



Request for Qualifications

Investment Services for

401(a) and 457 (b) Plans

Issue Date: October 21, 2024

Submission Date: November 18, 2024

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About MWDOC

The Municipal Water District of Orange County (MWDOC) is an independent special district that serves as Orange County's regional wholesale water supplier as well as providing resource planning. MWDOC's efforts focus on sound planning and appropriate investments in water supply development, water use efficiency, public information, legislative advocacy, water education, and emergency operations. We serve 3.2 million Orange County residents through 27-member agencies.

MWDOC is governed by a seven-member Board of Directors (the "Board"), each elected by the public to represent a specific division of Orange County. MWDOC is the third largest Metropolitan Water District of Southern California (MET) member agency and holds key leadership positions on the MET Board of Directors that oversee policy development, strategy, planning and implementation. MWDOC has an annual operating budget of over \$12 million.

MWDOC maintains a Money Purchase Pension Plan that is qualified under Internal Revenue Code section 401(a) and a Deferred Compensation 457(b) Plan and unless specified otherwise, will collectively be referred to herein as the "Plans." For more information about the Plans please see section 3.1 below.

For further information about MWDOC, please visit:

Website: www.mwdoc.com

Facebook: <http://www.facebook.com/pages/Municipal-Water-District-of-Orange-County/122742807774775>

X (formerly Twitter): <https://x.com/mwdoc>

Project Objective

The Municipal Water District of Orange County (MWDOC) is currently soliciting Statements of Qualifications (SOQs) from qualified investment management firms for the performance of investment management services with regard to the assets of MWDOC's existing Plans and rendering investment advice in support of the Board and the Plans' Committees in meeting the members' obligations as plan fiduciaries and to accept the Board's delegation of the fiduciary responsibility to act as the Plans' investment manager.

SECTION 1. GENERAL INFORMATION & SUMMARY

1.1 Organization Requesting Qualifications.

Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, Ca 92780

1.2 Designated Contact Person.

Name: Cathleen Harris
Director of Human Resources & Administration
Email: charris@mwdoc.com

1.3 Procurement Process.

SOQs will be evaluated in accordance with the criteria set forth in this Request for Qualifications (RFQ). MWDOC may subsequently request additional information, request references or interview a limited number of Respondents that demonstrate the most appropriate qualifications.

1.4 Informational Meeting.

There will not be an informational meeting for this RFQ. Any questions should be directed in writing via e-mail with the subject stating "SOQ Investment Services" to HumanResources@mwdoc.com, no later than November 8, 2024, 3pm. Questions and answers will be provided as an addendum to this RFQ.

1.5 Submission Deadline.

SOQs must be received no later than 5:00 p.m. Pacific Daylight Time on November 18, 2024, via e-mail. The consultant must submit one electronic PDF copy via email to HumanResources@mwdoc.com. SOQs received after the due date noted on the cover sheet will not be accepted. Faxed or hard copy proposals will not be accepted.

1.6 Submission Address.

All SOQs should be sent to the Designated Contact Person listed in section 1.2, above.

1.7 Definitions.

The following definitions shall apply to and are used in this RFQ:

"Respondent" or "Respondents" - refers to the interested persons and/or firm(s) that submit a Statement of Qualifications.

"RFQ" - refers to this Request for Qualifications, including any amendments hereof or supplements hereto.

"SOQ" - refers to Statement of Qualifications.

SECTION 2. INTRODUCTION AND GENERAL INFORMATION

2.1 Introduction and Purpose.

To help the Board achieve the Project Objective described above, MWDOC is soliciting SOQs from qualified investment management firms. Respondents interested in providing the requested services must submit an SOQ in accordance with the procedure and schedule described herein.

MWDOC will determine which of the Respondents:

- 1. Have the professional and fiduciary capabilities to provide the proposed services; and
- 2. Will agree to perform such services under the compensation terms and conditions determined by MWDOC to provide the greatest benefit to it and its employees.

A limited number of the person(s) and/or firm(s) that are qualified pursuant to the RFQ process will then be provided with an opportunity to make a formal presentation.

2.2 Procurement Process and Schedule.

Each Respondent's SOQ will be evaluated by MWDOC staff members, committee members and outside legal counsel (Evaluators). Based upon the totality of the information submitted, including information about the reputation and experience of each Respondent, the Evaluators will determine which Respondents are qualified.

MWDOC reserves the right to, among other things, amend, modify or alter the procurement schedule upon notice to all potential Respondents.

Anticipated Procurement Schedule Activity Date:

- | | |
|--|-------------------------------|
| 1. Issuance of Request for Qualifications: | October 21, 2024 |
| 2. Last Day for Questions: | November 8, 2024 (3 pm) |
| 3. SOQs Due: | November 18, 2024 (5 pm) |
| 4. Completion of Evaluation of SOQ's | November 22, 2024 |
| 5. Consultant Interviews TBD | November 25-29, 2024 |
| 6. A&F Committee Review | Dec. 11, 2024 |
| 7. Board Review & Approval (TBD) | Dec. 18, 2024 |
| 8. Finalize Contract/obtain signatures | Dec. 23, 2024-January 3, 2025 |

The contract will begin once the required approvals have been obtained.

2.3 Conditions Applicable to RFQ.

Upon submission of the SOQ, the Respondent acknowledges and consents to the following conditions relative to the submission and review and consideration of its SOQ:

1. This document is an RFQ and does not constitute an RFP.
2. This RFQ does not commit the MWDOC to issue an RFP.
3. All costs incurred by the Respondent in connection with responding to this RFQ shall be borne solely by the Respondent.
4. MWDOC reserves the right (in its sole judgment) to reject for any reason any responses and components thereof and to eliminate from further consideration any Respondents.
5. MWDOC reserves the right (in its sole judgment) to reject any Respondent that submits an incomplete or non-responsive SOQ to this RFQ.
6. MWDOC reserves the right, without prior notice, to supplement, amend, or otherwise modify this RFQ, or otherwise request additional information.
7. All SOQs shall become the property of MWDOC and will not be returned.
8. All SOQs will be made available to the public at the appropriate time, as determined by the MWDOC (in the exercise of its sole discretion) in accordance with applicable law.

9. MWDOC may request Respondents to send representatives to MWDOC for interviews.
10. MWDOC reserves the right to change or alter the schedule for any events called for in this RFQ upon the issuance of notice to all prospective Respondents who have received a copy of this RFQ.
11. MWDOC reserves the right to conduct investigations of any or all of the Respondents, as MWDOC deems necessary or convenient, to clarify the information provided as part of the SOQ and to request additional information to support the information included in any SOQ.
12. MWDOC reserves the right to suspend or terminate the procurement process described in this RFQ at any time (in its sole discretion). If terminated, MWDOC may determine to commence a new procurement process or exercise any other rights provided under applicable law without any obligation to the Respondents.

2.4 Addenda or Amendments to RFQ.

During the period provided for the preparation of responses to the RFQ, MWDOC may issue addenda, amendments or answers to written inquiries. Those addenda will be noticed by MWDOC and will constitute a part of the RFQ. All responses to the RFQ shall be prepared with full consideration of the addenda issued prior to the SOQ submission date.

2.5 Cost of SOQ Preparation.

All documents and information requested herein shall be prepared at the sole cost and expense of the Respondent. There shall be no claims whatsoever against the MWDOC, its officers, officials or employees, for reimbursement for the payment of costs or expenses incurred in preparing and submitting an SOQ or for participating in this procurement.

2.6 SOQ Format.

SOQs which, in the judgment of MWDOC, fail to meet all requirements of the RFQ or which are in any way conditional, incomplete, obscure, contain additions or deletions from requested information, or contain errors may be rejected.

2.7 Communications Regarding This RFQ.

All communications concerning this RFQ or the RFQ process shall be directed to the MWDOC's Designated Contact Person listed in section 1.2, hereof.

SECTION 3. CURRENT AND NEW RETIREMENT PROGRAMS

3.1 Current Plans.

MWDOC is a wholesale water agency, a special district, located in California. Because MWDOC is a public agency, its retirement plans are "governmental plans" and are not subject to the Employee Retirement Income Security Act of 1974 (ERISA). Nonetheless, due to the application of various fiduciary rules under California state law, including California Government Code section 53213.5, MWDOC has adopted a number of "best practices" that include the application of certain ERISA rules and standards to its plans, as though ERISA applied. Therefore, MWDOC is looking for Respondents who not only have significant experience working with governmental plans, especially California

governmental plans, and who understand the limited application of the plan qualification rules to such plans, but who also understand its desire to, on a selective basis, apply a number of ERISA's fiduciary standards and principles to promote the proper administration of the Plans. MWDOC's plans are subject to the provisions of the California Public Employees' Pension Reform Act of 2013 (PEPRA).

Currently, MWDOC maintains two plans (Plans) which hold approximately \$7,722,977 in assets as of 10/16/2024:

1. A section 401(a)/Money Purchase Pension Plan which provides for employer contributions. The following employees are eligible to participate in the plan: MWDOC Board of Directors and MET Board of Directors and General Manager. The 401(a) has about 17 active/inactive participants with approximately \$2,046,600 in assets.
2. A section 457(b) deferred compensation plan (457(b) Plan), which provides for employee deferrals. All employees are eligible to participate in the 457(b) Plan. The 457(b) Plan has 48 active/inactive participants with approximately \$5,676,377 in assets.

[The Plans allow the participants to direct the investment of the assets held in their plan accounts].

SECTION 4. MINIMUM QUALIFICATIONS

- 4.1 As of the date of its SOQ submission, the Respondent must (a) either be registered with the U.S. Securities and Exchange Commission as a "Registered Investment Adviser" or qualify as an "Investment Adviser" within the meaning of California Corporations Code section 25009 and received an "Investment Adviser Certificate" issued by the California Department of Financial Protection and Innovation that remains in effect and (b) have acted in the capacities of an investment advice fiduciary within the meaning of ERISA section 3(21)(A)(ii) and an "Investment Manager" within the meaning of ERISA section 3(38) (as though ERISA applied) with respect to its clients' employer-sponsored retirement plans that are intended to satisfy the requirements of Internal Revenue Code (Code) sections 457(b) and 401(a) for a minimum of five (5) years.
- 4.2 Ability to provide a diverse and cost-efficient range of investment fund options for plan participants and willingness to agree contractually to accept the delegation by the Board to serve as an ERISA section 3(38) Investment Manager (as though ERISA applied) for purposes of selecting and monitoring the investments offered under the Plans to participants as well as for any pooled (nonparticipant-directed assets).
- 4.3 Ability to customize or provide access to investment options (e.g., target date funds or lifestyle funds) specific to the needs of MWDOC's employee population.
- 4.4 Ability to work with MWDOC and all recordkeepers to ensure that participants have access to effective investment education materials and help ensure compliance under the rules under ERISA section 404(c) to the extent applicable under Government Code section 53213.5.
- 4.5 Be either completely independent of any financial institution or securities brokerage firm; or fully and continuously disclose any relations with such financial institutions or securities brokerage firms, and further disclose any commissions, bonuses, revenue sharing, or soft-dollar payments resulting from the firm's relationship with MWDOC. Such disclosures shall include any and all information required under ERISA sections 404(a)(1) and 408(b)(2)

and the regulations thereunder, including but not limited to Department of Labor regulations sections 2550.404a-5 and 2550.408b-2 (as though ERISA applied).

4.6 A market-competitive fee structure.

4.7 Provide a copy of a standard services agreement of the type that would be used between the firm and MWDOC generally reflecting the services mentioned in this RFQ. The agreement shall include a termination clause allowing either party to terminate said agreement upon no more than 120 days' written notice, a choice of California law and a choice of venue for disputes that is limited to the County of Orange.

4.8 Optional Services.

While not included in the above list of minimum qualifications per se, MWDOC is interested in understanding any optional investment, administrative or other consulting services that a Respondent provides to its plan sponsor clients, e.g. customized investment advice to a plan's individual participants. Accordingly, if applicable, the Respondent should attach a separate schedule labeled "Optional Services" describing such optional services and the fee structure for each service to its completed Scope of Work, Terms of Agreement and Terms and Conditions for Billing set forth in Exhibit A.

SECTION 5. SUBMISSION REQUIREMENTS

5.1 General Requirements.

The Respondent's qualifications must meet or exceed the professional, administrative and financial qualifications set forth in this RFQ and shall incorporate the information requested below. To the extent a Respondent does not meet all of the qualifications set forth in this RFQ, but the Respondent feels that it has special qualifications, such Respondent must submit supporting information with its response.

5.2 Informational Requirements.

The Respondent shall, as part of its SOQ, provide the information described below. Respondents are encouraged to be clear, factual, and concise in their presentation of information. In addition, the Respondent shall provide the completed questionnaire attached hereto (see **Attachment 2**).

5.3 Cover Letter.

An executed cover letter signed by the key contact person, along with the contact's address, telephone number, and e-mail address.

5.4 SOQ Section 1.

1. An executive summary (not to exceed two pages) of the information demonstrating the minimum requirements outlined in Section 4.
2. A brief description of the business organization (i.e., corporation, partnership, joint venture, etc.) of each Respondent, its ownership and its organizational structure.
3. Confirmation of appropriate federal and State licenses to perform Respondent's regulated activities.

4. A copy of a standard services agreement of the type that would be used between the firm and MWDOC generally reflecting the services mentioned in this RFQ. The agreement shall include a termination clause allowing either party to terminate upon no more than 120 days written notice to the other party, a choice of California law and an Orange County venue for disputes, and acknowledgment of the parties' respective fiduciary responsibilities under applicable law.

5.5 SOQ Section 2.

1. A narrative statement of the general approach that the Respondent would take in working with MWDOC's plans.
2. A brief description of the Respondent's overall experience in providing the type of services sought in the RFQ. Describe at least three (3) similar engagements where services of the types being proposed were provided in the past five (5) years.
3. Sample fee structure. Please provide information about the fees for plans of this size.
4. Resumes of staff who likely will be assigned to provide services to MWDOC if awarded the contract, which shall include each individual's post-secondary school educational achievements and the length of service with the Respondent to date and with any similar investment management firm prior to joining the Respondent.
5. Supplemental information that the Respondent feels may be useful in evaluating its SOQ (up to two pages).

5.6 Submission of SOQ.

Respondents must submit two executed copies of their SOQs to the Designated Contact Person listed in section 1.2 hereof.

SOQs must be received by the Designated Contact Person no later than 5:00 p.m. Pacific Daylight Time on November 18, 2024.

SECTION 6. EVALUATION AND SELECTION

MWDOC will consider SOQs only from Respondents who, in MWDOC's sole judgment, have demonstrated the capability, the expertise and willingness to provide high quality, cost-effective investment management and investment advice services in the manner described herein.

6.1 Evaluation Criteria.

SOQs will be evaluated based on fulfillment of the minimum and informational requirements described above including:

1. Relevant education, experience and expertise of the Respondent and its designated team.
2. Willingness and capacity to enter into an agreement with MWDOC with respect to which it accepts the Board's delegation of the fiduciary responsibility to act as the Plans' "Investment Manager" within the meaning of ERISA section 3(38) (as though ERISA applied).

3. Fee structure.
4. Overall clarity and completeness of the SOQ.

6.2 Selection of Qualified Respondent(s).

MWDOC shall not be obligated to explain the results of the evaluation process to any Respondent. MWDOC reserves the right to award a contract for the requested services at any time within the qualification period. Every SOQ should be factually accurate through this time period.

SECTION 7. GENERAL TERMS AND CONDITIONS

The following are general terms and conditions which may or may not be explained elsewhere in this RFQ.

7.1 MWDOC's Right to Reject.

MWDOC reserves the right to reject any or all SOQs, if necessary, or to waive any formalities in the SOQs, and, unless otherwise specified by the Respondent, to accept any item, items or services in the SOQ should it be deemed in the best interest of MWDOC.

7.2 Original/Authorized Signatures.

Each SOQ and all required forms must be signed by a person authorized to do so.

7.3 Delivery of SOQs.

SOQs must be emailed to HumanResources@mwdoc.com. In the case of mailed SOQs, MWDOC assumes no responsibility for SOQs received after the designated date and time and will return late SOQs unopened.

7.4 Clarification of RFQ.

Should any difference arise between MWDOC and any Respondent as to the meaning or intent of these instructions or specifications, MWDOC's Evaluators' decision shall be final and conclusive.

SECTION 8. REQUIRED LETTER

Dear _____:

I have reviewed the Statement of Qualification (SOQ) submitted in response to the Request for Qualifications (RFQ) issued by _____ (MWDOC) on _____, in connection with MWDOC's need for investment services.

I affirm that the contents of the SOQ (which SOQ is incorporated herein by reference) are accurate, factual and complete to the best of my knowledge and belief and that the SOQ is submitted in good faith upon express understanding that any false statement may result in the disqualification of [Name of Respondent]. [Respondent shall sign and complete the space provided below.]

Signature

Typed Name and Title

Typed Name of Firm

Dated

SECTION 9. STATEMENT OF THE ABSENCE OF CONFLICTS OF INTEREST

The responding consultant shall submit a statement verifying that personal and organizational conflicts of interest prohibited by law do not exist in conformance with the MWDOCMWDOC's Standard Agreement for Professional Services (see **Attachment 1**). The consultant and all sub-consultants shall submit any documentation required by MWDOC.

SECTION 10. SPECIAL CONDITIONS

This SOQ does not commit the MWDOC to award a contract, to defray any costs incurred in the preparation of a SOQ under this RFQ, or to procure or contract for work. All SOQ's submitted in response to this RFQ become the property of the MWDOC. The selected firm will be required to sign a Professional Services Agreement (see **Attachment 1**) and to provide the insurance certificates and all other required documentation within ten (10) calendar days of notification of selection. MWDOC reserves the right to enter negotiations with one or more respondents to consider requested exceptions or changes to the RFQ.

ATTACHMENT 1 - STANDARD AGREEMENT FOR CONSULTANT SERVICES

This **AGREEMENT** for consulting services dated _____, which includes **Exhibits "A" and "B"** attached hereto, "**AGREEMENT**" is made on the last day executed below by and between **MUNICIPAL WATER DISTRICT OF ORANGE COUNTY**, hereinafter referred to as "**DISTRICT**," and, _____ hereinafter referred to as "**CONSULTANT**" for _____ hereinafter referred to as "**SERVICES.**"¹ **DISTRICT** and **CONSULTANT** are also referred to collectively herein as the "**PARTIES**" and individually as "**PARTY**". The **PARTIES** agree as follows:

I **PURPOSE AND SCOPE OF WORK**

A. Consulting Work

DISTRICT hereby contracts with **CONSULTANT** to provide general or special **SERVICES** as more specifically set forth in **Exhibit "A"** attached hereto and incorporated herein. Tasks other than those specifically described therein shall not be performed without prior written approval of **DISTRICT's** General Manager.

B. Independent Contractor

CONSULTANT is retained as an independent contractor for the sole purpose of rendering professional and/or special **SERVICES** described herein and is not an agent or employee of **DISTRICT**. **CONSULTANT** shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance **CONSULTANT**, as an independent contractor, is responsible for paying under federal, state or local law. **CONSULTANT** is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS. Unless, expressly provided herein, **CONSULTANT** is not eligible to receive overtime, vacation or sick pay. **CONSULTANT** shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of **DISTRICT**. **CONSULTANT** shall have the sole and absolute discretion in determining the methods, details and means of performing the **SERVICES** required by **DISTRICT**. **CONSULTANT** shall furnish, at his/her own expense, all labor, materials, equipment and transportation necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **DISTRICT** shall not have any right to direct the methods, details and means of the **SERVICES**; however, **CONSULTANT** must receive prior written approval from **DISTRICT** before using any sub-consultants for **SERVICES** under this **AGREEMENT**.

CONSULTANT represents and warrants that in the process of hiring **CONSULTANT's** employees who participate in the performance of **SERVICES**, **CONSULTANT** conducts such lawful screening of those employees (including, but not limited to, background checks and

¹ Pursuant to Section 8002 of the District's Administrative Code, the District's "Ethics Policy" set forth at sections 7100-7111 of the Administrative Code is attached hereto as **Exhibit "B"** and incorporated herein by this reference.

Megan's Law reviews) as are appropriate and standard for employees who provide **SERVICES** of the type contemplated by this Agreement.

C. Changes in Scope of Work

If **DISTRICT** requires changes in the tasks or scope of work shown in **Exhibit "A"** or additional work not specified therein, **DISTRICT** shall prepare a written change order. If **CONSULTANT** believes work or materials are required outside the tasks or scope of work described in **Exhibit "A,"** it shall submit a written request for a change order to the **DISTRICT**. A change order must be approved and signed by the **PARTIES** before **CONSULTANT** performs any work outside the scope of work shown in **Exhibit "A."** **DISTRICT** shall have no responsibility to compensate **CONSULTANT** for such work without an approved and signed change order. Change orders shall specify the change in the budgeted amount for **SERVICES**.

II TERM

This **AGREEMENT** shall commence upon the date of its execution and shall extend thereafter for the period specified in **Exhibit "A"** or, if no time is specified, until terminated on thirty (30) days notice as provided herein.

III BUDGET, FEES, COSTS, BILLING, PAYMENT AND RECORDS

A. Budgeted Amount for Services

CONSULTANT is expected to complete all **SERVICES** within the Budgeted Amount set forth on **Exhibit "A."** The total compensation for the **SERVICES** to be performed under this **AGREEMENT** shall not exceed the Budgeted Amount unless modified as provided herein. Upon expending and invoicing the **DISTRICT 80%** of the Budgeted Amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a "cost to complete" estimate for the remaining **SERVICES**. The **PARTIES** shall work together to complete the project within the agreed-upon Budgeted Amount, but the obligation to complete the **SERVICES** within the Budgeted Amount lies with the **CONSULTANT**.

B. Fees

Fees shall be billed per the terms and conditions and at the rates set forth on **Exhibit "A"** for the term of the **AGREEMENT**. Should the term of the **AGREEMENT** extend beyond the period for which the rates are effective, the rates specified in **Exhibit "A"** shall continue to apply unless and until modified by consent of the **PARTIES**.

C. Notification Clause

Formal notices, demands and communications to be given hereunder by either **PARTY** shall be made in writing and may be affected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing. If the name or address of the person to whom notices, demands or communication

shall be given changes, written notice of such change shall be given, in accordance with this section, within five (5) working days.

D. Notices shall be made as follows:

| | |
|---|-----------------|
| Municipal Water District of Orange County | Company Name |
| Harvey De La Torre | Contact Name |
| General Manager | Title |
| 18700 Ward Street, P.O. Box 20895 | Address |
| Fountain Valley, CA 92708 | City, State Zip |
| | Phone Number |

E. Billing and Payment

CONSULTANT's fees shall be billed by the 10th day of the month for the previous month's activities. Invoices received by the 10th day of the month will be paid by **DISTRICT** by the end of the following month. Invoices shall reference the Purchase Order number from **DISTRICT**.

DISTRICT shall review and approve all invoices prior to payment. **CONSULTANT** agrees to submit additional supporting documentation to support the invoice if requested by **DISTRICT**. If **DISTRICT** does not approve an invoice, **DISTRICT** shall send a notice to **CONSULTANT** setting forth the reason(s) the invoice was not approved. **CONSULTANT** may re-invoice **DISTRICT** to cure the defects identified in the **DISTRICT** notice. The revised invoice will be treated as a new submittal. If **DISTRICT** contests all or any portion of an invoice, **DISTRICT** and **CONSULTANT** shall use their best efforts to resolve the contested portion of the invoice.

F. Billing Records

CONSULTANT shall keep records of all **SERVICES** and costs billed pursuant to this **AGREEMENT** for at least a period of seven (7) years and shall make them available for review and audit if requested by **DISTRICT**.

IV DOCUMENTS

All **MATERIALS** as defined in Paragraph XI below, related to **SERVICES** performed under this **AGREEMENT** shall be furnished to **DISTRICT** upon completion or termination of this **AGREEMENT**, or upon request by **DISTRICT**, and are the property of **DISTRICT**.

V TERMINATION

Each **PARTY** may terminate this **AGREEMENT** at any time upon thirty (30) days written notice to the other **PARTY**, except as provided otherwise in **Exhibit "B."** In the event of termination: (1) all work product prepared by or in custody of **CONSULTANT** shall be promptly delivered to **DISTRICT**; (2) **DISTRICT** shall pay **CONSULTANT** all payments due under this

AGREEMENT at the effective date of termination; (3) **CONSULTANT** shall promptly submit a final invoice to the **DISTRICT**, which shall include any and all non-cancelable obligations owed by **CONSULTANT** at the time of termination, (4) neither **PARTY** waives any claim of any nature whatsoever against the other for any breach of this **AGREEMENT**; (5) **DISTRICT** may withhold 125 percent of the estimated value of any disputed amount pending resolution of the dispute, consistent with the provisions of section III D above, and; (6) **DISTRICT** and **CONSULTANT** agree to exert their best efforts to expeditiously resolve any dispute between the **PARTIES**.

VI **INSURANCE REQUIREMENTS**

CONSULTANT shall obtain prior to commencing work and maintain in force and effect throughout the term of this **AGREEMENT**, all insurance set forth below.

A. Workers' Compensation Insurance

By his/her signature hereunder, **CONSULTANT** certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that **CONSULTANT** will comply with such provisions before commencing the performance of the **SERVICES** under this **AGREEMENT**.

CONSULTANT and sub-consultant will keep workers' compensation insurance for their employees in effect during all work covered by this **AGREEMENT** in accordance with applicable law. An ACORD certificate of insurance or other certificate of insurance satisfactory to **DISTRICT**, evidencing such coverage must be provided (1) by **CONSULTANT** and (2) by sub-consultant's upon request by **DISTRICT**.

B. Professional Liability Insurance

CONSULTANT shall file with **DISTRICT**, before beginning professional **SERVICES**, an ACORD certificate of insurance, or any other certificate of insurance satisfactory to **DISTRICT**, evidencing professional liability coverage of not less than \$1,000,000 per claim and \$1,000,000 aggregate, requiring 30 days' notice of cancellation (10 days for non-payment of premium) to **DISTRICT**.

Such coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalent. The retroactive date (if any) of such insurance coverage shall be no later than the effective date of this **AGREEMENT**. In the event that the **CONSULTANT** employs sub-consultants as part of the **SERVICES** covered by this **AGREEMENT**, **CONSULTANT** shall be responsible for requiring and confirming that each sub-consultant meets the minimum insurance requirements specified herein.

C. Other Insurance

CONSULTANT will file with **DISTRICT**, before beginning professional **SERVICES**, ACORD certificates of insurance, or other certificates of insurance satisfactory to **DISTRICT**, evidencing general liability coverage of not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage; automobile liability (owned, scheduled, non-owned or hired) of at least \$1,000,000 for bodily injury and property damage each accident limit; workers'

compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 30 days (10 days for non-payment of premium) notice of cancellation to **DISTRICT**. Copies of policies shall be delivered to **DISTRICT** on demand. For the coverage required under this paragraph, the insurer(s) shall waive all rights of subrogation against **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers. **CONSULTANT's** insurance coverage shall be primary insurance as respects **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and volunteers for all liability arising out of the activities performed by or on behalf of the **CONSULTANT**. Any insurance pool coverage, or self-insurance maintained by **DISTRICT**, and its directors, officers, agents, employees, attorneys, consultants or volunteers shall be excess of the **CONSULTANT's** insurance and shall not contribute to it.

The general liability coverage shall give **DISTRICT**, its directors, officers, agents, employees, attorneys, consultants and authorized volunteers additional insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage shall be placed with a carrier with an A.M. Best rating of no less than A: VII, or equivalents. In the event that the **CONSULTANT** employs sub-consultant as part of the work covered by the **AGREEMENT**, it shall be the **CONSULTANT's** responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified herein. **CONSULTANT** must furnish **DISTRICT** with endorsements evidencing **DISTRICT's** status as additional insured.

D. Expiration of Coverage

If any of the required coverages expire during the term of the **AGREEMENT**, **CONSULTANT** shall deliver the renewal certificate(s) including the general liability additional insured endorsement to **DISTRICT** at least ten (10) days prior to the expiration date.

VII INDEMNIFICATION

To the fullest extent permitted by applicable law, **CONSULTANT** shall indemnify, defend and hold harmless **DISTRICT**, its officers, Directors and employees and authorized volunteers, and each of them from and against:

- a. When the law establishes a professional standard of care for the **CONSULTANT's** services, all claims and demands of all persons that arise out of, pertain to, or relate to the **CONSULTANT's** negligence, recklessness, or willful misconduct in the performance (or actual or alleged non-performance) of the work under this agreement. **CONSULTANT** shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of **CONSULTANT's** performance or non-performance of the **SERVICES** hereunder and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of **CONSULTANT**.
- c. Any and all losses, expenses, damages (including damages to the work itself), attorney's fees incurred by counsel of the **DISTRICT's** choice and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of

CONSULTANT to faithfully perform the work and all of the **CONSULTANT's** obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by counsel of the **DISTRICT's** choice, incurred by the indemnified parties in any lawsuit to which they are a party.

CONSULTANT shall immediately defend, at **CONSULTANT's** own cost, expense and risk, any and all such aforesaid suits, actions, or other legal proceedings of every kind that may be brought or instituted against **DISTRICT** or its directors, officers, employees, or authorized volunteers with legal counsel reasonably acceptable to **DISTRICT** and shall not tender such claims to **DISTRICT** nor its directors, officers, employees, or authorized volunteers.

CONSULTANT shall immediately pay and satisfy any judgment, award or decree that may be rendered against **DISTRICT** or its directors, officers, employees, or authorized volunteers, in any and all such suits, actions, or other legal proceedings.

CONSULTANT shall immediately reimburse **DISTRICT** or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing indemnity herein provided.

CONSULTANT's obligation to indemnify shall survive the termination or completion of this agreement for the full period of time allowed by law and shall not be restricted to insurance proceeds, if any, received by **DISTRICT**, or its directors, officers, employees, or authorized volunteers.

VIII FINANCIAL DISCLOSURE AND CONFLICTS OF INTEREST

Although **CONSULTANT** is retained as an independent contractor, **CONSULTANT** may still be required, under the California Political Reform Act and **DISTRICT's** Administrative Code, to file annual disclosure reports. **CONSULTANT** agrees to file such financial disclosure reports upon request by **DISTRICT**. Further, **CONSULTANT** shall file the annual summary of gifts required by Section 7105 of the **DISTRICT's** Ethics Policy, attached hereto as **Exhibit "A."**

Failure to file financial disclosure reports upon request and failure to file the required gift summary are grounds for termination of this **AGREEMENT**. Any action by **CONSULTANT** that is inconsistent with **DISTRICT's** Ethic's Policy current at the time of the action is grounds for termination of this **AGREEMENT**. The Ethics Policy as of the date of this **AGREEMENT** is attached hereto as **Exhibit "C."**

IX PERMITS AND LICENSES

CONSULTANT shall procure and maintain all permits, licenses and other government-required certification necessary for the performance of its **SERVICES**, all at the sole cost of **CONSULTANT**. None of the items referenced in this section shall be reimbursable to **CONSULTANT** under the **AGREEMENT**. **CONSULTANT** shall comply with any and all applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.

X LABOR AND MATERIALS

CONSULTANT shall furnish, at its own expense, all labor, materials, equipment, tools, transportation and other items or services necessary for the successful completion of the **SERVICES** to be performed under this **AGREEMENT**. **CONSULTANT** shall give its full attention

and supervision to the fulfillment of the provisions of this **AGREEMENT** by its employees and sub-consultant and shall be responsible for the timely performance of the **SERVICES** required by this **AGREEMENT**. All compensation for **CONSULTANT's SERVICES** under this **AGREEMENT** shall be pursuant to **Exhibit "A"** to the **AGREEMENT**.

Only those **SERVICES**, materials, administrative, overhead and travel expenses specifically listed in **Exhibit "A"** will be charged and paid. No other costs will be paid. **CONSULTANT** agrees not to invoice **DISTRICT** for any administrative expenses, overhead or travel time in connection with the **SERVICES**, unless agreed upon and listed in **Exhibit "A"**.

XI CONFIDENTIALITY AND RESTRICTIONS ON DISCLOSURE

A. Confidential Nature of Materials

CONSULTANT understands that all documents, records, reports, data, or other materials (collectively "**MATERIALS**") provided by **DISTRICT** to **CONSULTANT** pursuant to the **AGREEMENT**, including but not limited to draft reports, final report(s) and all data, information, documents, graphic displays and other items that are not proprietary to **CONSULTANT** and that are utilized or produced by **CONSULTANT** pursuant to the **AGREEMENT** are to be considered confidential for all purposes.

B. No Disclosure of Confidential Materials

CONSULTANT shall be responsible for protecting the confidentiality and maintaining the security of **DISTRICT MATERIALS** and records in its possession. All **MATERIALS** shall be deemed confidential and shall remain the property of **DISTRICT**. **CONSULTANT** understands the sensitive nature of the above and agrees that neither its officers, partners, employees, agents or sub-consultants will release, disseminate, or otherwise publish said reports or other such data, information, documents, graphic displays, or other materials except as provided herein or as authorized, in writing, by **DISTRICT's** representative. **CONSULTANT** agrees not to make use of such **MATERIALS** for any purpose not related to the performance of the **SERVICES** under the **AGREEMENT**. **CONSULTANT** shall not make written or oral disclosures thereof, other than as necessary for its performance of the **SERVICES** here under, without the prior written approval of **DISTRICT**. Disclosure of confidential **MATERIALS** shall not be made to any individual, agency, or organization except as provided for in the **AGREEMENT** or as provided for by law.

C. Protections to Ensure Control Over Materials

DISTRICT and **CONSULTANT** will comply with all applicable statutes and regulations in any jurisdiction pertaining to the processing of personal data, including without limitation the privacy and security of personal data.

All confidential **MATERIALS** saved or stored by **CONSULTANT** in an electronic form shall be protected by adequate security measures to ensure that such confidential **MATERIALS** are safe from theft, loss, destruction, erasure, alteration, and any unauthorized viewing, duplication, or use. Such security measures shall include, but not be limited to, the use of current virus protection software, firewalls, data backup, passwords, and internet controls.

The provisions of this section survive the termination or completion of the **AGREEMENT**.

XII OWNERSHIP OF DOCUMENTS AND DISPLAYS

All original written or recorded data, documents, graphic displays, reports or other **MATERIALS** which contain information relating to **CONSULTANT's** performance hereunder and

which are originated and prepared for **DISTRICT** pursuant to the **AGREEMENT** are instruments of service and shall become the property of **DISTRICT** upon completion or termination of the Project. **CONSULTANT** hereby assigns all of its rights, title and interest therein to **DISTRICT**, including but not limited to any copyright interest. In addition, **DISTRICT** reserves the right to use, duplicate and disclose in whole, or in part, in any manner and for any purpose whatsoever all such data, documents, graphic displays, reports or other **MATERIALS** delivered to **DISTRICT** pursuant to this **AGREEMENT** and authorize others to do so.

To the extent that **CONSULTANT** utilizes any of its property (including, without limitation, any hardware or software of **CONSULTANT** or any proprietary or confidential information of **CONSULTANT** or any trade secrets of **CONSULTANT**) in performing **SERVICES** hereunder, such property shall remain the property of **CONSULTANT**, and **DISTRICT** shall acquire no right or interest in such property.

CONSULTANT hereby assigns to **DISTRICT** or **DISTRICT's** designee, for no additional consideration, all **CONSULTANT's** intellectual property rights, including, but not limited to, copyrights, in all deliverables and other works prepared by the **CONSULTANT** under this agreement. **CONSULTANT** shall and shall cause its employees and agents to promptly sign and deliver any documents and take any action that **DISTRICT** or **DISTRICT's** designee reasonably requests to establish and perfect the rights assigned to **DISTRICT** or its designee under this provision.

XIII EQUAL OPPORTUNITY

DISTRICT is committed to a policy of equal opportunity for all and to providing a work environment that is free of unlawful discrimination and harassment. In keeping with this commitment, **DISTRICT** maintains a policy prohibiting unlawful discrimination and harassment in any form based on race, religious creed, color, national origin, ancestry, physical or mental disability, medical condition, pregnancy or childbirth, marital status, gender, sex, sexual orientation, veteran status or age by officials, employees and non-employees (vendors, contractors, etc.).

This policy applies to all employees, consultants and contractors of the **DISTRICT**. Appropriate corrective action will be taken against all offenders, up to and including immediate discharge or termination of this **AGREEMENT**. During, and in conjunction with, the performance of this **AGREEMENT**, **CONSULTANT** shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, marital status or national origin.

XIV INTEGRATION OF ALL OTHER AGREEMENTS

This **AGREEMENT**, including any Exhibits and Addenda, contains the entire understanding of the **PARTIES**, and there are no further or other agreements or understandings, written or oral, in effect between the **PARTIES** hereto relating to the subject matter hereof. Any prior understanding or agreement of the **PARTIES** shall not be binding unless expressly set forth herein and, except to the extent expressly provided for herein, no changes to this **AGREEMENT** may be made without the written consent of both **PARTIES**.

XV ELECTRONIC SIGNATURES

The Uniform Electronic Transactions Act, California Civil Code section 1633.1 et seq., authorizes **PARTIES** to conduct business electronically. In accordance with California Civil Code section 1633.5, **PARTIES** acknowledge, consent and agree that transactions subject to this **AGREEMENT** may be effectuated by electronic means through the use of electronic and/or digital signatures. For purposes of this section, an electronic signature means an electronic symbol or process logically associated with the intent to sign an electronic record pursuant to Civil Code section 1633(h). A digital signature, which is a type of electronic signature, means an electronic identifier, created by a computer, that is intended to have the same force and effect as the use of a manual signature under Government Code 16.5(d). An example of an electronic signature would be a JPG of a manual signature imposed onto this **AGREEMENT**, an example of a digital signature would be the use of DocuSign or similar provider that requires an encrypted key that certifies the authenticity of the signature.

This consent to conduct transactions by electronic means through the use of electronic and/or digital signatures extends to the execution of this **AGREEMENT** or any related contract or other document necessary for the performance of this **AGREEMENT** including, without limitation, any related offers, proposals, bids, amendments, change orders, task orders and notices.

XVI ATTORNEYS' FEES

In any action at law or in equity to enforce any of the provisions or rights under this **AGREEMENT**, the prevailing **PARTY** shall be entitled to recover from the unsuccessful **PARTY** all costs, expenses and reasonable attorney's fees incurred therein by the prevailing **PARTY** (including, without limitations, such costs, expense and fees on any appeals), and if such prevailing **PARTY** shall recover judgment in any such action or proceeding, such costs, expenses, including those of expert witnesses and attorneys' fees, shall be included as part of this judgment.

XVII JURISDICTION AND VENUE SELECTION

In all matters concerning the validity, interpretation, performance, or effect of this **AGREEMENT**, the laws of the State of California shall govern and be applicable. The **PARTIES** hereby agree and consent to the exclusive jurisdiction of the courts of the State of California and that venue of any action brought hereunder shall be in Orange County, California.

IN WITNESS WHEREOF, the **PARTIES** have hereunto affixed their names as of the day and year thereafter, which shall be and is the effective date of this **AGREEMENT**.

APPROVED BY:

CONSULTANT ACCEPTANCE:

Date _____

Date _____

Harvey De La Torre

Contact Name

General Manager

Title

Municipal Water District of Orange County

Company Name

18700 Ward Street,

Address

P.O. Box 20895

City, State Zip

Fountain Valley, CA 92708

Phone Number

(714) 963-3058

Tax I.D. #

EXHIBIT "A" - SCOPE OF WORK, TERMS OF AGREEMENT AND TERMS & CONDITIONS FOR BILLING

| |
|-------------------|
| Company: |
| Name: |
| Address: |
| Phone: |
| Tax I.D. # |

1. Term – Commencement (Insert Date) _____ Termination (Insert Date) _____
2. Fees/Rates to be billed - \$_____
3. Budgeted Amount – Compensation is to be on a “time and material” basis, not to exceed \$_____.

CONSULTANT's fees shall be billed by the 10th day of the month for the previous month's activities. Invoices received by the 10th day of the month will be paid by **DISTRICT** by the end of the following month. Invoices shall reference the Purchase Order number from **DISTRICT**.

Upon invoicing **DISTRICT** 80% of the contract amount, **CONSULTANT** shall prepare and provide to **DISTRICT** a “cost to complete” estimate for the remaining work.

4. Scope of Work/Services – (Insert **SPECIFIC** description – do not list “refer to Exhibit “) _____
5. Consultant Representative: _____

| |
|-------------------------------|
| Internal Use Only: |
| Program No. _____ |
| Line Item: _____ |
| Funding Year: _____ |
| Contract Amt.: _____ |
| Purchase Order # _____ |

EXHIBIT “B” – MWDOC ADMINISTRATIVE CODE

| | |
|----------------------|--------------------|
| ETHICS POLICY | §7100-§7110 |
|----------------------|--------------------|

§7100 PURPOSE

The policy of MWDOC is to maintain the highest standards of ethics from its Board members, officers and employees (all shall be referred to as employees for the purposes of this section). The proper operation of MWDOC requires decisions and policy to be made in the proper manner, that public office not be used for personal gain, and that all individuals associated with MWDOC remain impartial and responsible toward the public. Accordingly, all employees are expected to abide by the highest ethical standards and integrity when dealing on behalf of MWDOC with fellow Board members or employees, vendors, contractors, customers, and other members of the public.

§7101 RESPONSIBILITIES OF BOARD MEMBERS

Board members are obliged to uphold the Constitution of the United States and the Constitution of the State of California and shall comply with all applicable laws regulating Board member conduct, including conflicts of interest and financial disclosure laws. No Board member or officer shall grant any special consideration, treatment, or advantage to any person or group beyond that which is available to every other person or group in the same circumstances.

§7102 PROPER USE OF MWDOC PROPERTY AND RESOURCES

Except as specifically authorized, no employee shall use or remove or permit the use or removal of MWDOC property, including MWDOC vehicles, equipment, telephones, office supplies, and materials for personal convenience or profit. No employee shall require another MWDOC employee to perform services for the personal convenience or profit of another employee. Each employee must protect and properly use any MWDOC asset within his/her control, including information recorded on paper or in electronic form. Employees shall safeguard MWDOC property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

Employees are responsible for maintaining written records, including expense reports, in sufficient detail to reflect accurately and completely all transactions and expenditures made on MWDOC's behalf. Creating a document with misleading false information is prohibited.

Motion - 1/17/96;

§7103 CONFLICT OF INTEREST

All MWDOC Directors, officers, and employees at every level shall comply with the requirements of Section 1090 of the California Government Code which prohibits such persons from being financially interested in any contract made by them in their official capacity, or by anybody or board of which they are members, or from being a purchaser at any sale or a vendor at any purchase made by them in their official capacity.

All Directors and employees designated under MWDOC's Conflict of Interest Code ("designated employees"), and employees required to report under Chapter 7, Article 2 of the Political Reform Act (Government Code Section 7300 et seq.) shall promptly and fully comply with all requirements thereof.

MWDOC employees who are not designated employees under MWDOC's Conflict of Interest Code shall refrain from participating in, making a recommendation, or otherwise attempting to influence MWDOC's selection of a contractor, consultant, product, or source of supply if the non-designated employee, or an immediate family member, has a direct or indirect financial interest in the outcome of the selection process. No employee shall use his/her position with MWDOC in any manner for the purpose of obtaining personal favors, advantages or benefits for him/herself or an immediate family member from a person or entity doing business or seeking to do business with MWDOC. Such favors, advantages, or benefits would include, but are not limited to 1) offers of employment; 2) free or discounted goods or services; or 3) gifts.

§7104 GIFTS

No employee shall accept, directly or indirectly, any compensation, reward or gift from any source except from MWDOC, for any action related to the conduct of MWDOC business, except as set forth below:

1. Acceptance of food and refreshments of nominal value on infrequent occasions in the ordinary course of a breakfast, luncheon or dinner meeting or other meeting or on an inspection tour where the arrangements are consistent with the transaction of official business.*
2. Acceptance of transportation, lodging, meals or refreshments, in connection with attendance at widely attended gatherings sponsored by industrial, technical or professional organizations; or in connection with attendance at public ceremonies or similar activities financed by nongovernmental sources where the employee's participation on behalf of MWDOC is the result of an invitation addressed to him or her in his/her official capacity, and the transportation, lodging, meals or refreshment accepted is related to, and is in keeping with, his/her official participation.*
3. Acceptance of unsolicited advertising or promotional materials such as pens, pencils, note pads, calendars, or other items of nominal value.*
4. Acceptance of plaques and commemorative mementoes, of nominal value, or of value only to the recipient, such as service pins, recognition awards, retirement mementoes.
5. Acceptance of incidental transportation from a private organization, provided it is furnished in connection with an employee's official duties and is of the type customarily provided by the private organization.

* Nothing herein shall be deemed to relieve any Director or designated employee from reporting the value of such meals, transportation, lodging or gifts and abstaining from participation in any decision of MWDOC which could foreseeably have a material financial effect on the donor when the value of such gifts reaches the limits set forth in MWDOC's Conflict of Interest Code and the Political Reform Act.

In no event shall any employee accept gifts from any single source, the cumulative value of which exceeds the applicable gift limit under California law.

A gift or gratuity, the receipt of which is prohibited under this section, shall be returned to the donor. If return is not possible, the gift or gratuity shall be turned over to a public or charitable institution without being claimed as a charitable deduction and a report of such action, and the reasons why return was not feasible shall be made on MWDOC records. When possible, the donor also shall be informed of this action.

Motion - 1/17/96;

§7105 PERSONS OR COMPANIES REPORTING GIFTS

All persons and companies doing business with MWDOC, with the exception of public agencies, shall submit a summary, by January 31 of each calendar year, of all gifts claimed for internal vendor audits (including meals) made to, or on behalf of, employees or Directors of MWDOC, or their immediate family members, that have occurred in the normal course of business during the previous calendar year. Failure to provide this information to MWDOC may result in the termination of MWDOC business with that person or company.

Motion - 7/21/93; Motion - 8/18/93;

§7106 USE OF CONFIDENTIAL INFORMATION

Confidential information (i.e., information which is exempt from disclosure under the California Public Records Act) shall not be released to unauthorized persons unless the disclosure is approved by the Board, President of the Board, or General Manager. Employees are prohibited from using any confidential information for personal advantage or profit.

§7107 POLITICAL ACTIVITIES

During the course and scope of their employment employees are prohibited from engaging in campaign activities associated with MWDOC Director elections, MWDOC Director appointments, the appointment of MET Directors, or from attempting to influence changes to MWDOC Division boundaries, except where such activities are expressly required in the course of official duties. Employees are otherwise free to personally endorse, advocate, contribute to, or otherwise support any political party, candidate, or cause they may choose; however, employees are prohibited from soliciting political funds or contributions at MWDOC facilities or during the course and scope of their duties for MWDOC. In any personal political activity, an employee may be involved in, it shall be made clear that the employee is acting personally and not for MWDOC. These provisions are intended to protect employees against political assessments, coerced political activities, and to prevent political activities on the part of employees from interfering with MWDOC operations. Nothing in this section shall be interpreted or applied in a manner to unlawfully curtail the constitutional right to political activity of MWDOC employees.

Motion – 6/17/15

§7108 IMPROPER ACTIVITIES

Employees shall not interfere with the proper performance of the official duties of others but are strongly encouraged to fulfill their own moral obligations to the public, MWDOC, and its member

agencies by disclosing, to the extent not expressly prohibited by law, improper activities within their knowledge. No employee shall directly or indirectly use or attempt to use the authority or influence of his/her position for the purpose of intimidating, threatening, coercing, commanding, or influencing any person with the intent of interfering with that person's duty to disclose improper activity.

§7109 VIOLATION OF POLICY – STAFF AND STAFF OFFICERS

If an employee is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to any of the following: (1) the General Manager; (2) Human Resources; (3) the Board of Directors; or (4) any member of the management staff, for investigation and consideration of any appropriate action warranted which may include employment action such as demotion, reduction in salary, or termination.

If a Board appointed officer (Secretary, Treasurer or General Manager) is reported to have violated MWDOC's Ethics Policy, the matter shall be referred to the Executive Committee for investigation and consideration of any appropriate action. The Executive Committee may make a determination and present the issue to the full Board.

Motion - 1/17/96; 6/17/15

§7110 VIOLATION OF POLICY -- DIRECTORS

A perceived violation of this policy by a Director should be referred to the President of the Board or the full Board of Directors for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to MWDOC, including, but not limited to: (a) adoption of a resolution expressing disapproval of the conduct of the Director who has violated this policy, (b) injunctive relief, or (c) referral of the violation to MWDOC Legal Counsel and/or the Grand Jury.

§7111 PERIODIC REVIEW OF ETHICS, CONFLICT OF INTEREST AND ADMINISTRATIVE GUIDELINES

Pursuant to the terms of Government Code Sections 53234 through 53235.2, each Director shall receive at least two hours of training in general ethics principles every two years. Pursuant to Government Code Section 53235(c), the curricula for ethics training must be approved by the Fair Political Practices Commission (FPPC) and the Attorney General. It is the general desire of the MWDOC Board to meet and review and/or receive a presentation that addresses principles relating to reporting guidelines on compensation, conflict of interest issues, and standards for rules of conduct during the first quarter of the year immediately following an election (every two years).

Each Director shall retain the certificate of completion from any ethics course in which he/she participates and shall provide a copy of such report to MWDOC. Such records shall be retained for five years from the date they are received.

M-12/21/05

Please note: If using Consultant's proposal as **Exhibit "A"** please attach the proposal or complete the standard **Exhibit "A"** Form below, BOTH Parties must verify that all sections of this form are FULLY ADDRESSED, and the appropriate Exhibit is attached and labeled accordingly.

ATTACHMENT 2 - RESPONDENT QUESTIONNAIRE

1. Is your firm registered with the U.S. Securities Exchange Commission as a “Registered Investment Adviser” or the California Department of Financial Protection and Innovation as an “Investment Advisor”? Yes No

If yes, have you provided the Designated Contact Person with all the disclosures required under those laws (including Part II of Form ADV)? Yes No

2. Does your firm or a related company have relationships with money managers that your firm recommends, considers for recommendation, or otherwise mentions to the fiduciaries of your clients’ pension benefit plans for their consideration? Yes No

If yes, have you provided the Designated Contact Person with written descriptions of these relationships and the identities of these money managers. Yes No

3. Does your firm or a related company receive any payments from money managers that your firm recommends, considers for recommendation, or otherwise mentions to the fiduciaries of your clients’ pension benefit plans for their consideration? Yes No

If yes, have you provided the Designated Contact Person with a written description of the percentage of these annual payments in relation to your firm’s total annual revenue?

Yes No

4. Does your firm have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being considered when you provide advice to your clients? Yes No

If yes, have you provided the Designated Contact Person with copies of these policies and procedures? Yes No

5. Does your firm allow its clients’ plans to pay its consulting fees using the plan's brokerage commissions? Yes No

If yes, does your firm monitor the amount of commissions paid and alert your firm’s clients when such consulting fees have been paid in full? Yes No

If no, have you provided the Designated Contact Person with an explanation of how your clients can ensure that their plans do not overpay these consulting fees? Yes No

6. Does your firm allow your clients’ plans to pay its consulting fees using the plan's brokerage commissions? Yes No

If yes, have you provided the Designated Contact Person with a written description of the steps your firm takes to ensure that those clients receive the best execution of its securities trades? Yes No

7. Does your firm have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers? Yes No

If yes, have you provided the Designated Contact Person with a written description of these arrangements and the identities of such money managers? Yes No

8. If your firm is hired, will it acknowledge in writing that it in performing its services it acts in a fiduciary capacity as either an investment advisor or an investment manager or both to the participants, alternate payees and beneficiaries of the Plans, and will have the status of a co-fiduciary with respect to the Plan's other fiduciaries, while providing the investment services described herein? Yes No

9. Does your firm utilize money managers, investment funds, brokerage services, or other service providers from whom it receives fees? Yes No

If yes, have you provided the Designated Contact Person with a written statement identifying these entities and the percentage of your firm's plan clients impacted by such practice as of December 31, 2023, or later? Yes No