by the institution that are not directly related to the course/program content are not reimbursable. Allowable reimbursements shall be based on service years as follows:

- \$2,000 – < than 1 year
- \$3,000 – 1 – 5 years
- \$4,500 – > than 5 years

All reimbursements are subject to the employee earning of 2.5 Grade Point Average or higher. Once an employee completes their approved course with a passing grade of a C+ or better or proof of passing a certification exam they may request reimbursement by providing their supervisor with certification and academic receipts. The General Manager shall solely decide whether the request for reimbursement meets any of the eligibility requirements, and maintains the sole discretion to deny requests.

If required by federal and/or state law, taxes will be withheld from the employee's reimbursement.

Reimbursement for job-related courses/programs is subject to the availability of budgeted funds. While participation in this program is beneficial to both the Company and its employees, it should be understood that participation does not guarantee promotion, transfer or continued employment with the Company.

## CAL-COBRA

In accordance with the California Continuation Benefits Replacement Act (Cal-COBRA), the Company provides you and/or your covered dependents an opportunity to continue your group health coverage on a temporary basis beyond the date where coverage otherwise would have ended. Under Cal-COBRA, you and/or your qualified dependents have the right to continue medical, vision, and dental insurance coverage if previously covered under a Company group health plan.

Eligibility for continuation coverage begins when a qualifying event occurs. A qualifying event is an event that results in the loss of group health care for individuals covered under a group health plan. Loss of coverage must be due to:

## EMPLOYEE HANDBOOK

- Termination of employment, except for gross misconduct
- Your death
- Divorce or legal separation
- Loss of dependent status
- Your entitlement to Medicare coverage
- Reduction of hours or extended leaves of absence

Cal-COBRA coverage may be continued for the following time periods:

- 18 months if the qualifying event is separation from employment
- 29 months in the event you or an eligible dependent was disabled in accordance with the terms of the Social Security Act on the date employment was terminated.
- 36 months, if the qualifying event is:
  - Your death (dependent coverage)
  - Divorce or legal separation
  - Loss of dependent status

When a qualifying event occurs, you are responsible for informing the Accounting and Personnel Specialist promptly. The Company maintains Cal-Cobra status if they remain under 20 employees in a calendar year, which means the carrier would send the Cal-COBRA notice out. If the Company employs more than 20 employees in a calendar year, you and/or your dependents will have 60 days following the date the Accounting and Personnel Specialist mails the notification to

you to respond to the Cal-COBRA administrator. If a response is not received within 60 days, you and/or your dependents will no longer be eligible for continuation of group health insurance.

## SERVICE RECOGNITION

The Company recognizes that its most valuable assets are its employees. Company management believes it is important to recognize and honor employees who, through their commitment and dedicated service, have enhanced the quality of life for the communities we serve.

Service awards are given annually to employees who have completed continuous periods of Company employment, beginning with five years of service.

## YOUR PERFORMANCE

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### DRESS REQUIREMENTS AND UNIFORM ALLOWANCE

The Company's professional atmosphere is maintained, in part, by the image you present to Company customers, the public and others. You are expected to be suitably attired and groomed during working hours or when representing the Company. Clothing must be neat and clean and free from offensive odors.

The Company provides an annual uniform allowance for the purchase and maintenance of work shoes (with toe safety protectors) and work pants for field maintenance and operations personnel. Work shirts, sweatshirts, caps and other uniform items with Company identification and insignia will be provided by the Company and are mandatory. Uniforms are to be worn only during working hours. Any exceptions to this policy must be approved by the General Manager.

It is the responsibility of all employees to maintain their on-duty clothing in a clean, safe and sound condition. Tears, holes, stains and other unsightly conditions will not be tolerated.

Clothing affixed with the Company logo must be returned to the Company for logo removal when no longer suitable for wear during working hours. In the event an employee terminates or resigns, all items with a Company logo must be returned to the Company.

Suitable attire for other employees is defined as:

- ✓ Suits
- ✓ Slacks
- ✓ Skirts
- ✓ Dress
- ✓ Collared and sleeved shirt
- ✓ Blouse
- ✓ Sweater
- ✓ Jumper
- ✓ Culottes
- ✓ Appropriate footwear
- ✓ Blazer, Sports jacket
- ✓ Ties

Jeans may be allowed if considered acceptable in the judgment of the General Manager. Jeans, if permitted, must be neat, clean and unfrayed.

Hemlines should be no shorter than 4 inches above the knee. Shirts should be buttoned and wrinkle-free.

Company-issued hats are allowed. Other headwear will be at the discretion of the General Manager.

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Jewelry must not pose a health or safety risk to you, your co-workers or the public.

Hair is to be maintained in a neat and safe manner, in a style that will permit the safe use of hard hats as necessary. If your duties require use of machinery with rotating, reciprocating or moving parts hair will be cut or safely controlled to avoid the possibility of becoming tangled in equipment.

Except under special circumstances, the following are not appropriate during business hours:

- Any blouse, shirt or dress that exposes the mid-drift area
- Any clothing that reveals undergarments
- Sun dresses with bare backs and/or shoulders or revealing necklines
- Shorts (of any kind)
- T-shirts, tank tops, sweatshirts,(unless imprinted with identification/insignia) official Company
- Beach attire
- Flip-flops or thongs
- Torn, dirty or unkempt clothing or shoes of any type
- Biker shorts
- Sweats
- Flashy, skimpy or revealing outfits
- Gym-style outfits
- Extreme hairstyles, makeup and jewelry
- Clothing or Tattoos that exhibit offensive graphics or language

Field personnel may wear appropriate non-uniform clothing while attending or participating in training sessions or seminars.

Employees violating this policy will be required to return home on their own time and change into appropriate attire. Repeated violations may be subject to disciplinary procedures.

### **ETHICS/CONFLICTS OF INTEREST**

It is vital that you understand the fundamental importance of integrity and the highest standards of ethical conduct as a way of life for the Company. High ethical standards must be evident in both fact and appearance in all the Company does. You are responsible for assisting the Company in maintaining high ethical standards by reporting any situations, practices or conduct that may be in violation of this policy without fear of retaliation or adverse action.

In carrying out your responsibilities, you are expected to adhere to the following principles of conduct:

1. You will demonstrate scrupulous honesty and ethical behavior in your personal conduct, business operations and management practices. You will avoid any conduct or action that would create the appearance of violating legal or ethical standards.

## EMPLOYEE HANDBOOK

2. You will exercise your discretion in business decisions and dealings with co-workers, vendors, consultants and others in a fair, objective and truthful manner.
3. You will avoid any situation, interest or conduct that conflicts or appears to conflict with impartial performance of your work responsibilities. This requirement extends to the acceptance of gifts that exceed standard business practice from vendors, suppliers and others with whom the Company has a business relationship or potential business relationship.
4. You will maintain and respect the confidentiality of information about Company employees and the Company.
5. You will exhibit mutual respect in your interactions with co-workers, customers and others through civil, courteous and business-like behavior.
6. You will respect others and participate in maintaining a workplace that is free of unlawful or inappropriate conduct, including discrimination, harassment or retaliation of any kind.
7. You will take initiative to resolve any situations in your area of responsibility that are inconsistent with these above principles. Employees are expected to report situations or actions that appear to be in violation of these principals. Management will investigate all concerns..

You shall not:

1. Release financial, personal or other confidential or sensitive information about customers, co-workers, the Company or other parties to individuals who have no business reason for access to the information.
2. Take any action or engage in any conduct that violates the law and/or regulations governing the Company's business.
3. Take any action on a matter in which you or a family member has a personal interest. This prohibition also applies in situations involving business organizations in which you or a family member serves as an officer, director, trustee, general partner or employee.
4. Misuse your position for personal or another's private gain.
5. Accept a gift or gratuity of any amount or value from anyone in exchange for special consideration.
6. Accept a personal gift, gratuity or service from vendors or individuals with business interests with the Company without prior discussion with management to ensure no conflict of interest or ethical violation would exist.

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7. Obtain, use or divert any Company property for personal use or benefit; nor shall you remove from the premises, alter or destroy any Company property without prior approval from management.
8. Knowingly provide information of material importance to the Company inaccurately or dishonestly, including attendance reports, applications for employment and benefits, etc.
9. Fail to report any action, conduct or situation that you reasonably believe may represent a violation of the Company's legal and ethical obligations.
10. Engage in any other conduct that violates these principles and standards or other accepted standards of business conduct.

You are permitted to accept standard business gifts of limited value (not to exceed \$50 individually or cumulatively), such as lunches or other items, provided acceptance of such gifts does not create a conflict or violate this policy. If you receive a gift that cannot be accepted, you must either return the gift or pay its market value. With management approval the gift may be shared in the office or given to a charity.

If you believe you may be in a potential conflict of interest situation with respect to a pending business decision, you should discuss the situation with the General Manager. When so advised, you should remove yourself from the decision making process. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of the committees with governing board-delegated powers considering the proposed transaction or arrangement. In an effort to aid such disclosure, each member (board, committee, or staff) shall complete a conflict-of-interest questionnaire as circumstances warrant, but no less frequently than annually.

You should report a potential violation of legal requirements or provisions of the Company's ethics standards to the General Manager.

If you are found to have engaged in conduct in violation of this policy you will be subject to discipline up to and including termination. The severity of the discipline will be based on the facts determined during the investigation and the circumstances of the offense. Conduct involving theft, fraud, embezzlement or other unlawful activity is subject to immediate termination without regard to the dollar amount involved. It is the practice of the Company to pursue prosecution to the fullest extent permitted by law of employees found to have engaged in unlawful activities.

## PERSONAL CONDUCT

You are required at all times, both on and off the job, to conduct yourself in such a manner as to avoid bringing discredit to the Company or otherwise interfere in the normal and routine operations of the Company.



## EMPLOYEE HANDBOOK

You are required to disclose to the General Manager if you have been convicted of a felony even if you were not incarcerated for such conviction. You are also required to notify the General Manager of any arrest for which you are out on bail or on your own recognizance. You will not be required to provide information that is prohibited by federal or state law.

You are expected to conduct your personal financial affairs in such a manner that creditors and collectors will not have to make use of Company offices or employee time for the purpose of collecting legal debts. Repeated garnishments (not including wage assignments for child or spousal support) by more than one creditor or repeated contact by your creditors that takes substantial time of Company employees and thereby imposes a cost on the Company will be grounds for disciplinary action up to and including termination.

**WHILE ON DUTY YOU WILL NOT SUPPORT, INSTIGATE OR HONOR ANY BOYCOTT IMPRESSED ON ANY COMPANY, AGENCY, INDIVIDUAL OR EMPLOYER THAT THE COMPANY DEALS WITH OR PROVIDES SERVICES TO.**

### **CORRECTIVE ACTION**

Corrective Action is a process through which the Company, in its sole discretion, may provide improvement opportunities to you if you do not meet job performance expectations or engage in inappropriate personal conduct. The Company's system of corrective action in no way limits or alters the at-will employment relationship. If the Company determines that circumstances warrant, immediate action up to and including termination may be taken without initiating or continuing the corrective action process.

While it is not possible to identify each and every act that may result in corrective action, some examples include:

- Failure to report to work on time.
- Failure to communicate directly to your immediate supervisor or manager if you cannot report to work.
- Poor attendance.
- Receiving or making excessive or repeated non-emergency personal telephone calls during work hours.
- Failure to respect others in a courteous and professional manner.
- Failure to immediately report an accident or injury to your immediate supervisor.
- Failure to maintain equipment assigned to you for use or operation.
- Failure to immediately report breakdowns, improper or unsafe operation of equipment or facilities.
- Failure to perform assigned tasks that are within the scope of your position without undue waste or delay.

Corrective Action may involve a verbal or written warning, which will provide performance/conduct expectations and timeframes for improvement. Normally the period in which improvement must be demonstrated will be 90 days. If expected improvements do not occur within the designated timeframe, the Company may take action including suspension, demotion or

## EMPLOYEE HANDBOOK

termination. Conduct that requires repeated warnings will be cause for further discipline, up to and including termination.

### SERIOUS MISCONDUCT

Serious misconduct will not be tolerated by the Company and you may be subject to immediate suspension or termination. Serious misconduct includes, but is not necessarily limited to:

Ø Using intoxicants to the extent it interferes with your ability to perform your duties including alcohol, narcotics, hallucinatory drugs or unprescribed stimulating or depressing drugs, or being under the influence thereof while on duty, including standby duty. If you are reasonably suspected of being under the influence of any of the above intoxicants you will be immediately required to undergo medical evaluation, which may include a drug/alcohol screening test. (See Drug-Free Workplace section.)

- Insubordination or refusal to take direction from managers and supervisors making appropriate and reasonable requests for action or behavior.
- Refusal to perform assigned tasks for any reason other than personal safety.
- Possession, display, use, transfer or selling of firearms, explosives or weapons on Company premises at any time.
- Theft or misappropriation of any property of the Company or of its employees.
- Careless, negligent or intentional mishandling of any Company property, vehicles, materials or equipment.
- Careless, negligent, abusive or other actions that endanger or threaten to endanger yourself, other employees or the public.
- Unauthorized binding of the Company to a contract.
- Placing the Company in a position of liability for damage or injury to another person or property.
- Falsifying work records or fraud of any type.
- Misuse of sick leave.
- Leaving the job during your work hours without approval of your supervisor or the General Manager.
- Violation of safety rules and regulations.
- Becoming uninsurable by the standards of the Company's vehicle insurance carrier for any reason.
- Sleeping on the job.
- Conviction of a felony in a state or federal court that may affect your ability to perform your duties; or that involves an act of moral turpitude.
- Misrepresenting or withholding material facts in securing employment.
- Disclosing confidential information to unauthorized parties.
- Engaging in conduct that is a conflict of interest or a violation of the Conflict of Interest policy.
- Exhibiting abusive or grossly inappropriate conduct.
- Harassing (sexually or otherwise), threatening, intimidating or coercing any other employee, customer or the public.

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- Any other conduct or behavior deemed by the General Manager to be seriously detrimental to the Company's interests.

### WORKPLACE VIOLENCE

Any act or threat of violence by any employee against any individual, including co-workers, visitors or other individuals, in the Company's workplace or property or while conducting Company business will not be tolerated. All employees are expected to understand what constitutes threatening conduct or communication and to play an active part in helping to maintain a safe and secure workplace. The Company practices a zero-tolerance policy with respect to real or implied workplace violence. Full compliance with this policy is a condition of employment for all Company employees.

A threat of violence is an implicit or explicit remark or act that can be reasonably interpreted as intimidating and causes another individual or group of individuals to fear for their physical safety or property. The threat need not be directed at any particular individual but may apply to a group or category of individuals. The apparent ability to immediately act upon the threat is not required.

Prohibited conduct includes, but is not limited to, direct or indirect threats of harm, assault, battery, intimidation, physical fighting, altercations or unauthorized possession or use of weapons. Any actual or implied threat of violence in the workplace will be considered a real and serious danger and will not be tolerated. Any occurrence of such is subject to discipline, up to and including termination. Because intent may be difficult to determine, jokes about physical acts of violence will not be tolerated.

You may not possess weapons, including but not limited to guns, knives, dangerous chemicals, explosives and blasting caps on Company property, including in parked cars and parking lots, or while conducting Company business, except as authorized or issued by the Company.

If you commit violent acts or engage in threatening conduct, you will be subject to discipline up to and including immediate termination and also may be subject to criminal prosecution.

Every verbal or physical threat of violence, including bomb threats and suspicious packages, must be treated seriously. You are expected to report any threat or act of violence to your supervisor and the General Manager immediately. Call 911 immediately in the event of an emergency.

All threats or prohibited physical conduct will be reported promptly to the Police Department or other designated officials. Appropriate preventive or remedial action will be taken and the reporting individual will be advised regarding the results of investigation and actions taken. Every effort will be made to respect and maintain the privacy and confidentiality of the reporting individual as well as the alleged perpetrator. However, the Company cannot guarantee that this information can be kept private.

If you obtain protective restraining orders that bar an individual from Company property, you must notify your supervisor, the General Manager and the Police Department immediately. This notification should include the name of the individual whom the restraining order is filed against, a description of the individual and a photograph, if available.

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If an individual who has made a threat unexpectedly arrives at the workplace and you see the individual, you must notify your supervisor and the General Manager immediately.

Employees who are determined to have made a serious threat and/or present a danger to themselves or others can be placed on an immediate non-disciplinary suspension with pay, pending the results of an investigation.

Training on workplace violence policies and procedures will be given periodically. All employees should understand that certain risk factors and behavior patterns may offer early warning signs of potential violent behavior. You should bring to your supervisor's attention without delay any warning signs you may observe on the part of other employees or individuals who are on Company facilities and property. Your supervisor or manager will consult with the General Manager on appropriate actions to be taken.

### **SMOKING**

To maintain a safe and comfortable working environment and to comply with California state laws, smoking and/or tobacco use is strictly regulated.

Smoking, use of, or disposal of tobacco products is prohibited inside company facilities, company vehicles, outside the Company's main entrances and within 20 feet of the main entrances, exits, operable windows, and ventilation ducts. "Tobacco products" include all types of tobacco, regardless of how consumed, including, but not limited to, cigarettes, cigars, pipes, chewing tobacco, snuff, hookah, electronic cigarettes, or other electronic devices that deliver nicotine or other substance to the person using the device.

The smoking, use, consumption, or disposal of marijuana or marijuana products is prohibited in all company facilities.

This policy applies equally to all employees and visitors.

### **DRUG-FREE WORKPLACE**

#### ***Purpose of Guideline***

It is the intent of the Company to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by its employees. Employees who are under the influence of a drug or alcohol on the job compromise the Company's interests and endanger their own health and safety and the health and safety of others. Substance abuse in the workplace can also cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, and inferior quality in products or service.

## EMPLOYEE HANDBOOK

To further its interest in avoiding accidents, to promote and maintain safe and efficient working conditions for its employees, and to protect its business, property, equipment, and operations, The Company has established this Drug-Free Workplace Policy (“Policy”) concerning the use of alcohol and drugs. As a condition of continued employment with The Company, each employee must abide by this Policy.

If questions arise regarding this Policy, please direct them to the Company Drug-Free Workplace Program Coordinator, presently the General Manager.

This Policy covers all employees, including contract or temporary employees while performing the Company services. This Policy also covers applicants insofar as applicants, after a conditional offer of employment has been made, are required to take and participate in a pre-employment test.

### *Inspections*

The Company reserves the right to inspect company vehicles, premises (including owned or leased parking lots), and property (including offices, desks, lockers and other repositories) and personal effects (such as lunch boxes/bags, purses, gym bags, backpacks, handbags, briefcases, packages or coats) where there is reasonable cause to believe an employee has violated this Policy. Where reasonable cause exists to believe an employee has used, possessed, consumed, transferred, transported, distributed, manufactured, sold, purchased or dispensed illegal drugs on The Company premises, in company vehicles or during working time, The Company will notify and cooperate with an appropriate law enforcement agency in any related investigation (e.g., permitting drug detection/sniffing dogs on company property). This Policy extinguishes and eliminates any continuing expectation of privacy as to the ability to conduct an inspection where reasonable cause exists to believe that there has been a Policy violation. Where reasonably practical, inspections will be conducted in the presence of the employee implicated in the potential Policy violation.

### *Non-discrimination*

Per the Americans with Disability Act and similar state law requirements, The Company does not discriminate against employees or applicants who are qualified individuals with a disability who are not current illegal drug users and who do not otherwise violate this Policy, including individuals who are no longer engaging in such use and: 1) have successfully completed or who are currently participating in a supervised rehabilitation program; or 2) have otherwise been rehabilitated successfully.

### *Definitions*

For purposes of this Policy:

1. “Drug” means a controlled substance, as defined in Schedules I through V of Section 202 of the Controlled Substances Act, 21 U.S.C. § 812, including cocaine, opiates, marijuana, amphetamines, phencyclidine (PCP). The term “illegal drug” includes any drug the possession or use of which is illegal under federal, state, or local law, and includes

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prescription medications not used by the person for whom prescribed or used in a manner other than prescribed.

2. “Under the influence of alcohol” means (1) the presence of alcohol in the individual’s system which equals or exceeds a blood alcohol content (BAC) of .08; or (2) behavior, appearance, speech, or bodily odors that lead a supervisor or manager to reasonably suspect that the employee is impaired by alcohol during working time or on Company premises.
3. “Under the influence of drugs” means (1) the presence of any detectable amount of an illegal drug or its metabolites demonstrated by a verified positive drug test result, or (2) behavior, appearance, speech, or bodily odors that lead a supervisor or manager to reasonably suspect that the employee is impaired by illegal drugs or is using illegal drugs during working time or on Company property.
4. “Abuse of any legal drug” means the use of any legal drug (a) for purpose other than the purpose for which it was prescribed or manufactured; or (b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.
5. “During working time” means time during which the employee is being paid to work for or represent The Company or the employee is in fact representing the Company’s interests. The term also includes all paid break and meal periods.
6. “Safety-sensitive position” means a job, including any supervisory or management position, in which impairment caused by drug or alcohol usage, would threaten the health or safety of any person.

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## *Prohibited Conduct*

The Company Employees are strictly prohibited from engaging in the conduct listed below.

1. With respect to illegal drugs, employees violate this Policy by engaging in the following conduct, whether or not during work time or on The Company premises or property:
  - a) bringing and/or storing (including in a desk, locker, automobile, or other repository) illegal drugs or drug paraphernalia on the Company's premises or property, including company-owned or leased vehicles, in vehicles used for business purposes or a customer's premises;
  - b) having possession of, being under the influence of, testing positive for, or otherwise having in one's system, illegal drugs;
  - c) using, consuming, transferring, transporting, distributing or attempting to distribute, manufacturing, selling, purchasing, or dispensing illegal drugs;
  - d) abuse of prescription drugs which includes exceeding the recommended prescribed dosage or using others' prescribed medications;
  - e) switching, tampering with or adulterating any specimen or sample collected under this Policy, or attempting to do so;
  - f) refusing to cooperate with the terms of this Policy which includes submitting to questioning, drug testing, medical or physical tests or examinations, when requested or conducted by The Company or its designee; a refusal to test includes conduct obstructing testing such as failure to sign necessary paperwork, failing to report to the collector and/or collection site at the appointed time and failing to be reasonably available for a post-accident test;
  - g) failure to advise a supervisor or manager of the use of a prescription or over-the-counter drug which may alter the employee's ability to perform the essential functions of his or her job, including situations in which use would create a significant risk to the health or safety of others that cannot be eliminated by reasonable accommodation;
  - h) failure of employees to notify a supervisor before going to work if he or she believes that he or she is under the influence of drugs; or,
  - i) where lawful, The Company strictly prohibits employees from using hemp products (including "medical marijuana"). Similarly, except where prohibited or restricted by law, and in accordance with and consistent with Department of Transportation guidelines for drug testing of certain truck drivers, The Company will not generally consider use of hemp products (including "medical marijuana") a valid medical explanation for a positive marijuana test result. Any questions about this prohibition should be directed to The Company's Drug-Free Workplace Program Coordinator.
  
2. With respect to alcohol, employees violate this Policy by engaging in the following conduct during work time or on the Company premises or property, or as otherwise provided:
  - a) bringing and/or storing (including a desk, locker, automobile, or other repository) alcohol on the Company premises or property, including Company owned or leased vehicles, in vehicles used for Company purposes or a customer's premises;

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- b) having possession of, being under the influence of, testing positive for or having in one's system, alcohol;
- c) using, consuming, transporting, distributing or attempting to distribute, manufacturing, selling or dispensing alcohol;
- d) switching, tampering with or adulterating any specimen or sample collected under this Policy, or attempting to do so;
- e) refusing to cooperate with the terms of this Policy which includes submitting to questioning, alcohol testing, medical or physical tests or examinations, when requested or conducted by the Company or its designee; a refusal to test includes conduct obstructing testing such as failure to sign necessary paperwork, failing to report to the collector and/or collection site at the appointed time and failing to be reasonably available for a post-accident test; or
- f) failure of employees to notify his or her supervisor before going to work if he or she believes that he or she is under the influence of alcohol.

### ***Disciplinary Action***

Employees who engage in any of the prohibited conduct listed above are in violation of this Policy and are subject to discipline, up to and including termination of employment and at the Company's sole discretion. While the discipline imposed will depend on the circumstances and the Company reserves the right to determine, in its discretion, discipline imposed, certain offenses will result in immediate termination (e.g. possession, sale or use of illegal drugs on the Company premises or during working time). Employees who refuse to submit to testing, attempt to switch, adulterate or tamper with a specimen, or receive a positive test result will be terminated, unless otherwise limited by applicable state or local law.

The Company also reserves the right to refer employees with a verified positive drug and/or confirmed alcohol test for assessment, counseling, rehabilitation services or treatment by a Rehabilitation Service Provider, Substance Abuse Professional, or other qualified person licensed or certified in accordance with applicable state law, if any, to provide chemical dependency counseling and to require any employee so referred to enter into and abide by one or more of the following: a Rehabilitation Agreement and/or a Return-to-Work Agreement. Costs associated with this benefit may be covered by the employee's medical insurance plan; however, any costs not covered by the employee's medical insurance plan and which are not otherwise required to be paid by any applicable plan are entirely the employee's sole responsibility.

All employees subject to post-accident or reasonable cause testing and each employee with an initial positive test result will be removed from his or her position and, at the Company's discretion, receive either a non-disciplinary suspension or transfer, until the Company receives confirmatory test results (or, if requested, after any confirmatory re-test the Company permits).

Employees who are terminated as the result of a positive verified or confirmed test result may not re-apply for a period of 90 days after receipt of the results by the Company. Employees who fail to, as determined by the Company, successfully complete any rehabilitation program may not re-apply for a period of 90 days from the date of the referral or the date of Rehabilitation/Return-to-Work Agreement, whichever is earlier.



# EMPLOYEE HANDBOOK

## *Use of Legal Drugs*

The Company recognizes that employees may, from time to time, be prescribed legal drugs that, when taken as prescribed or according to the manufacturer's instructions, may result in impairment. Employees may not work while impaired by the use of legal drugs if the impairment might endanger the employee or someone else, pose a risk of significant damage to Company property, or substantially interfere with the employee's job performance. If an employee is so impaired by the appropriate use of legal drugs, he or she may not report to work. To accommodate the absence, the employee may use accrued vacation leave time. The employee may also contact the General Manager or General Manager, to determine whether or not he or she qualifies for an unpaid leave of absence. Nothing in this Policy is intended to sanction the use of accrued leave time to accommodate absences due to the abuse of legal drugs. Further, nothing in this Policy is intended to diminish the Company's commitment to employ and reasonably accommodate qualified disabled individuals. The Company will reasonably accommodate qualified disabled employees who must take legal drugs because of their disability.

# EMPLOYEE HANDBOOK

## ***Unregulated or Authorized Conduct***

### Customary Use of Over-the-Counter Drugs

Nothing in this Policy is intended to prohibit the customary and ordinary purchase, sale, use, possession, or dispensation of over-the-counter drugs, so long as that activity does not violate any law or result in an employee being impaired by the use of such drugs in violation of this Policy.

### Authorized Use of Alcohol

There may be occasions when it is permissible to consume reasonable amounts of alcohol on the Company property during work time or at a Company sponsored/sanctioned event, provided that consumption of alcohol is authorized in advance in writing by the Company's President. Examples of occasions that might qualify for exemption include social events (e.g., holiday parties, summer picnics) or business functions, consumption after business hours (after 5:00 p.m.) at professional events or professional association meetings, or while traveling on business or marketing/entertaining clients or potential clients.

Notwithstanding the foregoing exceptions, employees understand that alcohol must be consumed in moderation, and that the Company's policies and standards, including those pertaining to harassment/offensive behavior, continue to apply. Additionally, in no event may any minors who are in attendance at such events consume alcohol. Further, it is a violation of this Policy to drive any vehicle if a supervisor has reasonable cause to believe that an employee authorized to consume alcohol under this section is under the influence of alcohol, or the employee believes that he or she is under the influence of alcohol. Managers or employees who find themselves in these circumstances are expected to ensure that the involved employee or employees do not drive, but instead take a taxi cab or are driven to a test collection site, if referred for a reasonable cause/suspicion test, and/or after any test or otherwise are driven home or take a taxi cab and/or stay at a hotel. Except in marketing/sales or business entertainment situations, employees are prohibited at all times from consuming alcohol if company business must be conducted or services must be provided after alcohol intake.

## ***Confidentiality***

Disclosures made by employees to an employee's supervisor or any manager concerning his/her use of legal drugs will be treated confidentially and will not be revealed to managers or supervisors unless there is an important work-related reason to do so in order to determine whether it is advisable for the employee to continue working. Disclosures made by employees to the General Manager, concerning their participation in any drug or alcohol rehabilitation program will be treated confidentially.

## ***Counseling/Employee Assistance***

Employees who suspect they may have alcohol or drug problems, even in the early stages, are encouraged voluntarily to seek diagnosis and the follow through with the treatment as prescribed

## EMPLOYEE HANDBOOK

by qualified professionals. Employees who wish to voluntarily enter and participate in an approved alcohol or drug rehabilitation program are encouraged to contact the General Manager, who will determine whether the Company can accommodate the employee by providing unpaid leave for the time necessary to complete participation in the program. Employees should be aware that participation in a rehabilitation program will not necessarily shield them from disciplinary action for a violation of this Policy, particularly if the discipline is imposed for a violation occurring before the employee seeks assistance.

### ***Drug Testing of Employees***

The Company reserves the right, within the limits of federal, state or local laws, to examine and test for the presence of drugs and/or alcohol, including the right to conduct on-site collections as well as point-of-collection testing and the right to use drug or alcohol test results conducted by a third party including, but not limited to, law enforcement agencies and hospitals as the basis for determining whether an employee has committed misconduct. Under the conditions of this Policy, applicants or employees may be asked to submit to a medical examination and/or submit to hair, urine, saliva, sweat, breath, blood or other testing for drugs and/or alcohol. All costs related to testing will be paid by the Company, with the exception of any permitted confirmatory re-tests, which, unless restricted by law, the donor requesting the re-test must pay. Testing will occur during working time.

The circumstances in which testing will be performed include, but are not limited to, the following:

1. Reasonable Suspicion Testing.

If an employee's supervisor or other company manager has a reasonable suspicion that the employee is working in an impaired condition or otherwise engaging in conduct that violates this Policy, the employee will be asked about any observed behavior and offered an opportunity to give a reasonable explanation. Reasonable cause/suspicion means a basis for forming a belief based on specific facts and rational inferences drawn from those facts. If the employee is unable to explain the behavior, he or she will be asked to take a drug and/or alcohol test in accordance with the procedures outlined below.

2. Post-Accident Testing.

Alcohol and/or drug screening may be required for employees holding safety-sensitive positions following any work-related accident or any violation of safety precautions or standards, whether or not an injury resulted from such accident or violation.

3. Return-to-Duty.

Employees who have tested positive and have been removed from duty must submit to a return-to-duty drug and/or alcohol test the result of which must be negative before an employee will be permitted to return to duty. Appropriate consideration, as determined by the Company, will be given to metabolization rates for certain drugs in connection with any return-to-duty test.

## EMPLOYEE HANDBOOK

If the employee refuses to cooperate with the administration of the drug and/or alcohol test, the refusal will be handled in the same manner as a positive test result.

### *Procedures for Drug Testing*

1. The Company will refer the employee to an independent, National Institute on Drug Abuse (NIDA)-certified medical clinic or laboratory, which will administer the test. The Company will pay the cost of the test and reasonable transportation costs to the testing facility. The employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. All drug testing will be performed by urinalysis. Positive results will be confirmed by gas chromatography/mass spectrometry. You are entitled to submit independent evaluations at your own cost if the test comes back positive. The decision to employ you will be based solely on the tests performed and the independent evaluations provided, if any.
2. You will be asked to sign forms acknowledging the procedures governing testing, and authorizing the collection of a urine sample for the purpose of determining the presence of drugs. Refusal to sign the necessary forms provided by the laboratory, or to submit to the drug test will result in the retraction of the Company's offer to employ you and can subject you to discipline up to and including termination.

The clinic or laboratory will inform the Company as to whether the applicant passed or failed the drug test. If an employee fails the test, he or she will be considered to be in violation of this Policy and will be subject to discipline accordingly.

### *Acknowledgment and Consent*

Any employee subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing, and consenting to (1) the collection of a urine sample for the purpose of determining the presence of drugs, and (2) the release to the Company of medical information regarding the test results. Refusal to sign the agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or will subject an employee to discipline up to and including termination.

### *Confidentiality*

All drug and alcohol test results are reported to the Company's Drug-Free Workplace Program Coordinator and will remain and be considered confidential. Results will only be disclosed within the Company on a need-to-know basis and as allowed by law and retained in a secure location with controlled access. Information about an employee's medical condition or history obtained in connection with a drug and/or alcohol test will be kept in a file separate and apart from the employee's personnel file. The release of an individual's drug and/or alcohol test results and other information gained in the testing process will only be otherwise disclosed in accordance with an

## EMPLOYEE HANDBOOK

individual's written authorization or as otherwise required or permitted by applicable law. By way of example only, test results and other information obtained in the testing process may be used and disclosed in litigation (e.g., arbitration, administrative hearings or judicial proceedings) if the information is relevant to the hearing or proceeding, to any government agency to the extent required by law, rule or regulation or is compelled by judicial or administrative process, or to a substance abuse or rehabilitation assessment/treatment facility or provider for the purpose of evaluation/assessment or treatment.

The Company will attempt to ensure that all aspects of the testing process, including specimen or sample collection, are as private and confidential as reasonably practical. If a urine specimen is requested, employees or applicants will not be observed while providing a specimen unless there is reason to believe the employee has tampered with, adulterated, switched or attempted to tamper with, adulterate or switch a urine specimen or in the case of specimen dilution, as discussed in this Policy.

### ***Follow-Up***

An employee who has been removed voluntarily or otherwise from his or her job duties on the basis of a verified or confirmed positive drug test result and/or confirmed positive alcohol test result will be subject to unannounced drug and/or alcohol testing to determine whether he or she is under the influence of alcohol or drugs. Follow-up testing may also occur with respect to employees who, either through referral by the Company or self-referral, have accessed or are participating in an Employee Assistance Program or rehabilitation program and the responsible program provider or Substance Abuse Professional has prescribed testing. Follow-up testing may continue up to twenty-four (24) months from the return-to-work date

## WORK PRACTICES

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### ADDRESSING YOUR CONCERNS – OPEN DOOR POLICY

At times, you may have a concern about some aspect of working at the Company. It is important that you voice those concerns to your manager to constructively address the issue.

In most cases we encourage you to speak directly with your manager about your concerns. If you are uncomfortable discussing the issue with your manager, discuss it with the General Manager. Company managers are committed to listening and addressing your concerns.

We will make every effort to resolve your issues through these direct discussions. However, there may be situations when issues may not be resolved to your satisfaction.

### WORKPLACE SAFETY

The Company is committed to providing a workplace that is safe, healthy and free of hazards. You are expected to observe all workplace safety rules and emergency procedures and are responsible for exercising reasonable care to prevent the possibility of injury to yourself and others. You are expected to attend all scheduled safety meetings and required safety training. You should keep informed about potential workplace hazards and actions to take in the event of incidents and exposures.

You are expected to report all injuries (no matter how slight) to your supervisor immediately. You are expected to report anything that needs repair or that you consider a safety hazard. If you willfully or deliberately disobey safety rules you may be subject to discipline up to and including termination.

You will not be subject to retaliation of any kind for expressing concerns or making comments or suggestions about any safety-related matters. You (or your physician) have a right to receive information on any hazardous substances to which you may be exposed to in the workplace. Materials Safety Data Sheets are available to you in your work area. You may not be disciplined or discriminated against for requesting such information or exercising any other rights you have under state and federal hazardous substance laws.

To comply with local laws emergency evacuation drills are conducted periodically. You are required to participate in these drills and to follow the instructions of designated emergency team members.

The Company's emergency procedures are available from your supervisor or manager. These procedures are to be observed in the event of an earthquake, natural disaster, evacuation, fire, bomb threat or other crisis situation.

The following safety guidelines should be observed at all times:

## EMPLOYEE HANDBOOK

- Report all unsafe or hazardous conditions, including torn carpeting, broken tiles, hanging wires, unsecured shelving, etc. to your manager.
- Obey posted safety and/or warning signs, such as “Wet Paint,” “Do Not Enter,” etc.
- Keep exits, stairways and aisles clear of materials including combustibles such as boxes, files, furniture, etc.
- Keep work areas clean and in safe condition at all times.
- Do not block fire doors in the open position.
- Do not stack, store or place any materials in a hazardous manner.
- Report lights that have burned out to your supervisor.
- Strictly comply with the Company’s “no smoking” policy in compliance with state law.
- Keep fire extinguishers easily accessible and unobstructed.
- If clarification of these guidelines or assistance is required ask your supervisor

For additional information on safety practices and procedures that apply to your department or work area talk with your manager.

If you observe any unsafe condition in the workplace you should report it to your manager and/or the General Manager.

## WORKPLACE PRIVACY

The Company recognizes the need for confidentiality in the collection, custody, use and dissemination of personal information concerning employees and those with whom the Company does business. However, you should not have an expectation of privacy in your assigned work area and with respect to any Company equipment or resources, including but not limited to, your Company e-mail, Company computer or other device, or Company voicemail messages. The Company reserves the right to examine the following at any time in its sole discretion, with or without notice or consent:

- Computer files and data on an assigned Company computer
- Electronic communication systems messages and information (e.g., e-mail and voice -mail)
- Desks, filing cabinets and Company vehicles

Your personal property, e.g., briefcase, purse, vehicle, etc., will not be searched without obtaining your prior consent. The nature of the consent obtained will be carefully documented and you must be present throughout the course of the search.

The company uses or may use video surveillance in public areas (not in restrooms, locker rooms or changing areas). The video surveillance will not include sound recording.

## PERSONAL USE OF COMPANY PROPERTY

## EMPLOYEE HANDBOOK

Your job may require you to use Company supplies, materials, tools and various types of equipment. As a Company employee it is your responsibility to keep tools and equipment in good working order and to exercise prudent care in using supplies and materials. You should immediately report any faulty or dangerous conditions regarding tools, equipment and machinery to your supervisor.

Additionally, you are expected to comply with the following policies:

- Company tools, equipment or materials of any kind may not be removed from Company facilities or worksites at any time during off duty hours without written permission from the General Manager. This written authorization must be on your person when leaving Company property. Violations of this policy are grounds for discipline up to and including discharge.
- Company supplies and materials, such as paper supplies, stationery and envelopes are not to be used for personal reasons under any circumstances.
- Limited personal use of copiers is permitted with management approval.
- Employees are not to receive personal, non-business-related mail or packages at Company offices.
- You may not make any personal long-distance telephone calls using Company telephones without prior management approval. You may use telephones on a limited basis for compelling personal business that cannot be conducted outside business hours.
- You are prohibited from making use of Company facilities for personal business, including time when you are not on duty, without prior approval from your manager.
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Willful or repeated violations of this policy are grounds for discipline, up to and including discharge.

## USE OF VEHICLES ON COMPANY BUSINESS

The Company maintains vehicles for employees to operate while conducting Company business. Additionally, the Company may request that an employee drive their own vehicle for Company business. The Company participates in the Department of Motor Vehicle's (DMV) Employer Pull Notice Program. This program is implemented for employees whose duties include driving.

If you operate a Company vehicle, the following policies must be complied with:

- Company-owned vehicles should not be used for personal business. Employees driving Company-owned vehicles are also prohibited from driving passengers, including family and friends, who are not involved in official Company business unless pre-authorized by the General Manager.
- The General Manager may authorize designated employees to use Company vehicles in order to quickly respond to call-out emergencies. These employees are expected to park and secure the vehicle in a reasonably safe location when not in use. All other Company vehicles must remain secured on Company premises during non-work hours.



## EMPLOYEE HANDBOOK

- You are personally responsible for all traffic fines and other violations incurred while driving a Company vehicle. You must promptly report any citations received, including parking violations, as well as proof of resolution to the General Manager.

No employee may operate a company-owned vehicle without a valid California driver's license for the particular class of vehicle.

While on standby the Company vehicle must be kept within a reasonable response time of the Company, (i.e. within thirty (30) minutes of the Company headquarters). It is recognized that the Company vehicle may be used by the standby personnel on occasion for personal errands within the response time area.

If you are requested to use a personal vehicle to conduct Company business, the following guidelines must be complied with:

- Employees must receive prior approval from the General Manager in order to drive their own vehicle on Company business.
- Employees must provide proof of automobile insurance coverage at the following limits
- Bodily Injury Liability at \$300,000 each accident and \$100,000 each person
- Property Damage Liability at \$100,000 each accident
- The Company will provide a monthly reimbursement allowance for pre-approved use of personal vehicles on Company business.

### **VEHICLE ACCIDENTS — WHAT SHOULD YOU DO**

If you are involved in an accident while operating a Company vehicle you must follow established procedures to ensure proper reporting. You should document the exact time, location and circumstances of the accident. Take photographs of the accident scene if possible. Obtain contact information for:

- All persons involved in the accident, including names, addresses and telephone numbers.
- Any witnesses to the accident, including names, addresses and telephone numbers.

You should notify the General Manager. Await direction from manager before leaving the scene unless medical attention is needed. In the event there are injuries or there appears to be significant damage to vehicle or private property call the Police Department immediately. Make no statements regarding responsibility for the accident. If possible, stay with the vehicle until assistance arrives.

If you observe an accident or respond to assist a co-worker involved in an accident, immediately take the steps described above.

# EMPLOYEE HANDBOOK

## COMPUTER USAGE

The Company's electronic systems are intended for the sole purpose of conducting Company business in an efficient and effective manner and are not intended for personal use. "Electronic systems" include, but are not limited to, Company servers, individual workstations and laptops, related program and operating software, peripheral equipment, electronic and voice mail, internet services, facsimile equipment and radio, cellular and land-line telephone services.

Because these systems are intended solely for business purposes, you should have no expectation of privacy with respect to any documents or other materials you write, store, receive or send using these systems. The Company reserves the right to review and inspect, with or without notice, information stored on these systems for any purpose in its sole discretion. Any violation of Company policy regarding use of its electronic systems is subject to discipline up to and including termination.

You are also expected to comply with the following policies:

- Company computers and network systems are configured for proper operation in the Company's technology environment. Any changes to configurations and network settings can only be made by the Company's Information Technology Consultant.
- Company systems contain confidential and proprietary information. You are not permitted to share your password with any other individual for any reason without the express permission of your manager.
- No copyrighted documents may be sent or forwarded using Company electronic mail systems without specific management approval.
- Assigned computers should be diligently cared for to avoid damage. Any problems with your equipment should immediately be brought to the attention of your manager. You will be held financially responsible for damage to hardware and software due to willful misconduct on your part.
- Because of risk to the integrity of Company systems, strict procedures must be followed regarding the use of software and data. Only Company-authorized and properly licensed software is permitted on Company computers. Unauthorized software, data files, or import devices shall not be downloaded, installed or used on Company systems without their being approved in advance by the General Manager.
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Violations of this policy are grounds for discipline up to and including discharge.

### ***Internet and Social Media***

Using Company computers to access the internet is limited to sites that are appropriate for conducting Company business. Access to sites that contain offensive, obscene, pornographic, threatening or illegal content or that could in any way embarrass or cause loss of faith in the Company is expressly forbidden

## EMPLOYEE HANDBOOK

No using social media while on work time or on equipment the Company provide, unless it is work-related as authorized by your manager. Do not use your Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Ultimately, you are solely responsible for what you post online. Keep in mind that your conduct or postings that negatively impact the Company may result in disciplinary action up to and including termination.

Inappropriate postings may include but are not limited to:

- Discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct.
- Posting complaints or criticism.
- Using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating.
- Making statements that disparage shareholders, employees, Board members or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of age, race, sex, disability, religion or any other status protected by law or company policy.
- Statements that do not maintain the confidentiality of Company's rights (including water rights) and private or confidential information. Do not post internal reports, policies, procedures or other internal business-related communications.
- It is important to always be honest and accurate when posting information or news and if you make a mistake, to correct it quickly. Be open about any previous posts you have made or altered. Remember that the internet archives everything, even deleted postings.
- Do not create a link from your blog, website or other social networking site to a Company website without identifying yourself as an employee.
- Express only your personal opinions. Never represent yourself as a spokesperson for the Company. If the Company is a subject of the content you are creating, be clear and open about the fact that you are an employee and that your views do not represent those of the Company. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of San Antonio Water Company."

## MEDIA CONTACTS

Employees should not speak to the media on the Company's behalf without written permission from the General Manager. All media inquiries should be directed to the General Manager or the President of the Board.

# EMPLOYEE HANDBOOK

## **RECEIPT AND ACKNOWLEDGMENT OF EMPLOYEE HANDBOOK**

This Employee Handbook is an important document intended to help you become acquainted with San Antonio Water Company (“Company”). This Handbook will serve as a guide for employees to learn about the Company’s policies, benefits, and practices. It is not intended to imply a contractual relationship.

The Company, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Handbook at any time without prior notice. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Please read the following statements and sign below to indicate your receipt and acknowledgment of the Employee Handbook.

- I have received and read a copy of the Employee Handbook. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of the Company at any time.
- I further understand that my employment is terminable at will, either by myself or the Company, regardless of the length of my employment.
- I also understand the Company may demote or discipline me or alter the terms of my employment at any time at its discretion, with or without cause or advance notice. Also, progressive discipline is left to the sole discretion of the Company and nothing in their handbook requires the Company to issue a warning or suspension prior to discharging any employee.
- I understand that from time to time the Company may grant raises, bonuses, promotions, commendations or other rewards for good performance, but these are not to be construed as an implied limitation of the right to terminate at-will.
- I understand that no contract of employment other than “at will” has been expressed or implied, and that no circumstances arising out of my employment will alter my “at-will” employment relationship unless expressed in writing, with the understanding specifically set forth and signed by myself.

\_\_\_\_\_  
Employee Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Employee Printed Name

## **DRUG AND ALCOHOL POLICY ACKNOWLEDGMENT AND CONSENT FORM**

Drug-use and alcohol-impairment testing through urine, breath, saliva, or blood samples is part of the San Antonio Water Company’s overall ongoing employment requirements. Please read the following carefully.

I understand that drug-use or alcohol-impairment tests during employment are part of the procedures of the Company.

# EMPLOYEE HANDBOOK

I consent to submit to urine, breath, or blood analysis drug-use or alcohol-impairment test and any other post-offer physical examination that the Company may determine is necessary for business reasons.

I also authorize and hereby release the Company's testing laboratory, hospital, or health care provider to provide the results of any such tests to the Company.

I further agree to hold the Company, its agents, directors, owner, board members, and employees harmless from any and all liability in connection with the testing for the presence of drugs or alcohol.

I UNDERSTAND THAT WORKERS' COMPENSATION CLAIMS MAY BE DENIED IN CIRCUMSTANCES WHERE I TEST POSITIVE FOR DRUGS AND ALCOHOL AND DRUG OR ALCOHOL IMPAIRMENT WAS A SUBSTANTIAL CONTRIBUTING CAUSE OF THE ACCIDENT.

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Date