



Tehachapi-Cummings County Water District

Our Water • Our Future

Directors:
John M. Ables
Gerald Davis
Jonathan Hall
Robert W. Schultz

Officers:
Robert W. Schultz, *President*
Jonathan Hall, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
Crystal Sampson, *Treasurer*

AGENDA

Regular Meeting of the Board of Directors

August 19, 2026, at 3:00 PM

ADJOURNED TO AUGUST 26, 2026 AT 3:00 P.M.

Location: Tehachapi-Cummings County Water District
22901 Banducci Road, Tehachapi, CA 93561

SEE ATTACHED NOTICE OF ADJOURNMENT

1. Call to Order and Roll Call
2. Announcement: The meeting is being audio recorded, including all Board, Staff, and Public comments.
3. Flag Salute
4. Approval of Agenda
5. Comments by any Party on Items of Interest Within the Subject Matter Jurisdiction of the Legislative Body
 - a. Public comments may be made:
 - i. In person at location above
 - ii. Via email in advance of meeting to cadams@tccwd.com or via US Mail at address below
6. Consent Calendar - Consent items are considered routine and are intended to be acted upon as a single item, without discussion. During this portion of the meeting, the Consent Calendar will be read aloud. Prior to approval, the President will give the Board the opportunity to remove any item from the Consent Calendar to be discussed and voted on individually. The President will also give staff and the public the opportunity to request any item be discussed individually, in which case the President will determine whether the item will be removed from the Consent Calendar. The remaining Calendar will be acted upon. Any removed items will then be heard and acted upon individually.
 - a. Approve Minutes of the Regular Board Meeting of July 15, 2026, and Special Board Meetings of July 14, 2026 and July 17, 2026
 - b. Approve Quarterly Investment Report, Financial Report and Payment of Bills
 - c. Consent to Sale of Certain Tax-Defaulted Properties
7. General Manager's Report
8. Operations Report
9. Conduct Public Hearing to Consider the Status of Vacancies, Recruitment and Retention (AB 2561)
10. Adopt Resolution 11-26 Approving the Fiscal Year 2026-27 Final Budget, Appropriations Limit and Reserves Policy
11. Adopt Resolution 12-26 For Transfer of Funds
12. Accept Bids and Authorize General Manager to execute Contract, including an Allowance for a Maximum of 10% of Contract Value for Change Orders for Parking Lot Sealing Project
13. Adopt Resolution 13-26 Amending and Restating the District's Rules and Regulations for the Sale, Use and Distribution of Water
14. Authorize Director Attendance at ACWA Region 6 & 7 San Joaquin Valley Water Tour and 2026 Fall ACWA Conference
15. Authorize Staff to Circulate Request for Proposals for SCADA Platform Upgrade Project
16. Board of Directors Comments

Note: A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request that the District (1) make agendas available in appropriate alternative formats, and (2) provide a disability-related modification or accommodation, including auxiliary aids or services, to participate in any public meeting of the Board of Directors. A request for modification or accommodation shall be made in person, or by telephone, facsimile or written correspondence to the General Manager at the District's office at least seven days before the public meeting for which the modification or accommodation is requested.

17. Closed Session – President to reference Closed Sessions items as presented on Agenda, then Board to adjourn to Closed Session
 - a. In Accordance with Exhibit A Attached hereto, TCCWD v. City of Tehachapi *Et al.*
 - b. In accordance with Exhibit B Attached hereto, TCCWD v. City of Tehachapi
 - c. In Accordance with Exhibit C Attached hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds, et al.; DWR v. All Persons Interested In The Matter of the Authorization of Delta Program Revenue Bonds, et al.
 - d. In Accordance with Exhibit D Attached hereto, Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*
 - e. In Accordance with Exhibit E Attached hereto, City of Tehachapi vs. TCCWD
 - f. In Accordance with Exhibit F Attached hereto, City of Tehachapi vs. TCCWD
18. Return to Open Session
 - a. Report Action Taken in Closed Session
19. Adjournment



Tehachapi-Cummings
County Water District

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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): County of Sacramento Superior Court Case No. 34-2022-80003892
Name of Case: Tehachapi-Cummings County Water District v. City of Tehachapi *Et al.*
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9(d) (4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____



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Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-25-103013
Name of Case: _____
City of Tehachapi _____

2. Anticipated Litigation: _____
Gov. Code § 54956.9(d)(2): _____
Gov. Code § 54956.9(d)(4): _____

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Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): Two Cases
Names of Cases: _____
DWR v. All Persons Interested in Authorization of
WaterFix Revenue Bonds, et al.; DWR v. All Persons
Interested In The Matter of the Authorization of Delta
Program Revenue Bonds, et al. _____
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

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Subject of Conference: _____

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1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC No. BCV 21100418 TSC
Name of Case: Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

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(Gov. Code § 54954.5)

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Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code KCSC Case No. BCV-23-104134
§54956.9(d)(1): _____
Names of Cases: City of Tehachapi v. Tehachapi-Cummings County
Water District

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

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2. Employment: _____
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Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-24-101512
Names of Cases: City of Tehachapi vs. Tehachapi-Cummings County Water District
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

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Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____

NOTICE OF ADJOURNMENT

Tehachapi-Cummings County Water District

Notice is hereby given that the regularly scheduled meeting of August 19, 2026 at 3:00 p.m. of Tehachapi-Cummings County Water District has been adjourned to **August 26, 2026**, at 3:00 p.m. in the Board Room at 22901 Banducci Road, Tehachapi, CA 93561.


Board Secretary

AFFIDAVIT OF POSTING NOTICE OF ADJOURNMENT

I, Catherine Adams, Secretary to the Board of Tehachapi-Cummings County Water District, certifies that the above notice of time change was posted at 3:00 p.m., Wednesday, August 12, 2026 at a conspicuous place on the door to the Board Room, outside doors to the building and the bulletin board at 22901 Banducci Road, Tehachapi, CA 93561.


Board Secretary

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
July 15, 2026, 3:00 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

- Item 1. Call to Order and Roll Call**
Directors Present: Ables, Davis, Schultz **Absent:** Hall
Legal Counsel Present: Robert Kuhs
Staff Present: Catherine Adams, Jon Curry, Tom Neisler, Crystal Sampson
- Item 2. Announcement**
President Schultz announced this meeting is being audio recorded, including all Board, Staff, and Public comments.
- Item 3. Flag Salute**
The Pledge of Allegiance was led by President Schultz.
- Item 4. Approval of Agenda**
Director Ables moved to approve the Agenda. Director Davis seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.
- Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**
There were none.
- Item 6. Seat New Division 1 Director**
At the July 14, 2026, Special Board Meeting, the Board of Directors did not appoint the candidate to fill the unexpired term for the Division 1 Director seat. After the 60-day appointment window closes to fill that position, a further window opens where the County may appoint a person to fill that position. The Board directed Staff to prepare a letter to the Kern County Board of Supervisors regarding the appointment. Neisler prepared such letter for the Board's consideration and signature, requesting the County not fill the vacancy but to allow it to go to the General Election in November. President Schultz asked if there were any comments and there were none.
- Item 7. Adopt Resolution 08-26, Honoring Director Joseph Sasia**
Director Sasia resigned from his seat as the Division 1 Director on May 15, 2026. He served as a Director for six years, from 2020 to 2026. Prior to his service as a Director of the District, he served as an employee in the Pipeline Department for more than 30 years and is very well-versed in the District. His grandfather, Bernard Sasia, served as one of the founding Directors in the 1960s so he has been around the District his entire life. As a Director, he had a unique perspective and always good insight and Neisler is happy he returned to the team in the Pipeline Department again.
- President Schultz stated it was always wonderful to have him on the Board, he has more time in this District than anyone in the room and thanked him for everything he has done. Director Ables will miss him not being on the Board and welcomed him back to the Pipeline Department stating with his experience and knowledge, it will be a benefit to the District and the team.

President Schultz moved for adoption of Resolution 08-26, Honoring Director Joseph Sasia. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

The Board presented Mr. Sasia with a framed Resolution and took a picture.

Item 8. Consent Calendar - Consent items are considered routine and are intended to be acted upon as a single item, without discussion. During this portion of the meeting, the Consent Calendar will be read aloud. Prior to approval, the President will give the Board the opportunity to remove any item from the Consent Calendar to be discussed and voted on individually. The President will also give staff and the public the opportunity to request any item be discussed individually, in which case the President will determine whether the item will be removed from the Consent Calendar. The remaining calendar will be acted upon. Any removed items will then be heard and acted upon individually.

- a. Approve Minutes of the Regular Board Meeting of June 17, 2026, and Special Board Meeting of July 6, 2026
- b. Approve Financial Report and Payment of Bills
- c. Set Date of Public Hearing – Status of Vacancies, Recruitment and Retention (AB 2561)

President Schultz asked if there were any items the Board, Staff or Public would like to remove for discussion, and there were none.

Director Ables moved to approve the Consent Calendar. Director Davis seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 9. General Manager's Report

Neisler reported on the following:

- The photo shows Golden Mussels attached to the scale build up in the pipes. When the system increases pumping to three engines, more scale comes off the interior of the pipe and this is what Staff is finding. Curry will talk more about this in his report. He has done a lot of work coordinating information and planning efforts to comply and learn about this new problem. This is a widespread concern that has made its way to the State thanks to Representative Vince Fong who has secured funding for the valley to address this problem.
- Governor Newsom has appointed a new DWR Director, Thomas Gibson, to replace Karla Nemeth, who moved on to the ACWA Executive Director position. Gibson is an environmental attorney who was the lead Deputy Director of DWR for the last couple of years. Prior to that, he served at the Natural Resources Agency and California DFW.
- The super El Nino predictions continue and the water temperatures in the Pacific Ocean off the coast of California are more than 3 degrees Fahrenheit above the 20th century average. Usually, those temperature changes are measured in tenths or two-tenths of a degree Fahrenheit, so that deviation, especially in July, is unprecedented. He stated these are very abnormal weather conditions and referred to the 6" to 12" of flooding in most of Texas. The District is preparing for abnormal weather. The Pipeline Department is doing a tremendous amount of work, cleaning out drainage channels, to be ready in case there are unprecedented rain conditions.
- The Pumping System Department is still working towards getting 21 CFS flow and is currently operating at just under 20 CFS. This year has been one problem after another with issues with gearheads, pumps, clogging, warranty on engines and Curry and the Operations Staff are doing great work keeping the system operating throughout these.
- Algae and scale problems in the system have declined significantly so call outs are minimized. One additional algae bloom is anticipated for the season but with a different type of algae.

- ACWA released poll results stating that 8 out of 10 California voters want a governor who prioritizes water.
- This year, 12 AF of water has been recharged into the District. In a perfect world, there would be a couple thousand acre feet of water recharged. Given the timing of the Table A Allocation, the engine project, and the demands on the system, there has not been water available to recharge at this point. He is confident as the year goes along, operations can switch over to more intensive recharge. This is the peak demand season, so all the flow that is available is going to meet the current water year demands.
- The public portal for the new GIS has been launched and is available on the District website. Brandon Kirby, GIS Technician, will provide a brief presentation at a future Board meeting to highlight some of the bells and whistles of the new system. He is currently attending the ESRI ArcGIS Users Conference remotely and reported they have more than 15,000 attendees. Neisler mentioned for scale that the ACWA conferences have between 1,600 and 1,800 attendees.
- The Safety Picnic was a success and everyone had a good time.
- He postponed the presentation to Stallion Springs CSD until their August Board meeting as he will be out of town during the July meeting. They have met their Banked Water supply requirement under the existing Term M&I Agreement and he is going to discuss where things are and where they are going.
- He shared the Lake Oroville chart showing 129% of normal year-to-date and San Luis Reservoir is 108% of normal year-to-date. Lake Shasta for the Central Valley Project is also above normal levels, so there is plenty of water.
- He offered to answer any questions the Board or Public may have and there were none.

Item 10. Operations Report

Curry reported on the following:

- As Neisler mentioned, operations has been juggling engines to keep the flow as high as possible. He provided a snapshot of a situation they experienced at the end of June describing the system alarms and process of how mechanics respond, adjust the system flow, diagnose the problems, and get the system back up to high flow. The Pumping Systems Department is doing a great job!
- Brite Lake data from July 10, 2026, was, elevation 4354.8', volume 1,175 AF, and level 28.8'. This morning the lake volume was up to 1200 AF.
- The Pumping System is operating on 3 engines at 19.8 CFS. The Pump Plant 5, Benz, Dennison and Nunes wells are operating.
- The Nunes Well repairs were finished Monday. The 12-inch liner was placed, re-gravel packed and pump was set so it is operational again.
- He described the details of the tasks and projects completed by the Pumping Systems and Pipeline Departments as listed in the Staff Report.
- The JPIA Liability Program Renewal Questionnaire was completed and submitted.
- Operations Staff attended Electrical Safety and Hand/Wrist/Finger Safety trainings.
- Work was done on the Kern Multi-Jurisdictional Hazard Mitigation Plan.
- Staff attended Golden Mussel web meetings with Kern County, Kern County Water Agency, CDFW, and Cal OES, including one today. He submitted the draft Golden Mussel Control Plan to CDFW for review and comment.
- Moving into the new budget cycle, operations is queuing up CIP projects and maintenance tasks associated with the new budget.
- He offered to answer any questions the Board or Public may have.

President Schultz asked what the flow rate is on the Nunes Well now that is back running and Curry stated it is 350 gpm, identical to the flow rate it was at before. Discussion took place on this great news and it was mentioned it had a 14-inch liner previously and now it has a 12-inch liner. President Schultz asked questions on the scenario Curry described on responding to alarms and the amount of time employees

have to respond. Curry described the automated features in place and how when a high tank level alarm is activated at Pump Plant 4, the 19-Acre and Westerly Recharge valves will automatically open and run at 1500 gpm each to allow time to respond without the system shutting down. Generally, a mechanic can get on the SCADA and slow the system down within 10-15 minutes. Further discussion took place on the details of how these situations are handled operationally.

Item 11. Conduct Public Hearing Regarding Adoption of Resolution 09-26, Determining Benefit Assessment for Tehachapi Watershed Project for Fiscal Year 2026-27
a. (Close Hearing and Return to Regular Meeting)

President's Opening Remarks:

President Schultz stated this is a Regular Meeting of the Board of Directors for the purpose of considering Resolution 09-26. This Resolution asks for a Benefit Assessment in the amount of \$106,000 for the maintenance, operation, and installation of the Tehachapi Watershed Project in Fiscal Year 2026-2027. The public hearing was declared in session at 3:35 p.m.

Staff Report:

Adams stated that the Tehachapi Watershed Project was constructed with financial assistance under PL-566 through the Soil Conservation Service. As a condition of obtaining Federal funds for construction of the project, the District had to assume full responsibility for the operation, maintenance, repair, and replacement of all structural measures for the project pursuant to the maintenance agreement that was dated July 7, 1983. Each year, District Staff reviews all the zoning changes, parcel splits, changes of ownership, new construction and assessed values in Zone 1 to update the land use categories and factors for each parcel. There is no State utility roll broken down by tax code area, so Staff continues to use a questionnaire that is sent to each utility company to determine any changes in value to each utility owned property. Once those are compiled, Staff assesses the new values for each property.

Adams then introduced the exhibits to the Resolution as follows:

Exhibit A: Declaration of Posting Notice- This notice was posted at Tehachapi City Hall, Golden Hills Community Services District, and Tehachapi-Cummings County Water District.

Exhibit B: Proof of Publication- This notice was published in the Tehachapi News for two weeks. (July 1st and July 8th)

Exhibit C: Written Report of Proposed Benefit Assessment for Tehachapi Watershed Project Fiscal Year 2026-2027. This is the written report that describes the history and all the changes that have been made over the years. Attached to the Written Report, is an exhibit that lists all the properties and assessed values for the tax amounts that will go on the tax roll in August. She asked if there were any comments or questions and there were none.

(Close Hearing and Return to Regular Meeting)

President Schultz declared the hearing closed at 3:37 p.m. and returned to the Regular Board Meeting.

Item 12. Accept Written Report and Adopt Resolution 09-26 Determining Benefit Assessment for Tehachapi Watershed Project for Fiscal Year 2026-27

President Schultz moved that the Board adopt the Written Report of Proposed Benefit Assessment for the Tehachapi Watershed Project for Fiscal Year 2026-27 and Adopt Resolution No. 09-26 Determining Benefit Assessment to Finance Maintenance, Operation and Installation of the Tehachapi Watershed Project in Fiscal Year 2026-27. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 13. Adopt Resolution 10-26 Determining the Amount of Tax Required for Water Supply Contracts for Fiscal Year 2026-27 and Establishing the Tax Rate

Sampson stated adoption of this Resolution will set the Ad-Valorem tax rate for the State Water Project payment for the Fiscal Year 2026-27. Each year the Board must adopt a Resolution and provide it to the Board of Supervisors of Kern County and to the Kern County Auditor-Controller no later than August 1st. The tax revenue is used exclusively to pay the District's financial obligations for the State Water Project per the invoices that are received from the Kern County Water Agency. These invoices are billed by the California Department of Water (DWR) and are passed on to the Member Units of the Kern County Water Agency in proportion to each Member Unit's Table A Allocation. In addition to considering costs, the District considers its reserve balances when calculating the revenue requirement to meet these SWP obligations.

Exhibit A to the Resolution, is the tax rate calculation showing a 29.4% decrease over the prior year. The tax levied on a home with an assessed value of \$200,000 will go down from \$104.68 to \$73.91. During Fiscal Year 2025-26, the District received almost \$1.5 million in credits on its 2026 State Water Project costs from the DWR. Their accounting has made it difficult to estimate and forecast what amounts to expect on future billings. This Resolution proposes setting the Ad-Valorem tax rate to 0.036953% of the gross taxable assessed value of taxable property within the District and is expected to generate \$2,219,866 in revenue during Fiscal Year 2026-27.

President Schultz stated he believes in having stability and consistency for the Public when it comes to rates and taxes, and it makes him happy to see this reduction and giving back to the taxpayers.

President Schultz moved that the Board adopt Resolution 10-26, Determining the Minimum Amount Required to be Raised by Taxes to Make Payments Due Under Water Supply Contracts with the Kern County Water Agency for Fiscal Year 2026-27 and Fixing the Tax Rate for Such Purpose. Director Davis seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 14. Accept Bids on Four New Vehicles and Authorize General Manager to Execute Contracts to Purchase Four Vehicles

Curry stated at the June Regular Board Meeting, the Board authorized Staff to solicit bids for the purchase of four new District vehicles. Bid notices were sent to truck dealerships on June 19th, and Staff is asking the Board to accept the bids and authorize the General Manager to purchase these four vehicles. Staff received bids from six truck dealerships by the July 8th deadline. Submitted bid details are listed on the Bidder's Solicited sheet (Attachment A). The bids are broken down into vehicle type, size, individual and combined costs, whether they met specifications or not, and a few other items. Bids were received from Jim Burke Ford, Three-Way Chevrolet, Hadad Ram, Motor City GMC, Hunter Ram, and Ken Grody Ford (Attachment B). Staff considered price, specifications and delivery times and recommends the District purchase the one ton and three half-ton vehicles from Motor City GMC in the amount of \$242,481.48 as it was the most favorable combined bid. The half-ton vehicles are in stock now. The 2026-27 CIP Budget includes a total of \$290,000 for these purchases. He offered to answer any questions and discussion took place on GMC vehicles, the dealer service, and delivery times.

Director Davis moved that the Board accept bids on four new vehicles and authorize the General Manager to execute contracts to purchase four vehicles from Motor City GMC in the amount of \$242,481.48. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 15. Authorize Staff to Solicit Bids for Parking Lot Sealing Project

Curry stated it has been a few years since a treatment was done to the parking lot at the District yard area. With the last treatment, substantial concrete and asphalt reconstruction was done to the northeast corner to rectify some drainage issues and luckily, there is no structural work needed this time. This item is asking the Board to authorize Staff to solicit bids to apply a Type 2 slurry seal, fog seal, re-stripe and reset the parking blocks at the District yard. Usually, a Type 2 slurry seal will last five to seven years and the current seal is on its sixth year so it has lasted well. Staff will notify contractors and hold a non-mandatory job walk to review the project. Bids will be due August 13, 2026, and Staff will bring the bids to the Board at the August Regular Board Meeting for acceptance and potential contract award. The 2026-27 Capital Expenditure Budget includes \$70,000 for this project. Attachments are the Invitation to Bidders and the project map. He offered to answer questions and President Schultz asked about the thickness of Type 2 and Curry explained. Discussion took place the differences in Type 1 and 2 and on snow plowing the parking lot in the winter.

President Schultz moved that the Board authorize Staff to solicit bids for parking lot sealing project. Director Davis seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Item 16. Schedule Ad-Hoc Budget Committee Meeting

Sampson stated this item is for Board direction on setting a desired date and time to hold the Ad-Hoc Budget Committee meeting to discuss the Final Budget for Fiscal Year 2026-27. The committee consists of Directors Davis and Schultz and the draft Budget will be provided to them for review on July 31, 2026, so Staff desires to hold a meeting the following week. The Fiscal Impact is \$105 per Director per day of service.

The meeting was scheduled for August 4, 2026, at 3:30 p.m.

Item 17. Board of Directors Comments

a. Director Ables ACWA Conference Report

Director Ables thanked the Board for allowing him to delay his report until this Board meeting. He reported on the Sites Reservoir project, a proposed 1.5 million acre foot off stream reservoir. It's designed to adapt to changing climate conditions, providing a more flexible water supply for California. Future climate projections show more precipitation will come in the form of rain and not snow, but the current water management system does not have the infrastructure to capitalize on large amounts of rainfall and runoff. As a rain fed storage solution, Sites Reservoir will be able to capture water from these extreme storm events, which can be used by communities, farms, and the environment when water is scarcer. The presenter said that if it had already been built, the estimated diversion amount in year 2023 would have been over 700,000 AF, and in 2024, 840,000 AF. If they could have captured what was left over in 2025, it would have been 550,000 AF.

Unlike reservoirs of the past, the Sites Reservoir will not dam or impede a major river system and does not threaten fish migration or spawning. It will be the first reservoir in California to dedicate a portion of its water specifically for the environment to support wildlife and other habitat during drought periods. It will provide up to 372,000 AF of storage space for environmental uses, contribute to the increased freshwater flow into the delta during dry seasons, assist in the salinity management of that critical estuary, help maintain cold water for salmon and improve conditions for fish in the upper Sacramento, allow federal and state natural resource agencies to support environmental needs and their priorities when other water supplies are not plentiful. It will include 373 acres of recreation area, for day use, campgrounds and a large boat ramp. With 1.5 million acre-feet of water, this will be a massive new flat water lake for water sports.

Construction is supposed to start the end of 2026 or beginning of 2027 and it should be operational by 2033. He discussed the funding and California approved an additional \$2.68 million for the project. The estimated cost is between \$6.2 and \$6.8 billion. There are about 30 water agencies throughout California participating in the project, including Wheeler Ridge, Antelope Valley, and Rosedale-Rio Bravo. The project is going to be controlled by a project authority established in 2010, so they are not controlled by the State. They are leading the planning and development of the reservoir in collaboration with federal government, state government, and local agencies. President Schultz thanked him for his presentation.

Neisler asked to make a comment he missed reporting in his Manager's Report. The District received the GFOA Certificate of Achievement for the 17th year in a row now. This is a lot of work for Sampson to complete the application package and the requirements are stringent, so this is quite an achievement. He noted this began with John Martin and then Mindy Madenwald, the predecessors to the accounting position. He also took a moment to introduce Victor Hayden, Operations Assistant for the District as he was attending today. He noted Hayden began at the District as an intern, went on to graduate from college, and now is back working for the District.

Item 18. Adjourn to Closed Session

President to reference Closed Session items as presented on Agenda, then Board to adjourn to Closed Session.

- a. In Accordance with Exhibit A Attached hereto, TCCWD v. City of Tehachapi *Et al.*
- b. In Accordance with Exhibit B Attached hereto, TCCWD v. City of Tehachapi
- c. In Accordance with Exhibit C Attached hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds, et al.; DWR v. All Persons Interested in the Matter of the Authorization of Delta Program Revenue Bonds, et al.
- d. In Accordance with Exhibit D Attached hereto, Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*
- e. In Accordance with Exhibit E Attached hereto, City of Tehachapi vs. TCCWD
- f. In Accordance with Exhibit F Attached hereto, City of Tehachapi vs. TCCWD

The Board adjourned to Closed Session at 4:05 p.m.

Item 19. Return to Open Session

The Board returned to Open Session at 5:08 p.m.

Report Action Taken in Closed Session:

- a. No reportable action.
- b. No reportable action.
- c. No reportable action.
- d. No reportable action.
- e. No reportable action.
- f. No reportable action.

Item 20. Adjournment

The meeting adjourned at 5:09 p.m. on a motion made by Director Ables, seconded by President Schultz and carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall.

Robert W. Schultz, Board President

Catherine Adams, Board Secretary



Tehachapi-Cummings
County Water District

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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): County of Sacramento Superior Court Case No. 34-2022-80003892
Name of Case: Tehachapi-Cummings County Water District v. City of Tehachapi *Et al.*
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9(d) (4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____



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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-25-103013
Name of Case: _____
City of Tehachapi _____

2. Anticipated Litigation: _____
Gov. Code § 54956.9(d)(2): _____
Gov. Code § 54956.9(d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____ Not Applicable
Unrepresented Employee: _____



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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): Two Cases
Names of Cases: _____
DWR v. All Persons Interested in Authorization of
WaterFix Revenue Bonds, et al.; DWR v. All Persons
Interested In The Matter of the Authorization of Delta
Program Revenue Bonds, et al.

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____



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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC No. BCV 21100418 TSC
Name of Case: Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____



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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code KCSC Case No. BCV-23-104134
§54956.9(d)(1): _____
Names of Cases: City of Tehachapi v. Tehachapi-Cummings County
Water District

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____



**Tehachapi-Cummings
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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-24-101512
Names of Cases: City of Tehachapi vs. Tehachapi-Cummings County Water District
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
July 14, 2026, 4:30 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

- Item 1. Call to Order and Roll Call:** Meeting called to order at 4:30 p.m.
Directors Present: Ables, Davis, Schultz **Absent:** Hall
Legal Counsel Present: None
Staff Present: Cat Adams, Jon Curry, Tom Neisler, Crystal Sampson
- Item 2. Announcement**
 President Schultz announced this meeting is being audio recorded, including all Board, Staff, and Public comments.
- Item 3. Flag Salute**
 The Pledge of Allegiance was led by President Schultz.
- Item 4. Approval of Agenda**
 Director Ables moved to approve the agenda. Director Davis seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.
- Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**
 None
- Item 6. Appoint Director to Fill Division 1 Vacancy**
 Neisler stated the Board held a Special Board Meeting on July 2nd, 2026, (he misreported, the meeting was July 6, 2026) in which Staff was directed to extend the deadline for candidates to submit a letter of interest for the vacant Division 1 Director seat. The Board of Directors also expressed their desire to interview the sole previous applicant, Mr. David Worden. No additional letters of interest were received by the extended deadline of July 13, 2026, at 12:00 p.m. The Board Secretary contacted Mr. Worden and informed him that the board wished to interview him at this Special Board Meeting and he said he would not be available for today's Special meeting, tomorrow's Regular meeting, nor the September 16th Regular Board meeting.
- The Board has several options on how to proceed. Mr. Worden can be appointed to fill the vacancy and seated at such time as he is available, albeit without the opportunity to interview him as desired. The Government Code requires that the Board must fill the vacancy within 60 days of being notified, which is today. The Board can report to the Board of Supervisors that the Board did not appoint a candidate and ask them to resolve the matter in accordance with the Government Code. The Board of Supervisors could be asked not to appoint a candidate but simply leave the seat vacant until the General Election in November, given the very short time frame until that event. If desired, Neisler offered to write a letter explaining the situation and request assistance. Neisler has informed Supervisor Parlier's Chief of Staff of the District's situation.
- Director Davis was in favor of asking the Board of Supervisors to leave the position open until the General Election. Director Ables would have liked to interview Mr. Worden and had concerns about his availability.

President Schultz moved that the Board of Directors do not appoint a candidate and leave the seat open until the General Election in November. In the event a candidate is found, he moved the Board request the Board of Supervisors appoint that person to the vacancy. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Neisler stated he will draft a letter to the Board of Supervisors for the Directors' review at the Regular Board Meeting.

Item 7. Board of Directors Comments
None

Item 8. Adjournment
The meeting adjourned at 4:38 p.m. on a motion made by Director Ables, seconded by President Schultz and carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Robert W. Schultz, Board President

Catherine Adams, Board Secretary

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
July 17, 2026, 9:00 A.M.
22901 Banducci Road, Tehachapi, CA 93561**

- Item 1. Call to Order and Roll Call:** Meeting called to order at 9:05 a.m.
Directors Present: Ables, Davis, Schultz **Absent:** Hall
Legal Counsel Present: Legal Counsel joined Closed Session via Zoom
Staff Present: Cat Adams, Jon Curry, Crystal Sampson
- Item 2. Announcement**
President Schultz announced this meeting is being audio recorded, including all Board, Staff, and Public comments.
- Item 3. Flag Salute**
The Pledge of Allegiance was led by President Schultz.
- Item 4. Approval of Agenda**
Director Ables moved to approve the agenda. Director Davis seconded the motion, and it was carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.
- Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**
None
- Item 6. Board of Directors Comments**
None
- Item 7. Adjourn to Closed Session**
President to reference Closed Session items as presented on Agenda, then Board to adjourn to Closed Session.
a. In Accordance with Exhibit A Attached hereto, TCCWD v. City of Tehachapi *Et al.*
b. In Accordance with Exhibit B Attached hereto, TCCWD v. City of Tehachapi
c. In Accordance with Exhibit C Attached hereto, City of Tehachapi vs. TCCWD
d. In Accordance with Exhibit D Attached hereto, City of Tehachapi vs. TCCWD

The Board adjourned to Closed Session at 9:07 a.m.
- Item 18. Return to Open Session**
The Board returned to Open Session at 9:50 a.m.

Report Action Taken in Closed Session:
a. No reportable action.
b. No reportable action.
c. No reportable action.
d. No reportable action.

Adjournment

The meeting adjourned at 9:51 a.m. on a motion made by Director Ables, seconded by President Schultz and carried on the following vote: Ayes: Ables, Davis, Schultz; Noes: None; Abstain: None; Absent: Hall. Motion passed.

Robert W. Schultz, Board President

Catherine Adams, Board Secretary



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County Water District

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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): County of Sacramento Superior Court Case No. 34-2022-80003892
Name of Case: Tehachapi-Cummings County Water District v. City of Tehachapi *Et al.*
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9(d) (4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____



Tehachapi-Cummings
County Water District

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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-25-103013
Name of Case: Tehachapi-Cummings County Water District v.
City of Tehachapi

2. Anticipated Litigation: _____
Gov. Code § 54956.9(d)(2): _____
Gov. Code § 54956.9(d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____



Tehachapi-Cummings
County Water District

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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code KCSC Case No. BCV-23-104134
§54956.9(d)(1): _____
Names of Cases: City of Tehachapi v. Tehachapi-Cummings County
Water District

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____



Tehachapi-Cummings
County Water District

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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-24-101512
Names of Cases: City of Tehachapi vs. Tehachapi-Cummings County Water District
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 26, 2026

TOPIC: Receive and File Quarterly Investment Report

ITEM FOR: Action

PURPOSE: Provide accountability and transparency regarding the investment of public funds

IMPACT: Policy, Fiscal/Budget

SUBMITTED BY: Crystal Sampson

EXECUTIVE SUMMARY

When the Board receives and files this report, it acknowledges that public funds were invested in compliance with the District’s investment policy during the preceding quarter. Per California Government Code Section 53646(b)(1), this Quarterly Investment Report was submitted to the Board of Directors within 45 days following the end of the quarter covered by the report.

BACKGROUND

The total cash and investment portfolio at book value (cost) held by the District as of June 30, 2026, was \$28,110,044 and total cash and investments held by the trustee was \$819.

The cash and investments held by the District include the following components: Managed Investment Portfolio (\$19,394,392), State of CA Local Agency Investment Fund (\$7,149,078), Kern County Treasury Pool (\$37,035), California Asset Management Program (CAMP) Pooled Investment Fund (\$12,520), Cash/Time Deposits (\$1,329,591), and accrued interest on investments (\$187,428*). *Kern County Treasury Pool accrued interest is included as an estimate as the quarter-end statement is not available at the time of this reporting. Note that: *earned interest is the interest earned on investments over a specific period, accrued interest is the interest that an investment has earned but hasn’t yet received, and paid interest is the interest that has already been received as payment.*

Cash and investments held by the District and trustee continue to be invested in accordance with California Government Code and the District’s investment policy. The District is able to meet its cash flow needs for the next six months.

Investment Highlights:

- During the quarter, four Federal Agency Bonds totaling \$2,020,000 matured.
- During the quarter, two Federal Agency Bonds totaling \$1,219,030 and two U.S. Treasury Notes totaling \$1,513,400 were purchased.
- Two-year Treasuries yielding 3.79% at the beginning of the quarter, were at 4.14% at the end of the quarter, which was an increase of 35 basis points for the quarter.
- As of June 30, 2026, the Weighted Yield to Maturity for the Managed Investment Portfolio was 4.33%.
- As of June 30, 2026, the Weighted Average Maturity for the Managed Investment Portfolio was 2.61 years.

The Federal Open Market Committee (FOMC) meets approximately every six weeks and determines the level of the Federal Funds Rate. ***At the June 17th meeting, the FOMC voted to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent.***

Summary from the June 17th meeting:

“The Committee decided to maintain the target range for the federal funds rate at 3-1/2 to 3-3/4 percent, in support of the Federal Reserve’s dual mandate. The Committee reaffirmed its policy of maintaining ample reserves in the banking system.

Economic activity is expanding at a solid pace despite elevated uncertainty that owes, in part, to the conflict in the Middle East. Productivity growth and capital investment are strong. Job gains have kept pace with the workforce, and the unemployment rate has changed little.

Inflation remains elevated relative to the Committee’s 2 percent goal, in part reflecting supply shocks that have driven price increases in certain sectors, including energy. The Committee will deliver price stability.”

The District hired Optimized Investment Partners in March 2024 to help improve investment returns and to ensure compliance with California Government Code by ensuring safety of principal and sufficient liquidity for operations. Ongoing portfolio management activity will continue to be performed in partnership with Optimized Investment Partners and the General Manager.

FISCAL IMPACT

There is no direct fiscal impact by this action. It is only intended to provide information to the Board and the public and demonstrate compliance with the District’s investment policy.

RECOMMENDED MOTION

“I move to receive and file the Quarterly Investment Report as presented.”

ATTACHMENTS

- A - Summary of Cash and Investments for the Quarter Ended June 30, 2026
- B - Investment Report for the Quarter Ended June 30, 2026
- C - US Bank Managed Investments - Account reconciliation and statement for the month of June 2026
- D - State of CA Local Agency Investment Fund (LAIF) Pooled Investment - Account statement for the month of June 2026, Interest Apportionment for the quarter ended 6/30/26, and Performance Report for the quarter ended 6/30/26
- E - Kern County Treasury Pool (KCTP) Pooled Investment - Monthly Cash Balance as of 6/30/26, Interest Apportionment for quarter ended June 30, 2026 (unavailable at the time of this reporting), and Portfolio Summary as of 6/30/26
- F - California Asset Management Program (CAMP) Pooled Investment - Account statement for the month ending June 30, 2026, Cash Reserve Portfolio Characteristics as of June 30, 2026, and Cash Reserve Portfolio Schedule of Investments for the month ending June 30, 2026
- G - BMO Bank- Account statement for the month of June 2026
- H - US Bank Bond (Held by Trustee)- Account reconciliation and statements for the month of June 2026

Tehachapi-Cummings County Water District
Summary of Cash and Investments for the Quarter Ended June 30, 2026

Portfolio Assets	Par Value (1)	Market Value (2)	Book Value (3)	% of Portfolio
Cash & Investments Held by District				
Investment Portfolio				
Managed Investments				
U.S. Bank Custodial Cash Account	\$ 143,535	\$ 143,535	\$ 143,535	0.51%
U.S. Treasury Bill/Note	\$ 7,397,000	\$ 7,184,005	\$ 6,895,688	24.70%
Federal Agency Bond/Note	\$ 11,285,000	\$ 11,179,812	\$ 11,032,169	39.51%
Certificate of Deposit	\$ 1,323,000	\$ 1,301,413	\$ 1,323,000	4.74%
Managed Investments Subtotal	\$ 20,148,535	\$ 19,808,765	\$ 19,394,392	69.46%
Pooled Investments				
California Asset Management Program (CAMP)	\$ 12,520	\$ 12,520	\$ 12,520	0.04%
Kern County Treasury Pool (KCTP)	\$ 37,035	\$ 37,035	\$ 37,035	0.13%
State of CA Local Agency Investment Fund (LAIF)	\$ 7,149,078	\$ 7,149,078	\$ 7,149,078	25.61%
Pooled Investments Subtotal	\$ 7,198,633	\$ 7,198,633	\$ 7,198,633	25.78%
Investment Portfolio Subtotal	\$ 27,347,168	\$ 27,007,398	\$ 26,593,025	95.24%
Cash/Time Deposits	\$ 1,329,591	\$ 1,329,591	\$ 1,329,591	4.76%
Funds Available for Investment	\$ 28,676,759	\$ 28,336,989	\$ 27,922,616	100.00%
Accrued Interest (4)	\$ 187,428	\$ 187,428	\$ 187,428	
Total Cash & Investments Held by District	\$ 28,864,187	\$ 28,524,417	\$ 28,110,044	
Cash & Investments Held by Trustee				
Cash with Fiscal Agent	\$ 819	\$ 819	\$ 819	
Total Cash & Investments Held by Trustee	\$ 819	\$ 819	\$ 819	
Total Portfolio	\$ 28,865,006	\$ 28,525,236	\$28,110,863	

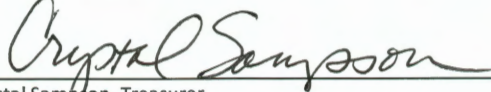
Notes:

1. Par value is the principal amount of the security paid at maturity.
2. Market values contained herein are received from U.S. Bank, LAIF, CAMP & KCTP. We believe they are reliable; however, we do not guarantee their accuracy.
3. Book value is par value of the security plus or minus any premium or discount on the security.
4. The amount reported as Accrued Interest may include an estimate of interest earnings when the quarter-end statement is not available at the time of this reporting.

STATEMENT OF COMPLIANCE

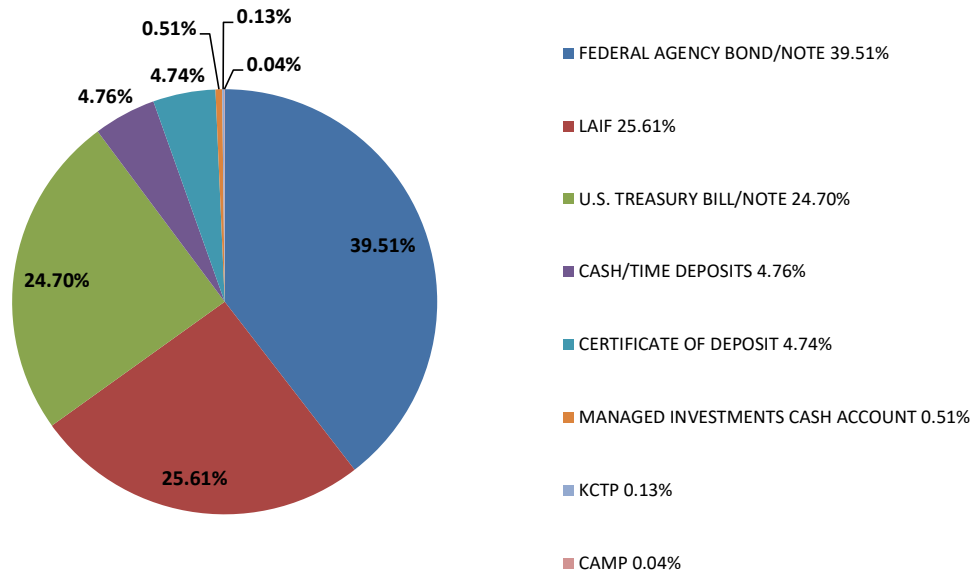
All investments are authorized pursuant to and consistent with the Tehachapi-Cummings County Water District's investment policy.

The District is able to meet its cash flow needs through December 31, 2026.


 Crystal Sampson, Treasurer

**Tehachapi-Cummings County Water District
Investment Report for the Quarter Ended June 30, 2026**

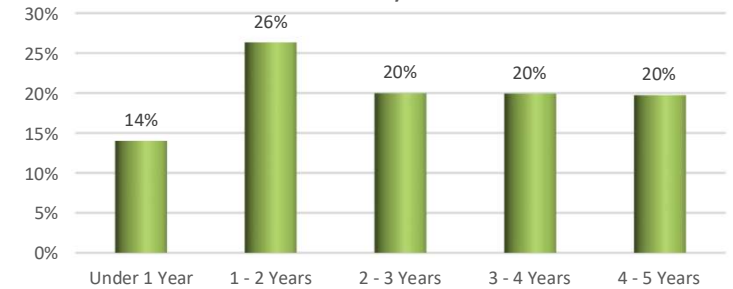
Investment Portfolio Summary and Key Statistics



Portfolio Key Statistics	
PAR Value	\$27,347,168
Book Value (COST)	\$26,593,025
Market Value	\$27,007,398
Weighted Average Maturity (in years)*	2.61
Weighted Yield to Maturity*	4.33%

*Note: Cash/time deposits not included in WYTM or WAM

Portfolio Maturity Distribution



Excludes cash accounts for Pooled Investments and Managed Investments

U.S. Treasury Yields - Quarterly Comparison

Maturity	Jun 2026	Mar 2026	Change
3-Month	3.87%	3.70%	0.17%
1-Year	3.98%	3.68%	0.30%
2-Year	4.14%	3.79%	0.35%
3-Year	4.15%	3.81%	0.34%
5-Year	4.19%	3.92%	0.27%
10-Year	4.44%	4.30%	0.14%

Pooled Investment Accounts

Investment Pool	Jun 2026
LAIF	3.92%
KCTP	3.96%
CAMP	3.77%

Portfolio Maturity	PAR Maturing	% Maturing
Under 1 Year	\$ 2,805,000	14%
1 - 2 Years	\$ 5,270,000	26%
2 - 3 Years	\$ 3,997,000	20%
3 - 4 Years	\$ 3,988,000	20%
4 - 5 Years	\$ 3,945,000	20%
Total	\$ 20,005,000	100%

2-Year U.S. Treasury Yield - Historical Data

Jun 2026	Jun 2025	Jun 2024	Jun 2023
4.14%	3.72%	4.71%	4.87%

Interest Earnings	FY 24-25	FY 25-26	Change
Apr	\$ 86,472	\$ 90,754	\$ 4,282
May	\$ 101,113	\$ 92,949	\$ (8,164)
Jun	\$ 95,631	\$ 102,236	\$ 6,605
Total for Quarter	\$ 283,216	\$ 285,939	\$ 2,723

Note: Interest Earnings figures do not include capital gains or losses

U.S. Bank - Managed Investments Account Reconciliation

June 30, 2026												
Bank Activity							G/L Allocation					
Date	Description	GL Acct #	Cash & Equivalents	Monthly Market Value		US Bank Investments	Interest Earnings	Unrealized Gain / (Loss)	Bank & Admin Services	FV Adj Allowance Sub-Account - Only		
				Taxable Bonds at Book Value	Adj - Only Recorded at YE					Adjusted at YE	G/L Balance @ Cost	Total Adjusted GL Balance
	Beginning Balance	10170	\$ 59,769.59	\$ 19,214,635.75	\$ 488,988.35	\$ 19,763,393.69				\$ 599,601.13	\$ 19,274,405.34	\$ 19,874,006.47
6/12/2026	Security Matured		480,000.00	(480,000.00)	-	-	-	-	-	-	-	-
6/12/2026	Security Matured		540,000.00	(540,000.00)	-	-	-	-	-	-	-	-
6/12/2026	Security Purchased		(1,021,110.00)	1,021,110.00	-	-	-	-	-	-	-	-
6/12/2026	Accrued Interest - purchased	40231	(1,516.39)	-	-	(1,516.39)	(1,516.39)	-	-	-	(1,516.39)	(1,516.39)
6/30/2026	Long-Term Gains/Losses		-	35,110.80	-	35,110.80	35,110.80	-	-	-	35,110.80	35,110.80
6/8/2026	Taxable Interest - reinvested	40231	-	4,287.50	-	4,287.50	4,287.50	-	-	-	4,287.50	4,287.50
6/15/2026	Taxable Interest - reinvested	40231	-	10,725.00	-	10,725.00	10,725.00	-	-	-	10,725.00	10,725.00
6/16/2026	Taxable Interest - reinvested	40231	-	14,062.50	-	14,062.50	14,062.50	-	-	-	14,062.50	14,062.50
6/17/2026	Taxable Interest - reinvested	40231	-	771.90	-	771.90	771.90	-	-	-	771.90	771.90
6/22/2026	Taxable Interest - reinvested	40231	-	1,500.00	-	1,500.00	1,500.00	-	-	-	1,500.00	1,500.00
6/29/2026	Taxable Interest - reinvested	40231	-	835.34	-	835.34	835.34	-	-	-	835.34	835.34
6/30/2026	Taxable Interest - reinvested	40231	-	10,140.00	-	10,140.00	10,140.00	-	-	-	10,140.00	10,140.00
6/30/2026	Taxable Interest - reinvested	40231	-	4,320.63	-	4,320.63	4,320.63	-	-	-	4,320.63	4,320.63
6/30/2026	Taxable Interest - reinvested	40231	-	1,796.88	-	1,796.88	1,796.88	-	-	-	1,796.88	1,796.88
6/30/2026	Taxable Interest - reinvested	40231	-	7,312.50	-	7,312.50	7,312.50	-	-	-	7,312.50	7,312.50
6/30/2026	Taxable Interest - reinvested	40231	-	9,562.50	-	9,562.50	9,562.50	-	-	-	9,562.50	9,562.50
6/30/2026	Taxable Interest - reinvested	40231	-	4,843.75	-	4,843.75	4,843.75	-	-	-	4,843.75	4,843.75
	Transfers between assets		70,158.50	(70,158.50)	-	-	-	-	-	-	-	-
6/12/2026	Taxable Interest - not reinvested	40231	2,362.50	-	-	2,362.50	2,362.50	-	-	-	2,362.50	2,362.50
6/12/2026	Taxable Interest - not reinvested	40231	13,800.00	-	-	13,800.00	13,800.00	-	-	-	13,800.00	13,800.00
6/30/2026	Taxable Dividends - paid	40231	234.98	-	-	234.98	234.98	-	-	-	234.98	234.98
6/25/2026	Monthly Trustee Fees	50207	(164.49)	-	-	(164.49)	-	-	(164.49)	-	(164.49)	(164.49)
	Fair Value Adjustment	40232	-	-	(74,614.90)	(74,614.90)	-	(185,227.68)	-	(185,227.68)	-	(185,227.68)
	Ending Balance	10170	\$ 143,534.69	\$ 19,250,856.55	\$ 414,373.45	\$ 19,808,764.69	\$ 120,150.39	\$ (185,227.68)	\$ (164.49)	\$ 414,373.45	\$ 19,394,391.24	\$ 19,808,764.69
			-	0.00	-	-	40231	40232	50207	10170-01	10170-00	10170-XX

Only booked at YE

Assets at MV

G/L



U.S. Bank
1555 N. Rivercenter Dr.
Suite 300
Milwaukee, WI 53212
00000004319 000638203977293 P



TEHACHAPI-CUMMINGS COUNTY WATER
DISTRICT
22901 BANDUCCI ROAD
TEHACHAPI, CA 93561-8489

4319
-UC-182

Glossary

Accretion - The accumulation of the value of a discounted bond until maturity.

Adjusted Prior Market Realized Gain/Loss - The difference between the proceeds and the Prior Market Value of the transaction.

Adjusted Prior Market Unrealized Gain/Loss - The difference between the Market Value and the Adjusted Prior Market Value.

Adjusted Prior Market Value - A figure calculated using the beginning Market Value for the fiscal year, adjusted for all asset related transactions during the period, employing an average cost methodology.

Amortization - The decrease in value of a premium bond until maturity.

Asset - Anything owned that has commercial exchange value. Assets may consist of specific property or of claims against others, in contrast to obligations due to others (liabilities).

Bond Rating - A measurement of a bond's quality based upon the issuer's financial condition. Ratings are assigned by independent rating services, such as Moody's, or S&P, and reflect their opinion of the issuer's ability to meet the scheduled interest and principal repayments for the bond.

Cash - Cash activity that includes both income and principal cash categories.

Change in Unrealized Gain/Loss - Also reported as Gain/Loss in Period in the Asset Detail section. This figure shows the market appreciation (depreciation) for the current period.

Cost Basis (Book Value) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Book Value method maintains an average cost for each asset.

Cost Basis (Tax Basis) - The original price of an asset, normally the purchase price or appraised value at the time of acquisition. Tax Basis uses client determined methods such as Last-In-First-Out (LIFO), First-In-First-Out (FIFO), Average, Minimum Gain, and Maximum Gain.

Ending Accrual - (Also reported as Accrued Income) Income earned but not yet received, or expenses incurred but not yet paid, as of the end of the reporting period.

Estimated Annual Income - The amount of income a particular asset is anticipated to earn over the next year. The shares multiplied by annual income rate.

Estimated Current Yield - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by taking the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

Ex-Dividend Date - (Also reported as Ex-Date) For stock trades, the person who owns the security on the ex-dividend date will earn the dividend, regardless of who currently owns the stock.

Income Cash - A category of cash comprised of ordinary earnings derived from investments, usually dividends and interest.

Market Value - The price per unit multiplied by the number of units.

Maturity Date - The date on which an obligation or note matures.

Payable Date - The date on which a dividend, mutual fund distribution, or interest on a bond will be made.

Principal Cash - A category of cash comprised of cash, deposits, cash withdrawals and the cash flows generated from purchases or sales of investments.

Realized Gain/Loss Calculation - The Proceeds less the Cost Basis of a transaction.

Settlement Date - The date on which a trade settles and cash or securities are credited or debited to the account.

Trade Date - The date a trade is legally entered into.

Unrealized Gain/Loss - The difference between the Market Value and Cost Basis at the end of the current period.

Yield on/at Market - The annual rate of return on an investment expressed as a percentage. For stocks, yield is calculated by the annual dividend payments divided by the stock's current share price. For bonds, yield is calculated by the coupon rate divided by the bond's market price.

The terms defined in this glossary are only for use when reviewing your account statement. Please contact your Relationship Manager with any questions.

**QUESTIONS?**

If you have any questions regarding your account or this statement, please contact your Administrator.

MARQUES MCNIESE
CN-OH-W5IT
425 WALNUT ST. 5TH FLOOR
CINCINNATI OH 45202
Phone 513-632-4147
E-mail marques.mcniese@usbank.com

Portfolio Manager:
TS CIN RC #4 - MANUAL
CN-OH-W6TC

ACCOUNT NUMBER:
TEHACHAPI-CUMMINGS COUNTY WATER
DISTRICT

This statement is for the period from June 1, 2026 to June 30, 2026

|||||
00000004319 000638203977293 P
TEHACHAPI-CUMMINGS COUNTY WATER
DISTRICT
22901 BANDUCCI ROAD
TEHACHAPI, CA 93561-8489

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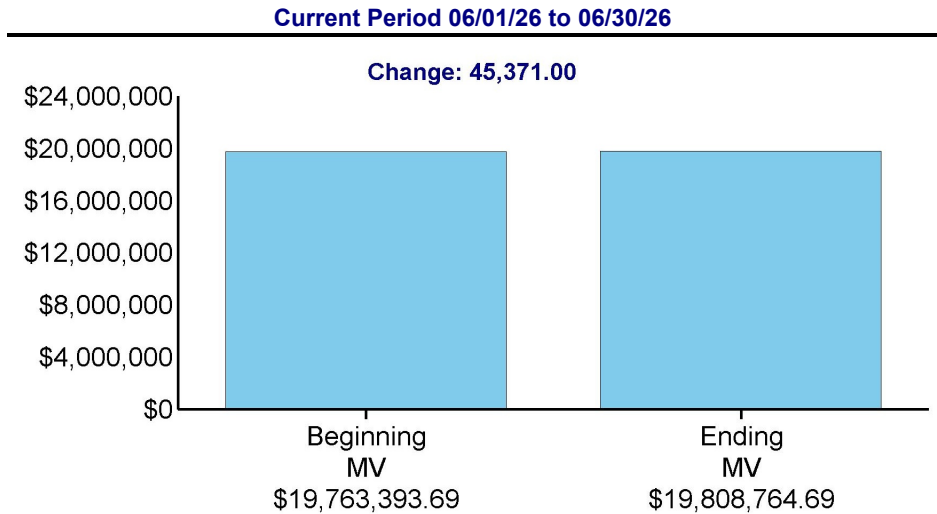


TCCWD
ACCOUNT NUMBER:

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June 1, 2026 to June 30, 2026

MARKET VALUE SUMMARY

	Current Period 06/01/26 to 06/30/26	Year-to-Date 01/01/26 to 06/30/26
Beginning Market Value	\$19,763,393.69	\$19,224,724.02
Taxable Interest	84,804.61	309,225.98
Taxable Dividends	234.98	2,743.22
Fees and Expenses	-164.49	-970.94
Cash Receipts		620,000.00
Cash Disbursements		-156,000.00
Long Term Gains/Losses	35,110.80	40,442.05
Change in Investment Value	-74,614.90	-231,399.64
Ending Market Value	\$19,808,764.69	\$19,808,764.69



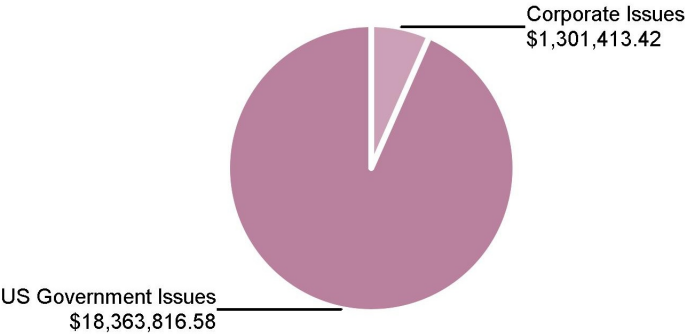


TCCWD
ACCOUNT NUMBER:

ASSET SUMMARY

Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash & Equivalents	143,534.69	0.70	4,755.61
Taxable Bonds	19,665,230.00	99.30	638,022.78
Total Market Value	\$19,808,764.69	100.00	\$642,778.39

Fixed Income Summary

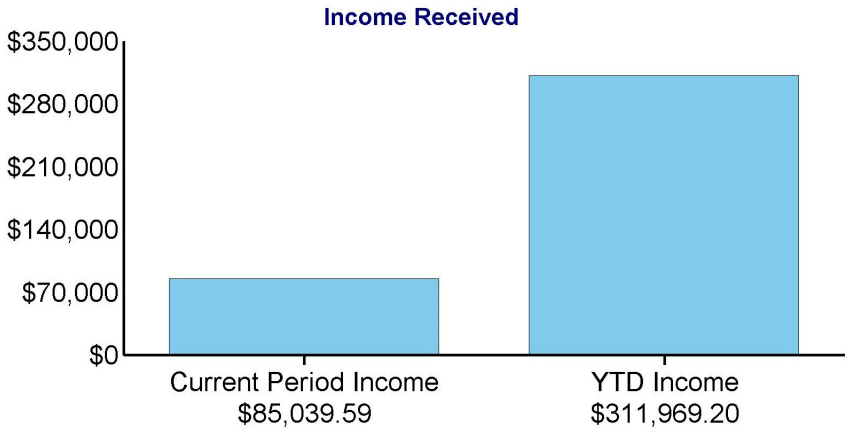




TCCWD
ACCOUNT NUMBER:

INCOME SUMMARY

	Income Received Current Period	Income Received YTD
Taxable Interest	84,804.61	309,225.98
Taxable Dividends	234.98	2,743.22
Total Current Period Income	\$85,039.59	\$311,969.20





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June 1, 2026 to June 30, 2026

ASSET DETAIL

Security Description

Shares/Face Amt	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Cash & Equivalents							
Cash/Money Market							
L Plus Platinum Class Z - USBLPPZ **							
143,534.690	1.0000	143,534.69	143,534.69	0.00	0.7	4,755.61	3.31
Total Cash/Money Market		\$143,534.69	\$143,534.69	\$0.00	0.7	\$4,755.61	
Cash							
Principal Cash		-1,085,152.57	-1,085,152.57		-5.5		
Income Cash		1,085,152.57	1,085,152.57		5.5		
Total Cash		\$0.00	\$0.00	\$0.00	0.0	\$0.00	
Total Cash & Equivalents		\$143,534.69	\$143,534.69	\$0.00	0.7	\$4,755.61	

Taxable Bonds

US Government Issues

F N M A - 3135G0Q22
1.875 09/24/2026

1,065,000.000	99.5300	1,059,994.50	994,104.19	65,890.31	5.4	19,968.75	1.88
---------------	---------	--------------	------------	-----------	-----	-----------	------

Federal Home Loan Bks - 3130B13F2
4.910 11/27/2026

500,000.000	100.3250	501,625.00	501,036.00	589.00	2.5	24,550.00	4.89
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Federal Home Loan Bks - 3130AQF65
1.250 12/21/2026

240,000.000	98.7130	236,911.20	219,049.44	17,861.76	1.2	3,000.00	1.27
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June 1, 2026 to June 30, 2026

ASSET DETAIL (continued)

Security Description

	Shares/Face Amt	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Federal Agri Mtg Corp M T N - 31424WHG0 4.800 04/16/2027	1,000,000.000	100.5150	1,005,150.00	1,000,259.25	4,890.75	5.1	48,000.00	4.77
Federal Farm Credit Bks - 3133EAXT0 2.750 07/16/2027	525,000.000	98.6650	517,991.25	493,874.85	24,116.40	2.6	14,437.50	2.79
U S Treasury Note - 91282CFB2 2.750 07/31/2027	525,000.000	98.5350	517,308.75	494,152.05	23,156.70	2.6	14,437.50	2.79
Federal Farm Credit Bks - 3133EPXB6 4.625 09/28/2027	250,000.000	100.5760	251,440.00	249,324.50	2,115.50	1.3	11,562.50	4.60
F N M A - 3135G05Y5 0.750 10/08/2027	855,000.000	95.8610	819,611.55	748,481.54	71,130.01	4.1	6,412.50	0.78
U S Treasury Note - 91282CBB6 0.625 12/31/2027	575,000.000	94.9060	545,709.50	497,301.40	48,408.10	2.8	3,593.75	0.66
U S Treasury Note - 91282CGC9 3.875 12/31/2027	250,000.000	99.5780	248,945.00	243,381.58	5,563.42	1.3	9,687.50	3.89
Federal Farm Credit Bks - 3133EESB7 2.850 03/02/2028	265,000.000	97.8260	259,238.90	247,807.33	11,431.57	1.3	7,552.50	2.91
U S Treasury Note - 91282CBZ3 1.250 04/30/2028	855,000.000	94.9060	811,446.30	749,777.72	61,668.58	4.1	10,687.50	1.32
U S Treasury Note - 91282CCH2 1.250 06/30/2028	1,170,000.000	94.4690	1,105,287.30	1,020,492.48	84,794.82	5.6	14,625.00	1.32



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June 1, 2026 to June 30, 2026

ASSET DETAIL (continued)

Security Description

	Shares/Face Amt	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Federal Home Loan Bks - 3130AWTR1 4.375 09/08/2028	250,000.000	100.3960	250,990.00	247,188.75	3,801.25	1.3	10,937.50	4.36
U S Treasury Note - 91282CCY5 1.250 09/30/2028	865,000.000	93.7890	811,274.85	749,441.19	61,833.66	4.1	10,812.50	1.33
Federal Farm Credit Bks - 3133EJ2D0 3.430 12/06/2028	250,000.000	98.2580	245,645.00	237,401.00	8,244.00	1.2	8,575.00	3.49
U S Treasury Note - 91282CJR3 3.750 12/31/2028	510,000.000	99.0080	504,940.80	491,753.73	13,187.07	2.5	19,125.00	3.79
Federal Farm Credit Bks - 3133ERAK7 4.375 04/10/2029	250,000.000	100.5010	251,252.50	247,081.50	4,171.00	1.3	10,937.50	4.35
Federal Agri Mtg Corp M T N - 31424WHP0 4.650 04/26/2029	750,000.000	101.3000	759,750.00	749,994.00	9,756.00	3.8	34,875.00	4.59
U S Treasury Note - 91282CEV9 3.250 06/30/2029	624,000.000	97.4340	607,988.16	615,240.96	-7,252.80	3.1	20,280.00	3.34
U S Treasury Note - 91282CFL0 3.875 09/30/2029	800,000.000	99.0940	792,752.00	786,792.00	5,960.00	4.0	31,000.00	3.91
Federal Agri Mtg Corp M T N - 31424WRE4 4.250 11/19/2029	995,000.000	99.9020	994,024.90	998,096.44	-4,071.54	5.0	42,287.50	4.25
Federal Farm Credit Bks - 3133ETBF3 4.000 04/01/2030	1,000,000.000	99.2140	992,140.00	1,007,660.00	-15,520.00	5.0	40,000.00	4.03



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June 1, 2026 to June 30, 2026

ASSET DETAIL (continued)

Security Description

Shares/Face Amt	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Resolution Fdg Strip - 76116FAC1 Stripped Prin Pmt 04/15/2030 Zero Cpn							
250,000.000	84.9130	212,282.50	213,630.00	-1,347.50	1.1	0.03	0.00
Federal Home Loan Bks - 3130AWGS3 4.125 06/14/2030							
520,000.000	99.7270	518,580.40	525,730.40	-7,150.00	2.6	21,450.00	4.14
U S Treasury Note - 91282CNK3 3.875 06/30/2030							
223,000.000	98.8440	220,422.12	226,244.65	-5,822.53	1.1	8,641.25	3.92
Federal Home Loan Bks - 3130AWTS9 4.500 09/13/2030							
570,000.000	101.1130	576,344.10	593,672.10	-17,328.00	2.9	25,650.00	4.45
Federal Agri Mtg Corp M T N - 31424W4W9 3.750 12/16/2030							
750,000.000	98.1400	736,050.00	752,377.50	-16,327.50	3.7	28,125.00	3.82
Federal Farm Credit Bks - 3133EWKK5 4.000 04/07/2031							
1,000,000.000	99.0790	990,790.00	1,005,400.00	-14,610.00	5.0	40,000.00	4.04
U S Treasury Note - 91282CKU4 4.625 05/31/2031							
1,000,000.000	101.7930	1,017,930.00	1,021,110.00	-3,180.00	5.1	46,250.00	4.54
Total US Government Issues		\$18,363,816.58	\$17,927,856.55	\$435,960.03	92.7	\$587,461.28	

Corporate Issues

Merrick Bk South Jordan Utah - 59013LCT9 C D 3.950 02/28/2029							
249,000.000	99.2120	247,037.88	249,000.00	-1,962.12	1.2	9,835.50	3.98



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June 1, 2026 to June 30, 2026

ASSET DETAIL (continued)

Security Description	Shares/Face Amt	Price	Market Value	Tax Cost	Unrealized Gain/Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Tucson Fed Cr Un Ariz - 898812AV4 C D 3.650 05/17/2029	249,000.000	98.3110	244,794.39	249,000.00	-4,205.61	1.2	9,088.50	3.71
Morgan Stanley Private Bk Natl Assn - 61776NWS8 C D 3.950 08/27/2029	200,000.000	98.9860	197,972.00	200,000.00	-2,028.00	1.0	7,900.00	3.99
Morgan Stanley Bk N A Salt Lake City - 61778EDR9 C D 3.950 08/27/2030	150,000.000	98.4770	147,715.50	150,000.00	-2,284.50	0.7	5,925.00	4.01
State Bk India New York N Y - 856288CZ6 C D 3.750 09/25/2030	245,000.000	97.6870	239,333.15	245,000.00	-5,666.85	1.2	9,187.50	3.84
Goldman Sachs Bk USA New York - 38151PAT8 C D 3.750 10/15/2030	230,000.000	97.6350	224,560.50	230,000.00	-5,439.50	1.1	8,625.00	3.84
Total Corporate Issues			\$1,301,413.42	\$1,323,000.00	-\$21,586.58	6.6	\$50,561.50	
Total Taxable Bonds			\$19,665,230.00	\$19,250,856.55	\$414,373.45	99.3	\$638,022.78	
Total Assets			\$19,808,764.69	\$19,394,391.24	\$414,373.45	100.0	\$642,778.39	
Estimated Current Yield								3.24



TCCWD
ACCOUNT NUMBER:

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June 1, 2026 to June 30, 2026

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

You can exclude a participating bank from holding your deposits in the Liquidity Plus program by directing U.S. Bank to remove the bank from the Bank List. See usbank.com/LiquidityPlus to obtain the current Bank List and Opt-Out Form.

****Your U.S. Bank Liquidity Plus Program as of 06/30/2026 was allocated as follows:**

Total Balance \$143,534.69

Bank Name	Balance	Excluded Bank Name
Lake Forest Bank and Trust Co	\$9.47	None
State Bank of the Lakes, N.A.	\$56.42	
Pacific National Bank	\$143,369.79	
First Bank - MO	\$32.90	
CCBank	\$60.69	
Milestone Bank	\$5.42	



TCCWD
ACCOUNT NUMBER:

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June 1, 2026 to June 30, 2026

TRANSACTION DETAIL

Date Posted	Activity	Description	Income Cash	Principal Cash	Tax Cost
Beginning Balance 06/01/2026			\$1,000,347.96	-\$1,000,347.96	\$19,274,405.34
06/08/26	Asset Income	Interest Earned On F F C B Deb 3.430% 12/06/28 0.01715 USD/\$1 Pv On 250,000 Par Value Due 6/6/26	4,287.50		
06/08/26	Purchase	Purchased 4,287.5 Shares Of L Plus Platinum Class Z Trade Date 6/8/26 Purchased Through Direct From Issuer 4,287.5 Shares At 1.00 USD		-4,287.50	4,287.50
06/12/26	Purchase	Purchased 1,000,000 Par Value Of U S Treasury Nt 4.625% 5/31/31 Trade Date 6/10/26 Purchased Through Pershing LLC Purchased On The Icap Electronic Broking (US) 1,000,000 Par Value At 102.111 %		-1,021,110.00	1,021,110.00
06/12/26	Purchase Accrued Interest	Paid Accrued Interest On Purchase Of U S Treasury Nt 4.625% 5/31/31 Income Debit 1,516.39- USD	-1,516.39		
06/12/26	Sale	Matured 480,000 Par Value Of F H L B Deb 5.750% 6/12/26 Trade Date 6/12/26 480,000 Par Value At 100 %		480,000.00	-488,069.76
06/12/26	Sale	Matured 540,000 Par Value Of F H L B Deb 0.875% 6/12/26 Trade Date 6/12/26 540,000 Par Value At 100 %		540,000.00	-496,819.44
06/12/26	Asset Income	Interest Earned On F H L B Deb 0.875% 6/12/26 0.004375 USD/\$1 Pv On 540,000 Par Value Due 6/12/26	2,362.50		
06/12/26	Asset Income	Interest Earned On F H L B Deb 5.750% 6/12/26 0.02875 USD/\$1 Pv On 480,000 Par Value Due 6/12/26	13,800.00		



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June 1, 2026 to June 30, 2026

TRANSACTION DETAIL (continued)

Date Posted	Activity	Description	Income Cash	Principal Cash	Tax Cost
06/12/26	Purchase	Purchased 13,536.11 Shares Of L Plus Platinum Class Z Trade Date 6/12/26 Purchased Through Direct From Issuer 13,536.11 Shares At 1.00 USD		-13,536.11	13,536.11
06/15/26	Asset Income	Interest Earned On F H L B Deb 4.125% 6/14/30 0.020625 USD/\$1 Pv On 520,000 Par Value Due 6/14/26	10,725.00		
06/15/26	Purchase	Purchased 10,725 Shares Of L Plus Platinum Class Z Trade Date 6/15/26 Purchased Through Direct From Issuer 10,725 Shares At 1.00 USD		-10,725.00	10,725.00
06/16/26	Asset Income	Interest Earned On F A M C M T N 3.750% 12/16/30 0.01875 USD/\$1 Pv On 750,000 Par Value Due 6/16/26	14,062.50		
06/16/26	Purchase	Purchased 14,062.5 Shares Of L Plus Platinum Class Z Trade Date 6/16/26 Purchased Through Direct From Issuer 14,062.5 Shares At 1.00 USD		-14,062.50	14,062.50
06/17/26	Asset Income	Interest Earned On Tucson Fed C D 3.650% 5/17/29 0.0031 USD/\$1 Pv On 249,000 Par Value Due 6/17/26	771.90		
06/17/26	Purchase	Purchased 771.9 Shares Of L Plus Platinum Class Z Trade Date 6/17/26 Purchased Through Direct From Issuer 771.9 Shares At 1.00 USD		-771.90	771.90
06/22/26	Asset Income	Interest Earned On F H L B Deb 1.250% 12/21/26 0.00625 USD/\$1 Pv On 240,000 Par Value Due 6/21/26	1,500.00		
06/22/26	Purchase	Purchased 1,500 Shares Of L Plus Platinum Class Z Trade Date 6/22/26 Purchased Through Direct From Issuer 1,500 Shares At 1.00 USD		-1,500.00	1,500.00



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June 1, 2026 to June 30, 2026

TRANSACTION DETAIL (continued)

Date Posted	Activity	Description	Income Cash	Principal Cash	Tax Cost
06/25/26	Fee	Trust Fees Collected Charged For Period 05/01/2026 Thru 05/31/2026		-164.49	
06/25/26	Sale	Sold 164.49 Shares Of L Plus Platinum Class Z Trade Date 6/25/26 Sold Through Direct From Issuer 164.49 Shares At 1.00 USD		164.49	-164.49
06/29/26	Asset Income	Interest Earned On Merrick Bk C D 3.950% 2/28/29 0.003355 USD/\$1 Pv On 249,000 Par Value Due 6/29/26	835.34		
06/29/26	Purchase	Purchased 835.34 Shares Of L Plus Platinum Class Z Trade Date 6/29/26 Purchased Through Direct From Issuer 835.34 Shares At 1.00 USD		-835.34	835.34
06/30/26	Asset Income	Interest Earned On U S Treasury Nt 3.250% 6/30/29 0.01625 USD/\$1 Pv On 624,000 Par Value Due 6/30/26	10,140.00		
06/30/26	Asset Income	Interest Earned On U S Treasury Nt 3.875% 6/30/30 0.019375 USD/\$1 Pv On 223,000 Par Value Due 6/30/26	4,320.63		
06/30/26	Asset Income	Interest Earned On U S Treasury Nt 0.625% 12/31/27 0.003125 USD/\$1 Pv On 575,000 Par Value Due 6/30/26	1,796.88		
06/30/26	Asset Income	Interest Earned On U S Treasury Nt 1.250% 6/30/28 0.00625 USD/\$1 Pv On 1,170,000 Par Value Due 6/30/26	7,312.50		
06/30/26	Asset Income	Interest Earned On U S Treasury Nt 3.750% 12/31/28 0.01875 USD/\$1 Pv On 510,000 Par Value Due 6/30/26	9,562.50		
06/30/26	Asset Income	Interest Earned On U S Treasury Nt 3.875% 12/31/27 0.019375 USD/\$1 Pv On 250,000 Par Value Due 6/30/26	4,843.75		
06/30/26	Asset Income	Dividend Earned On L Plus Platinum Class Z	234.98		



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TRANSACTION DETAIL (continued)

Date Posted	Activity	Description	Income Cash	Principal Cash	Tax Cost
06/30/26	Cash Disbursement	Cash Disbursement Transfer To Principal	-234.98		
06/30/26	Cash Receipt	Cash Receipt Transfer From Income		234.98	
06/30/26	Purchase	Purchased 234.98 Shares Of L Plus Platinum Class Z Trade Date 6/30/26 Reinvestment Of Income Received 6/30/26		-234.98	234.98
06/30/26	Purchase	Purchased 37,976.26 Shares Of L Plus Platinum Class Z Trade Date 6/30/26 Purchased Through Direct From Issuer 37,976.26 Shares At 1.00 USD		-37,976.26	37,976.26
	Purchase	Combined Purchases For The Period 6/ 1/26 - 6/30/26 Of First Am Govt Ob Fd Cl Z		-69,233.98	69,233.98
	Sale	Combined Sales For The Period 6/ 1/26 - 6/30/26 Of First Am Govt Ob Fd Cl Z		69,233.98	-69,233.98
Ending Balance 06/30/2026			\$1,085,152.57	-\$1,085,152.57	\$19,394,391.24



TCCWD
ACCOUNT NUMBER:

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June 1, 2026 to June 30, 2026

SALE/MATURITY SUMMARY

	Settlement Date	Description	Tax Cost	Proceeds	Estimated Gain/Loss
Cash and Equivalents					
L Plus Platinum Class Z USBLPPZ					
	06/25/26	Sold 164.49 Shares Trade Date 6/25/26 Sold Through Direct From Issuer 164.49 Shares At 1.00 USD	-164.49	164.49	
Total Cash and Equivalents			-\$164.49	\$164.49	\$0.00
Taxable Bonds					
Federal Home Loan Bks 0.875 06/12/2026 3130AN4T4					
	06/12/26	Matured 540,000 Par Value Trade Date 6/12/26 540,000 Par Value At 100 %	-496,819.44	540,000.00	43,180.56
Federal Home Loan Bks 5.750 06/12/2026 3133XG6E9					
	06/12/26	Matured 480,000 Par Value Trade Date 6/12/26 480,000 Par Value At 100 %	-488,069.76	480,000.00	-8,069.76
Total Taxable Bonds			-\$984,889.20	\$1,020,000.00	\$35,110.80
Total Sales & Maturities			-\$985,053.69	\$1,020,164.49	\$35,110.80



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ACCOUNT NUMBER:

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SALE/MATURITY SUMMARY MESSAGES

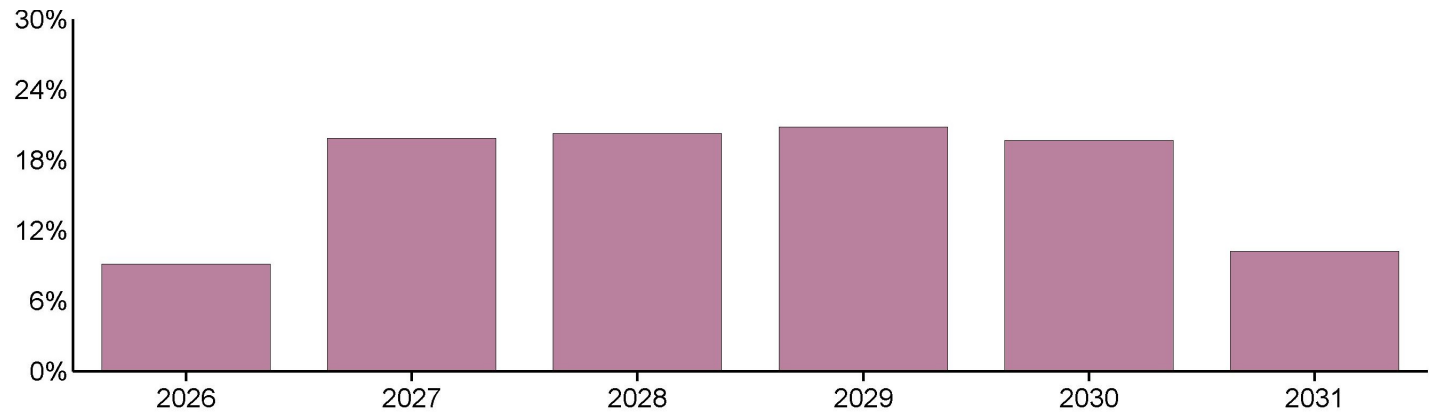
Estimated Year-To-Date Long-Term Gain (Loss): \$40,442.05

Estimates should not be used for tax purposes



TCCWD
ACCOUNT NUMBER:

BOND SUMMARY



	Par Value	Market Value	Percentage of Category
MATURITY			
2026	1,805,000.00	1,798,530.70	9.15
2027	3,980,000.00	3,906,156.05	19.87
2028	4,165,000.00	3,988,823.15	20.29
2029	4,117,000.00	4,095,571.83	20.82
2030	3,938,000.00	3,867,428.27	19.66
2031	2,000,000.00	2,008,720.00	10.21
Total of Category	\$20,005,000.00	\$19,665,230.00	100.00

MOODY'S RATING			
Aa1	14,714,000.00	14,436,137.06	73.41
N/A	3,968,000.00	3,927,679.52	19.97
NOT RATED	1,323,000.00	1,301,413.42	6.62
Total of Category	\$20,005,000.00	\$19,665,230.00	100.00



TCCWD
ACCOUNT NUMBER:

BOND SUMMARY (continued)

	Par Value	Market Value	Percentage of Category
S&P RATING			
AA+	7,540,000.00	7,472,554.40	38.00
N/A	11,142,000.00	10,891,262.18	55.38
NOT RATED	1,323,000.00	1,301,413.42	6.62
Total of Category	\$20,005,000.00	\$19,665,230.00	100.00

BOND SUMMARY MESSAGES

Data contained within this section excluded Mutual Funds, Exchange Traded Funds, and Closed-Ended Funds.

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Official website of the State of California



State of California
Office of the
State Treasurer

LAIF Monthly Statements

LAIF Monthly Statement

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
DISTRICT TREASURER
P.O. BOX 326
TEHACHAPI, CA 93581

LAIF Account #:

June 2026 Statement

Effective Date	TXN Date	TXN Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
6/17/2026	6/17/2026	RW	1801264	1761968	CRYSTAL SAMPSON	-990,000.00

Account Summary

Beginning Balance:	8,139,077.58
Total Deposit:	0.00
Total Withdrawal:	-990,000.00
Ending Balance:	7,149,077.58



MALIA M. COHEN
California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name TEHACHAPI-CUMMINGS CNTY WTR D

Account Number

As of 7/15/2026, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 6/30/2026.

Earnings Ratio		0.00010743238142967
Interest Rate		3.92%
Dollar Day Total	\$	607,420,641.92
Quarter End Principal Balance	\$	7,149,077.58
Quarterly Interest Earned	\$	65,256.65



PMIA/LAIF Performance Report as of 07/22/26



Quarterly Performance Quarter Ended 06/30/26

LAIF Apportionment Rate ⁽²⁾ :	3.92
LAIF Earnings Ratio ⁽²⁾ :	0.00010743238142967
LAIF Administrative Cost ^{(1)*} :	0.22
LAIF Fair Value Factor ⁽¹⁾ :	0.998872382
PMIA Daily ⁽¹⁾ :	3.83
PMIA Quarter to Date ⁽¹⁾ :	3.81
PMIA Average Life ⁽¹⁾ :	269

PMIA Average Monthly Effective Yields⁽¹⁾

June	3.816
May	3.810
April	3.811
March	3.826
February	3.871
January	3.931

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 06/30/26 \$193.1 billion

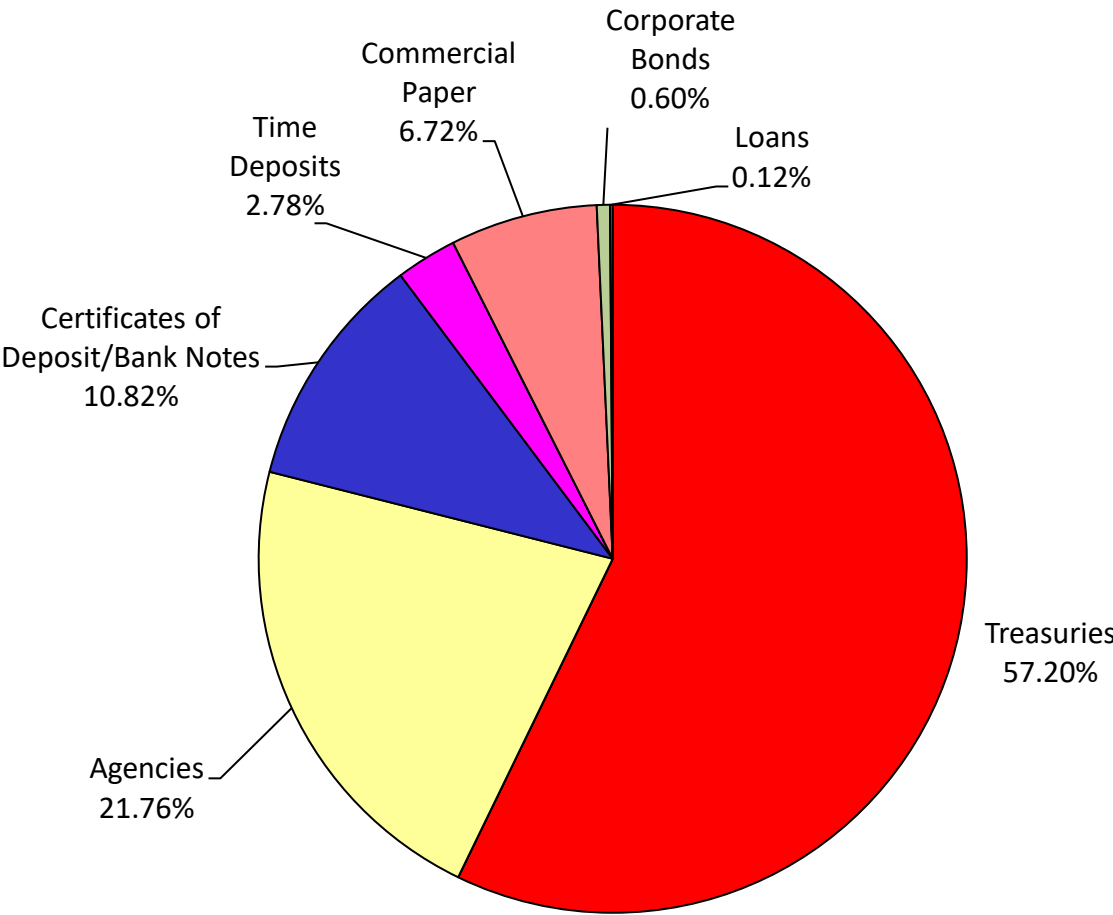


Chart does not include \$749,000.00 in mortgages, which equates to 0.0004%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1).

*The percentage of administrative cost equals the total administrative cost divided by the quarterly interest earnings. The law provides that administrative costs are not to exceed 5% of quarterly EARNINGS of the fund. However, if the 13-week Daily Treasury Bill Rate on the last day of the fiscal year is below 1%, then administrative costs shall not exceed 8% of quarterly EARNINGS of the fund for the subsequent fiscal year.

Source:
⁽¹⁾ State of California, Office of the Treasurer
⁽²⁾ State of California, Office of the Controller

ATTACHMENT E**COUNTY OF KERN
MONTHLY CASH BALANCE**

As of Date: 6/30/2026

FUND	FUND NAME	AS OF DATE	TREASURERS CASH
8271	Tehachapi-Cummings Water M & O	06/30/2026	\$0.00
8287	Tehachapi-Cummings Wat Imp #2	06/30/2026	\$0.00
8301	Tehachapi-Cummings Wat Imp #3	06/30/2026	\$0.00
8315	Teh-Cum Co Water-State Payment	06/30/2026	\$0.00
8327	Teh Cum Wt-Fld Con Ben Assm Ar	06/30/2026	\$0.00
8340	Tccwd Investment Account	06/30/2026	\$37,035.14
			\$37,035.14

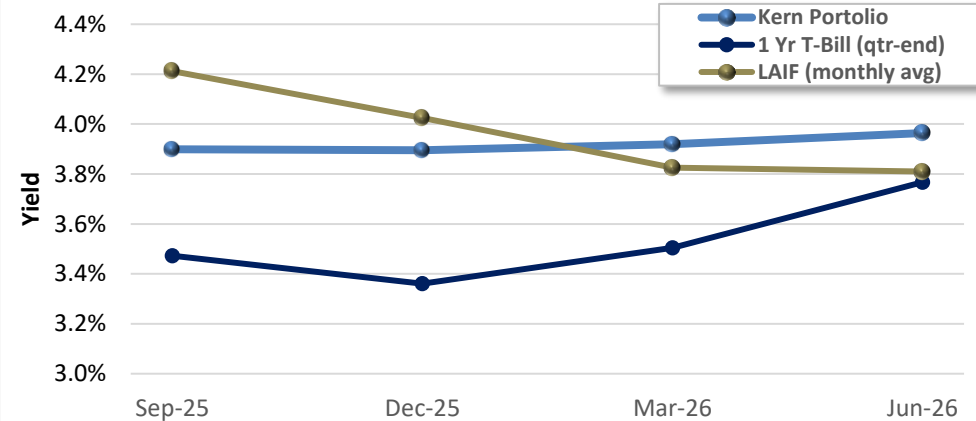


Kern County Treasurer's Pooled Cash Portfolio Summary

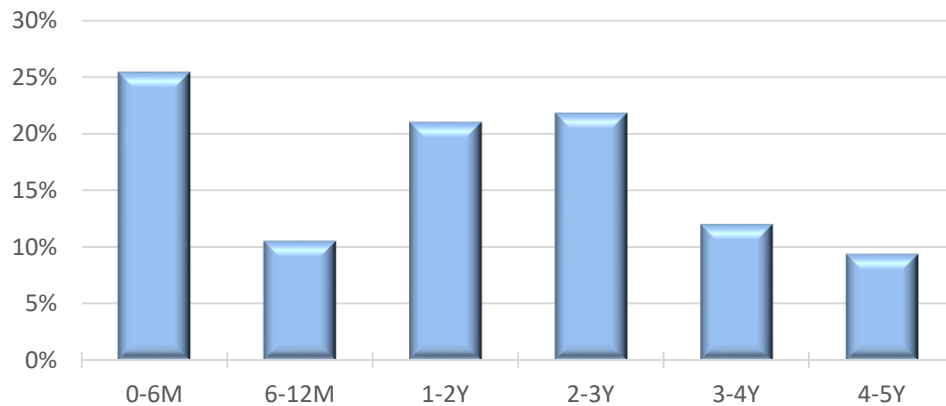
6/30/2026

Total Market Value	\$ 7,148,044,534
Yield to Maturity at Cost	3.96%
Yield to Maturity at Market	4.09%
Effective Duration	1.60
Weighted Average Years to Maturity	1.76

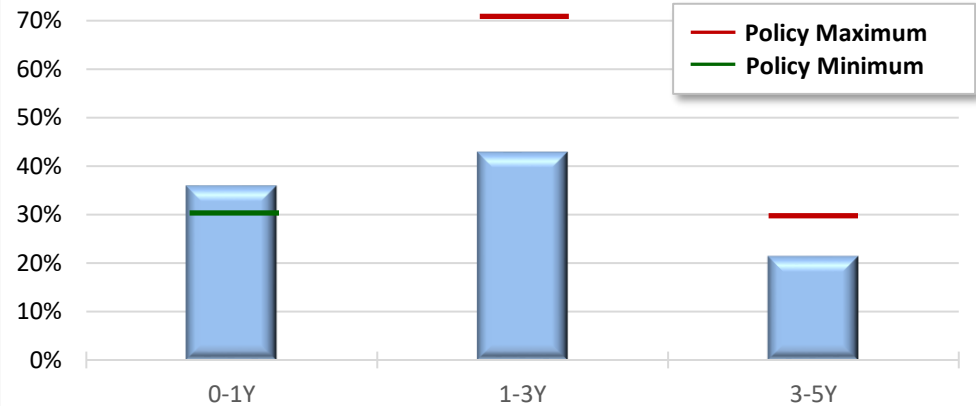
Portfolio Yield for the Trailing 4 Quarters



Maturity Distribution



Maturity Range



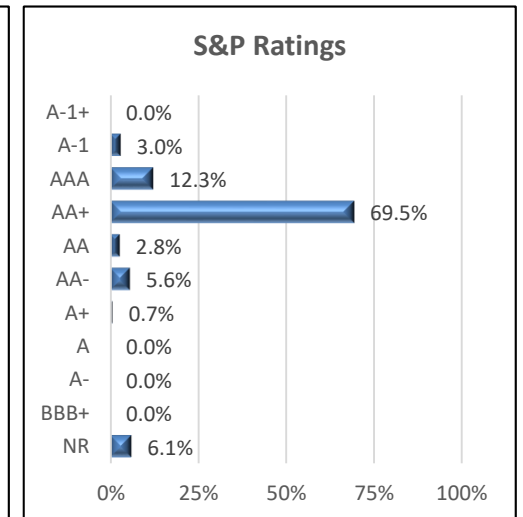
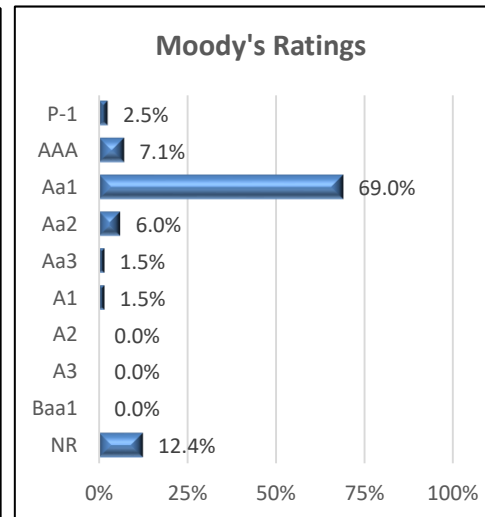
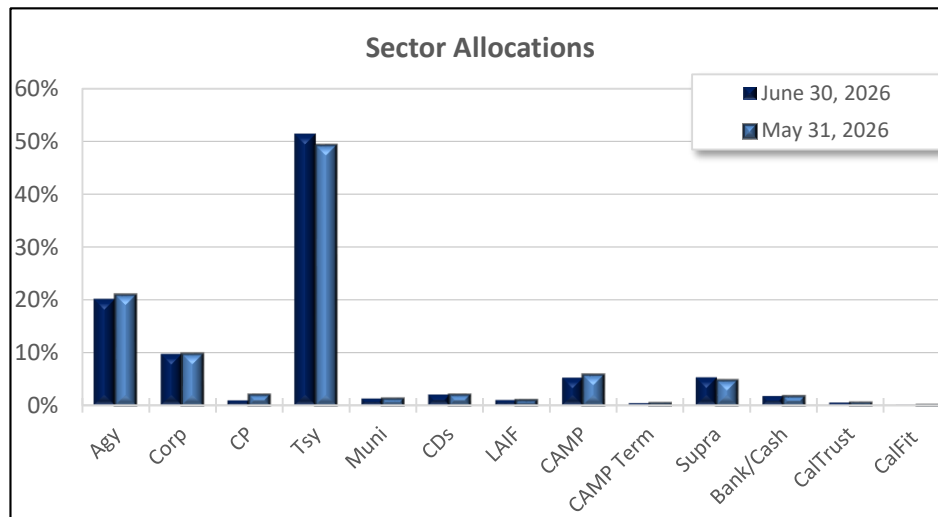
*The County Treasurer believes the Treasury Investment Pool contains sufficient cash flow from liquid and maturing securities, bank deposits, and incoming cash to meet the next six months of expected expenditures.



Kern County Treasurer's Pooled Cash Portfolio Summary

6/30/2026

Sector	Par Amount	Original Cost	Market Value	Original Yield	% of Total Assets	Policy Limit Rating	Days to Maturity
Local Agency Investment Fund	72,255,425	72,255,425	72,255,425	3.82%	1.01%	\$75 Million	1
California Asset Management Program	370,065,533	370,065,533	370,065,533	3.77%	5.18%	10%	1
CAMP - Term	30,000,000	30,000,000	30,000,000	3.86%	0.42%	10%	1
CalTRUST	37,680,045	37,680,045	37,680,045	3.75%	0.53%	10%	1
CalFIT	5,114,129	5,114,129	5,114,129	3.78%	0.07%	10%	1
Money Markets	36,682,041	36,682,041	36,682,041	3.50%	0.51%	10%	1
Bank Sweep (ICS)	22,618,685	22,618,685	22,618,685	0.00%	0.32%	10%	1
U.S. Treasuries	3,805,500,000	3,635,892,917	3,714,086,071	3.98%	51.96%	100%	638
Federal Agencies	1,432,646,000	1,427,256,030	1,426,138,645	3.98%	19.95%	75%	715
Municipal Bonds	89,590,000	91,850,580	90,652,257	4.10%	1.27%	10%	1,301
Supranationals	381,506,000	374,448,342	377,411,353	4.25%	5.28%	10%	793
Negotiable CDs	145,000,000	145,000,000	144,988,196	3.91%	2.03%	30%	55
Commercial Paper	70,000,000	68,231,400	69,234,953	3.96%	0.97%	40%	116
Corporate Notes	705,425,000	690,107,448	686,304,954	3.97%	9.60%	30%	1,047
Total Securities	7,204,082,858	7,007,202,576	7,083,232,288	3.96%	99.09%		642
Total Cash	64,812,247	64,812,247	64,812,247		0.91%		
Total Assets	7,268,895,104	7,072,014,822	7,148,044,534		100.00%		





Customer Service
PO Box 11813
Harrisburg, PA 17108-1813

ACCOUNT STATEMENT

For the Month Ending
June 30, 2026

Tehachapi-Cummings County Water District**Client Management Team****Jeremy King**

Key Account Manager
213 Market Street
Harrisburg, PA 17101-2141
1-855-678-5447 (1-855-OST-LGIP)
kingj@pfmam.com

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Individual Accounts

Accounts included in Statement

Tehachapi-Cummings County Water District

Important Messages

CAMP will be closed on 07/03/2026 for Independence Day (observed).

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
CRYSTAL SAMPSON
PO BOX 326
TEHACHAPI, CA 93581

Online Access www.camponline.com

Customer Service 1-800-729-7665



Account Statement

For the Month Ending **June 30, 2026**

Important Disclosures

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management ("PFMAM") is a division of U.S. Bancorp Asset Management, Inc. ("USBAM"), a SEC-registered investment adviser. USBAM is direct subsidiary of U.S. Bank National Association ("U.S. Bank") and an indirect subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFMAM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFMAM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFMAM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFMAM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFMAM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFMAM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by ICE Data Services. There may be differences in the values shown for investments due to accrued but uncollected income and the use of differing valuation sources and methods. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Shares of some local government investment programs and TERM funds are distributed by representatives of USBAM's affiliate, U.S. Bancorp Investments, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address <https://www.finra.org/investors/investor-contacts>. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

Key Terms and Definitions

Dividends on local government investment program funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by

365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed. **Average maturity** represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

YTM at Cost The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

YTM at Market The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Managed Account A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFMAM within 60 days of receipt. If you have other concerns or questions regarding your account, or to request an updated copy of PFMAM's current disclosure statement, please contact a member of your client management team at PFMAM Service Operations at the address below.

PFM Asset Management
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED

NO BANK GUARANTEE

MAY LOSE VALUE



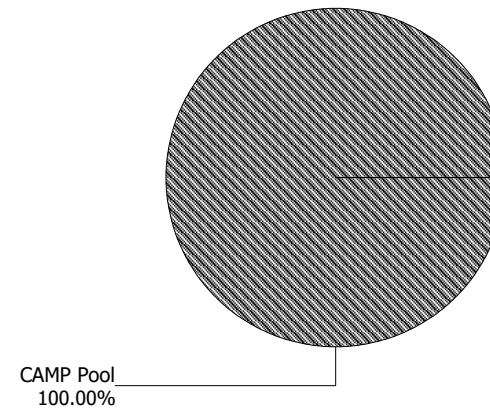
Account Statement - Transaction Summary

For the Month Ending **June 30, 2026**

Tehachapi-Cummings County Water District - Tehachapi-Cummings County Water District -

CAMP Pool	
Opening Market Value	12,481.71
Purchases	38.65
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$12,520.36
Cash Dividends and Income	38.65

Asset Summary		
	June 30, 2026	May 31, 2026
CAMP Pool	12,520.36	12,481.71
Total	\$12,520.36	\$12,481.71
Asset Allocation		





Account Statement

For the Month Ending **June 30, 2026**

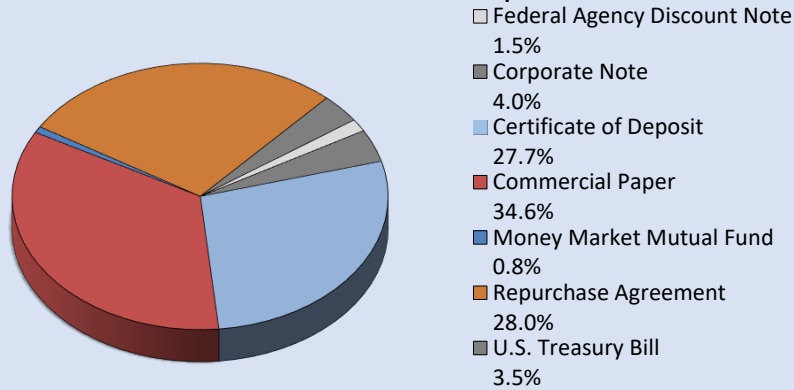
Tehachapi-Cummings County Water District - Tehachapi-Cummings County Water District -

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					12,481.71
06/30/26	07/01/26	Accrual Income Div Reinvestment - Distributions	1.00	38.65	12,520.36
Closing Balance					12,520.36

	Month of June	Fiscal YTD July-June		
Opening Balance	12,481.71	7,364,984.43	Closing Balance	12,520.36
Purchases	38.65	1,295,036.93	Average Monthly Balance	12,483.00
Redemptions (Excl. Checks)	0.00	(8,647,501.00)	Monthly Distribution Yield	3.77%
Check Disbursements	0.00	0.00		
Closing Balance	12,520.36	12,520.36		
Cash Dividends and Income	38.65	145,036.93		

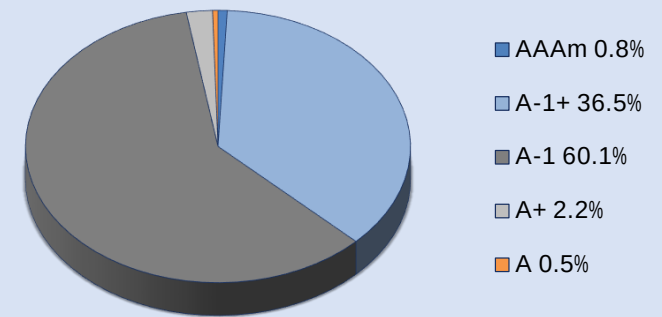
Total Fund Net Assets ¹	\$19,096,799,211	Weighted Average Maturity	53 Days
Current 7-Day Yield ²	3.78%	Net Asset Value per Share	\$1.00
S&P Rating ³	AAAm		

Portfolio Sector Composition



Percentages may not total to 100% due to rounding.

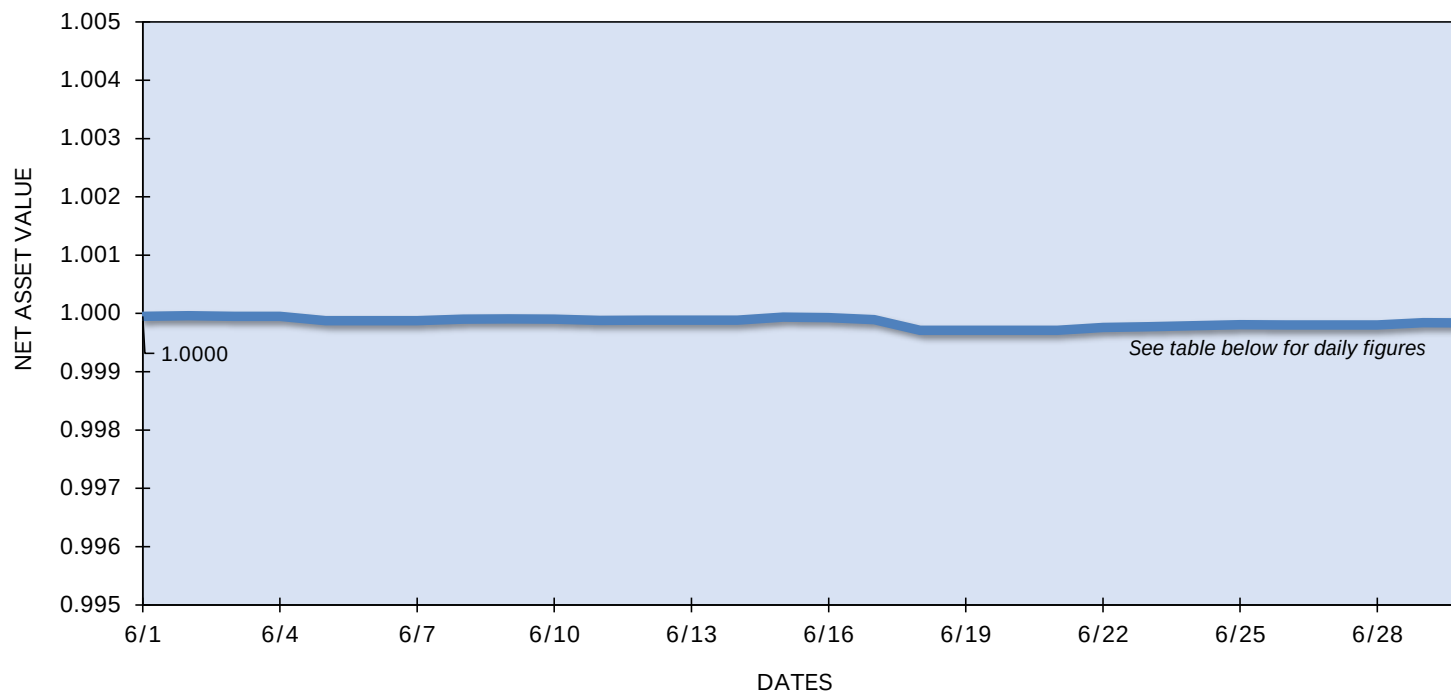
Portfolio Credit Quality Distribution**



**Ratings by S&P Global.
Percentages may not total 100% due to rounding.

1. Total fund net assets, portfolio holdings valued at amortized cost, trade date based.
2. As of June 30, 2026. The current seven-day yield of the CAMP Cash Reserve Portfolio may, from time to time, be quoted in reports, literature and advertisements published by the Trust. The current seven-day yield, also known as the current annualized yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally \$1.00 per share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. **Past performance is not indicative of future results and yields may vary.**
3. S&P Global AAAm Rating: S&P evaluates a number of factors, including credit quality, market price, exposure, and management. Please visit [SPGlobal.com/Ratings](https://www.spglobal.com/ratings) for more information and ratings methodology.

CAMP Daily Net Asset Value¹ June 2026



Daily Figures

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1.0000	1.0000	0.9999	1.0000	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999
17	18	19	20	21	22	23	24	25	26	27	28	29	30		
0.9999	0.9997	0.9997	0.9997	0.9997	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998		

- Under GASB 79 an LGIP is permitted to conduct purchases and redemptions of its shares at \$1.00 per share so long that the fund's mark to market NAV is within one-half of one percent of the amortized cost NAV of the fund (between 0.995 and 1.005).

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This information is for institutional investor use only, not for further distribution to retail investors, and does not represent an offer to sell or a solicitation of an offer to buy or sell any fund or other security. Investors should consider the Trust's investment objectives, risks, charges and expenses before investing in the Trust. This and other information about the Trust is available in the Trust's current Information Statement, which should be read carefully before investing. A copy of the Trust's Information Statement may be obtained by calling 1-800-729-7665 or is available on the Trust's website at www.camponline.com. While the Cash Reserve Portfolio seeks to maintain a stable net asset value of \$1.00 per share and the CAMP Term Portfolio seeks to achieve a net asset value of \$1.00 per share at the stated maturity, it is possible to lose money investing in the Trust. An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by U.S. Bancorp Investments, Inc., member FINRA (www.finra.org) and SIPC (www.sipc.org). PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc., which serves as administrator and investment adviser to the Trust. U.S. Bancorp Asset Management, Inc. is a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bancorp Investments, Inc. is a subsidiary of U.S. Bancorp and affiliate of U.S. Bank N.A.



California Asset Management Trust Cash Reserve Portfolio

Schedule of Investments

For the Month Ending

June 30, 2026

Category of Investment / Issuer	CUSIP	Yield to Maturity	Maturity Date for WAM ⁽¹⁾	Maturity Date for WAL ⁽²⁾	Final Maturity Date ⁽³⁾	Principal	Value ⁽⁴⁾
U.S. Treasury Repurchase Agreement							
BNP PARIBAS	RPEK6INZ0	3.640%	07/01/2026	07/01/2026	07/01/2026	450,000,000.00	450,000,000.00
BNP PARIBAS	RPEG6E935	3.650%	07/07/2026	07/07/2026	08/10/2026	177,000,000.00	177,000,000.00
BNP PARIBAS SECS CORP	RPEG6NRZ4	3.640%	07/01/2026	07/01/2026	07/01/2026	190,900,000.00	190,900,000.00
BNP PARIBAS SECS CORP	RPEN3HMZ0	3.650%	07/02/2026	07/02/2026	07/02/2026	122,000,000.00	122,000,000.00
BOFA SECURITIES INC	RPEQ16ID3	3.650%	07/07/2026	07/07/2026	07/07/2026	121,000,000.00	121,000,000.00
CREDIT AGRICOLE CIB/US	RPEQ1D7C2	3.630%	07/06/2026	07/06/2026	07/06/2026	327,000,000.00	327,000,000.00
CREDIT AGRICOLE CIB/US	RPEN3STT3	3.620%	07/07/2026	07/07/2026	07/10/2026	205,000,000.00	205,000,000.00
CREDIT AGRICOLE CIB/US	RPEQ18QV0	3.660%	07/07/2026	07/07/2026	07/27/2026	297,000,000.00	297,000,000.00
FIXED INCOME CLEARING CO	RPEO3V4N4	3.640%	07/01/2026	07/01/2026	07/01/2026	600,000,000.00	600,000,000.00
Category of Investment Sub-Total						2,489,900,000.00	2,489,900,000.00
U.S. Treasury Debt							
UNITED STATES TREASURY	912797TF4	3.595%	07/02/2026	07/02/2026	07/02/2026	50,000,000.00	49,995,027.78
UNITED STATES TREASURY	912797UN5	3.622%	07/07/2026	07/07/2026	07/07/2026	350,000,000.00	349,789,320.85
UNITED STATES TREASURY	912797RF6	3.635%	07/09/2026	07/09/2026	07/09/2026	115,000,000.00	114,907,488.89
UNITED STATES TREASURY	912797UV7	3.686%	08/25/2026	08/25/2026	08/25/2026	55,000,000.00	54,692,038.19
UNITED STATES TREASURY	912797VN4	3.818%	10/27/2026	10/27/2026	10/27/2026	100,000,000.00	98,764,277.78
Category of Investment Sub-Total						670,000,000.00	668,148,153.49
U.S. Government Agency Repurchase Agreement							
BNP PARIBAS	RPEG69JS0	3.660%	07/02/2026	07/02/2026	07/02/2026	114,000,000.00	114,000,000.00
BNP PARIBAS	RPEK6D1W2	3.650%	07/07/2026	07/07/2026	08/10/2026	175,000,000.00	175,000,000.00
BNP PARIBAS	RPEK6GX26	3.660%	07/07/2026	07/07/2026	09/11/2026	166,000,000.00	166,000,000.00
CREDIT AGRICOLE CIB/US	RPEN3NQ83	3.670%	07/07/2026	07/07/2026	07/27/2026	104,000,000.00	104,000,000.00
FIXED INCOME CLEARING CO	RPEQ1G2M8	3.650%	07/01/2026	07/01/2026	07/01/2026	535,000,000.00	535,000,000.00
GOLDMAN SACHS & CO	RPEO3V6B8	3.650%	07/07/2026	07/07/2026	07/07/2026	244,000,000.00	244,000,000.00
JP MORGAN SECURITIES	RPET1H3P2	3.650%	07/01/2026	07/01/2026	07/01/2026	1,500,000,000.00	1,500,000,000.00
Category of Investment Sub-Total						2,838,000,000.00	2,838,000,000.00



California Asset Management Trust Cash Reserve Portfolio

Schedule of Investments

For the Month Ending

June 30, 2026

Category of Investment / Issuer	CUSIP	Yield to Maturity	Maturity Date for WAM ⁽¹⁾	Maturity Date for WAL ⁽²⁾	Final Maturity Date ⁽³⁾	Principal	Value ⁽⁴⁾
U.S. Government Agency Debt							
FEDERAL HOME LOAN BANK	313385ZC3	3.625%	07/09/2026	07/09/2026	07/09/2026	37,791,000.00	37,760,596.22
FEDERAL HOME LOAN BANK	313385A55	3.660%	08/03/2026	08/03/2026	08/03/2026	100,000,000.00	99,665,875.00
FEDERAL HOME LOAN BANK	313385B88	3.710%	08/14/2026	08/14/2026	08/14/2026	150,000,000.00	149,323,500.00
Category of Investment Sub-Total						287,791,000.00	286,749,971.22
Other Instrument - Corporate Note							
BANK OF AMERICA NA	06054RDX7	3.770%	11/02/2026	11/02/2026	11/02/2026	100,000,000.00	100,014,740.33
BANK OF AMERICA NA	06054REN8	3.800%	12/02/2026	12/02/2026	12/02/2026	100,000,000.00	100,000,000.00
BANK OF AMERICA NA	06050TQE5	4.050%	05/10/2027	05/10/2027	05/10/2027	50,000,000.00	50,000,000.00
CITIGROUP GLOBAL MARKETS	173087CB1	4.090% ⁽⁵⁾	07/01/2026	11/13/2026	11/13/2026	114,000,000.00	114,000,000.00
CITIGROUP GLOBAL MARKETS	173087CM7	4.109% ⁽⁵⁾	07/01/2026	06/10/2027	06/10/2027	50,000,000.00	50,000,000.00
STATE STREET CORP	857477CD3	4.497%	08/03/2026	08/03/2026	08/03/2026	86,000,000.00	86,003,508.80
TOYOTA MOTOR CREDIT CORP	89236TML6	4.390% ⁽⁵⁾	07/01/2026	08/07/2026	08/07/2026	16,833,000.00	16,842,653.73
TOYOTA MOTOR CREDIT CORP	89236TKX2	4.086%	08/14/2026	08/14/2026	08/14/2026	20,128,000.00	20,149,067.31
TOYOTA MOTOR CREDIT CORP	89236TLD5	3.839%	11/20/2026	11/20/2026	11/20/2026	37,000,000.00	37,218,254.40
TOYOTA MOTOR CREDIT CORP	89236TPD1	3.970% ⁽⁵⁾	07/01/2026	12/09/2026	12/09/2026	120,000,000.00	120,000,000.00
TOYOTA MOTOR CREDIT CORP	89236TJZ9	4.218%	03/22/2027	03/22/2027	03/22/2027	44,000,000.00	43,639,447.19
UBS AG/STAMFORD CT	22550L2G5	4.193%	08/07/2026	08/07/2026	08/07/2026	15,000,000.00	14,956,587.03
Category of Investment Sub-Total						752,961,000.00	752,824,258.79
Investment Company							
DWS GOVERNMENT MONEY MARKET SE	25160K207	3.564%	07/07/2026	07/07/2026	07/07/2026	145,000,000.00	145,000,000.00
GOLDMAN SACHS FINANCIAL SQUARE FUNDS -	38141W273	3.521%	07/07/2026	07/07/2026	07/07/2026	1,000,000.00	1,000,000.00
Category of Investment Sub-Total						146,000,000.00	146,000,000.00
Financial Company Commercial Paper							
ABN AMRO FUNDING USA LLC	00084CHS4	3.770%	08/26/2026	08/26/2026	08/26/2026	42,000,000.00	41,758,266.67
ABN AMRO FUNDING USA LLC	00084CK19	4.021%	10/01/2026	10/01/2026	10/01/2026	25,000,000.00	24,748,277.78
BANK OF NEW YORK MELLON	06406XPS7	4.069%	02/26/2027	02/26/2027	02/26/2027	50,000,000.00	48,683,333.33



California Asset Management Trust Cash Reserve Portfolio

Schedule of Investments

For the Month Ending

June 30, 2026

Category of Investment / Issuer	CUSIP	Yield to Maturity	Maturity Date for WAM ⁽¹⁾	Maturity Date for WAL ⁽²⁾	Final Maturity Date ⁽³⁾	Principal	Value ⁽⁴⁾
Financial Company Commercial Paper							
BARCLAYS CAPITAL INC	06743VJ43	3.963%	09/04/2026	09/04/2026	09/04/2026	100,000,000.00	99,304,861.11
BARCLAYS CAPITAL INC	06743VNN6	4.059%	01/22/2027	01/22/2027	01/22/2027	44,000,000.00	43,012,811.11
BARCLAYS CAPITAL INC	06743VP53	4.060%	02/05/2027	02/05/2027	02/05/2027	50,000,000.00	48,801,583.33
BARCLAYS CAPITAL INC	06743VR10	4.202%	04/01/2027	04/01/2027	04/01/2027	75,000,000.00	72,699,541.66
BOFA SECURITIES INC	06054PHH2	4.028%	08/17/2026	08/17/2026	08/17/2026	100,000,000.00	99,489,527.78
BOFA SECURITIES INC	06054PK96	4.007%	10/09/2026	10/09/2026	10/09/2026	100,000,000.00	98,908,333.33
BOFA SECURITIES INC	06054PN44	4.049%	01/04/2027	01/04/2027	01/04/2027	125,000,000.00	122,443,034.73
BOFA SECURITIES INC	06054PQQ2	4.245%	03/24/2027	03/24/2027	03/24/2027	85,000,000.00	82,443,813.89
CANADIAN IMPERIAL HLDS	13609ABW4	3.810% ⁽⁵⁾	07/01/2026	09/01/2026	09/01/2026	100,000,000.00	100,000,000.00
CANADIAN IMPERIAL HLDS	13607JJ25	3.900% ⁽⁵⁾	07/01/2026	01/05/2027	01/05/2027	25,000,000.00	25,000,000.00
CANADIAN IMPERIAL HLDS	13609CQK0	4.147%	03/19/2027	03/19/2027	03/19/2027	25,000,000.00	24,278,625.00
CANADIAN IMPERIAL HLDS	13609CQR5	4.169%	03/25/2027	03/25/2027	03/25/2027	60,000,000.00	58,220,000.00
CITIGROUP GLOBAL MARKETS	17291PAJ5	3.920% ⁽⁵⁾	07/01/2026	08/03/2026	08/03/2026	45,000,000.00	45,000,000.00
CITIGROUP GLOBAL MARKETS	17291PAB2	3.910% ⁽⁵⁾	07/01/2026	10/23/2026	10/23/2026	97,000,000.00	97,000,000.00
CITIGROUP GLOBAL MARKETS	17291PAH9	3.970% ⁽⁵⁾	07/01/2026	12/17/2026	12/17/2026	100,000,000.00	100,000,000.00
CITIGROUP GLOBAL MARKETS	17291YNN3	4.018%	01/22/2027	01/22/2027	01/22/2027	50,000,000.00	48,889,583.33
CREDIT AGRICOLE CIB NY	22533UL92	3.999%	11/09/2026	11/09/2026	11/09/2026	35,000,000.00	34,502,018.06
CREDIT AGRICOLE CIB NY	22533ULG6	4.003%	11/16/2026	11/16/2026	11/16/2026	49,000,000.00	48,265,571.67
CREDIT INDUST ET COMM NY	22536NCM6	3.890% ⁽⁵⁾	07/01/2026	12/31/2026	12/31/2026	140,000,000.00	140,000,000.00
CREDIT INDUST ET COMM NY	22536MP51	4.017%	02/05/2027	02/05/2027	02/05/2027	50,000,000.00	48,813,750.00
ING (US) FUNDING LLC	45685RHU4	3.889%	08/28/2026	08/28/2026	08/28/2026	65,000,000.00	64,604,150.00
LLOYDS BANK CORP MKTS/NY	53948BKW8	3.796%	10/30/2026	10/30/2026	10/30/2026	50,000,000.00	49,378,194.44
MUFG BANK LTD/NY	62479MG15	3.902%	07/01/2026	07/01/2026	07/01/2026	60,000,000.00	60,000,000.00
MUFG BANK LTD/NY	62479MLL5	3.784%	11/20/2026	11/20/2026	11/20/2026	100,000,000.00	98,548,444.44
MUFG BANK LTD/NY	62479MNR0	4.223%	01/25/2027	01/25/2027	01/25/2027	125,000,000.00	122,024,444.44
MUFG BANK LTD/NY	62479MPK3	4.080%	02/19/2027	02/19/2027	02/19/2027	125,000,000.00	121,796,250.00
NATL AUSTRALIA FDG (DE)	63253LZX6	3.850% ⁽⁵⁾	07/01/2026	10/01/2026	10/01/2026	125,000,000.00	125,000,000.00
NATL AUSTRALIA FDG (DE)	63253LZZ1	3.850% ⁽⁵⁾	07/01/2026	11/20/2026	11/20/2026	100,000,000.00	100,000,000.00
NATL SEC CLEARING CORP	63763QG68	3.764%	07/06/2026	07/06/2026	07/06/2026	100,000,000.00	99,947,777.78
NATL SEC CLEARING CORP	63763QG76	3.743%	07/07/2026	07/07/2026	07/07/2026	150,000,000.00	149,906,500.00



California Asset Management Trust Cash Reserve Portfolio

Schedule of Investments

For the Month Ending

June 30, 2026

Category of Investment / Issuer	CUSIP	Yield to Maturity	Maturity Date for WAM ⁽¹⁾	Maturity Date for WAL ⁽²⁾	Final Maturity Date ⁽³⁾	Principal	Value ⁽⁴⁾
Financial Company Commercial Paper							
PROTECTIVE LIFE SHORT	74368GGP4	3.862%	07/23/2026	07/23/2026	07/23/2026	65,000,000.00	64,847,069.44
SUMITOMO MITSUI TRUST NY	86563HG12	3.954%	07/01/2026	07/01/2026	07/01/2026	135,000,000.00	135,000,000.00
SUMITOMO MITSUI TRUST NY	86563HG79	3.949%	07/07/2026	07/07/2026	07/07/2026	175,000,000.00	174,885,958.33
SUMITOMO MITSUI TRUST NY	86563HK25	3.940%	10/02/2026	10/02/2026	10/02/2026	100,000,000.00	98,992,500.00
TOYOTA MOTOR CREDIT CORP	89233HH56	3.964%	08/05/2026	08/05/2026	08/05/2026	35,000,000.00	34,868,993.06
TOYOTA MOTOR CREDIT CORP	89233HL28	3.772%	11/02/2026	11/02/2026	11/02/2026	25,000,000.00	24,683,972.22
TOYOTA MOTOR CREDIT CORP	89233HPG3	4.079%	02/16/2027	02/16/2027	02/16/2027	60,000,000.00	58,482,000.00
Category of Investment Sub-Total						3,167,000,000.00	3,135,229,186.93
Certificate of Deposit							
BANCO BILBAO VIZ ARG NY	05971MFB6	3.900%	07/01/2026	07/01/2026	07/01/2026	35,000,000.00	35,000,000.00
BANCO SANTANDER SA/NY	05973RLL4	3.870% ⁽⁵⁾	07/01/2026	09/22/2026	09/22/2026	145,000,000.00	145,000,000.00
BANK OF MONTREAL CHICAGO	06367DTV7	3.770%	01/08/2027	01/08/2027	01/08/2027	50,000,000.00	50,000,000.00
BANK OF MONTREAL CHICAGO	06367DUM5	3.870%	03/10/2027	03/10/2027	03/10/2027	50,000,000.00	50,000,000.00
BANK OF NOVA SCOTIA HOUS	06418NLT7	3.870% ⁽⁵⁾	07/01/2026	07/01/2026	07/01/2026	100,000,000.00	100,000,000.00
BANK OF NOVA SCOTIA HOUS	06418NMC3	3.870% ⁽⁵⁾	07/01/2026	10/06/2026	10/06/2026	100,000,000.00	100,000,000.00
BANK OF NOVA SCOTIA HOUS	06418NQB1	3.930% ⁽⁵⁾	07/01/2026	11/13/2026	11/13/2026	100,000,000.00	100,000,070.02
BANK OF NOVA SCOTIA HOUS	06418NPG1	4.030%	03/18/2027	03/18/2027	03/18/2027	75,000,000.00	75,000,000.00
BARCLAYS BANK PLC NY	06745GFG1	3.890%	07/24/2026	07/24/2026	07/24/2026	75,000,000.00	75,000,000.00
BARCLAYS BANK PLC NY	06745GEM9	3.990% ⁽⁵⁾	07/01/2026	09/25/2026	09/25/2026	100,000,000.00	100,000,000.00
BARCLAYS BANK PLC NY	06745GHK0	3.850%	12/23/2026	12/23/2026	12/23/2026	50,000,000.00	50,000,000.00
BMO BANK NA	05612B3M4	4.120%	04/07/2027	04/07/2027	04/07/2027	50,000,000.00	50,000,000.00
BNP PARIBAS NY BRANCH	05593DJE4	4.190%	08/06/2026	08/06/2026	08/06/2026	50,000,000.00	50,000,000.00
CANADIAN IMP BK COMM NY	13606DMV1	4.310%	07/29/2026	07/29/2026	07/29/2026	100,000,000.00	100,000,000.00
CANADIAN IMP BK COMM NY	13606DNZ1	3.940%	09/23/2026	09/23/2026	09/23/2026	75,000,000.00	75,000,000.00
CANADIAN IMP BK COMM NY	13606DXE7	3.900% ⁽⁵⁾	07/01/2026	01/05/2027	01/05/2027	65,000,000.00	65,000,000.00
CANADIAN IMP BK COMM NY	13606DRQ7	3.740%	01/06/2027	01/06/2027	01/06/2027	50,000,000.00	50,000,000.00
CANADIAN IMP BK COMM NY	13606DSR4	3.710%	02/18/2027	02/18/2027	02/18/2027	50,000,000.00	50,000,000.00
COOPERATIEVE RABOBANK UA	21684X5D4	3.880%	11/04/2026	11/04/2026	11/04/2026	75,000,000.00	75,000,000.00
CREDIT INDUST ET COMM NY	22536WMF0	4.360%	07/15/2026	07/15/2026	07/15/2026	100,000,000.00	100,000,000.00



California Asset Management Trust Cash Reserve Portfolio

Schedule of Investments

For the Month Ending

June 30, 2026

Category of Investment / Issuer	CUSIP	Yield to Maturity	Maturity Date for WAM ⁽¹⁾	Maturity Date for WAL ⁽²⁾	Final Maturity Date ⁽³⁾	Principal	Value ⁽⁴⁾
Certificate of Deposit							
CREDIT INDUST ET COMM NY	22536WNM4	3.950%	11/13/2026	11/13/2026	11/13/2026	45,000,000.00	45,000,000.00
CREDIT INDUST ET COMM NY	22536WPM2	3.850%	01/21/2027	01/21/2027	01/21/2027	50,000,000.00	50,000,000.00
CREDIT INDUST ET COMM NY	22536WPR1	3.800%	01/29/2027	01/29/2027	01/29/2027	62,000,000.00	62,000,000.00
CREDIT INDUST ET COMM NY	22536WQX7	4.090%	04/29/2027	04/29/2027	04/29/2027	50,000,000.00	50,000,000.00
DNB BANK ASA/NEW YORK	23345HYX0	3.870%	11/13/2026	11/13/2026	11/13/2026	75,000,000.00	75,000,000.00
DNB BANK ASA/NEW YORK	23345HXS2	3.990%	04/16/2027	04/16/2027	04/16/2027	50,000,000.00	50,003,346.16
DZ BANK NY	23344JFP5	3.920% ⁽⁵⁾	07/01/2026	10/08/2026	10/08/2026	50,000,000.00	50,000,000.00
GOLDMAN SACHS BANK USA	40054PLB9	3.845% ⁽⁵⁾	07/01/2026	07/27/2026	07/27/2026	20,000,000.00	20,000,000.00
GOLDMAN SACHS BANK USA	40054PJL0	3.925% ⁽⁵⁾	07/01/2026	07/27/2026	07/27/2026	74,000,000.00	74,000,000.00
GOLDMAN SACHS BANK USA	40054PKJ3	3.920% ⁽⁵⁾	07/01/2026	08/07/2026	08/07/2026	150,000,000.00	150,019,452.26
GOLDMAN SACHS BANK USA	40054PKV6	3.850%	08/31/2026	08/31/2026	08/31/2026	100,000,000.00	100,000,000.00
GOLDMAN SACHS BANK USA	40054PJT3	3.850%	10/01/2026	10/01/2026	10/01/2026	100,000,000.00	100,000,000.00
GOLDMAN SACHS BANK USA	40054PMB8	3.900% ⁽⁵⁾	07/01/2026	10/26/2026	10/26/2026	70,000,000.00	70,000,000.00
HSBC BANK USA NA	40446JAR7	3.880% ⁽⁵⁾	07/01/2026	12/17/2026	12/17/2026	75,000,000.00	75,000,000.00
MIZUHO BANK LTD/NY	60701A3W1	3.890% ⁽⁵⁾	07/01/2026	07/01/2026	07/01/2026	190,000,000.00	190,000,000.00
MIZUHO BANK LTD/NY	60701AEB5	3.880% ⁽⁵⁾	07/01/2026	12/01/2026	12/01/2026	100,000,000.00	100,000,000.00
MIZUHO BANK LTD/NY	60701AEK5	3.890% ⁽⁵⁾	07/01/2026	12/14/2026	12/14/2026	140,000,000.00	140,000,000.00
MIZUHO BANK LTD/NY	60701AF57	3.890% ⁽⁵⁾	07/01/2026	01/04/2027	01/04/2027	100,000,000.00	100,000,000.00
NATIONAL AUSTRALIA BANK LTD/NEW YORK	63254B2K1	3.810% ⁽⁵⁾	07/01/2026	09/21/2026	09/21/2026	144,500,000.00	144,500,000.00
NATIONAL AUSTRALIA BANK LTD/NEW YORK	63254B2S4	3.930% ⁽⁵⁾	07/01/2026	11/09/2026	11/09/2026	136,000,000.00	136,000,000.00
NATIXIS NY BRANCH	63873TJB5	3.910%	12/01/2026	12/01/2026	12/01/2026	150,000,000.00	150,000,000.00
NATIXIS NY BRANCH	63873TKT4	3.770%	02/11/2027	02/11/2027	02/11/2027	35,000,000.00	35,000,000.00
NORDEA BANK ABP NEW YORK	65558WWX2	3.940%	12/23/2026	12/23/2026	12/23/2026	66,100,000.00	66,100,000.00
SKANDINAVISKA ENSKILDA BANKEN AB/NY	83050YGM6	3.720%	10/19/2026	10/19/2026	10/19/2026	50,000,000.00	50,000,000.00
SUMITOMO MITSUI TRUST NY	86564TPJ6	3.950%	07/07/2026	07/07/2026	07/07/2026	50,000,000.00	50,000,000.00
SUMITOMO MITSUI TRUST NY	86564TRQ8	3.850%	08/17/2026	08/17/2026	08/17/2026	200,000,000.00	200,000,000.00
SVENSKA HANDELSBANKEN NY	86959TTA4	3.820% ⁽⁵⁾	07/01/2026	07/06/2026	07/06/2026	25,000,000.00	25,000,000.00
SVENSKA HANDELSBANKEN NY	86959TQZ2	3.930% ⁽⁵⁾	07/01/2026	09/16/2026	09/16/2026	100,000,000.00	100,000,000.00
SVENSKA HANDELSBANKEN NY	86959TVC7	3.910% ⁽⁵⁾	07/01/2026	10/14/2026	10/14/2026	100,000,000.00	100,000,000.00
SVENSKA HANDELSBANKEN NY	86959TVH6	3.900% ⁽⁵⁾	07/01/2026	10/21/2026	10/21/2026	100,000,000.00	100,000,000.00



California Asset Management Trust Cash Reserve Portfolio

Schedule of Investments

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June 30, 2026

Category of Investment / Issuer	CUSIP	Yield to Maturity	Maturity Date for WAM ⁽¹⁾	Maturity Date for WAL ⁽²⁾	Final Maturity Date ⁽³⁾	Principal	Value ⁽⁴⁾
Certificate of Deposit							
SVENSKA HANDELSBANKEN NY	86959TWN2	4.020%	01/15/2027	01/15/2027	01/15/2027	40,000,000.00	40,000,000.00
SVENSKA HANDELSBANKEN NY	86959TTL0	3.910% ⁽⁵⁾	07/01/2026	01/20/2027	01/20/2027	50,000,000.00	50,000,000.00
SVENSKA HANDELSBANKEN NY	86959TWT9	3.900% ⁽⁵⁾	07/01/2026	01/26/2027	01/26/2027	100,000,000.00	100,000,000.00
SVENSKA HANDELSBANKEN NY	86959TUS3	4.180%	03/24/2027	03/24/2027	03/24/2027	75,000,000.00	75,002,400.11
TORONTO DOMINION BANK NY	89115MAW6	4.080%	10/01/2026	10/01/2026	10/01/2026	50,000,000.00	50,000,000.00
TORONTO DOMINION BANK NY	89115DJH0	3.900%	12/09/2026	12/09/2026	12/09/2026	75,000,000.00	75,000,000.00
TORONTO DOMINION BANK NY	89115DND4	3.780%	12/29/2026	12/29/2026	12/29/2026	50,000,000.00	50,000,000.00
TORONTO DOMINION BANK NY	89115M5N2	4.130%	03/19/2027	03/19/2027	03/19/2027	25,000,000.00	25,000,000.00
UBS AG STAMFORD CT	90275DVL1	3.830%	10/16/2026	10/16/2026	10/16/2026	50,000,000.00	50,000,000.00
UBS AG STAMFORD CT	90275DVV9	3.810%	03/02/2027	03/02/2027	03/02/2027	89,000,000.00	89,000,000.00
WELLS FARGO BANK NA	95001KUT9	3.800%	09/21/2026	09/21/2026	09/21/2026	100,000,000.00	100,000,000.00
WELLS FARGO BANK NA	95001KXV1	4.020%	01/11/2027	01/11/2027	01/11/2027	50,000,000.00	50,000,000.00
WELLS FARGO BANK NA	95001KUZ5	3.750%	01/20/2027	01/20/2027	01/20/2027	37,000,000.00	37,000,000.00
WELLS FARGO BANK NA	95001KYC2	4.100%	04/13/2027	04/13/2027	04/13/2027	75,000,000.00	75,000,000.00
WESTPAC BANKING CORP NY	96130AC55	3.870% ⁽⁵⁾	07/01/2026	07/01/2026	07/01/2026	90,000,000.00	90,000,000.00
WESTPAC BANKING CORP NY	96130AC97	3.870%	10/07/2026	10/07/2026	10/07/2026	70,000,000.00	70,000,000.00
WESTPAC BANKING CORP NY	96130AG77	3.890% ⁽⁵⁾	07/01/2026	02/05/2027	02/05/2027	50,000,000.00	50,000,000.00
WESTPAC BANKING CORP NY	96130AH35	3.840%	03/04/2027	03/04/2027	03/04/2027	35,000,000.00	35,000,000.00
Category of Investment Sub-Total						5,263,600,000.00	5,263,625,268.55
Asset Backed Commercial Paper							
ALBION CAP CORP/LLC	01329XGQ6	3.868%	07/24/2026	07/24/2026	07/24/2026	135,781,000.00	135,447,540.35
ALBION CAP CORP/LLC	01329XGT0	3.866%	07/27/2026	07/27/2026	07/27/2026	29,375,000.00	29,293,533.33
ATLANTIC ASSET SEC LLC	04821PGQ0	3.870% ⁽⁵⁾	07/01/2026	07/06/2026	07/06/2026	95,000,000.00	95,000,000.00
ATLANTIC ASSET SEC LLC	04821UJF0	4.030%	09/15/2026	09/15/2026	09/15/2026	50,000,000.00	49,583,055.56
ATLANTIC ASSET SEC LLC	04821PHC0	3.960% ⁽⁵⁾	07/01/2026	10/05/2026	10/05/2026	95,000,000.00	95,000,000.00
ATLANTIC ASSET SEC LLC	04821PHN6	3.890% ⁽⁵⁾	07/01/2026	12/04/2026	12/04/2026	60,000,000.00	60,000,000.00
AUTOBAHN FUNDING CO LLC	0527M1G66	3.693%	07/06/2026	07/06/2026	07/06/2026	75,000,000.00	74,961,562.50
BARCLAYS US CCP	06741EJR2	3.957%	09/25/2026	09/25/2026	09/25/2026	100,000,000.00	99,063,555.56
BEDFORD ROW FUNDING CORP	07644BLP5	3.983%	11/23/2026	11/23/2026	11/23/2026	47,000,000.00	46,263,601.39



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Asset Backed Commercial Paper							
CABOT TRAIL FUNDING LLC	12710CAZ2	3.800% ⁽⁵⁾	07/01/2026	07/08/2026	07/08/2026	65,000,000.00	65,000,000.00
CABOT TRAIL FUNDING LLC	12710CBB4	3.820% ⁽⁵⁾	07/01/2026	08/13/2026	08/13/2026	65,000,000.00	65,000,000.00
CABOT TRAIL FUNDING LLC	12710HK56	3.998%	10/05/2026	10/05/2026	10/05/2026	50,000,000.00	49,477,333.33
CABOT TRAIL FUNDING LLC	12710CBE8	3.940% ⁽⁵⁾	07/01/2026	10/06/2026	10/06/2026	100,000,000.00	100,000,000.00
CABOT TRAIL FUNDING LLC	12710CBG3	3.890% ⁽⁵⁾	07/01/2026	10/30/2026	10/30/2026	50,000,000.00	50,000,000.00
CABOT TRAIL FUNDING LLC	12710CBH1	3.890% ⁽⁵⁾	07/01/2026	11/03/2026	11/03/2026	42,000,000.00	42,000,000.00
CABOT TRAIL FUNDING LLC	12710CBQ1	3.920% ⁽⁵⁾	07/01/2026	01/08/2027	01/08/2027	50,000,000.00	50,000,000.00
CHESHAM FIN LTD/FIN LLC	16537BG64	3.811%	07/06/2026	07/06/2026	07/06/2026	50,000,000.00	49,973,611.11
COLLAT COMM PAPER V CO	19423RR84	3.930% ⁽⁵⁾	07/01/2026	10/09/2026	10/09/2026	85,000,000.00	85,000,000.00
COLLAT COMM PAPER V CO	19423RT33	3.990% ⁽⁵⁾	07/01/2026	01/15/2027	01/15/2027	100,000,000.00	100,000,000.00
COLLAT COMM PAPER V CO	19423RTR0	4.120%	02/26/2027	02/26/2027	02/26/2027	75,000,000.00	75,000,000.00
GOTHAM FUNDING CORP	38346MJU9	3.959%	09/28/2026	09/28/2026	09/28/2026	73,000,000.00	72,292,548.89
IONIC FUNDING LLC	46222VHQ2	3.938%	08/24/2026	08/24/2026	08/24/2026	35,816,000.00	35,606,476.40
IONIC FUNDING LLC	46223WAE3	3.880% ⁽⁵⁾	07/01/2026	09/16/2026	09/16/2026	120,000,000.00	120,000,000.00
LIBERTY STREET FDG LLC	53128PCB4	3.880% ⁽⁵⁾	07/01/2026	12/04/2026	12/04/2026	85,000,000.00	85,000,000.00
LMA AMERICAS LLC	53944RJU3	3.961%	09/28/2026	09/28/2026	09/28/2026	40,000,000.00	39,612,355.56
LMA AMERICAS LLC	53944RM13	3.981%	12/01/2026	12/01/2026	12/01/2026	42,100,000.00	41,402,192.50
LMA AMERICAS LLC	53944RM47	4.029%	12/04/2026	12/04/2026	12/04/2026	37,000,000.00	36,366,683.33
LMA AMERICAS LLC	53944RP44	4.237%	02/04/2027	02/04/2027	02/04/2027	48,000,000.00	46,799,546.66
LMA AMERICAS LLC	53944RPA0	4.241%	02/10/2027	02/10/2027	02/10/2027	50,000,000.00	48,715,111.12
MANHATTAN ASSET FDG CO	56274MJV5	3.961%	09/29/2026	09/29/2026	09/29/2026	65,000,000.00	64,363,000.00
MONT BLANC CAPITAL CORP	6117P5HL4	3.903%	08/20/2026	08/20/2026	08/20/2026	55,000,000.00	54,703,611.11
OLD LINE FUNDING LLC	67984VNL0	3.820% ⁽⁵⁾	07/01/2026	08/19/2026	08/19/2026	100,000,000.00	100,000,000.00
OLD LINE FUNDING LLC	67985EHT7	4.057%	10/19/2026	10/19/2026	10/19/2026	60,000,000.00	59,272,166.67
OLD LINE FUNDING LLC	67985FGH1	3.880% ⁽⁵⁾	07/01/2026	11/06/2026	11/06/2026	100,000,000.00	100,000,000.00
PARK AVE COLL NOTES	70018RFP3	3.920% ⁽⁵⁾	07/01/2026	10/23/2026	10/23/2026	150,000,000.00	150,000,000.00
PARK AVE COLL NOTES	70018RGY3	4.100%	12/02/2026	12/02/2026	12/02/2026	50,000,000.00	50,000,000.00
PARK AVE COLL NOTES	70018RJA2	4.180%	12/23/2026	12/23/2026	12/23/2026	100,000,000.00	100,000,000.00
RIDGEFIELD FUNDNG CO LLC	76582KJB8	4.029%	09/11/2026	09/11/2026	09/11/2026	75,000,000.00	74,407,500.00
RIDGEFIELD FUNDNG CO LLC	76582KME8	4.030%	12/14/2026	12/14/2026	12/14/2026	50,000,000.00	49,089,305.56



California Asset Management Trust Cash Reserve Portfolio

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Asset Backed Commercial Paper							
SHEFFIELD RECEIVABLES	82124MG79	3.938%	07/07/2026	07/07/2026	07/07/2026	55,000,000.00	54,964,250.00
ST LAWRENCE FUNDING LLC	79112BJQ8	3.959%	09/24/2026	09/24/2026	09/24/2026	50,000,000.00	49,537,222.23
STARBIRD FUNDING CORP	85520MJ38	3.814%	09/03/2026	09/03/2026	09/03/2026	75,000,000.00	74,502,666.67
STARBIRD FUNDING CORP	85520MKP7	4.024%	10/23/2026	10/23/2026	10/23/2026	115,000,000.00	113,554,258.33
THUNDER BAY FUNDING LLC	88603KJB8	3.840% ⁽⁵⁾	07/01/2026	09/14/2026	09/14/2026	100,000,000.00	100,000,000.00
THUNDER BAY FUNDING LLC	88603KJE2	3.950% ⁽⁵⁾	07/01/2026	10/09/2026	10/09/2026	50,000,000.00	50,000,000.00
THUNDER BAY FUNDING LLC	88604GER6	3.890% ⁽⁵⁾	07/01/2026	11/23/2026	11/23/2026	65,000,000.00	65,000,000.00
THUNDER BAY FUNDING LLC	88602UMJ6	4.123%	12/18/2026	12/18/2026	12/18/2026	40,000,000.00	39,244,444.45
THUNDER BAY FUNDING LLC	88602UP46	4.261%	02/04/2027	02/04/2027	02/04/2027	25,000,000.00	24,371,736.11
VERSAILLES COM PAPER LLC	92512MLD9	3.955%	11/13/2026	11/13/2026	11/13/2026	25,000,000.00	24,636,250.00
VERSAILLES COM PAPER LLC	92512MM14	4.134%	12/01/2026	12/01/2026	12/01/2026	100,000,000.00	98,274,500.00
Category of Investment Sub-Total						3,455,072,000.00	3,437,779,618.72
Portfolio Totals						19,070,324,000.00	19,018,256,457.70



California Asset Management Trust Cash Reserve Portfolio

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June 30, 2026

The Fund's Weighted Average Maturity and Weighted Average Life Maturity as of the reporting date are **53** and **82** days, respectively.

- (1) The maturity date used to calculate weighted-average maturity (WAM) under GASB 79. This takes into account the maturity shortening provisions of GASB 79 regarding demand features and interest rate adjustments.
- (2) The maturity date used to calculate weighted-average life (WAL) under GASB 79. This takes into account the maturity shortening provisions of GASB 79 regarding demand features without reference to interest rate adjustments.
- (3) The ultimate legal maturity date on which, in accordance with the terms of the security, and without reference to the maturity shortening provisions of GASB 79, the principal amount must unconditionally be paid.
- (4) The value in accordance with GASB 79. Unless otherwise noted, the fund utilizes the amortized cost method to value portfolio securities.
- (5) Adjustable rate instrument. Rate shown is that which is in effect as of reporting date.

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TEHACHAPI CUMMINGS CNTY WATER DIST
22901 BANDUCCI RD
TEHACHAPI CA 93561-8489

Date
June 01, 2026 through
June 30, 2026
Primary Account Number

EFFECTIVE 8/10/2026: IF YOUR DEPOSIT PRODUCT HAS A NON-BMO ATM TRANSACTION FEE, BMO IS NO LONGER CHARGING THE \$3 NON-BMO ATM TRANSACTION FEE FOR EACH NON-BMO ATM TRANSFER. IF YOUR DEPOSIT PRODUCT CHARGES A FEE FOR A CASHIER'S CHECK, THE FEE WILL INCREASE FROM \$10 TO \$12. IF YOUR DEPOSIT PRODUCT CHARGES A FEE FOR DOMESTIC OUTGOING WIRE TRANSFERS, THE FEE WILL INCREASE FROM \$30 TO \$40 EACH. IF YOUR DEPOSIT PRODUCT CHARGES A FEE FOR FOREIGN OUTGOING WIRE TRANSFERS, THE FEE WILL INCREASE FROM \$50 TO \$60 EACH. IF YOUR DEPOSIT PRODUCT CHARGES A FEE FOR EXCEEDING ITS CASH DEPOSIT LIMIT, THE FEE WILL INCREASE FROM \$0.25 TO \$0.30 PER \$100 DEPOSITED OVER THE LIMIT.

THE DEPOSIT ACCOUNT AGREEMENT AND BMO BUSINESS SERVICE FEE SCHEDULE WILL BE UPDATED ACCORDINGLY. YOUR CONTINUED USE OF THIS ACCOUNT AS OF 8/10/2026 CONFIRMS YOUR AGREEMENT TO THESE CHANGES. IF YOU HAVE QUESTIONS ABOUT ANY OF YOUR BMO ACCOUNTS, PLEASE CALL US TOLL-FREE AT 1-888-340-2265. BMO BANK N.A. MEMBER FDIC EQUAL HOUSING LENDER. NMLS 401052 VISIT US ONLINE AT WWW.BMO.COM

Statement Summary

ACCOUNT DESCRIPTION	ACCOUNT NUMBER	BALANCE (AS OF JUNE 30, 2026)
PUBLIC FUNDS CHECKING		\$1,329,090.71

FOR YOUR PROTECTION

Examine this statement promptly. Any discrepancy must be reported within 30 days. Consumer customers: A discrepancy regarding a consumer electronic transfer, consumer card transaction, and consumer overdraft credit line account must be reported within 60 days.

CONTINUED ON NEXT PAGE



Account Summary - PUBLIC FUNDS CHECKING

BEGINNING BALANCE AS OF MAY 31, 2026	NUMBER OF DEPOSITS	DEPOSIT AMOUNT	NUMBER OF WITHDRAWALS	WITHDRAWAL AMOUNT	SERVICE CHARGES	ENDING BALANCE AS OF JUNE 30, 2026
\$1,216,500.69	23	\$1,300,876.37	99	\$1,188,286.35	\$0.00	\$1,329,090.71

Monthly Activity Details

Date	Transaction description	Withdrawal	Deposit	Balance
	BEGINNING BALANCE			\$1,216,500.69
Jun 01	EDI/EFT CCD+ CREDIT CCD KERN COUNTY PAYMENTS		\$68,347.89	
Jun 01	Check 11175	(\$54.17)		
Jun 01	Check 11222	(\$1,029.85)		
Jun 01	Check 11223	(\$780.12)		
Jun 01	Check 11226	(\$86.60)		
Jun 01	Check 11229	(\$1,055.08)		
Jun 01	Check 11233	(\$783.07)		\$1,281,059.69
Jun 02	EDI/EFT CTX CREDIT CTX ALLPAID EDI/EFTPMT		\$6.45	
Jun 02	Check 11230	(\$7.35)		
Jun 02	Check 11231	(\$1,664.66)		\$1,279,394.13
Jun 03	EDI/EFT CTX CREDIT CTX ALLPAID EDI/EFTPMT		\$136.81	\$1,279,530.94
Jun 04	Check 11203	(\$786.05)		\$1,278,744.89
Jun 05	EDI/EFT CTX CREDIT CTX ALLPAID EDI/EFTPMT		\$64.74	
Jun 05	ACH ORIGATION DB PPD TEHACHAPI CUMMIN PRF OFFSET	(\$53,657.98)		\$1,225,151.65
Jun 08	EDI/EFT CTX CREDIT CTX ALLPAID EDI/EFTPMT		\$10.06	
Jun 08	Check 11176	(\$1,146.46)		\$1,224,015.25
Jun 09	EDI/EFT CTX CREDIT CTX ALLPAID EDI/EFTPMT		\$200.07	
Jun 09	Check 11238	(\$2,400.00)		\$1,221,815.32
Jun 10	EDI/EFT CTX CREDIT CTX ALLPAID EDI/EFTPMT		\$50.00	
Jun 10	ACH DEBIT CCD IRS USATAXPYMT	(\$19,902.71)		\$1,201,962.61
Jun 11	EDI/EFT CTX CREDIT CTX ALLPAID EDI/EFTPMT		\$136.80	
Jun 11	ACH DEBIT CCD EMPLOYMENT DEVEL EDD EFTPMT	(\$1,011.25)		
Jun 11	ACH DEBIT CCD EMPLOYMENT DEVEL EDD EFTPMT	(\$3,228.01)		\$1,197,860.15
Jun 12	TELLER DEPOSIT		\$450.00	
Jun 12	TELLER DEPOSIT		\$1,492.75	
Jun 12	TELLER DEPOSIT		\$21,941.79	\$1,221,744.69

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• **Monthly Activity Details (cont'd)**

Date	Transaction description	Withdrawal	Deposit	Balance
Jun 16	EDI/EFT CTX CREDIT		\$504.98	
	CTX ALLPAID EDI/EFTPMT			
Jun 16	ACH DEBIT	(\$2,441.79)		
	CCD CALPERS 3100			
Jun 16	ACH DEBIT	(\$9,502.71)		\$1,210,305.17
	CCD CALPERS 3100			
Jun 17	EDI/EFT CTX CREDIT		\$6.50	
	CTX ALLPAID EDI/EFTPMT			
Jun 17	INCOMING WIRE		\$990,000.00	
	WIRE TRANSFER CREDIT 2606175WIRE-IN			
Jun 17	ACH DEBIT	(\$1,950.00)		
	CCD CALPERS 1900			
Jun 17	Check 11240	(\$9,270.75)		\$2,189,090.92
Jun 18	EDI/EFT CTX CREDIT		\$261.86	
	CTX ALLPAID EDI/EFTPMT			
Jun 18	OUTGOING WIRE	(\$159,223.34)		\$2,030,129.44
	FED WIRE TRANSFER DEBIT 260618598304			
Jun 22	TELLER DEPOSIT		\$106.00	
Jun 22	TELLER DEPOSIT		\$251.54	
Jun 22	TELLER DEPOSIT		\$450.00	
Jun 22	TELLER DEPOSIT		\$30,434.69	
Jun 22	Check 11281	(\$90.36)		
Jun 22	ACH ORIGATION DB	(\$4,940.51)		
	PPD TEHACHAPI CUMMIN PRF OFFSET			
Jun 22	ACH ORIGATION DB	(\$48,138.54)		
	PPD TEHACHAPI CUMMIN PRF OFFSET			
Jun 22	Check 11249	(\$259.79)		
Jun 22	Check 11271	(\$1,210.00)		
Jun 22	Check 11274	(\$1,139.87)		
Jun 22	Check 11285	(\$1,119.50)		
Jun 22	Check 11289	(\$8,490.60)		
Jun 22	Check 11294	(\$162.12)		
Jun 22	Check 11303	(\$1,411.00)		
Jun 22	Check 11308	(\$47.31)		\$1,994,362.07
Jun 23	EDI/EFT CCD+ CREDIT		\$169,902.15	
	CCD KERN COUNTY PAYMENTS			
Jun 23	Check 11207	(\$2,488.10)		
Jun 23	Check 11245	(\$1,090.10)		
Jun 23	Check 11247	(\$73,763.07)		
Jun 23	Check 11254	(\$1,791.46)		
Jun 23	Check 11255	(\$2,146.91)		
Jun 23	Check 11258	(\$29.65)		
Jun 23	Check 11259	(\$1,058.56)		
Jun 23	Check 11272	(\$2,167.80)		
Jun 23	Check 11290	(\$20,867.87)		
Jun 23	Check 11291	(\$265.00)		
Jun 23	Check 11293	(\$2,493.75)		
Jun 23	Check 11299	(\$8,920.50)		

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• **Monthly Activity Details (cont'd)**

Date	Transaction description		Withdrawal	Deposit	Balance
Jun 23	Check 11302		(\$3,353.81)		
Jun 23	Check 11305		(\$664.32)		
Jun 23	Check 11310		(\$1,438.56)		\$2,041,724.76
Jun 24	ACH DEBIT		(\$1,016.95)		
	CCD EMPLOYMENT DEVEL EDD EFTPMT				
Jun 24	ACH DEBIT		(\$3,305.70)		
	CCD EMPLOYMENT DEVEL EDD EFTPMT				
Jun 24	ACH DEBIT		(\$20,012.24)		
	CCD IRS	USATAXPYMT			
Jun 24	Check 11243		(\$34,904.29)		
Jun 24	Check 11244		(\$643.03)		
Jun 24	Check 11253		(\$817.50)		
Jun 24	Check 11256		(\$9,991.18)		
Jun 24	Check 11262		(\$1,018.83)		
Jun 24	Check 11263		(\$303.62)		
Jun 24	Check 11266		(\$921.71)		
Jun 24	Check 11267		(\$130.95)		
Jun 24	Check 11275		(\$6,861.78)		
Jun 24	Check 11276		(\$90.97)		
Jun 24	Check 11278		(\$55.34)		
Jun 24	Check 11280		(\$2,202.35)		
Jun 24	Check 11287		(\$215.00)		
Jun 24	Check 11292		(\$325.00)		
Jun 24	Check 11296		(\$21,844.72)		
Jun 24	Check 11300		(\$497.16)		\$1,936,566.44
Jun 25	ACH DEBIT		(\$1,950.00)		
	CCD CALPERS	1900			
Jun 25	ACH DEBIT		(\$2,270.86)		
	CCD CALPERS	3100			
Jun 25	ACH DEBIT		(\$9,412.47)		
	CCD CALPERS	3100			
Jun 25	Check 11241		(\$511.60)		
Jun 25	Check 11251		(\$976.73)		
Jun 25	Check 11252		(\$11,026.95)		
Jun 25	Check 11260		(\$281.82)		
Jun 25	Check 11261		(\$625.00)		
Jun 25	Check 11270		(\$4,050.00)		
Jun 25	Check 11273		(\$165.00)		
Jun 25	Check 11282		(\$3,081.82)		
Jun 25	Check 11283		(\$500.00)		
Jun 25	Check 11284		(\$171.71)		
Jun 25	Check 11304		(\$593.62)		
Jun 25	Check 11307		(\$190.00)		\$1,900,758.86
Jun 26	EDI/EFT CTX CREDIT			\$4.50	
	CTX ALLPAID	EDI/EFTPMT			
Jun 26	ACH DEBIT		(\$5,442.18)		
	CCD COLUMBIA BANK	CR CD PMT			
Jun 26	Check 11242		(\$2,700.00)		

CONTINUED ON NEXT PAGE



• Monthly Activity Details (cont'd)

Date	Transaction description	Withdrawal	Deposit	Balance
Jun 26	Check 11246	(\$774.94)		
Jun 26	Check 11250	(\$116.91)		
Jun 26	Check 11264	(\$2,376.73)		
Jun 26	Check 11279	(\$162.40)		
Jun 26	Check 11298	(\$340.00)		
Jun 26	Check 11306	(\$61.56)		
Jun 26	Check 11312	(\$17,686.89)		
Jun 26	Check 11313	(\$270.63)		\$1,870,831.12
Jun 29	Check 11239	(\$8,582.80)		
Jun 29	Check 11248	(\$4,178.25)		
Jun 29	Check 11268	(\$2,812.49)		
Jun 29	Check 11269	(\$523,750.00)		
Jun 29	Check 11277	(\$2,742.60)		
Jun 29	Check 11286	(\$193.53)		
Jun 29	Check 11311	(\$32.92)		\$1,328,538.53
Jun 30	TELLER DEPOSIT		\$4,990.09	
Jun 30	TELLER DEPOSIT		\$11,126.70	
Jun 30	Check 11257	(\$9,750.00)		
Jun 30	Check 11295	(\$5,814.61)		\$1,329,090.71
	ENDING BALANCE			\$1,329,090.71

• Checks in Serial Number Order

Date	Serial Number	Amount	Date	Serial Number	Amount
Jun 01	11175	\$54.17	Jun 29	11269	\$523,750.00
Jun 08	11176	\$1,146.46	Jun 25	11270	\$4,050.00
Jun 04	11203 *	\$786.05	Jun 22	11271	\$1,210.00
Jun 23	11207 *	\$2,488.10	Jun 23	11272	\$2,167.80
Jun 01	11222 *	\$1,029.85	Jun 25	11273	\$165.00
Jun 01	11223	\$780.12	Jun 22	11274	\$1,139.87
Jun 01	11226 *	\$86.60	Jun 24	11275	\$6,861.78
Jun 01	11229 *	\$1,055.08	Jun 24	11276	\$90.97
Jun 02	11230	\$7.35	Jun 29	11277	\$2,742.60
Jun 02	11231	\$1,664.66	Jun 24	11278	\$55.34
Jun 01	11233 *	\$783.07	Jun 26	11279	\$162.40
Jun 09	11238 *	\$2,400.00	Jun 24	11280	\$2,202.35
Jun 29	11239	\$8,582.80	Jun 22	11281	\$90.36
Jun 17	11240	\$9,270.75	Jun 25	11282	\$3,081.82
Jun 25	11241	\$511.60	Jun 25	11283	\$500.00
Jun 26	11242	\$2,700.00	Jun 25	11284	\$171.71
Jun 24	11243	\$34,904.29	Jun 22	11285	\$1,119.50
Jun 24	11244	\$643.03	Jun 29	11286	\$193.53
Jun 23	11245	\$1,090.10	Jun 24	11287	\$215.00
Jun 26	11246	\$774.94	Jun 22	11289 *	\$8,490.60
Jun 23	11247	\$73,763.07	Jun 23	11290	\$20,867.87
Jun 29	11248	\$4,178.25	Jun 23	11291	\$265.00
Jun 22	11249	\$259.79	Jun 24	11292	\$325.00
Jun 26	11250	\$116.91	Jun 23	11293	\$2,493.75
Jun 25	11251	\$976.73	Jun 22	11294	\$162.12
Jun 25	11252	\$11,026.95	Jun 30	11295	\$5,814.61
Jun 24	11253	\$817.50	Jun 24	11296	\$21,844.72
Jun 23	11254	\$1,791.46	Jun 26	11298 *	\$340.00
Jun 23	11255	\$2,146.91	Jun 23	11299	\$8,920.50
Jun 24	11256	\$9,991.18	Jun 24	11300	\$497.16
Jun 30	11257	\$9,750.00	Jun 23	11302 *	\$3,353.81

CONTINUED ON NEXT PAGE



• Checks in Serial Number Order (cont'd)

Date	Serial Number	Amount	Date	Serial Number	Amount
Jun 23	11258	\$29.65	Jun 22	11303	\$1,411.00
Jun 23	11259	\$1,058.56	Jun 25	11304	\$593.62
Jun 25	11260	\$281.82	Jun 23	11305	\$664.32
Jun 25	11261	\$625.00	Jun 26	11306	\$61.56
Jun 24	11262	\$1,018.83	Jun 25	11307	\$190.00
Jun 24	11263	\$303.62	Jun 22	11308	\$47.31
Jun 26	11264	\$2,376.73	Jun 23	11310 *	\$1,438.56
Jun 24	11266 *	\$921.71	Jun 29	11311	\$32.92
Jun 24	11267	\$130.95	Jun 26	11312	\$17,686.89
Jun 29	11268	\$2,812.49	Jun 26	11313	\$270.63

* Indicates a skip in sequence



Important Information

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR CONSUMER ELECTRONIC TRANSFERS AND CARD TRANSACTIONS

Call us at 1-888-340-2265 for errors or questions involving Card transactions or electronic transfers, or write to BMO Bank N.A., P.O. Box 94019, Palatine, IL 60094-4019, as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent you the first statement on which the problem or error appeared. This is the information we will need in order to help resolve the problem:

1. Tell us your name, account number, and Card number (if applicable).
2. Describe the error or the transaction and the date of the transaction you are unsure about, and explain why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you also send us your complaint or question in writing within ten Business Days.

We will determine whether an error occurred within 10* Business Days after we hear from you and we will correct any error promptly. If we need more time, however, by law we may take up to 45* days to investigate your complaint or question. If we decide to do this, we will provisionally credit your account within 10* Business Days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If you fail to give us the required written confirmation of your complaint or question, then we may not credit your account or we may revoke the provisional credit we previously gave to you.

We will tell you the results of our investigation within three Business Days after completing our investigation.

**These time periods may be extended as follows. The applicable time is 20 Business Days in place of 10 Business Days for new accounts if the notice of the error involves a transfer to or from the account within the first 30 days your account is open. The applicable time is 90 days in place of 45 days if the notice of error involves a transfer that either (1) was initiated outside the U.S., (2) resulted from a Point-of-Sale transaction, or (3) occurred within the first 30 days your account is open.*

Important information about your Consumer Overdraft Credit Line Account

For overdraft credit plans with a fixed Annual Percentage Rate:

The periodic rate and corresponding Annual Percentage Rate does not change.

For overdraft credit plans with a variable Annual Percentage Rate:

The periodic rate and corresponding Annual Percentage Rate for this plan is a variable rate which can change monthly. (See your account agreement for details on how the Annual Percentage Rate is determined.)

CALCULATION OF BALANCE SUBJECT TO INTEREST RATE FOR CONSUMER OVERDRAFT CREDIT LINE ACCOUNTS

We figure the interest charge on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. To get the "daily balance" we take the beginning balance of your account each day, add any new advances, and subtract any payments or credits. This gives us the daily balance.

The interest charge begins to accrue on the date an advance is posted to the account. The interest charge continues to accrue on the unpaid principal balance after the statement has been printed and mailed to you. There is no "grace period" or "free ride period" which would allow you to avoid an interest charge.

WHAT TO DO IF YOU THINK YOU FIND A MISTAKE ON YOUR CONSUMER OVERDRAFT CREDIT LINE ACCOUNT STATEMENT

If you think there is an error on your statement, write to us at: BMO Bank N.A., Attn: Billing Department, P.O. Box 365, Arlington Heights, IL 60006

In your letter, give us the following information:

- *Account information:* Your name and account number.
- *Dollar amount:* The dollar amount of the suspected error.
- *Description of Problem:* If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us within 60 days after the error appeared on your statement.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

While we investigate whether or not there has been an error, the following are true:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount. But, if we determine that we made a mistake, you will not have to pay the amount in question or any interest or other fees related to that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

Credit Reporting Disputes

We may report information about your account to the credit bureaus. If you think we've reported inaccurate information, please write to us at: BMO Bank N.A., PO Box 2008, Milwaukee, WI 53201-9288. In your letter, please include name, address, account number and/or social security number, reason for dispute, and your signature to indicate you're the borrower submitting this dispute.

Date: 05/2025

U.S. Bank - Bond Account Reconciliation
Held by Trustee

2023 REVENUE CERTIFICATES OF PARTICIPATION
Trust Agreement dated June 1, 2023

Bond Proceeds	12,062,601.15
Par Amount	10,925,000.00
Premium	1,137,601.15
Reserve Fund (surety bond issued by the Insurer; not a District asset)	1,055,500.00

June 30, 2026										G/L Allocation			
Bank Activity										Interest	Principal - Eng	Interest Exp-	
Date	Description	GL Acct #	Certificate Payment Fund	Interest Fund	Principal Fund	Prepayment Fund	Aquisition Fund	Total Fiscal Agent Cash		Earnings	Repl	Eng Repl	G/L Balance
	Beginning Balance	73-00-10150	\$ 807,387.92	\$ -	\$ -	\$ -	\$ -	\$ 807,387.92					\$ 807,387.92
6/1/2026	Interest	73-00-40231	806.28	-	-	-	-	806.28		806.28	-	-	806.28
6/1/2026	Debt Service payment- princ	73-00-50303	-	-	(560,000.00)	-	-	(560,000.00)		-	(560,000.00)	-	(560,000.00)
6/1/2026	Debt Service payment- int	73-00-50313	-	(247,375.00)	-	-	-	(247,375.00)		-	-	(247,375.00)	(247,375.00)
	Transfers Between Accounts		(807,375.00)	247,375.00	560,000.00	-	-	-		-	-	-	-
	Ending Balance	73-00-10150	\$ 819.20	\$ -	\$ -	\$ -	\$ -	\$ 819.20	Bank	\$ 806.28	\$ (560,000.00)	\$ (247,375.00)	\$ 819.20 G/L
										73-00-40231	73-00-50303	73-00-50313	73-00-10150



597
060059203- 2-N-01
745913187-260701-12174--058129087- 01

Questions?

If you have any questions regarding your account or this statement, please contact your **Relationship Manager**.

Cynthia Cerda
Phone: (213)-615-6032
Email: cynthia.cerda@usbank.com

Operations Specialist
Lori A Pardee-Cushing
Phone:
Email: lori.pardeecushing@usbank.com

Account Number:

**Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation
Certificate Payment Fund**

This statement is for the period from June 1, 2026 to June 30, 2026

00000000597 000638203993072 P
Tehachapi-Cummings County Water Dist
General Manager
P.O. Box 326
Tehachapi, CA 93581



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Certificate Payment Fund
Account Number:

597
060059203- 2-N-01
745913187-260701-12174--058129087- 01

MARKET VALUE SUMMARY

Current Period 06/01/26 to 06/30/26	
Beginning Market Value	\$807,387.92
Transfers	-807,375.00
Adjusted Market Value	\$12.92
Investment Results	
Interest, Dividends and Other Income	806.28
Total Investment Results	\$806.28
Ending Market Value	\$819.20



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Certificate Payment Fund
Account Number:

597
060059203- 2-N-01
745913187-260701-12174--058129087- 01

ASSET SUMMARY			
Assets	Current Period Market Value	% of Total	Estimated Annual Income
Cash and Cash Equivalents	819.20	100.00	0.00
Total Market Value	\$819.20	100.00	\$0.00



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Certificate Payment Fund
Account Number:

597
060059203- 2-N-01
745913187-260701-12174--058129087- 01

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Balance 06/01/26	\$0.00	\$0.00	\$0.00
Taxable Interest	806.28		806.28
Transfers	-806.28	-806,568.72	-807,375.00
Purchases		-806.28	-806.28
Sales		808,194.20	808,194.20
Ending Balance 06/30/26	\$0.00	\$819.20	\$819.20



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Certificate Payment Fund
Account Number:

ASSET DETAIL								
Security Description								
	Shares/Face Amt	Price	Market Value	Tax Cost/ Unit Cost	Unrealized Gain Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Cash and Cash Equivalents								
Cash								
Principal Cash			819.20	819.20		100.00		
Total Cash			\$819.20	\$819.20	\$0.00	100.00	\$0.00	
Total Cash and Cash Equivalents			\$819.20	\$819.20	\$0.00	100.00	\$0.00	
Total Assets			\$819.20	\$819.20	\$0.00	100.00	\$0.00	

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

When reliable third-party pricing cannot be obtained, assets are valued based on internal fair value methodologies. The values shown may not reflect actual market pricing to be realized upon a sale. While U.S. Bank believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies could lead to a different measurement of fair value at reporting date.

Estimated Current Yield and Estimated Annual Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Certificate Payment Fund
Account Number:

TRANSACTION DETAIL

Date	Activity	Description	Income Cash	Principal Cash	Tax Cost	Estimated Gain/Loss
Beginning Balance 06/01/26			\$0.00	\$0.00	\$807,387.92	
06/01/26	Purchases	Purchase 806.28 Par Value of U.S. BANK NATIONAL ASSOCIATION COMMERCIAL PAPER SWEEP COMPOUND MONTHLY NOT FDIC INS @ 100.00%, Trade Date 06/01/26, Contractual Settlement Date 06/01/26, Traded through U.S. Bank Money Center, CUSIP 98MC71583		-806.28	806.28	
06/01/26	Transfers	Cash Disbursement - Transfer to Another Account via Transfer, TRANSFER FUNDS TO 237722001 FOR PAYMENT DUE 6/1/2026 LAPARDE		-247,375.00		
06/01/26	Sales/Maturities	Sale 808,194.20 Par Value of U.S. BANK NATIONAL ASSOCIATION COMMERCIAL PAPER SWEEP COMPOUND MONTHLY NOT FDIC INS @ 100.00%, Trade Date 06/01/26, Contractual Settlement Date 06/01/26, Traded through U.S. Bank Money Center, CUSIP 98MC71583		808,194.20	-808,194.20	
06/01/26	Transfers	Cash Disbursement - Transfer to Another Account via Transfer, TRANSFER FUNDS TO 237722002 FOR PAYMENT DUE 6/1/2026 LAPARDE		-560,000.00		
06/01/26	Asset Income	Interest Payment on U.S. BANK NATIONAL ASSOCIATION COMMERCIAL PAPER SWEEP COMPOUND MONTHLY NOT FDIC INS Due on 06/01/26, Trade Date 06/01/26, Contractual Settlement Date 06/01/26, CUSIP 98MC71583	806.28			
06/02/26	Transfers	Cash Receipt - Portfolio Transfer via Transfer, TRANSFER FROM INCOME		806.28		
06/02/26	Transfers	Cash Disbursement - Portfolio Transfer via Transfer, TRANSFER TO CAPITAL	-806.28			
Ending Balance 06/30/26			\$0.00	\$819.20	\$0.00	\$0.00

TRANSACTION DETAIL MESSAGES

Estimates should not be used for tax purposes



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Certificate Payment Fund
Account Number:

SALES AND MATURITIES						
Date	Description	Shares/ Face Amount	Tax Cost	Proceeds	Interest Sold	Estimated Gain/Loss
Cash and Cash Equivalents						
U.S. BANK NATIONAL ASSOCIATION COMMERCIAL PAPER SWEEP COMPOUND MONTHLY NOT FDIC INS						
06/01/26	Sale 808,194.20 Par Value of U.S. BANK NATIONAL ASSOCIATION COMMERCIAL PAPER SWEEP COMPOUND MONTHLY NOT FDIC INS @ 100.00%, Trade Date 06/01/26, Contractual Settlement Date 06/01/26, Traded through U.S. Bank Money Center, CUSIP 98MC71583	-808,194.20	-808,194.20	808,194.20	0.00	0.00
Total Cash and Cash Equivalents		-808,194.20	-\$808,194.20	\$808,194.20	\$0.00	\$0.00
Total Sales & Maturities		-808,194.20	-\$808,194.20	\$808,194.20	\$0.00	\$0.00

SALES AND MATURITIES MESSAGES

Short Term Gain/Loss: \$0.00

Long Term Gain/Loss: \$0.00

Estimates should not be used for tax purposes

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597
060059203- 2-N-01
745915415-260701-12174--058129087- 01

Questions?

If you have any questions regarding your account or this statement, please contact your **Relationship Manager**.

Cynthia Cerda
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Operations Specialist
Lori A Pardee-Cushing
Phone:
Email: lori.pardeecushing@usbank.com

Account Number:

**Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation
Interest Fund**

This statement is for the period from June 1, 2026 to June 30, 2026

00000000597 000638203993072 P
Tehachapi-Cummings County Water Dist
General Manager
P.O. Box 326
Tehachapi, CA 93581



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Interest Fund
Account Number:

597
060059203- 2-N-01
745915415-260701-12174--058129087- 01

MARKET VALUE SUMMARY

Current Period 06/01/26 to 06/30/26	
Beginning Market Value	\$0.00
Cash and Securities Disbursements	-247,375.00
Transfers	247,375.00
Adjusted Market Value	\$0.00
Investment Results	
Total Investment Results	\$0.00
Ending Market Value	
	\$0.00



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Interest Fund
Account Number:

597
060059203- 2-N-01
745915415-260701-12174--058129087- 01

ASSET SUMMARY

ASSET SUMMARY MESSAGES

No Reportable Securities For This Statement Period



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Interest Fund
Account Number:

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Balance 06/01/26	\$0.00	\$0.00	\$0.00
Paid To/For Beneficiaries		-247,375.00	-247,375.00
Transfers		247,375.00	247,375.00
Ending Balance 06/30/26	\$0.00	\$0.00	\$0.00



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Interest Fund
Account Number:

TRANSACTION DETAIL						
Date	Activity	Description	Income Cash	Principal Cash	Tax Cost	Estimated Gain/Loss
Beginning Balance 06/01/26			\$0.00	\$0.00	\$0.00	
06/01/26	Cash Disbursements	Cash Disbursement - Debt Service Payable, FOR DEBT SERVICE PAYMENT DUE 6/1/2026 INTEREST 247,375.00 LAPARDE		-247,375.00		
06/01/26	Transfers	Cash Receipt - Transfer from Another Account via Transfer, RECEIVED FROM 237722000 FOR PAYMENT DUE 6/1/2026 LAPARDE		247,375.00		
Ending Balance 06/30/26			\$0.00	\$0.00	\$0.00	\$0.00

TRANSACTION DETAIL MESSAGES

Estimates should not be used for tax purposes

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597
060059203- 2-N-01
745913594-260701-12174--058129087- 01

Questions?

If you have any questions regarding your account or this statement, please contact your **Relationship Manager**.

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Operations Specialist
Lori A Pardee-Cushing
Phone:
Email: lori.pardeecushing@usbank.com

Account Number:

**Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation
Principal Fund**

This statement is for the period from June 1, 2026 to June 30, 2026

00000000597 000638203993072 P
Tehachapi-Cummings County Water Dist
General Manager
P.O. Box 326
Tehachapi, CA 93581



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Principal Fund
Account Number:

597
060059203- 2-N-01
745913594-260701-12174--058129087- 01

MARKET VALUE SUMMARY

Current Period 06/01/26 to 06/30/26	
Beginning Market Value	\$0.00
Cash and Securities Disbursements	-560,000.00
Transfers	560,000.00
Adjusted Market Value	\$0.00
Investment Results	
Total Investment Results	\$0.00
Ending Market Value	
	\$0.00



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Principal Fund
Account Number:

597
060059203- 2-N-01
745913594-260701-12174--058129087- 01

ASSET SUMMARY

ASSET SUMMARY MESSAGES

No Reportable Securities For This Statement Period



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Principal Fund
Account Number:

597
060059203- 2-N-01
745913594-260701-12174--058129087- 01

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Balance 06/01/26	\$0.00	\$0.00	\$0.00
Paid To/For Beneficiaries		-560,000.00	-560,000.00
Transfers		560,000.00	560,000.00
Ending Balance 06/30/26	\$0.00	\$0.00	\$0.00



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Principal Fund
Account Number:

TRANSACTION DETAIL						
Date	Activity	Description	Income Cash	Principal Cash	Tax Cost	Estimated Gain/Loss
Beginning Balance 06/01/26			\$0.00	\$0.00	\$0.00	
06/01/26	Cash Disbursements	Cash Disbursement - Debt Service Payable, FOR DEBT SERVICE PAYMENT DUE 6/1/2026 INTEREST 0.00 PRINCIPAL 560,000.00 LAPARDE		-560,000.00		
06/01/26	Transfers	Cash Receipt - Transfer from Another Account via Transfer, RECEIVED FROM 237722000 FOR PAYMENT DUE 6/1/2026 LAPARDE		560,000.00		
Ending Balance 06/30/26			\$0.00	\$0.00	\$0.00	\$0.00

TRANSACTION DETAIL MESSAGES

Estimates should not be used for tax purposes

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597
060059203- 2-N-01
745913120-260701-12174--058129087- 01

Questions?

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Operations Specialist
Lori A Pardee-Cushing
Phone:
Email: lori.pardeecushing@usbank.com

Account Number:

**Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation
Reserve Fund**

This statement is for the period from June 1, 2026 to June 30, 2026

00000000597 000638203993072 P
Tehachapi-Cummings County Water Dist
General Manager
P.O. Box 326
Tehachapi, CA 93581



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Reserve Fund
Account Number:

597
060059203- 2-N-01
745913120-260701-12174--058129087- 01

MARKET VALUE SUMMARY

Current Period 06/01/26 to 06/30/26	
Beginning Market Value	\$1,055,500.00
Adjusted Market Value	\$1,055,500.00
Investment Results	
Total Investment Results	\$0.00
Ending Market Value	\$1,055,500.00

MARKET VALUE SUMMARY MESSAGES

No activity qualifies for this period.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Reserve Fund
Account Number:

597
060059203- 2-N-01
745913120-260701-12174--058129087- 01

ASSET SUMMARY			
Assets	Current Period Market Value	% of Total	Estimated Annual Income
Miscellaneous	1,055,500.00	100.00	0.00
Total Market Value	\$1,055,500.00	100.00	\$0.00



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Reserve Fund
Account Number:

597
060059203- 2-N-01
745913120-260701-12174--058129087- 01

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Balance 06/01/26	\$0.00	\$0.00	\$0.00
Ending Balance 06/30/26	\$0.00	\$0.00	\$0.00

CASH SUMMARY MESSAGES

No activity qualifies for this period.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Reserve Fund
Account Number:

ASSET DETAIL								
Security Description	Shares/Face Amt	Price	Market Value	Tax Cost/ Unit Cost	Unrealized Gain Loss	Percent of Total Portfolio	Estimated Annual Income	Estimated Current Yield
Miscellaneous								
Insurance								
BUILD AMERICA MUTUAL ASSURANCE CO SURETY BOND 2023R0286 DTD 06/07/2023 FV 1,055,500.00 TEHACHAPI CUMMINGS CNTY WTR DIST CA 98INP84F4; 98INP84F4								
	1,055,500.000	1.0000	1,055,500.00	1.00 0.00	1,055,499.00	100.00	0.00	0.00
Total Insurance			\$1,055,500.00	\$1.00	\$1,055,499.00	100.00	\$0.00	
Total Miscellaneous			\$1,055,500.00	\$1.00	\$1,055,499.00	100.00	\$0.00	
Total Assets			\$1,055,500.00	\$1.00	\$1,055,499.00	100.00	\$0.00	

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

When reliable third-party pricing cannot be obtained, assets are valued based on internal fair value methodologies. The values shown may not reflect actual market pricing to be realized upon a sale. While U.S. Bank believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies could lead to a different measurement of fair value at reporting date.

Estimated Current Yield and Estimated Annual Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Reserve Fund
Account Number:

TRANSACTION DETAIL						
Date	Activity	Description	Income Cash	Principal Cash	Tax Cost	Estimated Gain/Loss
Beginning Balance 06/01/26			\$0.00	\$0.00	\$1.00	
Ending Balance 06/30/26			\$0.00	\$0.00	\$1.00	\$0.00

TRANSACTION DETAIL MESSAGES

Estimates should not be used for tax purposes



597
060059203- 2-N-01
745915515-260701-12174--058129087- 01

Questions?

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Lori A Pardee-Cushing
Phone:
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Account Number:

**Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation
Prepayment Fund**

This statement is for the period from June 1, 2026 to June 30, 2026

00000000597 000638203993072 P
Tehachapi-Cummings County Water Dist
General Manager
P.O. Box 326
Tehachapi, CA 93581



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Prepayment Fund
Account Number:

597
060059203- 2-N-01
745915515-260701-12174--058129087- 01

MARKET VALUE SUMMARY

Current Period 06/01/26 to 06/30/26	
Beginning Market Value	\$0.00
Adjusted Market Value	\$0.00
Investment Results	
Total Investment Results	\$0.00
Ending Market Value	\$0.00

MARKET VALUE SUMMARY MESSAGES

No activity qualifies for this period.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Prepayment Fund
Account Number:

597
060059203- 2-N-01
745915515-260701-12174--058129087- 01

ASSET SUMMARY

ASSET SUMMARY MESSAGES

No Reportable Securities For This Statement Period



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Prepayment Fund
Account Number:

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Balance 06/01/26	\$0.00	\$0.00	\$0.00
Ending Balance 06/30/26	\$0.00	\$0.00	\$0.00

CASH SUMMARY MESSAGES

No activity qualifies for this period.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Prepayment Fund
Account Number:

597
060059203- 2-N-01
745915515-260701-12174--058129087- 01

TRANSACTION DETAIL						
Date	Activity	Description	Income Cash	Principal Cash	Tax Cost	Estimated Gain/Loss
Beginning Balance 06/01/26			\$0.00	\$0.00	\$0.00	
Ending Balance 06/30/26			\$0.00	\$0.00	\$0.00	\$0.00

TRANSACTION DETAIL MESSAGES

Estimates should not be used for tax purposes

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597
060059203- 2-N-01
745914637-260701-12174--058129087- 01

Questions?

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Lori A Pardee-Cushing
Phone:
Email: lori.pardeecushing@usbank.com

Account Number:

**Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation
Acquisition Fund**

This statement is for the period from June 1, 2026 to June 30, 2026

00000000597 000638203993072 P
Tehachapi-Cummings County Water Dist
General Manager
P.O. Box 326
Tehachapi, CA 93581



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Acquisition Fund
Account Number:

597
060059203- 2-N-01
745914637-260701-12174--058129087- 01

MARKET VALUE SUMMARY

Current Period 06/01/26 to 06/30/26	
Beginning Market Value	\$0.00
Adjusted Market Value	\$0.00
Investment Results	
Total Investment Results	\$0.00
Ending Market Value	\$0.00

MARKET VALUE SUMMARY MESSAGES

No activity qualifies for this period.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Acquisition Fund
Account Number:

597
060059203- 2-N-01
745914637-260701-12174--058129087- 01

ASSET SUMMARY

ASSET SUMMARY MESSAGES

No Reportable Securities For This Statement Period



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Acquisition Fund
Account Number:

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Balance 06/01/26	\$0.00	\$0.00	\$0.00
Ending Balance 06/30/26	\$0.00	\$0.00	\$0.00

CASH SUMMARY MESSAGES

No activity qualifies for this period.



Account Name: Tehachapi-Cummings County Water District 2023 Revenue Certificates of Participation Acquisition Fund
Account Number:

TRANSACTION DETAIL						
Date	Activity	Description	Income Cash	Principal Cash	Tax Cost	Estimated Gain/Loss
Beginning Balance 06/01/26			\$0.00	\$0.00	\$0.00	
Ending Balance 06/30/26			\$0.00	\$0.00	\$0.00	\$0.00

TRANSACTION DETAIL MESSAGES

Estimates should not be used for tax purposes

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UNAUDITED

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: June 30, 2026

% of Year Remaining 0%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
GENERAL FUND (70)						
Revenues:						
Operating Revenues:						
Water Sales - Ag	346,091	1,726,233	2,400,000	(673,767)	2,400,000	28%
Water Sales - M&I	54,355	524,432	360,000	164,432	360,000	-46%
Water Sales - Wheeled	16,037	95,229	70,000	25,229	70,000	-36%
Water Sales - Surplus	11,127	105,017	75,000	30,017	75,000	-40%
Water Sales-Recycled Water	2,425	12,248	15,000	(2,752)	15,000	18%
Water Sales-Recharge BWRA	-	834,109	225,000	609,109	225,000	-271%
BL Storage Fee	-	9,985	10,000	(15)	10,000	0%
Water Services	4,431	95,031	77,750	17,281	77,750	-22%
Other Operating Revenues	126,298	163,538	155,400	8,138	155,400	-5%
Total Operating Revenues	560,764	3,565,822	3,388,150	177,672	3,388,150	-5%
Non-Operating Revenues:						
General Taxes	261,977	7,373,063	7,500,000	(126,937)	7,500,000	2%
Other Revenues	139,193	158,660	160,700	(2,040)	160,700	1%
Capital Contributions	900	5,400	20,000	(14,600)	20,000	73%
Total Non-Operating Revenues	402,070	7,537,123	7,680,700	(143,577)	7,680,700	2%
Total Revenues	962,834	11,102,945	11,068,850	34,095	11,068,850	0%
Expenses:						
Administration Dept.						
Salaries & Benefits	78,203	1,173,200	1,196,200	23,000	1,196,200	2%
Operations & Maintenance	47,227	1,046,704	1,029,300	(17,404)	1,029,300	-2%
Capital Outlay	290	288,472	435,000	146,528	435,000	34%
Total Administration	125,720	2,508,376	2,660,500	152,124	2,660,500	6%
Pipeline Dept.						
Salaries & Benefits	45,180	755,243	951,700	196,457	951,700	21%
Operations & Maintenance	232,952	661,632	591,800	(69,832)	591,800	-12%
Capital Outlay	13,197	322,222	621,000	298,778	621,000	48%
Total Pipeline	291,329	1,739,097	2,164,500	425,403	2,164,500	20%
Pumping Dept.						
Salaries & Benefits	67,026	1,008,195	1,030,900	22,705	1,030,900	2%
Operations & Maintenance	525,369	3,054,067	3,190,400	136,333	3,190,400	4%
Capital Outlay	3,816	525,480	514,000	(11,480)	514,000	-2%
Total Pumping	596,211	4,587,742	4,735,300	147,558	4,735,300	3%
Total General Fund						
Salaries & Benefits	190,409	2,936,638	3,178,800	242,162	3,178,800	8%
Operations & Maintenance	805,548	4,762,403	4,811,500	49,097	4,811,500	1%
Capital Outlay	17,303	1,136,174	1,570,000	433,826	1,570,000	28%
Total Expenses	1,013,260	8,835,215	9,560,300	725,085	9,560,300	8%
Net Income (Loss)	(50,426)	2,267,730	1,508,550	759,180	1,508,550	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: June 30, 2026

% of Year Remaining 0%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
BOARD-DESIGNATED RESERVE FUNDS						
EMERGENCY (71)						
Revenues:						
Interest Earnings	(2,832)	11,525	17,400	(5,875)	17,400	34%
Unrealized Gain/(Loss)	7,876	(3,291)	-	(3,291)	-	0%
Total Revenues	5,044	8,234	17,400	(9,166)	17,400	53%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	5,044	8,234	17,400	(9,166)	17,400	
WATER BANKING RESERVE (72)						
Revenues:						
Operating Revenues:						
Water Sales-Recharge BWRA	-	-	100,000	(100,000)	100,000	100%
Total Operating Revenues	-	-	100,000	(100,000)	100,000	100%
Non-Operating Revenues:						
Interest Earnings	(18,223)	74,483	114,100	(39,617)	114,100	35%
Unrealized Gain/(Loss)	50,790	(21,227)	-	(21,227)	-	0%
Total Non-Operating Revenues	32,567	53,256	114,100	(60,844)	114,100	53%
Total Revenues	32,567	53,256	214,100	(160,844)	214,100	75%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	32,567	53,256	214,100	(160,844)	214,100	
UNFUNDED PENSION LIABILITY (74)						
Revenues:						
Interest Earnings	8,926	17,123	9,900	7,223	9,900	-73%
Unrealized Gain/(Loss)	(1,753)	(1,753)	-	(1,753)	-	0%
Total Revenues	7,173	15,370	9,900	5,470	9,900	-55%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	7,173	15,370	9,900	5,470	9,900	
MAJOR REPAIR & OVERHAUL (81)						
Revenues:						
Interest Earnings	(11,977)	49,028	73,800	(24,772)	73,800	34%
Unrealized Gain/(Loss)	33,415	(13,965)	-	(13,965)	-	0%
Total Revenues	21,438	35,063	73,800	(38,737)	73,800	52%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	21,438	35,063	73,800	(38,737)	73,800	
EQUIP/INFRA - RPLC/UPGRD (83)						
Revenues:						
Interest Earnings	(127,756)	-	59,100	(59,100)	59,100	100%
Unrealized Gain/(Loss)	76,082	-	-	-	-	0%
Total Revenues	(51,674)	-	59,100	(59,100)	59,100	100%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	(51,674)	-	59,100	(59,100)	59,100	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: June 30, 2026

% of Year Remaining 0%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
TAX REVENUE LIABILITY (85)						
Revenues:						
Interest Earnings	(8,010)	47,696	67,300	(19,604)	67,300	29%
Unrealized Gain/(Loss)	31,089	(14,561)	-	(14,561)	-	0%
Total Revenues	23,079	33,135	67,300	(34,165)	67,300	51%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	23,079	33,135	67,300	(34,165)	67,300	
RATE STABILIZATION (87)						
Revenues:						
Interest Earnings	(4,399)	18,009	27,100	(9,091)	27,100	34%
Unrealized Gain/(Loss)	12,273	(5,130)	-	(5,130)	-	0%
Total Revenues	7,874	12,879	27,100	(14,221)	27,100	52%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	7,874	12,879	27,100	(14,221)	27,100	
RESTRICTED RESERVE FUNDS						
ENGINE PROJECT (73)						
Revenues:						
Interest Earnings	806	24,265	24,600	(335)	24,600	1%
Total Revenues	806	24,265	24,600	(335)	24,600	1%
Expenses:						
Operations & Maintenance	-	7,793	25,000	17,207	25,000	69%
Debt Service	807,375	1,054,750	1,054,750	-	1,054,750	0%
Capital Outlay	1,503,073	5,928,633	6,040,720	112,087	6,040,720	2%
Total Expenses	2,310,448	6,991,176	7,120,470	129,294	7,120,470	2%
Net Income (Loss)	(2,309,642)	(6,966,911)	(7,095,870)	128,959	(7,095,870)	
IMPROVEMENT DISTRICT NO. 2 (76)						
Revenues:						
General Taxes	132	5,270	4,000	1,270	4,000	-32%
Interest Earnings	6	9	100	(91)	100	91%
Unrealized Gain/(Loss)	(6)	-	-	-	-	0%
Total Revenues	132	5,279	4,100	1,179	4,100	-29%
Expenses:						
Operations & Maintenance	47,622	47,663	40,100	(7,563)	40,100	-19%
Total Expenses	47,622	47,663	40,100	(7,563)	40,100	-19%
Net Income (Loss)	(47,490)	(42,384)	(36,000)	(6,384)	(36,000)	
IMPROVEMENT DISTRICT NO. 3 (77)						
Revenues:						
General Taxes	840	12,616	10,100	2,516	10,100	-25%
Interest Earnings	(938)	6,500	9,100	(2,600)	9,100	29%
Unrealized Gain/(Loss)	3,779	(1,709)	-	(1,709)	-	0%
Total Revenues	3,681	17,407	19,200	(1,793)	19,200	9%
Expenses:						
Operations & Maintenance	-	86	9,200	9,114	9,200	99%
Total Expenses	-	86	9,200	9,114	9,200	99%
Net Income (Loss)	3,681	17,321	10,000	7,321	10,000	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: June 30, 2026

% of Year Remaining 0%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
STATE PAYMENT (82)						
Revenues:						
Special Taxes	53,332	4,824,019	3,408,400	1,415,619	3,408,400	-42%
Interest Earnings	(7,135)	350,099	408,100	(58,001)	408,100	14%
Unrealized Gain/(Loss)	161,027	(83,530)	-	(83,530)	-	0%
Total Revenues	207,224	5,090,588	3,816,500	1,274,088	3,816,500	-33%
Expenses:						
Operations & Maintenance	-	2,865,454	4,183,400	1,317,946	4,183,400	32%
Total Expenses	-	2,865,454	4,183,400	1,317,946	4,183,400	32%
Net Income (Loss)	207,224	2,225,134	(366,900)	2,592,034	(366,900)	

FLOOD CONTROL BENEFIT ASSESSMENT (86)

Revenues:						
Benefit Assessments	5,527	106,670	113,500	(6,830)	113,500	6%
Interest Earnings	(6,551)	33,887	49,900	(16,013)	49,900	32%
Unrealized Gain/(Loss)	21,562	(9,169)	-	(9,169)	-	0%
Total Revenues	20,538	131,388	163,400	(32,012)	163,400	20%
Expenses:						
Operations & Maintenance	55,096	103,253	113,500	10,247	113,500	9%
Total Expenses	55,096	103,253	113,500	10,247	113,500	9%
Net Income (Loss)	(34,558)	28,135	49,900	(21,765)	49,900	

DISTRICT TOTAL (All Funds)

Revenues:						
Operating Revenues	560,764	3,565,822	3,488,150	77,672	3,488,150	-2%
Non-Operating Revenues	679,952	12,963,987	12,077,200	886,787	12,077,200	-7%
Total Revenues	1,240,716	16,529,809	15,565,350	964,459	15,565,350	-6%
Expenses:						
Salaries & Benefits	190,409	2,936,638	3,178,800	242,162	3,178,800	8%
Operations & Maintenance	908,266	7,786,652	9,182,700	1,396,048	9,182,700	15%
Debt Service	807,375	1,054,750	1,054,750	-	1,054,750	0%
Capital Outlay	1,520,376	7,064,807	7,610,720	545,913	7,610,720	7%
Total Expenses	3,426,426	18,842,847	21,026,970	2,184,123	21,026,970	10%
Net Income (Loss)	(2,185,710)	(2,313,038)	(5,461,620)	3,148,582	(5,461,620)	

DISTRICT TOTAL (Excluding Debt-Financed Capital Project - Fund 73)

DISTRICT TOTAL (All Funds)						
Net Income (Loss)	(2,185,710)	(2,313,038)	(5,461,620)	3,148,582	(5,461,620)	
Less: ENGINE PROJECT (73)						
Net Income (Loss)	(2,309,642)	(6,966,911)	(7,095,870)	128,959	(7,095,870)	
Net Income (Loss) Excluding Fund 73	123,932	4,653,873	1,634,250	3,019,623	1,634,250	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
CASH BALANCES AS OF JUNE 30

DISTRICT FUNDS	2026	2025	CHANGE
GENERAL FUND (70)	5,288,034	4,314,689	973,345
<u>BOARD-DESIGNATED RESERVES</u>			
EMERGENCY (71)	453,884	437,290	16,594
WATER BANKING (72)	2,930,836	2,823,704	107,132
UNFUNDED PENSION LIABILITY (74)	259,388	0	259,388
MAJOR REPAIRS & OVERHAUL (81)	1,928,662	1,858,164	70,498
EQUIP./INFRA. - REPL./UPGR. (83)	77,641	2,984,188	(2,906,547)
TAX REVENUE LIABILITY (85)	1,869,516	1,694,044	175,472
RATE STABILIZATION (87)	708,419	682,524	25,895
<u>RESTRICTED RESERVES</u>			
ENGINE PROJECT (73)	819	1,542,226	(1,541,407)
IMPROVEMENT DISTRICT NO. 2 (76)	(36,843)	0	(36,843)
IMPROVEMENT DISTRICT NO. 3 (77)	249,245	227,257	21,988
STATE PAYMENT (82)	13,067,580	10,680,108	2,387,472
BENEFIT ASSESSMENT DISTRICT NO. 1 (86)	1,277,358	1,228,455	48,903
	-----	-----	-----
DISTRICT TOTAL	28,074,539	28,472,649	(398,110)
	=====	=====	=====

**COUNTY OF KERN
MONTHLY CASH BALANCE**

As of Date: 6/30/2026

FUND	FUND NAME	AS OF DATE	TREASURERS CASH
8271	Tehachapi-Cummings Water M & O	06/30/2026	\$0.00
8287	Tehachapi-Cummings Wat Imp #2	06/30/2026	\$0.00
8301	Tehachapi-Cummings Wat Imp #3	06/30/2026	\$0.00
8315	Teh-Cum Co Water-State Payment	06/30/2026	\$0.00
8327	Teh Cum Wt-Fld Con Ben Assm Ar	06/30/2026	\$0.00
8340	Tccwd Investment Account	06/30/2026	\$37,035.14
			\$37,035.14

LAIF Pool - Account Reconciliation

June 30, 2026						
Bank Activity				G/L Allocation		
Date	Description	GL Acct #	LAIF Pool	Cash- BMO	G/L Balance	
	Beginning Balance	10130	\$ 8,139,077.58		\$ 8,139,077.58	
6/17/2026	Transfer (to)/from BMO	10110	(990,000.00)	(990,000.00)	(990,000.00)	
	Ending Balance	10130	<u>\$ 7,149,077.58</u>	<u>\$ (990,000.00)</u>	<u>\$ 7,149,077.58</u>	G/L
				10110	10130	

CAMP Pool - Account Reconciliation

June 30, 2026					
Bank Activity				G/L Allocation	
Date	Description	GL Acct #	CAMP Pool	Interest Earnings	G/L Balance
	Beginning Balance	10160	\$ 12,481.71		\$ 12,481.71
6/30/2026	Interest Earnings	40231	38.65	38.65	38.65
	Ending Balance	10160	<u>\$ 12,520.36</u>	<u>\$ 38.65</u>	<u>\$ 12,520.36</u>
			Bank	40231	10160

U.S. Bank - Managed Investments Account Reconciliation

June 30, 2026												
Bank Activity						G/L Allocation						
Date	Description	GL Acct #	Monthly Market Value				Interest Earnings	Unrealized Gain / (Loss)	Bank & Admin Services	FV Adj Allowance Sub-Account - Only		
			Cash & Equivalents	Taxable Bonds at Book Value	Adj - Only Recorded at YE	US Bank Investments				Adjusted at YE	G/L Balance @ Cost	Total Adjusted GL Balance
	Beginning Balance	10170	\$ 59,769.59	\$ 19,214,635.75	\$ 488,988.35	\$ 19,763,393.69				\$ 599,601.13	\$ 19,274,405.34	\$ 19,874,006.47
6/12/2026	Security Matured		480,000.00	(480,000.00)	-	-	-	-	-	-	-	-
6/12/2026	Security Matured		540,000.00	(540,000.00)	-	-	-	-	-	-	-	-
6/12/2026	Security Purchased		(1,021,110.00)	1,021,110.00	-	-	-	-	-	-	-	-
6/12/2026	Accrued Interest - purchased	40231	(1,516.39)	-	-	(1,516.39)	(1,516.39)	-	-	-	(1,516.39)	(1,516.39)
6/30/2026	Long-Term Gains/Losses		-	35,110.80	-	35,110.80	35,110.80	-	-	-	35,110.80	35,110.80
6/8/2026	Taxable Interest - reinvested	40231	-	4,287.50	-	4,287.50	4,287.50	-	-	-	4,287.50	4,287.50
6/15/2026	Taxable Interest - reinvested	40231	-	10,725.00	-	10,725.00	10,725.00	-	-	-	10,725.00	10,725.00
6/16/2026	Taxable Interest - reinvested	40231	-	14,062.50	-	14,062.50	14,062.50	-	-	-	14,062.50	14,062.50
6/17/2026	Taxable Interest - reinvested	40231	-	771.90	-	771.90	771.90	-	-	-	771.90	771.90
6/22/2026	Taxable Interest - reinvested	40231	-	1,500.00	-	1,500.00	1,500.00	-	-	-	1,500.00	1,500.00
6/29/2026	Taxable Interest - reinvested	40231	-	835.34	-	835.34	835.34	-	-	-	835.34	835.34
6/30/2026	Taxable Interest - reinvested	40231	-	10,140.00	-	10,140.00	10,140.00	-	-	-	10,140.00	10,140.00
6/30/2026	Taxable Interest - reinvested	40231	-	4,320.63	-	4,320.63	4,320.63	-	-	-	4,320.63	4,320.63
6/30/2026	Taxable Interest - reinvested	40231	-	1,796.88	-	1,796.88	1,796.88	-	-	-	1,796.88	1,796.88
6/30/2026	Taxable Interest - reinvested	40231	-	7,312.50	-	7,312.50	7,312.50	-	-	-	7,312.50	7,312.50
6/30/2026	Taxable Interest - reinvested	40231	-	9,562.50	-	9,562.50	9,562.50	-	-	-	9,562.50	9,562.50
6/30/2026	Taxable Interest - reinvested	40231	-	4,843.75	-	4,843.75	4,843.75	-	-	-	4,843.75	4,843.75
	Transfers between assets		70,158.50	(70,158.50)	-	-	-	-	-	-	-	-
6/12/2026	Taxable Interest - not reinvested	40231	2,362.50	-	-	2,362.50	2,362.50	-	-	-	2,362.50	2,362.50
6/12/2026	Taxable Interest - not reinvested	40231	13,800.00	-	-	13,800.00	13,800.00	-	-	-	13,800.00	13,800.00
6/30/2026	Taxable Dividends - paid	40231	234.98	-	-	234.98	234.98	-	-	-	234.98	234.98
6/25/2026	Monthly Trustee Fees	50207	(164.49)	-	-	(164.49)	-	-	(164.49)	-	(164.49)	(164.49)
	Fair Value Adjustment	40232	-	-	(74,614.90)	(74,614.90)	-	(185,227.68)	-	(185,227.68)	-	(185,227.68)
	Ending Balance	10170	\$ 143,534.69	\$ 19,250,856.55	\$ 414,373.45	\$ 19,808,764.69	\$ 120,150.39	\$ (185,227.68)	\$ (164.49)	\$ 414,373.45	\$ 19,394,391.24	\$ 19,808,764.69
			-	0.00	-	-	40231	40232	50207	10170-01	10170-00	10170-XX

Only booked at YE

Assets at MV

G/L

U.S. Bank - Bond Account Reconciliation
Held by Trustee

2023 REVENUE CERTIFICATES OF PARTICIPATION
Trust Agreement dated June 1, 2023

Bond Proceeds	12,062,601.15
Par Amount	10,925,000.00
Premium	1,137,601.15
Reserve Fund (surety bond issued by the Insurer; not a District asset)	1,055,500.00

June 30, 2026										G/L Allocation			
Bank Activity										Interest	Principal - Eng	Interest Exp-	G/L Balance
Date	Description	GL Acct #	Certificate Payment Fund	Interest Fund	Principal Fund	Prepayment Fund	Aquisition Fund	Total Fiscal Agent Cash		Earnings	Repl	Eng Repl	
	Beginning Balance	73-00-10150	\$ 807,387.92	\$ -	\$ -	\$ -	\$ -	\$ 807,387.92					\$ 807,387.92
6/1/2026	Interest	73-00-40231	806.28	-	-	-	-	806.28		806.28	-	-	806.28
6/1/2026	Debt Service payment- princ	73-00-50303	-	-	(560,000.00)	-	-	(560,000.00)		-	(560,000.00)	-	(560,000.00)
6/1/2026	Debt Service payment- int	73-00-50313	-	(247,375.00)	-	-	-	(247,375.00)		-	-	(247,375.00)	(247,375.00)
	Transfers Between Accounts		(807,375.00)	247,375.00	560,000.00	-	-	-		-	-	-	-
	Ending Balance	73-00-10150	\$ 819.20	\$ -	\$ -	\$ -	\$ -	\$ 819.20	Bank	\$ 806.28	\$ (560,000.00)	\$ (247,375.00)	\$ 819.20 G/L
										73-00-40231	73-00-50303	73-00-50313	73-00-10150

SPECIAL CHECK REGISTER
For the Period from
July 24, 2026 to July 28, 2026

Check #	Name	Line Description	Amount
11400	Motor City Buick GMC	3- 1/2 Ton Pickups (July Expense)	\$154,295.10
		Check Total	\$154,295.10
Pd Via ACH	CA Dept. Tax & Fee Administration	Natural Gas Surcharge-Period Ending 06/30/26 (June Expense)	\$90,425.00
		Total Paid	\$244,720.10

CHECK REGISTER
For the Period from
August 17, 2026 to August 17, 2026

Check #	Name	Line Description	Amount
11401	Above & Beyond Energy Services, Inc	Series 5 Spinner Kit	\$7,709.25
11402	ACWA Joint Powers Insurance Authority	JPIA Leadership Essentials Training	\$2,195.00
11403	ACWA Joint Powers Insurance Authority	2026-2027 Cyber Liability Premium	\$2,759.14
11404	ACWA/JPIA	Medical/Dental/Vision/EAP Premiums	\$49,263.73
11405	Amazon Capital Services	Copy Paper/Binders/Pens/Post-it-Notes	\$109.17
11406	AT & T Mobility	Cellular Service/Device Payments	\$510.28
11407	B.S. & E.	Thrust Plates/Forklift Rental for Pump Removal/19ft Reach Lift Rental	\$1,895.21
11408	BACSCO	Cooler Pads/A97 Belts/Credit for 2 Returned Motors	\$114.18
11409	Bakersfield Well & Pump	Final Billing-Nunes Well (June Services)	\$92,957.00
11410	Birmingham Controls, Inc	Filter Element / Solenoid Valve	\$2,946.86
11411	BMC Industries	Stuffing Box Repair-Change Bushing & Blast	\$5,324.19
11412	Brown Armstrong Accountancy Corp	June 30, 2026 Audit Work in Process	\$2,080.00
11413	Budget Bolt Inc	5/8 Stainless Steel Lock Washer	\$43.30
11414	Cellgate	Annual Fee- Front Gate	\$900.00
11415	Central California Instrument	30 PSI Pressure Gauges / Coalescing Cartridges	\$1,875.88
11416	Chester Ave Brake & Supply	Air Brake Hoses for E58	\$88.71
11417	Cintas Corp	Uniform Service - July	\$1,058.96
11418	CivicPlus	Annual Website Subscription	\$7,056.00
11419	Coastline Equipment	Forklift Hooks - E76 / Gas Door Shock, Strut - E67	\$793.32
11420	Condition Monitoring Services, Inc	Vibration Analysis Reporting - (June Expense) / Vibration Analysis Reporting P1-4 (July)	\$1,635.00
11421	Cooper Machinery Services, LLC	Cage Valves/Seals/Snap Rings	\$4,722.48
11422	Core & Main, LP	2" Meters for Stock/Meter Flanges/12 Victaulic Gaskets	\$4,159.43
11423	Deran Gear Inc	Repair Right Angle Gear Drives - PP1 E4 / PP1 E2	\$73,156.34
11424	Diesel & Industrial Mach.Shop Inc	Disassemble, Hot Tank, Buff 1700 Heads	\$4,704.00
11425	EMTS, Inc	Landscape Maintenance - July	\$1,058.56
11426	Energy Link Industrial Services, Inc	Starter-PP4 F18	\$4,693.27
11427	Esquivel's Janitorial Service	General Office Cleaning-July	\$750.00
11428	Estes Express Lines, Inc	Ship PP1 Gearhead to Deran Gear	\$952.26
11429	Fastenal Company	Brakleen/Clamps/Discs/Studs/Washers/Hex Nuts/Wire Brushes	\$2,261.83
11430	Global Compression Services	Spark Plugs (48-Case/4-Box)	\$2,584.96
11431	Golden Empire Nuts & Bolts	1/2 x 2" Double Ended Studs (100)	\$661.86
11432	Grainger W.W. Inc	Lubrication Pump/Through Wall AC-PP3 / Hog Rings/O-Rings/Aluminized Gloves	\$2,180.70
11433	Grapevine MSP, LLC	Server Hardware/Warranty/Install-Server	\$4,195.22
11434	H & S Hose & Supply Inc	3" Part F Aluminum Camlock/Brass Ends-Inlet/Outlet	\$64.64
11435	Insight Direct USA	Acrobat Standard Subscription (1)	\$95.31
11436	J C Wattenbarger & Sons	2 x 12-16' Redwood for Turnout Boxes	\$4,902.14
11437	Jim Burke Ford	Brake Pads - PP36	\$268.29
11438	Kern Auto Parts, Inc	Purple Power Degreaser / Cabin Air Filter-PL19	\$221.85
11439	Kern County Auditor-Controller	LAFCO Share Operating Costs FY 2027	\$6,404.00
11440	Kern County Public Works	Disposal-AC from PP3	\$3.47
11441	Lebeau-Thelen, LLP	General Legal - July	\$9,258.50

CHECK REGISTER
For the Period from
August 17, 2026 to August 17, 2026

Check #	Name	Line Description	Amount
11442	Lee, Steve (Announce Solutions)	Monthly Maintenance/Web Hosting/Proxy Management	\$1,142.50
11443	Matarazzo Law	Legal Fees-July	\$2,692.50
11444	McCrometer Inc	8" Ultra Mag Meter	\$6,572.21
11445	Motor City Buick GMC	Cover, Pad-PP38 / Transfer Case Repair, Rebuild, Service Transmission - PP38	\$5,177.34
11446	Murphy's Diesel & Auto Repair, LLC	Transmission Service-PL20/Carb Inspection - PP36, E73	\$830.29
11447	N.B. Sales & Service, Inc	Air Receivers - 1,060 Gal, 200 PSI (2)	\$32,542.39
11448	Navillus Enterprises	Vehicle Gas, Diesel-July / Oil for Well Drillers	\$9,800.96
11449	Office 1	Color Copies - July	\$123.94
11450	Optimized Investment Partners, LLC	Investment Advisory Services-July	\$2,506.75
11451	O'Reilly Auto Parts	Fuel Filter-PP36/Air Filter-PP39/Bulb-PP35/Battery PP40/Wire Brush/Cabin Filter - PL21	\$655.39
11452	Orkin	Pest Control Services-PP's 1-5	\$658.24
11453	P & J Electric Inc	Troubleshoot Solenoid Failure - PP4 E2	\$750.00
11454	Pacific West Sound	Repair Shure MX Series Microphones	\$352.50
11455	Petty Cash Reimbursement	Double Sided Bolt for Heat Exchanger/Bulb-PL16/Fittings PP4E3	\$70.12
11456	Pioneer Law Group, LLC	Legal Fees-July	\$48.25
11457	Pitney Bowes Bank, Reserve Account	Postage for Postage Machine	\$500.00
11458	Powers Electric Products Inc	400 ft Reel/600ft Reel of Cable w Probes	\$1,536.69
11459	Protech Auto	Smog Inspections-PL18, PL21, AD03, PL19	\$247.00
11460	Quinn Company	Main Element/Air Filters - E71	\$337.68
11461	Robinson Welding Supply Inc	Cylinder Rental	\$32.92
11462	Royal Industry Solution-Bakersfield	Annual Support Agreement - Year 2 of 3 / Spare Batteries	\$3,804.15
11463	Safety-Kleen Corp	Used Oil Pickup-PP's /Parts Washer Solvent/Vacuum Fee/Oil Debrl Charge	\$16,700.82
11464	Seal & Packing Supply	Gaskets-#455 1/64" / 12" CR Gaskets / 12" FF Gaskets	\$2,000.46
11465	Shreds Unlimited, Inc	Shredding Service-August	\$50.00
11466	Silvas Oil Company	Mobil 630 / Blue Def	\$6,441.47
11467	Skoo'Kum Water Company	Quarterly Monitoring / Alkalinity Testing	\$979.00
11468	Support Product Services Inc	Heat Exchangers-PP4, PP1	\$7,549.28
11469	The Tire Store	Flat Tire Repair-PL17 / Brakes-AD03 / Oil Change - PP35	\$550.00
11470	ULINE	Nitrile Gloves	\$302.43
11471	Underground Serv.Alert of No.CA & Nevada	CA State Fee-regulatory Costs (7/1/26 to 6/30/27)	\$839.50
11472	United Rental (North America) Inc	Truck Rental for PP 37 Repair / Truck Rental for PL19 Repair	\$3,248.42
11473	USA Bluebook	Y-Strainer w/2" Mesh SS Screen / Meter Flange Kits/Class II Turbine 2" Direct Read	\$4,803.65
11474	Waste Management-Kern County	Recycling/Gate Fees-July / Porta Pottie Service-August	\$853.77
11475	Waukesha-Pearce Ind. Inc	Adapters/Spark Plug Cables/Exhaust Valve Seats	\$14,065.01
11476	Wex Bank (Shell Credit Card)	Vehicle Gas for Rental	\$10.69
11477	Wex Bank (Chevron Credit Card)	Vehicle Gas - AD04	\$11.64
11478	White Cap, L.P.	2 1/2" x 50ft Fire Hoses (2)	\$683.25
11479	Wienhoff Drug Testing	Post-Incident Testing	\$163.25
11480	WM Lyles	Engine Project-Final Billing (June Services)	\$8,920.50
11481	WM Lyles	Engine Project - Retention (June Services)	\$374,809.39

Check Total \$821,978.64

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 26, 2026

TOPIC: Consent to sale of certain tax-defaulted properties

ITEM FOR: Action

PURPOSE: Allow the sale of tax-defaulted properties to proceed

IMPACT: Fiscal/Budget

SUBMITTED BY: Tom Neisler

EXECUTIVE SUMMARY

Approval of this item will provide the Kern County Treasurer-Tax Collector with the district's consent to sell tax-defaulted properties within its boundaries.

BACKGROUND

On August 4, 2026, the district received notice from Kern County that the Treasurer-Tax Collector will conduct its next sale of tax-defaulted properties September 14-16, 2026. Staff reviewed the list and identified 38 properties located within the district. The list encompasses the entire county. I have a complete copy of the list with the parcels within TCCWD highlighted but did not include it with this report due to its large size and minimal relevance. The list is available upon request for review. The county requests that the district provide notice that it does not object to the sale of the properties. The district could contest the sale of one or more properties if it wanted to possess the property for some public purpose, or if it wanted to pursue collection of taxes, special assessments or unpaid water bills (since unpaid taxes are senior to unpaid water bills, if the bid is insufficient, the district might not receive payment even if a lien is placed). To possess a property, the district would need to offer the full bid amount, which would ensure that all back taxes are paid.

Staff has reviewed the list of properties and finds none of them suitable for any district purpose. Also, there are no unpaid water bills owed to the district for any of the listed parcels. With Board approval, I will sign and return the provided notice.

FISCAL IMPACT

Collected tax revenues of approx. \$436.93. When the properties are sold, the district will receive its pro-rata share of back taxes settled from the transactions.

COMMITTEE RECOMMENDATION

None.

RECOMMENDED MOTION

This item is listed on the Consent Calendar. If it remains on the Consent Calendar, it will be approved with the other items as a single motion. If it is removed, the recommended motion would be: ***"I move that the District notify the Treasurer-Tax Collector that the District consents to the sale of the tax-defaulted properties."***

ATTACHMENTS

A - Kern County Treasurer-Tax Collector Notice
B – District Consent Form



Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

July 31, 2026

RECEIVED

Tehachapi-Cummings County Water District
P. O. Box 326
Tehachapi CA 93581

AUG - 4 2026

Tehachapi-Cummings
County Water District

Subject: **Sale of Tax-Defaulted Property September 14-16, 2026**

Dear Taxing Agency:

In accordance with Revenue and Taxation (R&T) Code Section 3700, enclosed is a copy of Kern County Board of Supervisors' Resolution No. 2026-186, dated May 19, 2026. This resolution directs the Treasurer-Tax Collector to proceed with a public auction sale of certain tax-defaulted properties that may be in your district and on which your district has the right to levy taxes or assessments.

Please be advised that State law allows the Treasurer-Tax Collector, at his discretion, to sell parcels that receive no bid at a lower minimum bid at this same sale. Additionally, any parcel remaining unsold may be resold within a 90-day period and any new parties of interest shall be notified in accordance with R&T Code Section 3701. Pursuant to R&T Code Section 3704.5, we will advertise and sell the properties on an Internet auction website.

If there is a property in which your district is levying taxes or assessments, and you have no objection to such a sale, please execute and return the enclosed consent.

Sincerely,

Jordan Kaufman
Treasurer - Tax Collector

By: Traci Tewksbury

encl: Board of Supervisor's Resolution
Exhibit A
Consent Form
Return Envelope





Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

CONSENT

Jordan Kaufman
Treasurer-Tax Collector
1115 Truxtun Avenue, 2nd Floor
Bakersfield, CA 93301
Attention: Tax Sale Department



JORDAN KAUFMAN
Kern County Treasurer - Tax Collector
1115 TRUXTUN AVE FL 2ND
BAKERSFIELD CA 93301-4640

Re: Sale of Tax-Defaulted Property on September 14-16, 2026

Dear Mr. Kaufman:

Please be advised that in accordance with Revenue and Taxation Code Section 3700, the undersigned taxing agency consents to the sale of certain tax-defaulted properties as approved by the Kern County Board of Supervisors, in Resolution No. 2026-186, dated May 19, 2026.

Taxing Agency: Tehachapi-Cummings County Water District

By: _____

Title: _____

Date: _____

Email: _____





MANAGER'S REPORT – AUGUST 26, 2026

SUMMARY

Time moves along at TCCWD, while we strive to maintain consistency and stable operations. We have recently welcomed Hannah McKinzie, Admin Asst., Garrett Frankland, Heavy Duty Mechanic, Joe Sasia, Pipeline Maintenance, Skylar Johnston, Controls and Emissions Specialist, Casey Horg, Equipment Operator and Brandon Kirby, GIS Technician to our team. They are all great additions. We have also been privileged to have three inters with us this summer who will be leaving soon: Russell Clayton, Carter Barthelmes, Jacob Rubalcava. We wish them well in their future endeavors. Wes Fowlkes, who has served as a Mechanic for 33 years, will be retiring shortly. I may have some more retirement news to share later in today's meeting also. We are blessed with these new folks, and we honor those who have given decades of service to our district.



STATEWIDE/REGIONAL

- The SWRCB recently announced the August 2026 update to the Bay Delta Plan, a sweeping plan to define how water is managed through this critical area. The plan was immediately attacked by opponents and met with cautious remarks from water managers; who are responsible for attempting to operate under the ever-changing state regulations. The plan still contains unimpaired flow requirements, despite decades of data that show this approach has not been successful. Many millions of dollars have been spent by public water agencies to supply these data with little apparent effect.
- The predicted El Nino continues to strengthen in the Pacific Ocean. The equatorial temperature is now $>3^{\circ}\text{C}$ above normal. Such elevated temperatures have never been recorded previously. Impacts are now being assessed and reported around the globe, Europe seems to be especially vulnerable.
- Golden Mussels have continued to be a large topic of concern and discussion. At a presentation that Jon Curry attended, it was announced that Kern County efforts to control this invasive species may cost more than \$36 million per year. Jon is our point man on this problem and he will provide a more detailed report.

LOCAL

- I am pleased to announce that Provost & Pritchard, our engineering consultant, has received the Award for Outstanding Energy Project for the Engine Replacement Project, from both the LA Section and the Southern San Joaquin Valley Section for this year. These awards will be presented in ceremonies at Luigi's in Bakersfield and at the Queen Mary in Long Beach. Additionally, Noelle Penner, our P&P Project Engineer, will be presenting the project at the US Committee on Irrigation and Drainage at their conference in Reno, NV. TCCWD staff will attend these events as the project owner. Congratulations to Noelle, Provost & Pritchard, our awesome team and our project partners!
- I need to mention the engines, because it would be negligent not to do so, but I don't want to talk about it. Jon will provide a detailed report.
- We continue to provide almost all of our system flow to customer direct use. Lake level is lower than normal, but adequate for our operations. As demand decreases, we will ramp up our recharge operations.

OTHER ITEMS

- I spoke on August 18 at the Stallion Springs CSD Board Meeting about their water supply and banking operations. They have met their 5-year BWRA requirement. Congratulations SSCSD! I also began to roll out the upcoming Term M&I agreement changes that we will discuss later in today's meeting. I will schedule similar presentations for our other public agency partners in the near future.
- My favorite day of the year will be September 1 this year. I get to the JMS Science Classes (300 bright minds, 5 classes). The kids always stimulate me and keep me on my toes. I'm sure we will talk about poop water.

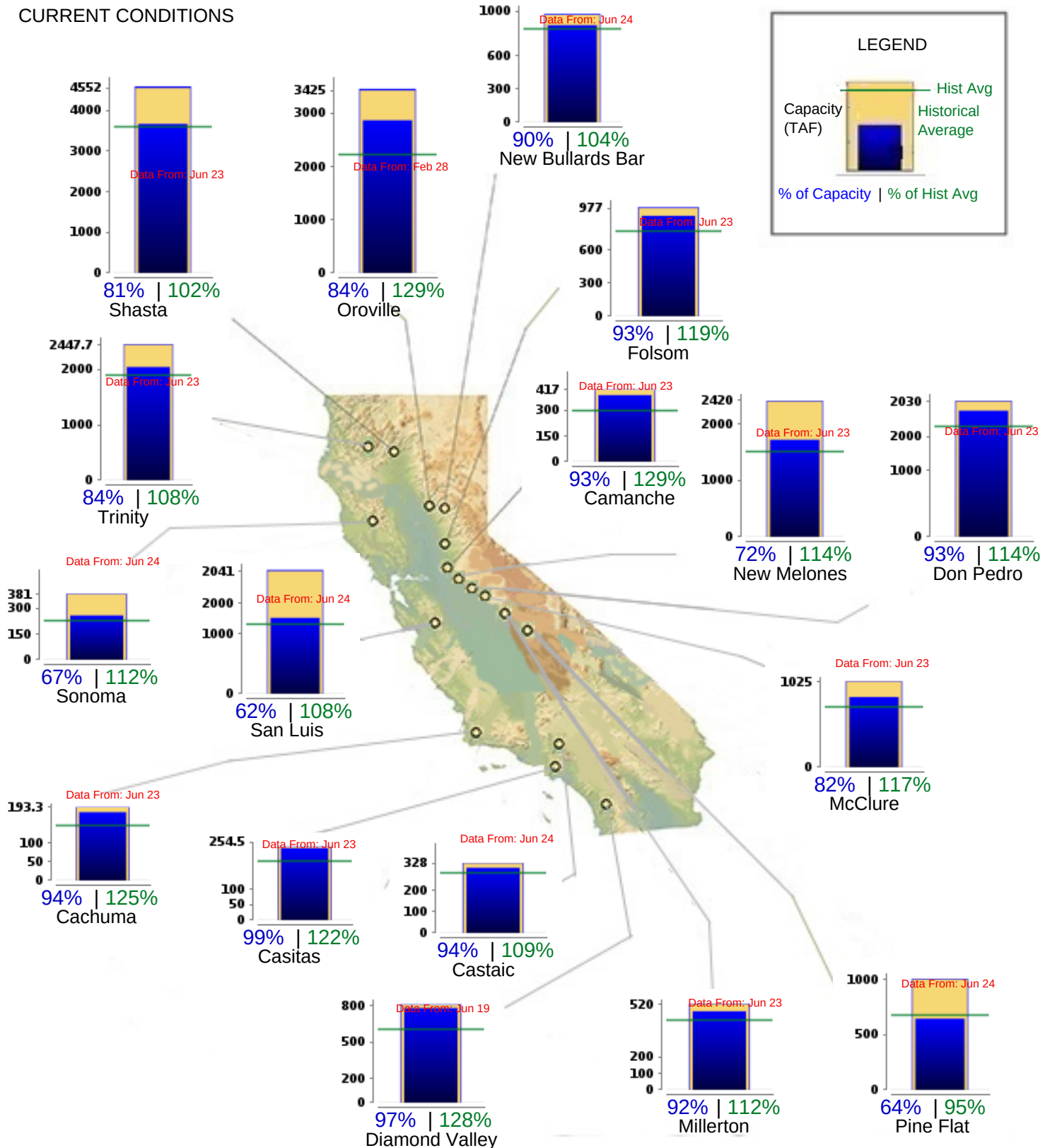


CURRENT RESERVOIR CONDITIONS

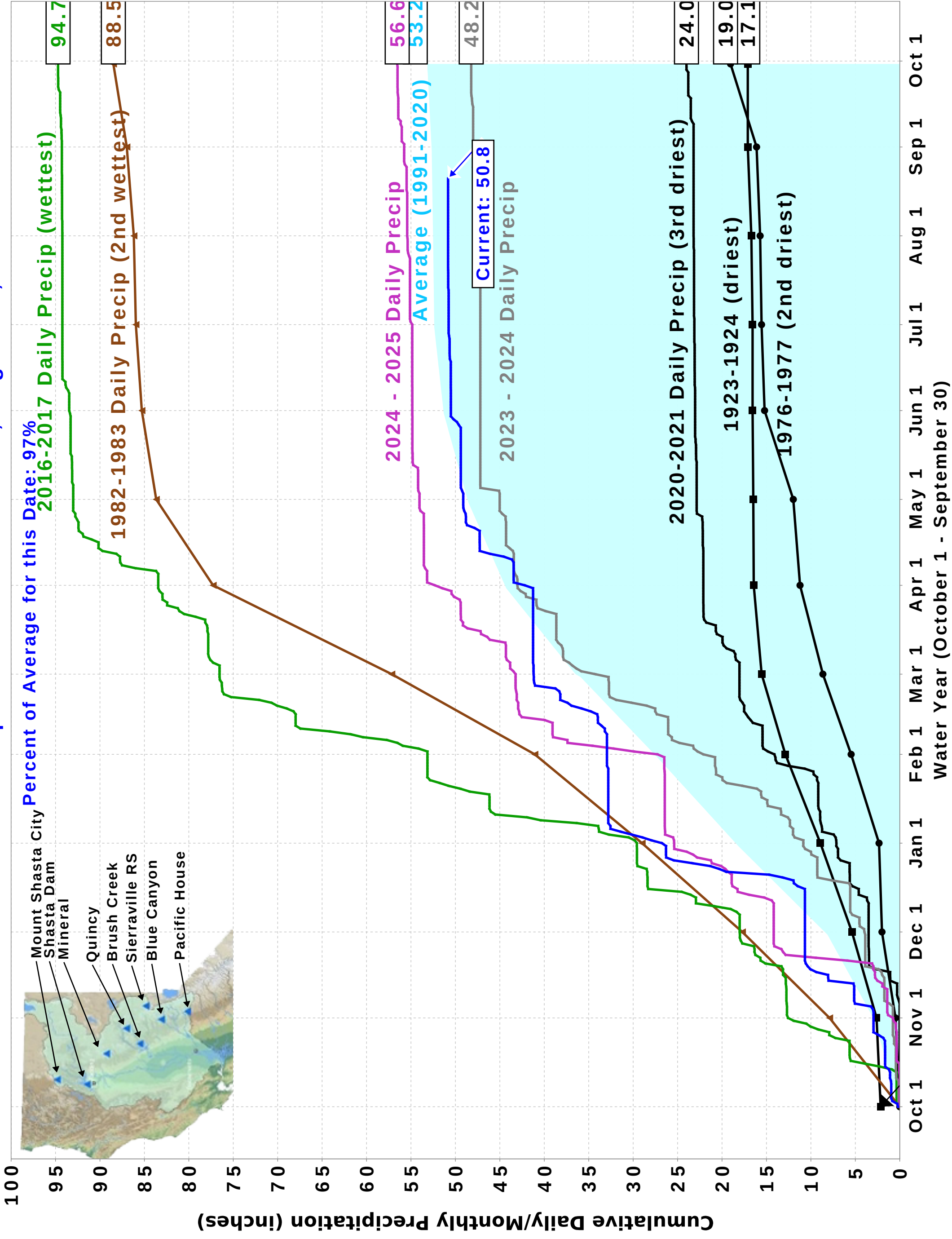
CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - August 20, 2026

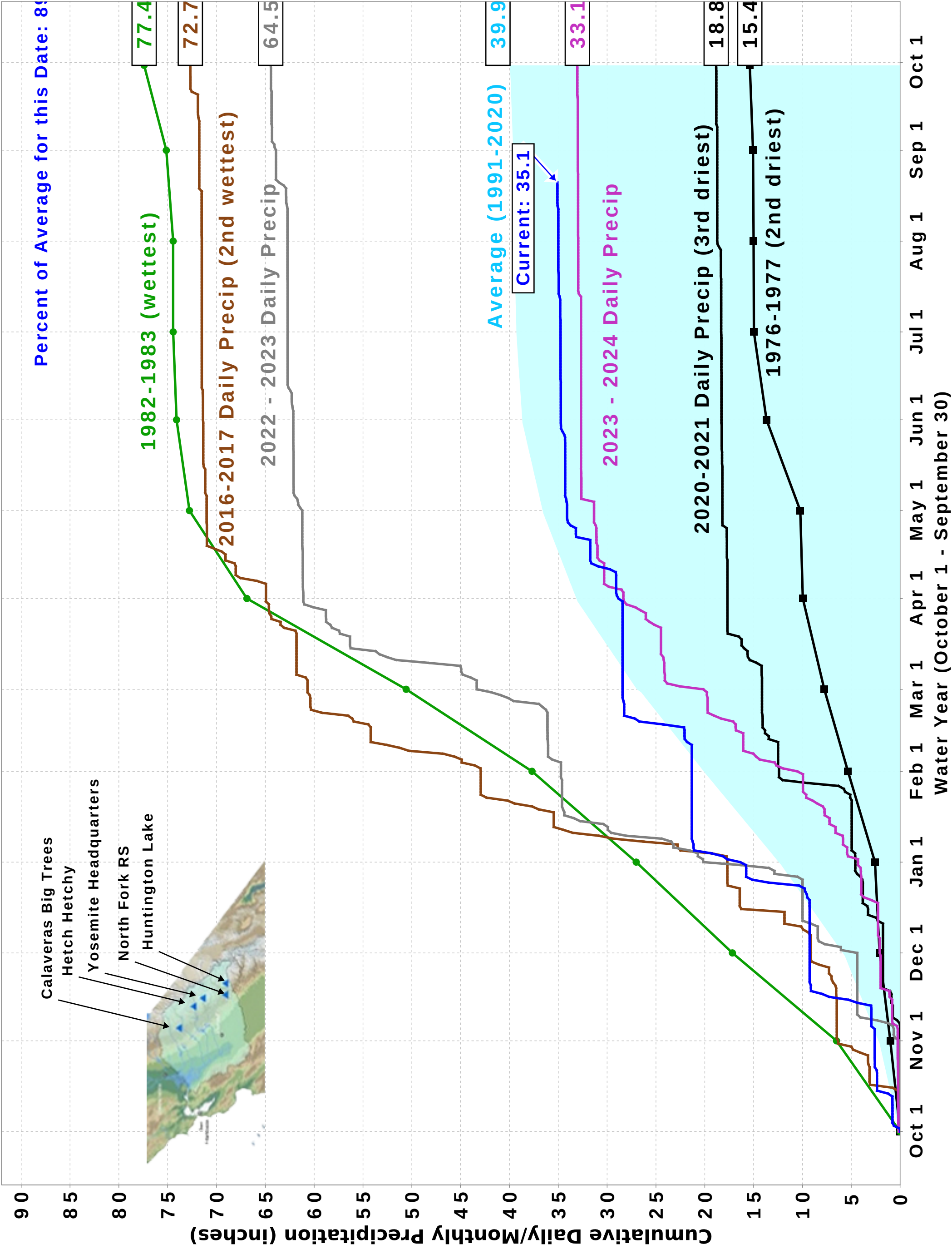
CURRENT CONDITIONS



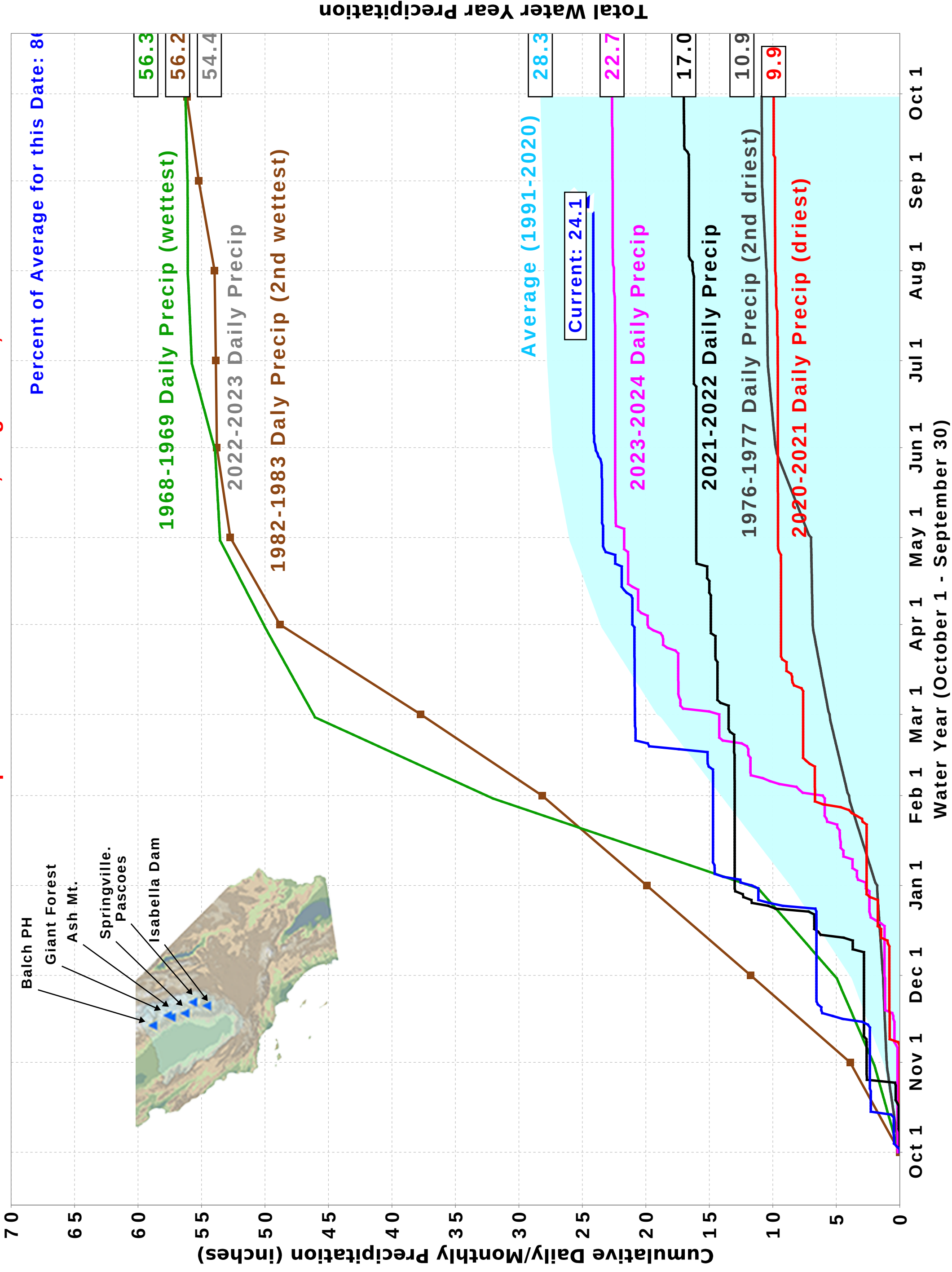
Northern Sierra Precipitation: 8-Station Index, August 21, 2026



San Joaquin Precipitation: 5-Station Index, August 21, 2026



Tulare Basin Precipitation: 6-Station Index, August 21, 2026

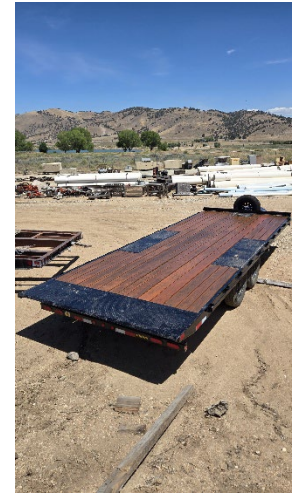


OPERATIONS REPORT-AUGUST 26, 2026

SUMMARY

As we move deeper into the importation season, Operations continue to overcome many obstacles and keep our system up and running. Pumping Systems has been plagued at PP1 with 7-stage pump and RA Drive (gearbox) issues. At the moment, we are operating at 21cfs with no spare gearboxes or 7-stage pumps. We are working diligently with our vendors/suppliers to get spare pumps and gearboxes repaired and delivered back to us. These repairs require that we send the pumps to Oklahoma and the gearboxes to Texas for repairs, this creates long lead times even with Staff leaning on the vendors.

For this month's report, I would like to highlight the Pipeline Departments efforts to restore the road crossing on the West Side of Tucker Road near the Antelope Run Bike Path. Our mainline runs East/West through this area and the road was near impassible. Casey Horg and Joe Sasia were able to get the work completed safely with no traffic impact. The result looks great and should last for some time. Great work guys!



OPERATIONS

Brite Lake data from August 21, 2026: elevation was 4352.0', volume was 1,003.3 Acre-Feet, and the level was 26.0'. The importation system is operating on a three-engine system at 21cfs. The Tehachapi Basin Extraction Wells were shut down on August 7, 2026. We are operating the 19 Acres and CB Westerly recharge facilities as needed to alleviate some pressure spiking that is occurring in Cummings Valley in the early morning hours.

MAINTENANCE

Pumping Systems

- Pump Plants 1-3, performed spark plug replacements and valve adjustments
- Routine oil services on engines and RA drives.
- 7-stage pumps and RA Drives at PP1, Engines 2 and 4
- Heat exchanger cleaning at PP1 and PP4.
- Rebuild check valves at PP4 - E1
- Source testing (emissions) at PP's 1-4

Pipeline

- Turnout repair at T14S-L5 (8")
- Repaired washout on west side of Tucker where mainline crosses
- Installed new turnout on Pegasus Loop Line
- Completed hauling off debris from 19 Acres
- Made multiple repairs on barbed wire fencing on east side of JCJ
- Replaced private well meter at Triassic Vineyards

Other items:

- Operations Staff attended Compressed Gas Cylinder, HAZCOM-GHS and Good Housekeeping Safety training
- Work on the Kern Multi-Jurisdictional Hazard Mitigation Plan
- Staff attended Golden Mussel web meetings with Kern County, KCWA, CDFW and CalOES
- Met w/Golden Mussel Treatment provider to discuss our detections and possible solutions
- Pipeline Staff (2) attended Chlorination and Water Math training with CRWA

LOOKING AHEAD

We continue to queue items from the FY26/27 CIP along with development of off-season tasks and project lists to be ready to go when we complete importation operations.



West Side of Tucker/Bike Path – Before



West Side of Tucker/Bike Path - After



Prefabricated 2" Turnout



Installing Rebuilt RA Drive at PP1-E2



7 Stage Pump Removal at PP1



Scale from Heat Exchanger – PP4

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 26, 2026

TOPIC: Public Hearing – Status of Vacancies, Recruitment and Retention (AB 2561)

ITEM FOR: Action

PURPOSE: Conduct a Public Hearing and Consider Acceptance of the District’s Status of Job Vacancies, Recruitment and Retention

IMPACT: Administration

SUBMITTED BY: Catherine Adams

EXECUTIVE SUMMARY

This public hearing is held pursuant to California State Assembly Bill 2561 and California Government Code §3502.3 to present the status of Tehachapi-Cummings County Water District’s job vacancies, recruitment and retention efforts and to allow the Public to review and comment.

BACKGROUND

Effective January 1, 2025, Assembly Bill 2561 requires public agencies to present the status of job vacancies and recruitment and retention efforts at a public hearing, at least once per fiscal year, prior to adopting the final budget. Any recognized employee organizations are allowed to be present at the hearing, however, Tehachapi-Cumming County Water District employees do not have any such organizations or bargaining units.

- Vacancies: Currently, the Authorized Positions list reflects vacant positions for Controls and Emissions Technician, Operations Manager, and Administration Manager. All three of these positions have upper level, counterpart positions, that when filled, eliminate the need for the lower level position. The Controls and Emissions Specialist, Assistant General Manager of Operations, and the Assistant General Manager of Administration positions are those counterparts and are currently filled. Operationally, there is one open position for Pipeline Maintenance I. There are 21 full-time employees.
- Recruitment: When the District is looking to fill a vacancy, the open position advertisement is published in the local newspaper, advertised on the District’s website and social media platforms, and advertised on applicable recruiting websites such as Indeed.com. The management team selects qualified candidates, performs initial screening and then conducts in-person interviews with selected candidates. Once a job offer has been made and accepted, pre-employment screening is performed and necessary paperwork is completed prior to the candidate starting work. Staff will begin recruiting for the Pipeline Maintenance I position in the near future and is actively recruiting for a Heavy Duty Mechanic I in preparation for an announced retirement.
- Retention: The District’s benefit package, policies and work environment provide a career path that encourages long term employment. The Salary Schedule offers competitive pay scales with annual opportunities for Cost-Of-Living-Adjustments (as approved by the Board of Directors) and promotions within each pay range (as approved by the General Manager). All employees and their dependents receive health insurance, dental insurance, vision insurance, and an employee assistance plan paid in full by the District. Permanent employees are enrolled in the CalPERS Retirement Plan and have the opportunity to contribute additionally to a CalPERS 457 Plan if they desire. For every 5 years of

employment completed, employees receive a \$500 Longevity Award and employees are eligible to receive a \$500 Safety Award each year.

FINDINGS/ CONCLUSIONS

Overall, the District's vacancy status is favorable and its recruiting and retention efforts have been successful. There are no recognized employee organizations or bargaining units in this District. It is important for the success of the District to hire and retain qualified employees to work as a team to accomplish goals and operate in a safe and efficient manner. At this time, there are no changes or proposed changes to the Districts policies, procedures or recruitment activities. Currently, 62% of the staff has been employed with the District longer than 5 years and of those, half have been employed longer than 10 years.

FISCAL IMPACT

N/A

COMMITTEE RECOMMENDATION

N/A

RECOMMENDED MOTION

"I move that the Board approve Tehachapi-Cummings County Water District's status of vacancies, recruitment and retention efforts per Assembly Bill 2561."

ATTACHMENT

- A- Salary Schedule and Authorized Positions List
- B- Proof of Publication
- C- Declaration of Posting Notice



**Tehachapi-Cummings
County Water District**

Our Water • Our Future

SALARY SCHEDULE FOR AUTHORIZED POSITIONS

Non-exempt: Range¹

Accounting Assistant.....	81
Administrative Assistant I.....	58
Administrative Assistant II.....	72
Controls and Emissions Technician (Vacant).....	80
Controls and Emissions Specialist.....	120
GIS Technician.....	76
Heavy Duty Mechanic I.....	87
Heavy Duty Mechanic II.....	98
Heavy Equipment Operator.....	90
Lead Mechanic.....	110
Operations Assistant.....	48
Pipeline Foreman.....	100
Pipeline Maintenance I.....	76
Pipeline Maintenance II.....	87

Additional Compensation:

On-Call Duty.....	\$200.00/week or \$28.57/day
-------------------	---------------------------------

Hourly:

Temporary Hourly Employee (entry level).....	24
Temporary Hourly Employee (re-hire)	Same current range for position
Temporary Replacement Rate.....	Up to the rate of employee replaced

Exempt:

General Manager.....	GM
Assistant General Manager – Operations.....	151
Assistant General Manager – Administration.....	151
Operations Manager (Vacant).....	141
Administration Manager (Vacant).....	141
Pipeline Supervisor.....	134
Pumping Systems Supervisor.....	134
Accounting and Finance Specialist.....	124

Revised 06/17/26

[1] See Attachment 1 for the monthly salary of each step within each pay range. From time to time, the Board may amend the pay schedule by minute order or resolution.

SALARY SCHEDULE - 2026

EFFECTIVE JULY 13, 2026

REV: 0
3.3% COLA

HOURLY WAGE						MONTHLY SALARY				
RANGE	A	B	C	D	E	A	B	C	D	E
1	15.06	15.81	16.60	17.43	18.30	2610	2740	2877	3021	3172
2	15.25	16.01	16.81	17.65	18.53	2643	2775	2914	3059	3212
3	15.41	16.18	16.99	17.84	18.73	2671	2805	2945	3092	3247
4	15.54	16.32	17.14	18.00	18.90	2694	2829	2971	3120	3276
5	15.69	16.47	17.29	18.15	19.06	2720	2855	2997	3146	3304
6	15.85	16.64	17.47	18.34	19.26	2747	2884	3028	3179	3338
7	15.99	16.79	17.63	18.51	19.44	2772	2910	3056	3208	3370
8	16.19	17.00	17.85	18.74	19.68	2806	2947	3094	3248	3411
9	16.37	17.19	18.05	18.95	19.90	2837	2980	3129	3285	3449
10	16.51	17.34	18.21	19.12	20.08	2862	3006	3156	3314	3481
11	16.68	17.51	18.39	19.31	20.28	2891	3035	3188	3347	3515
12	16.86	17.70	18.59	19.52	20.50	2922	3068	3222	3383	3553
13	17.01	17.86	18.75	19.69	20.67	2948	3096	3250	3413	3583
14	17.18	18.04	18.94	19.89	20.88	2978	3127	3283	3448	3619
15	17.32	18.19	19.10	20.06	21.06	3002	3153	3311	3477	3650
16	17.53	18.41	19.33	20.30	21.32	3039	3191	3351	3519	3695
17	17.71	18.60	19.53	20.51	21.54	3070	3224	3385	3555	3734
18	17.86	18.75	19.69	20.67	21.70	3096	3250	3413	3583	3761
19	18.05	18.95	19.90	20.90	21.95	3129	3285	3449	3623	3805
20	18.25	19.16	20.12	21.13	22.19	3163	3321	3487	3663	3846
21	18.42	19.34	20.31	21.33	22.40	3193	3352	3520	3697	3883
22	18.61	19.54	20.52	21.55	22.63	3226	3387	3557	3735	3923
23	18.79	19.73	20.72	21.76	22.85	3257	3420	3591	3772	3961
24	18.95	19.90	20.90	21.95	23.05	3285	3449	3623	3805	3995
25	19.18	20.14	21.15	22.21	23.32	3325	3491	3666	3850	4042
26	19.36	20.33	21.35	22.42	23.54	3356	3524	3701	3886	4080
27	19.52	20.50	21.53	22.61	23.74	3383	3553	3732	3919	4115
28	19.75	20.74	21.78	22.87	24.01	3423	3595	3775	3964	4162
29	19.93	20.93	21.98	23.08	24.23	3455	3628	3810	4001	4200
30	20.13	21.14	22.20	23.31	24.48	3489	3664	3848	4040	4243
31	20.36	21.38	22.45	23.57	24.75	3529	3706	3891	4085	4290
32	20.53	21.56	22.64	23.77	24.96	3559	3737	3924	4120	4326
33	20.73	21.77	22.86	24.00	25.20	3593	3773	3962	4160	4368
34	20.95	22.00	23.10	24.26	25.47	3631	3813	4004	4205	4415
35	21.16	22.22	23.33	24.50	25.73	3668	3851	4044	4247	4460
36	21.36	22.43	23.55	24.73	25.97	3702	3888	4082	4287	4501
37	21.61	22.69	23.82	25.01	26.26	3746	3933	4129	4335	4552
38	21.80	22.89	24.03	25.23	26.49	3779	3968	4165	4373	4592
39	22.02	23.12	24.28	25.49	26.76	3817	4007	4209	4418	4638
40	22.23	23.34	24.51	25.74	27.03	3853	4046	4248	4462	4685
41	22.47	23.59	24.77	26.01	27.31	3895	4089	4293	4508	4734
42	22.70	23.84	25.03	26.28	27.59	3935	4132	4339	4555	4782
43	22.91	24.06	25.26	26.52	27.85	3971	4170	4378	4597	4827
44	23.16	24.32	25.54	26.82	28.16	4014	4215	4427	4649	4881
45	23.37	24.54	25.77	27.06	28.41	4051	4254	4467	4690	4924

HOURLY WAGE						MONTHLY SALARY				
RANGE	A	B	C	D	E	A	B	C	D	E
46	23.59	24.77	26.01	27.31	28.68	4089	4293	4508	4734	4971
47	23.83	25.02	26.27	27.58	28.96	4131	4337	4553	4781	5020
48	24.09	25.29	26.55	27.88	29.27	4176	4384	4602	4833	5073
49	24.33	25.55	26.83	28.17	29.58	4217	4429	4651	4883	5127
50	24.58	25.81	27.10	28.46	29.88	4261	4474	4697	4933	5179
51	24.80	26.04	27.34	28.71	30.15	4299	4514	4739	4976	5226
52	25.05	26.30	27.62	29.00	30.45	4342	4559	4787	5027	5278
53	25.30	26.57	27.90	29.30	30.77	4385	4605	4836	5079	5333
54	25.55	26.83	28.17	29.58	31.06	4429	4651	4883	5127	5384
55	25.80	27.09	28.44	29.86	31.35	4472	4696	4930	5176	5434
56	26.08	27.38	28.75	30.19	31.70	4521	4746	4983	5233	5495
57	26.33	27.65	29.03	30.48	32.00	4564	4793	5032	5283	5547
58	26.59	27.92	29.32	30.79	32.33	4609	4839	5082	5337	5604
59	26.84	28.18	29.59	31.07	32.62	4652	4885	5129	5385	5654
60	27.13	28.49	29.91	31.41	32.98	4703	4938	5184	5444	5717
61	27.40	28.77	30.21	31.72	33.31	4749	4987	5236	5498	5774
62	27.66	29.04	30.49	32.01	33.61	4794	5034	5285	5548	5826
63	27.93	29.33	30.80	32.34	33.96	4841	5084	5339	5606	5886
64	28.23	29.64	31.12	32.68	34.31	4893	5138	5394	5665	5947
65	28.52	29.95	31.45	33.02	34.67	4943	5191	5451	5723	6009
66	28.80	30.24	31.75	33.34	35.01	4992	5242	5503	5779	6068
67	29.08	30.53	32.06	33.66	35.34	5041	5292	5557	5834	6126
68	29.35	30.82	32.36	33.98	35.68	5087	5342	5609	5890	6185
69	29.67	31.15	32.71	34.35	36.07	5143	5399	5670	5954	6252
70	29.96	31.46	33.03	34.68	36.41	5193	5453	5725	6011	6311
71	30.27	31.78	33.37	35.04	36.79	5247	5509	5784	6074	6377
72	30.57	32.10	33.71	35.40	37.17	5299	5564	5843	6136	6443
73	30.87	32.41	34.03	35.73	37.52	5351	5618	5899	6193	6503
74	31.20	32.76	34.40	36.12	37.93	5408	5678	5963	6261	6575
75	31.49	33.06	34.71	36.45	38.27	5458	5730	6016	6318	6633
76	31.82	33.41	35.08	36.83	38.67	5515	5791	6081	6384	6703
77	32.11	33.72	35.41	37.18	39.04	5566	5845	6138	6445	6767
78	32.45	34.07	35.77	37.56	39.44	5625	5905	6200	6510	6836
79	32.76	34.40	36.12	37.93	39.83	5678	5963	6261	6575	6904
80	33.09	34.74	36.48	38.30	40.22	5736	6022	6323	6639	6971
81	33.42	35.09	36.84	38.68	40.61	5793	6082	6386	6705	7039
82	33.74	35.43	37.20	39.06	41.01	5848	6141	6448	6770	7108
83	34.10	35.81	37.60	39.48	41.45	5911	6207	6517	6843	7185
84	34.42	36.14	37.95	39.85	41.84	5966	6264	6578	6907	7252
85	34.78	36.52	38.35	40.27	42.28	6029	6330	6647	6980	7329
86	35.10	36.86	38.70	40.64	42.67	6084	6389	6708	7044	7396
87	35.48	37.25	39.11	41.07	43.12	6150	6457	6779	7119	7474
88	35.86	37.65	39.53	41.51	43.59	6216	6526	6852	7195	7556
89	36.19	38.00	39.90	41.90	44.00	6273	6587	6916	7263	7627
90	36.53	38.36	40.28	42.29	44.40	6332	6649	6982	7330	7696
91	36.93	38.78	40.72	42.76	44.90	6401	6722	7058	7412	7783
92	37.28	39.14	41.10	43.16	45.32	6462	6784	7124	7481	7855
93	37.68	39.56	41.54	43.62	45.80	6531	6857	7200	7561	7939
94	38.02	39.92	41.92	44.02	46.22	6590	6919	7266	7630	8011
95	38.40	40.32	42.34	44.46	46.68	6656	6989	7339	7706	8091
96	38.80	40.74	42.78	44.92	47.17	6725	7062	7415	7786	8176
97	39.19	41.15	43.21	45.37	47.64	6793	7133	7490	7864	8258
98	39.58	41.56	43.64	45.82	48.11	6861	7204	7564	7942	8339

HOURLY WAGE						MONTHLY SALARY				
RANGE	A	B	C	D	E	A	B	C	D	E
99	39.99	41.99	44.09	46.29	48.60	6932	7278	7642	8024	8424
100	40.36	42.38	44.50	46.73	49.07	6996	7346	7713	8100	8505
101	40.77	42.81	44.95	47.20	49.56	7067	7420	7791	8181	8590
102	41.20	43.26	45.42	47.69	50.07	7141	7498	7873	8266	8679
103	41.59	43.67	45.85	48.14	50.55	7209	7569	7947	8344	8762
104	42.02	44.12	46.33	48.65	51.08	7283	7647	8031	8433	8854
105	42.44	44.56	46.79	49.13	51.59	7356	7724	8110	8516	8942
106	42.86	45.00	47.25	49.61	52.09	7429	7800	8190	8599	9029
107	43.28	45.44	47.71	50.10	52.61	7502	7876	8270	8684	9119
108	43.74	45.93	48.23	50.64	53.17	7582	7961	8360	8778	9216
109	44.16	46.37	48.69	51.12	53.68	7654	8037	8440	8861	9305
110	44.60	46.83	49.17	51.63	54.21	7731	8117	8523	8949	9396
111	45.05	47.30	49.67	52.15	54.76	7809	8199	8609	9039	9492
112	45.51	47.79	50.18	52.69	55.32	7888	8284	8698	9133	9589
113	45.94	48.24	50.65	53.18	55.84	7963	8362	8779	9218	9679
114	46.42	48.74	51.18	53.74	56.43	8046	8448	8871	9315	9781
115	46.89	49.23	51.69	54.27	56.98	8128	8533	8960	9407	9877
116	47.32	49.69	52.17	54.78	57.52	8202	8613	9043	9495	9970
117	47.81	50.20	52.71	55.35	58.12	8287	8701	9136	9594	10074
118	48.31	50.73	53.27	55.93	58.73	8374	8793	9233	9695	10180
119	48.76	51.20	53.76	56.45	59.27	8452	8875	9318	9785	10273
120	49.25	51.71	54.30	57.02	59.87	8537	8963	9412	9883	10377
121	49.76	52.25	54.86	57.60	60.48	8625	9057	9509	9984	10483
122	50.25	52.76	55.40	58.17	61.08	8710	9145	9603	10083	10587
123	50.73	53.27	55.93	58.73	61.67	8793	9233	9695	10180	10689
124	51.28	53.84	56.53	59.36	62.33	8889	9332	9799	10289	10804
125	51.77	54.36	57.08	59.93	62.93	8973	9422	9894	10388	10908
126	52.28	54.89	57.63	60.51	63.54	9062	9514	9989	10488	11014
127	52.81	55.45	58.22	61.13	64.19	9154	9611	10091	10596	11126
128	53.36	56.03	58.83	61.77	64.86	9249	9712	10197	10707	11242
129	53.88	56.57	59.40	62.37	65.49	9339	9805	10296	10811	11352
130	54.41	57.13	59.99	62.99	66.14	9431	9903	10398	10918	11464
131	54.98	57.73	60.62	63.65	66.83	9530	10007	10507	11033	11584
132	55.51	58.29	61.20	64.26	67.47	9622	10104	10608	11138	11695
133	56.06	58.86	61.80	64.89	68.13	9717	10202	10712	11248	11809
134	56.59	59.42	62.39	65.51	68.79	9809	10299	10814	11355	11924
135	57.20	60.06	63.06	66.21	69.52	9915	10410	10930	11476	12050
136	57.78	60.67	63.70	66.89	70.23	10015	10516	11041	11594	12173
137	58.36	61.28	64.34	67.56	70.94	10116	10622	11152	11710	12296
138	58.94	61.89	64.98	68.23	71.64	10216	10728	11263	11827	12418
139	59.49	62.46	65.58	68.86	72.30	10312	10826	11367	11936	12532
140	60.10	63.11	66.27	69.58	73.06	10417	10939	11487	12061	12664
141	60.70	63.74	66.93	70.28	73.79	10521	11048	11601	12182	12790
142	61.33	64.40	67.62	71.00	74.55	10631	11163	11721	12307	12922
143	61.93	65.03	68.28	71.69	75.27	10735	11272	11835	12426	13047
144	62.56	65.69	68.97	72.42	76.04	10844	11386	11955	12553	13180
145	63.19	66.35	69.67	73.15	76.81	10953	11501	12076	12679	13314
146	63.81	67.00	70.35	73.87	77.56	11060	11613	12194	12804	13444
147	64.44	67.66	71.04	74.59	78.32	11170	11728	12314	12929	13575
148	65.11	68.37	71.79	75.38	79.15	11286	11851	12444	13066	13719
149	65.73	69.02	72.47	76.09	79.89	11393	11963	12561	13189	13848
150	66.39	69.71	73.20	76.86	80.70	11508	12083	12688	13322	13988
151	67.06	70.41	73.93	77.63	81.51	11624	12204	12815	13456	14128

HOURLY WAGE						MONTHLY SALARY				
RANGE	A	B	C	D	E	A	B	C	D	E
152	67.72	71.11	74.67	78.40	82.32	11738	12326	12943	13589	14269
153	68.43	71.85	75.44	79.21	83.17	11861	12454	13076	13730	14416
154	69.10	72.56	76.19	80.00	84.00	11977	12577	13206	13867	14560
155	69.79	73.28	76.94	80.79	84.83	12097	12702	13336	14004	14704
156	70.46	73.98	77.68	81.56	85.64	12213	12823	13465	14137	14844
157	71.18	74.74	78.48	82.40	86.52	12338	12955	13603	14283	14997
158	71.92	75.52	79.30	83.27	87.43	12466	13090	13745	14433	15155
159	72.60	76.23	80.04	84.04	88.24	12584	13213	13874	14567	15295
GM	111.74					19368				

Note: Each range is 1% greater than the next lower range. Ex.: range 99 is 1% more than range 98.

Each step is 5% greater than the next lower step. Ex.: step C is 5% more than step B.

Exception = GM. Annual salary approved by Board of Directors under contract and hourly rate derived therefrom.

RECEIVED

AUG 17 2026

Proof of Publication

Tehachapi-Cummings
County Water District

THE TEHACHAPI NEWS

Ad Number: 613781

MILL STREET

Edition: CA TEHACHAPI NEWS

TEHACHAPI, CA 93561

Total Cost \$ 145.50

TEHACHAPI CUMMINGS COUNTY WATER
P.O BOX 326
TEHACHAPI CA 93581
US

Billing TEHACHAPI CUMMINGS COUNTY WATER

Address P.O BOX 326
TEHACHAPI CA 93581
USSTATE OF CALIFORNIA
COUNTY OF KERNFirst Text
PUBLIC HEARING NOTICE PLE

I AM A CITIZEN OF THE UNITED STATES AND A RESIDENT OF THE COUNTY AFORESAID: I AM OVER THE AGE OF EIGHTEEN YEARS, AND NOT A PARTY OR INTERESTED IN THE ABOVE ENTITLED MATTER. I AM THE ASSISTANT PRINCIPAL CLERK OF THE PRINTER OF THE TEHACHAPI NEWS, A NEWSPAPER OF GENERAL CIRCULATION, PRINTED AND PUBLISHED WEEKLY IN THE CITY OF TEHACHAPI COUNTY OF KERN,

AND WHICH NEWSPAPER HAS BEEN ADJUDGED A NEWSPAPER OF GENERAL CIRCULATION BY THE SUPERIOR COURT OF THE COUNTY OF KERN, STATE OF CALIFORNIA, THAT THE NOTICE, OF WHICH THE ANNEXED IS A PRINTED COPY, HAS BEEN PUBLISHED IN EACH REGULAR AND ENTIRE ISSUE OF SAID NEWSPAPER AND NOT IN ANY SUPPLEMENT THEREOF ON THE FOLLOWING DATES, TO WIT:

Pub Dates

08/05/2026 08/12/2026

Public Hearing Notice

Please take notice, pursuant to Government Code Section 3502.3, that the Board of Directors of Tehachapi-Cummings County Water District will conduct a Public Hearing to hear and approve the status of vacancies, recruitment and retention efforts on Wednesday, August 19, 2026, at 3:00 p.m. during the Regular Board Meeting. The Hearing will be held in the Board Room at the District office located at 22901 Banducci Road, Tehachapi, CA 93561. All persons may appear and be heard on the matter.

Thomas P. Neisler, General Manager

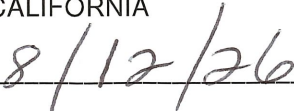
Published August 5th and 12th, 2026.
AD# 613781

ALL IN YEAR 2026

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY
THAT THE FOREGOING IS TRUE AND CORRECT.



DATED AT TEHACHAPI CALIFORNIA





**Tehachapi-Cummings
County Water District**

Our Water • Our Future

ATTACHMENT C

Directors:

John M. Ables
Gerald Davis
Jonathan Hall
Robert W. Schultz

Officers:

Robert W. Schultz, *President*
Jonathan Hall, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
Crystal Sampson, *Treasurer*

DECLARATION OF POSTING NOTICE

I, CATHERINE ADAMS, state and declare as follows:

I am currently and have at all times herein mentioned been Assistant General Manager of Administration and Board Secretary of the Tehachapi-Cummings County Water District. On August 5, 2026, I personally caused the attached Notice to be posted at the Tehachapi City Hall, Tehachapi-Cummings County Water District Office and the Golden Hills Community Services District in Tehachapi.

The Notice posted at the above locations is, "Public Hearing Notice" regarding the status of vacancies, recruitment and retention.

I declare under the penalty of perjury that the foregoing is true and correct.

Catherine Adams, Board Secretary

Dated: August 5, 2026



**Tehachapi-Cummings
County Water District**

Our Water • Our Future

Directors:

John M. Ables
Gerald Davis
Jonathan Hall
Robert W. Schultz

Officers:

Robert W. Schultz, *President*
Jonathan Hall, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
Crystal Sampson, *Treasurer*

DECLARATION OF POSTING NOTICE

I, CATHERINE ADAMS, state and declare as follows:

I am currently and have at all times herein mentioned been Assistant General Manager of Administration and Board Secretary of the Tehachapi-Cummings County Water District. On August 13, 2026, I personally caused the attached Notice to be posted at the Tehachapi City Hall, Tehachapi-Cummings County Water District Office and the Golden Hills Community Services District in Tehachapi.

The Notice posted at the above locations is, "*Revised* Public Hearing Notice" regarding the status of vacancies, recruitment and retention.

I declare under the penalty of perjury that the foregoing is true and correct.

Catherine Adams, Board Secretary

Dated: August 13, 2026



**Tehachapi-Cummings
County Water District**
Our Water • Our Future

Directors:
John M. Ables
Gerald Davis
Jonathan Hall
Robert W. Schultz

Officers:
Robert W. Schultz, *President*
Jonathan Hall, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
Crystal Sampson, *Treasurer*

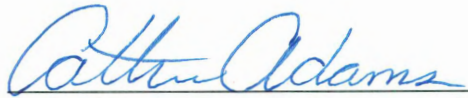
DECLARATION OF POSTING NOTICE

I, CATHERINE ADAMS, state and declare as follows:

I am currently and have at all times herein mentioned been Assistant General Manager of Administration and Board Secretary of the Tehachapi-Cummings County Water District. On August 18, 2026, I personally caused the attached Notice to be posted at the Kern County Library in Tehachapi.

The Notice posted at the above locations is, "*Revised* Public Hearing Notice" regarding the status of vacancies, recruitment and retention.

I declare under the penalty of perjury that the foregoing is true and correct.


Catherine Adams, Board Secretary

Dated: August 18, 2026

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 26, 2026

TOPIC: Adopt Resolution 11-26, Approving the Fiscal Year 2026-27 Final Budget, Appropriations Limit, and Reserves Policy

ITEM FOR: Action

PURPOSE: Approve the Fiscal Year 2026-27 Final Budget

IMPACT: Fiscal/Budget

SUBMITTED BY: Crystal Sampson

EXECUTIVE SUMMARY

Adoption of the attached resolution will approve the FY 2026-27 Final Budget. With updated information from Kern County and others, we can develop a more accurate budget forecast than was approved in the Preliminary Budget. The Final Budget may be amended during the fiscal year by subsequent Board resolutions.

BACKGROUND

On June 17, 2026, the Board adopted the FY 2026-27 Preliminary Budget. It has been available for public inspection since that date. Subsequently, new information became available which led us to modify figures used in the Preliminary Budget for the Board's consideration. Reserve fund balances were also updated to reflect actual (versus estimated) activity for the last quarter of FY 2025-26. The Ad-hoc Budget Committee (Directors Davis and Schultz) met to review the proposed changes on August 4th, 2026. A document detailing the recommended changes at the general ledger account-level from the Preliminary Budget to the Final Budget follows this Staff Report at Attachment A. The following is a summary of significant recommended changes:

General Fund aka "operating budget" (Fund 70)

- Subtract \$80,000 from Operating Revenues
 - \$80,000 decrease to water sales for mandatory Banked Water Recharge
- Subtract \$366,000 from Nonoperating Revenues
 - \$400,000 decrease in projected property tax revenues due to FY 2026-27 assessed values coming in lower than estimated by Kern County back in May.
 - Secured roll: estimated 4% increase versus actual 1.39% increase
 - Unsecured roll: estimated 3% increase versus actual 0.35% increase
- Subtract \$5,200 from Salaries & Benefits Expenses
- Subtract \$314,000 from Operations & Maintenance Expenses
 - \$100,000 decrease in Government Fees/Taxes – Pumping
 - \$75,000 decrease in Maintenance – Pump Plants
 - \$50,000 decrease to each
 - Legal
 - Electricity – Pumping
 - Customer Meters

- Add \$190,000 to Capital Outlay Expenses (Attachment B)
 - \$600,000 increase in Pump Plant Improvements for purchase of four gearheads for PP1
 - \$150,000 decrease in Recovery Well Improvements for Benz Well that was completed during FY 2025-26 out of necessity
 - \$100,000 decrease in Equipment due to delaying the purchase of an electric forklift
 - \$60,000 decrease in Land Improvements due to delaying the PP3 perimeter fencing project
 - \$50,000 decrease in Pipeline Replacement/Rehabilitation due to delaying the engineering for standardized pipeline repair
 - \$50,000 decrease in Control System Improvements due to delaying the PLC & engine control upgrade at PP1 and revised cost estimates for the SCADA upgrade

Net change in activity within the General Fund budget will result in a decrease in net position of \$316,800, with expenses exceeding revenues by \$291,650 prior to transfers. The District's operating budget would be considered balanced if it were not for an intentional, strategic increase to the capital outlay budget, funded through a spend-down of reserve funds, to harden critical infrastructure assets to maintain a reliable water supply for its customers.

Transfers

- Add \$300,000 transfer from Major Repairs and Overhaul Fund (81) to General Fund (70) to fund the increased capital outlay budget. After considering the transfer, the operating budget would increase the reserve fund ending balance by \$8,350 (prior to equity transfer that will be needed to fund the annual operating loss at Fund 76).

Other Board-designated and Restricted Reserve Funds

- Add \$18,000 to Nonoperating Revenues (Designated Funds 71, 72, 74, 81, 85, and 87)
 - Attributable to allocation of increased interest earnings projection (District Total of \$1,100,100 in FY 26/27)
- Subtract \$768,700 from Nonoperating Revenues (Restricted Funds 82 and 86)
 - \$939,400 decrease in ad valorem tax revenue due to setting reduced rate (Restricted Fund 82)
 - \$172,000 increase in interest earnings (Restricted Funds 82 and 86)
 - \$1,300 decrease in benefit assessment tax revenues (Fund 86)
- Subtract \$1,659,911 from Operations & Maintenance Expenses (Restricted Funds 82 and 86)
 - \$1,661,911 decrease in ops. & maint. costs related to State Water Payment (Restricted Fund 82)
 - \$2,000 increase in insurance & bond expense based on revised projections (Restricted Fund 86)

Net change in activity within the Other Board-designated and Restricted budgets (i.e., all funds excluding the operating budget) will result in a decrease in net position of \$886,300. This is an improvement of \$909,211 over the Preliminary Budget, which was projecting a \$1,795,511 decrease to net position.

District Total

- District Total net position will decrease by \$646,550, which is an improvement of \$592,411 over results projected in the Preliminary Budget as a result of net activity in the operational and non-operational budgets. Original projections were for a \$1,238,961 decrease to net position.
 - The \$646,550 decrease to net position is attributable to
 - \$1.19M loss at State Payment Fund (Fund 82) that was manufactured through intentionally setting a reduced ad valorem tax rate to require the use of some of the excess reserves to pay for operations and maintenance expenses.
 - \$34K loss at Improvement District No. 2 (fund 76) for annual shortfall due to operations & maintenance costs exceeding property tax revenues apportioned by Kern County for this fund.

- Offset by \$576,950 in proceeds from remaining District funds where revenues exceed expenses.
- Add \$1,988,722 to reserve fund beginning balances as a result of reflecting actual (versus estimated) working capital balances at June 30, 2026.
 - Actual year-end reserve balance in State Payment Fund (Fund 82) ended \$3.39M higher than estimated due to a \$1.89M reduction in amount due on the second payment of the State Water Payment because of credits received plus the receipt of an additional \$1.4M in Special Tax revenue for share of unitary tax apportionment.

The net change to FY 2026-27 activity (\$592,411 improvement) reflected in the District Total budget plus the revision to reserve beginning balances (based on FY 2025-26 actual activity versus using Q4 estimates of \$1,988,722) is expected to result in an additional \$2,581,133 being added to reserves ending balances at 6/30/27 than was originally forecast in the FY 2026-27 Preliminary Budget.

Lastly, staff would like to note that although the Investment Policy (Summary) included in the Final Budget document at Page 1-3 is currently accurate as stated, revisions to the District's investment policy are being considered. If any policy changes are deemed necessary, staff plans to bring proposed revisions to the Board for adoption prior to January's mid-year budget review.

FISCAL IMPACT

The FY 2026-27 Final Budget will result in a \$646,550 reduction of District Total reserve fund balances. This reduction includes a decrease in net position of \$16,800 at the General Fund after accounting for the \$300,000 transfer from a designated reserve fund to support increased capital outlay budget.

COMMITTEE RECOMMENDATION

The Ad-hoc Budget Committee provided a recommendation at the meeting held on August 4th, 2026, that the Board approve the FY 2026-27 Final Budget, Appropriations Limit, and Reserves Policy.

RECOMMENDED MOTION

"I move for adoption of Resolution 11-26, Approving the Fiscal Year 2026-27 Final Budget, Appropriations Limit, and Reserves Policy."

ATTACHMENTS

- A - Recommended Changes from FY 2026-27 Preliminary Budget to Final Budget
- B - Capital Expenditure Budget (extracted from the Fiscal Year 2026-27 Final Budget)
- C - Resolution 11-26, Approving the Fiscal Year 2026-27 Final Budget, Appropriations Limit, and Reserves Policy
 - Exhibit A - Fiscal Year 2026-27 Final Budget

ATTACHMENT A

Tehachapi-Cummings County Water District
Recommended Changes to FY 2026-27 Preliminary Budget to Final Budget

Pg #	Fund	Acct #	Account Description	Preliminary Budget	Final Budget	Change Amount	Notes
General Fund (70)							
Revenues							
Operating Revenues							
2-8		40107	Water Sales - Recharge BWRA	\$ 450,000	\$ 370,000	\$ (80,000)	Revised projection
Total Operating Revenues				\$ 4,220,750	\$ 4,140,750	\$ (80,000)	-
Nonoperating Revenues							
2-8		40201	Current Year Property Taxes	\$ 7,505,000	\$ 7,105,000	\$ (400,000)	Revised projection based on preliminary figures obtained for FY 26/27
2-8		40231	Interest Earnings	166,000	175,000	9,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
2-8		40299	Gain/(Loss) on Sale of Asset	-	25,000	25,000	Revised projection based on expected asset sales
Total Nonoperating Revenues				\$ 7,977,700	\$ 7,611,700	\$ (366,000)	-
Total Revenues				\$ 12,198,450	\$ 11,752,450	\$ (446,000)	-
Expenses							
Salaries & Benefits							
2-9		50112	Salaries & Wages	\$ 2,474,800	\$ 2,467,900	\$ (6,900)	Revised projection based on change to Salaries & Wages
2-9		50127	Retirement	222,900	224,600	1,700	Revised projection based on change to Salaries & Wages
Total Salaries & Benefits				\$ 3,585,200	\$ 3,580,000	\$ (5,200)	-
Operations & Maintenance							
2-9		50201	Public Information & Notices	\$ 4,000	\$ 5,500	\$ 1,500	Revised projection due to FY 25/26 actuals; increase to PP Tour costs
2-9		50205	Office Supplies	15,000	11,000	(4,000)	Revised projection to align with 5-yr avg
2-9		50206	Office Computer & Machinery	55,000	65,000	10,000	Revised projection due to FY 25/26 actuals
2-9		50207	Bank & Administrative	2,500	4,000	1,500	Add annual trustee fee for US Bank-Bonds \$1,500
2-9		50216	Legal	250,000	200,000	(50,000)	Revised projection
2-9		50233	Equipment Repairs	18,000	20,000	2,000	Revised projection
2-10		50244	Electricity - Pumping	225,000	175,000	(50,000)	Revised projection to more closely align with FY 25/26 actuals
2-10		50251	Maintenance - Pump Plants	600,000	525,000	(75,000)	Revised projection
2-10		50264	Customer Meters	100,000	50,000	(50,000)	Revised projection
2-10		50282	Government Fees/Taxes - Pumping	225,000	125,000	(100,000)	Revised projection to more closely align with FY 25/26 actuals
Total Operations & Maintenance				\$ 4,567,500	\$ 4,253,500	\$ (314,000)	

Tehachapi-Cummings County Water District
Recommended Changes to FY 2026-27 Preliminary Budget to Final Budget

Pg #	Fund	Acct #	Account Description	Preliminary Budget	Final Budget	Change Amount	Notes
General Fund (70) - continued							
Capital Outlay							
General/Administration							
1-24/ 2-15		50455	Equipment	\$ 100,000	\$ -	\$ (100,000)	Decision to delay purchase of electric forklift; purchased director devices in FY 25/26
General / Pipeline							
1-24/ 2-19		50422	Land Improvements	\$ 60,000	\$ -	\$ (60,000)	Decision to delay perimeter fencing at PP3
1-24/ 2-19		50449	Pipeline Replacement/Rehabilitation	300,000	250,000	(50,000)	Decision to delay engineering for standardized pipeline repair
1-24/ 2-19		50485	Recovery Well Improvements	250,000	100,000	(150,000)	Completed Benz Well rehabilitation in FY 25/26 out of necessity
General / Pumping							
1-24/ 2-23		50412	Pump Plant Improvements	\$ 305,000	\$ 905,000	\$ 600,000	PP1 New Style Gearheads (4)
1-24/ 2-23		50413	Control System Improvements	225,000	175,000	(50,000)	Decision to delay PLC & engine control upgrade @ PP1; revised est. for SCADA upgrade
Total Capital Outlay				\$ 2,968,850	\$ 3,158,850	\$ 190,000	
Total Expenses				\$ 12,173,300	\$ 12,044,100	\$ (129,200)	
Total General Fund (70) Budget				\$ 25,150	\$ (291,650)	\$ (316,800)	incr/(decr) in Net Position (for operating budget)
Budget Transfers							
To (From) Gen. Fd. (70) from (to) other funds				\$ -	\$ 300,000	300,000	Transfer from Fund 81 for two of the four gearheads added at Capital Expenditure Budget
To (From) Gen. Fd. (70) from (to) Impr District #2 (76)				(34,000)	(34,000)	-	No change; only included for reconciliation purposes
Sum of Transfers To (From) General Fund (70)				\$ (34,000)	\$ 266,000	\$ 300,000	
Net To (From) General Fund (70) Reserves				\$ (8,850)	\$ (25,650)	\$ (16,800)	incr/(decr) in Net Position after Transfers (for operating budget)

Tehachapi-Cummings County Water District
Recommended Changes to FY 2026-27 Preliminary Budget to Final Budget

Pg #	Fund	Acct #	Account Description	Preliminary Budget	Final Budget	Change Amount	Notes
Other Board-designated Reserve Funds							
Revenues							
Nonoperating Revenues							
2-26		71 40231	Interest Earnings	\$ 18,000	\$ 19,000	\$ 1,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
2-27		72 40231	Interest Earnings	129,000	133,000	4,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
2-28		74 40231	Interest Earnings	10,000	11,000	1,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
2-29		81 40231	Interest Earnings	77,000	80,000	3,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
2-31		85 40231	Interest Earnings	71,000	78,000	7,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
2-32		87 40231	Interest Earnings	28,000	30,000	2,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
Sum of Change to Designated Reserve Revenues				\$ 333,000	\$ 351,000	\$ 18,000	-
Restricted Reserve Funds							
Revenues							
Nonoperating Revenues							
3-7		82 40211	Current Year State Payment Tax	\$ 3,159,400	\$ 2,220,000	\$ (939,400)	Change due to revised ad valorem tax rate established at July RBM
3-7		82 40231	Interest Earnings	341,000	507,000	166,000	Incr of district-wide projection of \$199K; Also due to setting ad val tax rate in July
3-8		86 40222	Prior Year Benefit Assessments	6,000	5,000	(1,000)	Revised projection based upon FY 25/26 actuals
3-8		86 40224	Benefit Assessment - Penalties/Other	1,500	1,200	(300)	Revised projection based upon FY 25/26 actuals
3-8		86 40231	Interest Earnings	49,000	55,000	6,000	Increase of district-wide projection of \$199K from \$901,100 to \$1,100,100
Sum of Change to Restricted Reserve Revenues				\$ 3,556,900	\$ 2,788,200	\$ (768,700)	-
				\$ 901,100	\$ 1,100,100	\$ 199,000	Change to Total Int Earnings (General Fund and Designated and Restricted Reserve Funds)
Expenses							
Operations & Maintenance							
3-7		82 50208	County Collection Charges	\$ 7,900	\$ 5,500	\$ (2,400)	Change due to revised ad valorem tax rate established at July RBM
3-7		82 50241	Source of Supply - KCWA Contract	5,651,511	3,992,000	(1,659,511)	Change due to revised ad valorem tax rate established at July RBM
		86 50279	Insurance & Bonds	26,000	28,000	2,000	Revised projection based upon FY 25/26 actuals
Sum of Change to Restricted Reserve Expenses				\$ 5,685,411	\$ 4,025,500	\$ (1,659,911)	-
Net Change - Non-General Fund Budgets				\$ (1,795,511)	\$ (886,300)	\$ 909,211	incr/(decr) in Net Position (for non-operating budgets)
				-	-	-	-
1-15 / 1-22	Total of District Total Budget			\$ (1,238,961)	\$ (646,550)	\$ 592,411	incr/(decr) in Net Position - District Total

Tehachapi-Cummings County Water District
Recommended Changes to FY 2026-27 Preliminary Budget to Final Budget

Pg #	Fund	Acct #	Account Description	Preliminary Budget	Final Budget	Change Amount	Notes
Reserve Funds (Working Capital)							-
Beginning Balances							-
Designated Reserves							
2-11		70	General Fund	\$ 4,161,779	\$ 3,005,559	\$ (1,156,220)	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
2-26		71	Emergency	462,656	459,393	(3,263)	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
2-27		72	Water Banking	3,086,079	2,965,066	(121,013)	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
2-28		74	Unfunded Pension Liability	258,700	261,447	2,747	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
2-29		81	Major Repair & Overhaul	1,965,882	1,952,084	(13,798)	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
2-30		83	Equip/Infrastructure - Replace/Upgrade	122,350	94,031	(28,319)	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
2-31		85	Tax Revenue Liability	1,903,062	1,889,672	(13,390)	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
2-32		87	Rate Stabilization	722,114	717,020	(5,094)	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
Sum of Change to Designated Reserves				\$ 12,682,622	\$ 11,344,272	\$ (1,338,350)	
Restricted Reserves							-
3-5		76	Improvement Dist. #2	\$ 5,545	\$ 5,551	\$ 6	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
3-6		77	Improvement Dist. #3	242,843	252,030	9,187	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
3-7		82	State Payment	9,911,263	13,190,789	3,279,526	WC bal as of 6/30/26 (unaudited); reduction of SWP #2 of \$1.89M plus addt'l \$1.4M of rev
3-8		86	Benefit Assessment District	1,285,774	1,324,127	38,353	To reflect actual Working Capital balances as of 6/30/26 (unaudited)
Sum of Change to Restricted Reserves				\$ 11,445,425	\$ 14,772,497	\$ 3,327,072	
Net Change - District Total Reserves Beginning Balances							-
1-15 / 1-22				\$ 24,128,047	\$ 26,116,769	\$ 1,988,722	incr/(decr) in Reserve Fund Beginning Balances- District Total
Total of District Total Reserves Ending Balances							-
1-15 / 1-22				\$ 22,889,086	\$ 25,470,219	\$ 2,581,133	incr/(decr) in Reserve Fund Ending Balances - District Total
- No diff confirms that EB Reserves reconciles with change in BB Rsvs plus CY Activity							

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

CAPITAL EXPENDITURE BUDGET

Fund / Dept.	Account Number	Preliminary Budget	Change	Final Budget	Purpose of Capital Expenditure
<u>General / Administration (70-01)</u>					
	50452-01	\$ 300,000	\$ -	\$ 300,000	Storage Facility (carryover)
	50455-03	10,000	(10,000)	-	Director Devices
	50455-04	90,000	(90,000)	-	Electric Forklift
	50456-08	50,000	-	50,000	Bathroom Septic/ Lift Station for PP/PL Office
	50456-09	70,000	-	70,000	Slurry Seal/ Restripe Parking Lot
	50458-01	25,000	-	25,000	Computerized Maintenance Management System (CMMS)
	50460-01	100,000	-	100,000	Water Rate Study (carryover)
	50460-02	20,000	-	20,000	Record Digitization (carryover)
Subtotal		<u>\$ 665,000</u>	<u>\$ (100,000)</u>	<u>\$ 565,000</u>	
<u>General / Pipeline (70-02)</u>					
	50421-01	\$ 100,000	\$ -	\$ 100,000	Cathodic Protection Survey/Study and Installation (carryover)
	50422-04	60,000	(60,000)	-	Perimeter Fencing PP3
	50431-01	20,000	-	20,000	Lake Road Repairs (annual)
	50445-01	50,000	-	50,000	Mag Meter/ SCADA at PP5 Well
	50449-06	50,000	-	50,000	CV Pressure Relief 8" CLA-VAL
	50449-05	200,000	-	200,000	Pipeline Inspection
	50449-06	50,000	(50,000)	-	Engineering For Standardized Pipeline Repair
	50451-04	110,000	-	110,000	Service Truck
	50451-05	60,000	-	60,000	New GIS Vehicle
	50456-02	10,000	-	10,000	New Road/Construction Signage and Delineation
	50485-06	80,000	-	80,000	Nunes Well Rehabilitation
	50485-07	150,000	(150,000)	-	Benz Well Rehabilitation
	50485-08	20,000	-	20,000	Tehachapi Wells Inspections
Subtotal		<u>\$ 960,000</u>	<u>\$ (260,000)</u>	<u>\$ 700,000</u>	
<u>General / Pumping (70-03)</u>					
	50411-03	\$ 120,000	\$ -	\$ 120,000	New 7-stage Pump
	50412-06	20,000	-	20,000	PP Road Base (annual)
	50412-08	150,000	-	150,000	High Pressure Discharge Valve Repl (4/yr x 3 yrs)
	50412-09	20,000	-	20,000	Sand Media Filter Replacement PP4
	50412-10	50,000	-	50,000	Air Receiver Tanks PPs 2 & 3
	50412-11	25,000	-	25,000	Swamp Coolers PP1
	50412-12	40,000	-	40,000	Rebuild 2 Heat Exchangers at PPs 1, 2, and 4
	50412-13	-	600,000	600,000	PP1 New Style Gearheads (4)
	50413-06	200,000	(25,000)	175,000	SCADA Platform Upgrade (Ignition)
	50413-07	25,000	(25,000)	-	PLC & Engine Control Upgrade PP1
	50415-04	150,000	-	150,000	Catalyst Elements PP1
	50415-06	75,000	-	75,000	Spare 1706 Parts for PP4
	50416-01	90,000	-	90,000	Pump Repairs (annual)
	50416-04	30,000	-	30,000	Right Angle Gear Box Repairs (annual)
	50448-01	78,850	-	78,850	STS Maintenance (annual)
	50451-03	120,000	-	120,000	New Half-Ton Pickups
	50454-01	75,000	-	75,000	Roof Replacement at 1 of 4 PPs
	50456-05	25,000	-	25,000	Drainage Improvements PP4
	50466-01	50,000	-	50,000	Engine Replacement Engineering PP4
Subtotal		<u>\$ 1,343,850</u>	<u>\$ 550,000</u>	<u>\$ 1,893,850</u>	
General Fund (70) Total		<u>\$ 2,968,850</u>	<u>\$ 190,000</u>	<u>\$ 3,158,850</u>	
District Total		<u>\$ 2,968,850</u>	<u>\$ 190,000</u>	<u>\$ 3,158,850</u>	

RESOLUTION NO. 11-26

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
APPROVING THE FISCAL YEAR 2026-27 FINAL BUDGET,
APPROPRIATIONS LIMIT, AND RESERVES POLICY**

A. Recitals.

1. A fiscal budget is necessary for the orderly administration of public funds and the systematic operation of this County Water District.
2. A budget is required by County Water District Code and other State laws.
3. A brief summary of the District Investment Policy that was amended and restated with Resolution No. 16-24 has been included in the Final Budget document.
4. The District Reserves Policy amended and restated with Resolution No. 05-25 has been included in the Final Budget document.

B. Resolutions.

NOW, THEREFORE, BE IT FOUND, DETERMINED, AND RESOLVED by the Board of Directors of TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT as follows:

1. Each of the above recitals is true and correct and the Board of Directors so finds and determines.
2. The Fiscal Year 2026-27 Final Budget, as shown at **Exhibit A** attached hereto, is hereby approved and adopted by the Board of Directors of the Tehachapi-Cummings County Water District.
3. The Appropriations Limit for the District for Fiscal Year 2026-27 is \$19,986,244, per the calculation shown on Page 1-3 of the Final Budget.
4. The District Reserves Policy, as shown on Page 1-4 through Page 1-9 of the Final Budget, is hereby approved.
5. The Secretary of the Board is hereby directed to file a copy of the Final Budget with the county auditor within 60 days after the beginning of the fiscal year in accordance with Government Code Section 53901.
6. The Secretary of the Board is hereby directed to file a copy of the Final Budget with US Bank upon adoption, by Covenants of the Trust Agreement relating to the 2023 Revenue Certificates of Participation, dated June 1, 2023.
 - a. The amounts budgeted for payment of the Installment Payments pertaining to the 2023 Revenue Certificates of Participation are fully adequate for the payment of all Installment Payments due for the fiscal year as shown on Page 1-15 of the Final Budget.

PASSED, APPROVED, AND ADOPTED by the Board of Directors of TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT this 26th day of August 2026.

Robert W. Schultz, Board President

ATTEST:

Catherine Adams, Board Secretary

SECRETARY'S CERTIFICATE

I, CATHERINE ADAMS, Secretary of the Board of Directors of Tehachapi-Cummings County Water District, hereby certify as follows:

The foregoing is a full, true and correct copy of Resolution No. 11-26 duly adopted at a regular meeting of the Board of Directors of the District duly and legally held at the regular meeting place thereof on August 26, 2026. All of the members of the Board of Directors received due notice of the meeting and a majority thereof was present. At the meeting the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
Catherine Adams, Board Secretary

(SEAL)

Tehachapi-Cummings County Water District

Fiscal Year 2026-27

Final Budget

Regular Board Meeting

August 26, 2026



**Tehachapi-Cummings
County Water District**
Our Water • Our Future

Directors:
John M. Ables
Gerald Davis
Jonathan Hall
Robert W. Schultz

Officers:
Robert W. Schultz, *President*
Jonathan Hall, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
Crystal Sampson, *Treasurer*

DRAFT

August 26, 2026

To the Citizens and Taxpayers of the Tehachapi-Cummings County Water District, including the Board of Directors:

I am pleased to present the Final Budget for the Tehachapi-Cummings County Water District (District) for the fiscal year 2026-27. The District's operating budget would be considered balanced if it were not for an intentional, strategic increase to the capital outlay budget, funded through a spend-down of reserve funds, to harden critical infrastructure assets to maintain a reliable water supply for our customers. To fund the increased capital outlay budget reported in the operating budget at General Fund (70), \$300,000 will be transferred in from the Major Repairs and Overhaul Fund (81). After considering the transfer, the operating budget would show as \$8,350 in revenues over expenses. The District's total budget reflects expenses exceeding revenues by nearly \$650 thousand. Included in the District's total expenses is a nearly \$1.2 million loss at State Payment Fund (82) purposefully generated through the adoption of a reduced ad valorem tax rate to return reserves to ratepayers. Excluding activity at Fund 82, district-wide revenues would exceed expenses by \$542,950.

It is forecast that 63% of general fund revenues will come from property taxes, approximately 34% will come from water sales and services, and the remaining 3% will come from other non-operating sources such as interest earnings.

The following are some highlights from the District's Fiscal Year 2026-27 Final Budget:

District-wide changes over the prior year:

- Total expenses are forecast to decrease by \$4,766,670 (23%). Without including the capital outlay budget, total expenses are forecast to decrease by \$314,800 (2%).
- Total revenues are forecast to be nearly unchanged over the prior year with an increase of \$48,400 (0.31%). Although there was practically no change to total revenues overall, the various components of revenue experienced the following changes:
 - Increase in total operating revenues (i.e., water sales and services) of \$1,152,600 (33%).
 - Decrease in special tax revenue received for the current year of \$1,098,400 (33%) due to setting a reduced ad valorem tax rate.
 - Decrease in general tax revenue of \$96,100 (1%).
 - Interest earnings forecasts are expected to increase over the prior year by \$80,500 (8%).
- The operations and maintenance budget is forecast to decrease by \$713,000 (8%).
- The capital outlay budget is forecast to decrease by \$4,451,870 (58%). Excluding the debt-financed engine replacement project that was completed in FY 2025-26, the capital outlay budget is forecast to increase by \$1,588,850 (101%).
- Through setting a reduced ad valorem tax rate to return previously collected taxes to taxpayers, expenses are anticipated to be greater than revenues in the state water payment fund, which will decrease the reserve fund balance by \$1,189,500.

General fund changes over the prior year:

- The salaries and benefits budget is forecast to increase by \$401,200 (13%). Of that increase, \$284,200 (13%) is attributable to salaries & wages and the remaining \$117,000 (12%) is attributable to benefits.
 - The increase in salaries & wages includes the Board-approved 3.3% cost-of-living adjustment and additional funds for personnel growth if desired.
 - The increase in health insurance costs is due to a 13% increase for Anthem medical plans and a 1.5% increase for Kaiser medical plans.
 - The District is in a surplus status for the funding of its three pension plans and other post-employment benefits (OPEB), which has resulted in another year where it does not need to budget for any minimum contribution annual payments or unfunded accrued liability payments.
- The operations and maintenance budget reported in the general fund is forecast to decrease by \$558,000 (12%).
 - Legal costs are expected to decrease by \$50,000 (20%).
 - Systems operations expense is forecast to decrease by \$305,000 (14%), which includes a natural gas pumping cost decrease of \$270,000 (17%) and electricity pumping cost decrease of \$50,000 (22%).
 - Maintenance costs are expected to decrease by \$140,000 (12%), mostly driven by a \$75,000 decrease in maintenance costs at pump plants and another \$75,000 decrease in customer meter purchases.
 - Government and regulatory fees are expected to have a net decrease by \$52,000 (17%) due to a \$100,000 reduction in governmental fees/taxes related to natural gas purchases, which were slightly offset by an increase in election costs of \$30,000.
- The debt service budget increased by \$1,051,750 (100%) because the debt service payments were reclassified from the Engine Project Fund (73) to the General Fund (70) due to a financial reporting requirement. While the project costs were being tracked at Fund 73, the debt service payments needed to be reported in the same fund as the assets under construction. Due to the completion of the Engine Project at the end of FY 2025-26, the capital assets were capitalized to General Fund (70) and the associated capital debt was also reclassified to General Fund (70) because of that same financial reporting requirement.

Profile of the Tehachapi-Cummings County Water District

The Tehachapi-Cummings County Water District was organized on March 10, 1965, under provisions of the County Water District Law (Sections 30000 et seq. of the Water Code of the State of California). The District is located in the Tehachapi Mountains east of the Southern San Joaquin Valley and encompasses approximately 266,000 acres. The District provides an imported water supply, groundwater resource management, and flood protection. The District imports State Water Project (SWP) water from the California Aqueduct and sells this imported water to municipal & industrial (M&I) and agricultural (Ag) customers. Approximately one-half to two-thirds of imported water sales are for agricultural customers in a typical year.

The local groundwater supply is located in three basins, which are the Brite, Cummings, and Tehachapi Basins. The District is the court-appointed Watermaster for these three adjudicated basins. As Watermaster, the District protects the groundwater resources within the basins by administering the judgments and providing annual reports to the Kern County Superior Court as required.

The District is governed by a five-person Board of Directors elected "from divisions" to four-year staggered terms. "From divisions" means election of directors who are residents of the division from which they are elected by the voters of the entire District. The divisions are roughly equal in acreage. The directors are responsible for policies and decisions which govern the operations of the District.

The District has operated under the council-manager form of government since its inception. Policy making and legislative authority are vested in the Board of Directors. The Board is responsible for adopting the budget; setting policy by ordinance, resolution, or minute order; and hiring the general manager, legal counsel, and auditor. The general manager is responsible for carrying out the policies of the Board, for overseeing the day-to-day operations of the District, and the hiring of all District employees. The District serves a population of approximately 37,000 residents, which is projected to increase to 53,000 by 2040 per the 2015 Tehachapi Regional Urban Water Management Plan.

Mission. The District's mission is to ensure the most reliable, cost-effective water supply for its customers through the importation of State Water Project water and management of groundwater basins and to operate and maintain certain flood control structures to protect customers' safety and property.

Development of the District's Budget

The annual budget serves as the foundation for the District's financial planning and control. There are several key items that are considered in the development of the District's budget.

Budget Process. The annual budget serves as the foundation for the District's financial planning and control. All departments of the District are required to submit budget requests to the general manager on or before April 1 each year. The general manager, assistant general manager, administration manager, and accounting & finance specialist, together with an ad-hoc budget committee, prepare the draft budget. The Board holds meetings on and adopts a preliminary budget no later than June 30 and a final budget no later than September 1. Each January, a mid-year budget review is performed by the noted District staff and ad-hoc budget committee, and any necessary revisions are approved by the Board during the January Board meeting. To provide transparency to its ratepayers, the District maintains its funds in separate sub-accounts in a clearly identifiable manner. Thus, the budget is prepared by sub-accounts ("funds", e.g., general) and departments (e.g., administration). Department heads may transfer resources within a department as they see fit. Transfers between funds must be approved by resolution of the Board.

Strategic Plan. The District's Strategic Plan is a structured process that establishes long-term financial planning to guide operations and manage financial resources. The plan is updated biennially. The most recent update was approved by the Board at the regular board meeting held on August 20, 2025. Each biennial Strategic Plan includes a Capital Improvement Plan with short-term (1-2 years), mid-term (3-5 years), and long-term (6-10 years) goals. The Strategic Plan is considered while the District's annual budget is being developed due to its effect on capital reserve funds.

Reserves. The Reserves Policy sets forth reserve targets and an approach for accumulating reserves over time. Per the policy, management is required to review reserve fund balances, at a minimum, on an annual basis to ensure compliance with the policy. Full and interim reserve targets are calculated and progress toward achieving those targets is reported to the Board.

Accumulation of sufficient reserves in the flood control reserve funds is challenging due to the extensive size of the assets, their replacement cost, and their expected long lives. It is hoped that backstop funding from Federal Emergency Management Agency (FEMA) and California Office of Emergency Services (CalEMA) would be available if the District were to suffer catastrophic losses to its flood control facilities due to a declared disaster. Until the District is able to amass such large reserves for these needs, its short-term goal consists of ensuring funds are adequate for normal maintenance and replacement needs, emergency response to floods, and any required matching funds to qualify for FEMA assistance during disasters.

The budget for the current fiscal year shows that costs will be controlled, and sufficient revenues will be generated such that all designated reserve funds will continue to be funded in accordance with the District's Reserves Policy to meet the targets in the manner of priority set in the policy's General Provisions section.

As of June 30, 2026, all full reserve targets were satisfied, with the exception of the three flood control improvement districts and one designated reserve fund as follows:

- The designated - capital reserve fund (i.e., Fund 83 - Equipment/Infrastructure - Replacement/Upgrade) will be funded below the interim reserve target due to transferring \$3,035,000 to a restricted reserve fund (i.e., Fund 73 - Engine Project) to fund the completion of the multi-year engine replacement project at Pump Plants 2 & 3.

As of June 30, 2027, it is forecast that all full reserve targets will be satisfied, with the exception of the three flood control improvement districts and two designated reserve funds as follows:

- A designated - liquidity reserve fund (i.e., Fund 81 – Major Repairs and Overhaul) will be funded below the full reserve target by approximately \$128,000 due to transferring \$300,000 to the General Fund (70) to fund an intentional, strategic increase to the capital outlay budget to harden critical infrastructure assets to maintain a reliable water supply for our customers.
- The designated - capital reserve fund (i.e., Fund 83 - Equipment/Infrastructure - Replacement/Upgrade) will remain funded below the interim reserve target due to the transfer to General Fund (70) at the end of FY 2025-26 with the adoption of the Preliminary Budget for FY 2026-27.

Transfers between reserve funds, including into funds that are below the full reserve target, will be considered during the mid-year budget review.

Information Useful in Developing the District's Budget

Projections made in the budget are perhaps best understood when considered from the broader perspective of the specific environment within which the District operates.

Tax Revenues. Since the District receives no sales taxes, fuel taxes, or other taxes that are sensitive to the business cycle, nonoperating revenues tend to be stable. Tax revenues (i.e., general taxes, special taxes, and benefit assessments) are currently the District's greatest revenue source. Property taxes are the main source of nonoperating revenues. Although property taxes from income-producing properties can be impacted by the business cycle, generally, property taxes are more stable than revenues from other taxes. Kern County estimates that the District's tax base will increase by 1.20% in FY 2026-27. This follows an increase of 2.77% in the District's tax base in FY 2025-26.

Water Sales and Availability. Early each calendar year, the Department of Water Resources (DWR) makes allocations of water resources from the State Water Project (SWP). A 100% Table A Allocation of SWP water amounts to 19,300 acre-feet (AF) for the District. The District is physically limited to 10,000 AF of importation capacity due to the capacity of existing pumping and pipeline infrastructure and customer demand and banking requirements are typically forecast using that threshold. In years when the District's allocation exceeds demand or storage capacity, water is banked inside the District within the Tehachapi and Cummings Basins to the benefit of the District's account and the basins as a whole as well as outside of the District in San Joaquin Valley water banking projects as necessary.

As storage and conveyance opportunities arise, the District considers entering into cooperative agreements with one or more Kern County Water Agency Member Units to bank water that it can't physically import into the District. Then, in years when the SWP allocation doesn't meet demand, banked water from within and outside of the District is utilized to supplement the allocated supplies.

As of December 31, 2025, the District imported 7,712 AF of SWP Table "A" water. As soon as surface delivery demands decreased, the District commenced water banking and recharged 2,268 AF.

For calendar year 2026, the SWP Table A Allocation is 45% (8,685 acre-feet), slightly less than 2025's 50% allocation. The District entered calendar year 2026 with 2,764 AF of SWP carryover water in San Luis Reservoir and no water banked in the San Joaquin Valley facilities. To avoid the possibility of spillage as predicted by DWR, the District entered into a banking agreement with Kern County Water District ID 4 under which ID 4 banked 1,800 AF of carryover water on behalf of TCCWD and retained the remainder for their own use. Importation operations began in April. All requested surface water supplies are being delivered to customers and recharge operations have commenced within the District.

The District's second largest source of revenue, imported water sales, experienced a decrease of 13% in the unaudited figures of FY 2025-26 over the audited figures of FY 2024-25. This decrease was comprised of an 8% increase in M&I water sales and a 17% decrease in Ag water sales. M&I water deliveries were 299 AF in calendar year 2025 and 282 AF in calendar year 2024. Ag water deliveries were 4,736 AF in calendar year 2025 and 5,497 AF in calendar year 2024. Water delivery records are kept on a calendar year basis. Revenue and expenditure records are kept on a fiscal year basis. Thus, these records are not directly comparable.

Water Rates. Effective May 2014, agricultural water rates were set to match Term Municipal & Industrial rates. Then, in May 2016, new water rates were set using a methodology based on pumping costs for the District's three pressure zones. whereas the higher elevation pressure zones have higher pumping costs and, thus, higher rates. The rates continue to be reviewed annually and were unchanged in 2026. During FY 2026-27, the District intends to hire a consultant to perform a water rate study to determine any rate changes necessary to recover pumping costs while providing its customers with the most reliable, cost-effective water supply.

Energy Costs. The District's water rates are driven by the price it pays for natural gas to power its pump plants. Natural gas prices have increased substantially for the past several years. Due to the District's desired practice of securing a portion of its supplies three years in advance, it has been able to maintain stable pricing. Going forward, the District will continue its endeavor to locate additional sources and lock in long-term natural gas supplies at prices that will stabilize its water rates at consistent levels for several years to come. However, this is becoming more difficult.

The District purchased 100% of its natural gas needs for calendar year 2025 at the blended price of \$3.54 per MMBtu. Prices decreased significantly in late 2024 and stayed reasonably low through 2025, allowing the District to purchase natural gas at lower prices than budgeted. The District purchased 80% of its total natural gas requirement for 2026 from a new supplier, ARM Energy Management, LLC ("ARM Energy") at a blended price of \$3.43 per MMBtu.

Workforce. The District's workforce consists of 21 full-time positions and one to three temporary summer helpers. The FY 2026-27 Final Budget contains additional funds in case management decides to add another staff member to the pipeline department during the year.

Pension Liability. District employees are members of the California Public Employees' Retirement System (CalPERS). Over the past several fiscal years, the District has been actively managing its pension unfunded accrued liability (UAL) balances. Beginning with fiscal year 2021-22 and through fiscal year 2024-25, the District's

Board has approved making additional discretionary payments to pay-down the unfunded accrued liability (UAL) balances reported in the CalPERS actuarial valuations released at the beginning of each fiscal year.

Due to the District's proactive management of its Unfunded Accrued Liability (UAL) balances over the past several fiscal years and strong investment performance, the District has no UAL contribution due for FY 2026-27, which would have been due in July 2026. Per the June 30, 2025 actuarial valuation, the District's miscellaneous pool plans are in a surplus status. Therefore, the District will have a \$0 annual UAL contribution amount due in July 2027 for FY 2027-28, which would have been included in the FY 2026-27 Final Budget.

Long-term Debt. The District continually replaces and upgrades its pumping infrastructure as necessary to ensure a reliable, cost-effective water supply while complying with tightening air quality regulations. In June 2023, the District completed bond financing with US Bank for its Pump Plants 2 and 3 engine replacement project. The financing closed with just over \$12,000,000 in total proceeds at 3.65% true interest cost over a 15-year term, providing \$11,800,000 in project funds. The debt is scheduled to be paid in full in June of 2038.

Just before the end of fiscal year 2025-26, construction was completed on the multi-year engine replacement project at Pump Plants 2 & 3. As of now, the final tally on project costs are being accumulated as the District is closing its books June 30, 2026 and making its year-end adjustments. However, initial estimates are that the project cost just over \$16 million dollars, which was substantially paid for with the \$11,800,000 of project funds raised through bond financing, \$3,035,000 from the designated - capital reserve fund (i.e., Fund 83 - Equipment/Infrastructure - Replacement/Upgrade), and the remaining amount yet to be determined (roughly \$1.4 million) to be transferred from the General Fund (70) after Board approval of a resolution to be brought to the Board at the conclusion of the audit at the December regular board meeting. The expected amount of this transfer has been included in the FY 2025-26 actual figures (unaudited) and, therefore, once this transfer is recorded, it will be included in the FY 2025-26 year-end audit adjustments and is not part of the FY 2026-27 Final Budget.

State Water Payment Tax. The District levies a tax each year to pay for its obligations under the two water supply contracts with the Kern County Water Agency for State Water Project water. For FY 2026-27, the tax rate is 0.036953%, a significant decrease of 0.015387% compared to the prior fiscal year.

Any questions or concerns pertaining to the District's annual budget may be addressed to General Manager Tom Neisler at tneisler@tccwd.com, Accounting & Finance Specialist Crystal Sampson at csampson@tccwd.com, or by telephone at (661) 822-5504.

Respectfully submitted,



Thomas P. Neisler
General Manager

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

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TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

FISCAL YEAR 2026-27 FINAL BUDGET

BOARD OF DIRECTORS

President	Robert W. Schultz
Vice-President	Jonathan Hall
Director	John M. Ables
Director	Gerald Davis
Director	Vacant

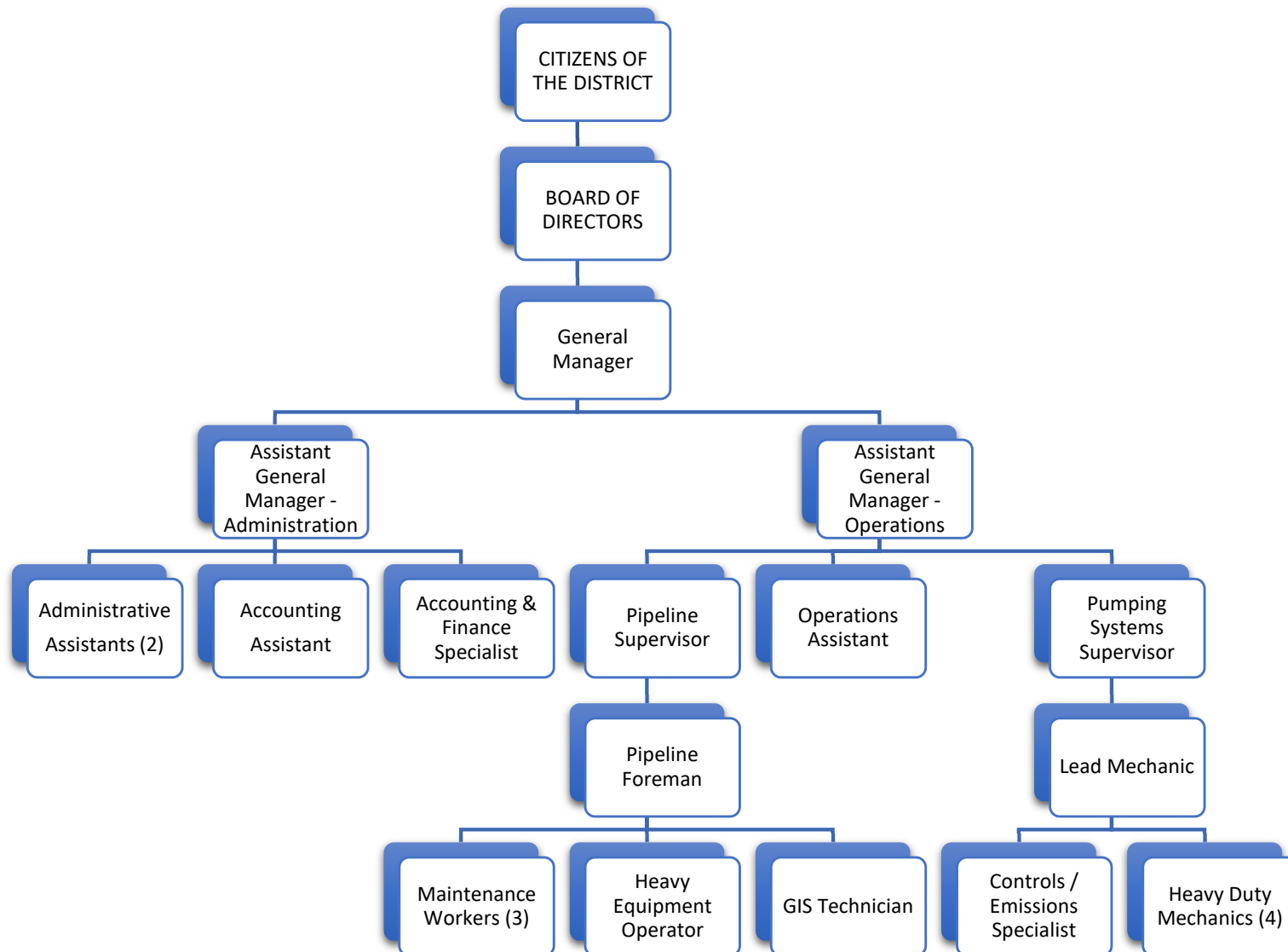
MANAGEMENT STAFF

General Manager	Thomas P. Neisler
Assistant General Manager - Operations	Jon Curry
Assistant General Manager - Administration	Catherine Adams

APPOINTED OFFICIALS

Board Secretary	Catherine Adams
Treasurer	Crystal Sampson

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT ORGANIZATION CHART



**Tehachapi-Cummings
County Water District**
Our Water • Our Future

Revision No. 20
Date: 07/01/26

INVESTMENT POLICY (SUMMARY)

The following is a summary of the District's *Statement of Investment Policy*. The full version is available at the District's Transparency section of their website at: <https://www.tccwd.com/policies>.

Purpose: The purpose of the *Statement of Investment Policy* is to set forth the investment policy of the District with respect to investments of District funds under Article 1 (commencing with section 53600) and Article 2 (commencing with section 53630) of Chapter 4 of Part 1 of Division 2 of Title 5 of Government Code. The investment policy shall be reviewed at least annually.

Objectives: The primary objective of the District in the management of District funds shall be to safeguard the principal of the funds. The secondary objective shall be to meet the liquidity needs of the District. The third objective shall be to achieve a return on the funds. (See § 53600.5.)

Legal Investments: To the extent feasible, the District shall invest its surplus monies (i.e., funds not required for the immediate needs of the District) in investments deemed to be authorized and suitable per the investment policy.

Reporting Requirements: The Treasurer shall present a quarterly investment report showing the status of all District investments as required by Section 53646 and shall be received and considered by the Board pursuant to subdivisions (a) and (b).

Authorized Signers for Transfers: The Treasurer, General Manager, and Board Secretary are authorized to transfer monies between the District's investment accounts and operating bank account. Transfers may be initiated by any one of the authorized persons and authorizations are provided consistent with the District's internal controls.

2026-27 APPROPRIATIONS LIMIT

Section 1.5 of Article XIII B of the California Constitution requires each local governmental entity to establish an appropriations limit for each fiscal year. The appropriations limit for fiscal year 2026-27 calculated pursuant to State guidelines and with data provided by the California Department of Finance is \$19,986,244.

1.	2025-26 Appropriations Limit	\$19,025,458
2.	California Per-Capita Personal Income	4.95%
3.	Population Change (Kern County)	0.10%
4.	Combined Growth Factor	5.05%
5.	2026-27 Appropriations Limit	\$19,986,244

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

RESERVES POLICY

A. PURPOSE

The purpose of this Reserves Policy is to establish various reserve targets, funding priorities, and accomplish prudent financial planning to ensure sufficient funding is available for current operating, capital, and debt service needs. Additionally, fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen events. This Reserves Policy serves to ensure Tehachapi-Cummings County Water District's (TCCWD or District) reserves are accumulated, managed, and maintained to protect the District's creditworthiness; to provide for continuing operations including cash flow requirements, maintenance and eventual replacement of existing facilities and infrastructure, addition of new capital assets, and unforeseen and unexpected emergencies; to ensure certain financial resources are used only for specified purposes; and to facilitate stable services and fees.

The policy directives outlined in this Reserves Policy are intended to ensure TCCWD has sufficient funds available to meet current and future needs. The District is comprised of one major enterprise fund for its water operations. This one fund is segmented into thirteen internal sub-funds to account for the reserve balances. The Board of Directors of TCCWD (Board) shall designate and restrict specific reserves and maintain minimum reserve balances consistent with the reserve definitions and funding levels outlined in this policy. The Board will annually review the level of the reserve funds in conjunction with its review and approval of the District's budget. For purposes of compliance with this policy, TCCWD will use working capital (i.e., current assets less current liabilities) as of the final day of each fiscal year to calculate the reserve fund levels. Working capital is a better measure than either cash or net position to determine the District's ability to meet its financial obligations and to accomplish its financial plans.

Through this policy and the District's Strategic Plan, TCCWD has set forth a number of its short-term, mid-term, and long-term goals. A fundamental purpose of this policy and the Strategic Plan is to link what must be accomplished with the necessary resources to successfully do so. Upon the Board's adoption of this Reserves Policy, TCCWD will take the necessary actions to comply with this policy.

B. GENERAL PROVISIONS

TCCWD will maintain its reserve funds in separate internal sub-funds in a clearly identifiable manner that provides transparency to its ratepayers. Monies that are legally restricted will be held in Restricted Reserves. Monies that are not legally restricted will be held in unrestricted Designated Reserves.

Monies will be accumulated in the Designated Reserve funds in the order presented until the interim reserve target is achieved, at which time the next Designated Reserve fund will begin to accumulate. Once all eight Designated Reserve fund interim targets have been achieved, money will accumulate in each Designated Reserve fund, in the order presented, until the full reserve target for each Designated Reserve fund has been reached. Once a Designated Reserve fund's full reserve target is attained, any surplus unrestricted funds may be reallocated.

In the event that the Designated - Liquidity reserve fund balances exceed the established full target levels, excess monies may be transferred into the Designated - Capital reserve fund. In the event the Designated - Capital reserve fund balance exceeds the established maximum, the Board may make a determination regarding the reallocation of excess monies.

All expenditures or transfers from the Designated Reserve funds will be replaced as quickly as possible in the manner of priority dictated by the order of presentation in this policy.

Interest income will be credited to the reserve fund on which it was earned.

In assessing the funding of future capital facilities and maintaining and replacing existing assets, TCCWD will analyze the benefits and tradeoffs of utilizing pay-as-you-go and/or debt financing and determine the optimal funding strategy. The analysis will consider TCCWD's current and projected reserve fund levels.

C. TYPES OF RESERVES

The District maintains two types of reserves: 1) **Designated Reserves** and 2) **Restricted Reserves**. Designated Reserves are further broken down based on one of two purposes: 1) **Liquidity** and 2) **Capital**.

1. **Designated Reserves**. Designated Reserves are unrestricted reserves established by an action of the Board of Directors and set aside for a designated, specific purpose to ensure flexibility and stability. The source of their money is the General Fund; therefore, the designated purpose may be changed by the Board. **Liquidity** reserves may be changed or made available for short-term operating loans when deemed appropriate. **Capital** reserves may be changed or made available for borrowing when deemed necessary in **emergency** situations resulting from extreme, unforeseen, or unexpected circumstances.

2. **Restricted Reserves**. Restricted Reserves have restrictions on their use as imposed by an outside source such as creditors, grantors, contributors, statutes, court orders, contracts, or bond covenants. These reserves must remain in their respective funds, except for Board-approved short-term borrowing (with full interest repayment).

D. DESIGNATED RESERVES

The District has established seven (7) Designated - Liquidity reserve funds and one (1) Designated - Capital reserve fund. Full reserve targets and interim reserve targets are established herein.

1. **Liquidity**

General Fund. The District maintains a General reserve fund, which is comprised of the working capital generated from the District's water operations. While the District operates as an enterprise fund, its primary funding source is property taxes. Although the mix can vary from year to year, approximately two-thirds of General Fund revenues are attributable to property taxes and the remaining one-third of

General Fund revenues are attributable to water sales and services. Costs to perform the District's Watermaster duties under the three basin judgments are paid from the General reserve fund.

The Government Finance Officers Association recommends that, for enterprise funds, "governments should start with a baseline of ninety (90) days' worth of working capital and then adjust the target based on the particular characteristics of the enterprise fund in question (using 45 days as the minimum acceptable level)". Since the District's General reserve fund is primarily tax-supported and the first installment of property tax revenue is received approximately five months after the start of the fiscal year, the fund's beginning working capital as of July 1st will be equal to or greater than 90 days of operating expenses (based on the prior year's audit) and at no point during the year will the working capital fall to less than 45 days of operating expenses.

The annual State Water Project Table A allocation may be inadequate to meet the District's entire customer demand and BWRA requirements. Surface Water supplies may be limited due to the available SWP supply.

Tax Revenue Liability Fund. This reserve fund was established to continue normal operations in the aftermath of property tax revenue losses resulting from taxpayer appeals. Each year, Kern County publishes a tax revenue liability estimate for the District's General Fund. Since it is unlikely that all taxpayer appeals will be granted, the District will fund this reserve at 50% of the County's estimate. The interim target shall be set at 50% of the full reserve target.

Emergency Fund. This reserve fund was established in 1986 to mitigate the fact that the District does not carry insurance coverage for earthquake or flood damage. Its purpose is to set aside money for (1) repair, restoration, or replacement of District facilities damaged as the result of natural disasters, (2) matching fund payments for cost sharing required under federal or state disaster assistance programs, and (3) District personnel overtime costs and supplies used during eligible disaster response and recovery activities, including the cost of administering those activities. It shall be the policy of this District to maintain working capital in this fund at 5% of the General Fund's operating expenses (based on the prior year's audit). The interim reserve target shall be set at 50% of the full reserve target.

Major Repairs and Overhaul Fund. This reserve fund was established for the purpose of funding major, unanticipated repairs, or replacement of the District's water importation system components. It shall be the policy of this District to maintain working capital in this fund at 5% of the book value of the General Fund's capital assets (based on the prior year's audit). The interim reserve target shall be set at 50% of the full reserve target.

Rate Stabilization Fund. This reserve fund was established to normalize fluctuations in revenues so that water rates will be more stable over time. The monies are used as a buffer to reduce the frequency of changes to the District's water rates, and also to satisfy pledges and revenue calculations pursuant to long-term financing rate covenants. The amount is intended to fluctuate between 1% and 5% of the General Fund's operating expenses (based on the prior year's audit). The interim reserve target shall be set at 50% of the full reserve target.

Unfunded Pension Liability Fund. This reserve fund was established in 2025 to proactively manage Unfunded Accrued Liability (UAL) balances for the District's three CalPERS pension plans. These reserve funds may be used to make additional discretionary payments toward these balances, which will increase the District's funded status of its plans, stabilize contribution requirements, reduce future required contributions, and reduce long-term debt. The initial full reserve target shall be equal to \$250,000. The interim reserve target shall be set at 50% of the full reserve target.

Water Banking Fund. From time-to-time, monies in excess of 90 days' operating expenses may be set aside from the General Fund and earmarked by the Board as Water Banking reserves to cover the cost to replace or extract the District's banked water. Although this reserve fund is presented herein with the other Designated - Liquidity reserve funds, the priority for repayment of funds is lower than the Designated - Capital reserve fund. This reserve fund has the lowest priority of all Designated reserve funds.

2. **Capital**

Equipment/Infrastructure – Replacement/Upgrade Fund. This reserve fund was established and designated for future capital needs to fund the cost of both new and replacement projects as a part of the District's strategic planning. The fund was created with the approval of the FY 2019-20 budget. The Strategic Plan document sets out a short-term (1-2 years), mid-term (3-5 years), and long-term (6-10 years) capital improvement plan. The current fiscal year's capital improvement needs shall be funded from the General Fund and included in the annual budget process. The full reserve target shall be equal to 20% of the mid-term capital improvement plan. The interim target shall be set at 50% of the full reserve target. Any expenditure or transfer from this fund will be replaced as quickly as possible to ensure funding stability.

E. **RESTRICTED RESERVES**

The District maintains five (5) Restricted Reserve funds. Full reserve targets and interim reserve targets are established herein.

State Water Payment Fund. This reserve fund is restricted by tax assessment for the purpose of paying the District's obligations to the Kern County Water Agency for the District's share of State Water Project costs. The District levies a special **ad-valorem** tax sufficient to cover all current costs under these two water supply contracts. The reserve balance is maintained at a level sufficient to cover six-months' of operating expense obligations and one-half (1/2) of the fund's **tax revenue liability** as determined by the Kern County Auditor-Controller. All unspent monies in this fund remain in the fund.

Improvement District No. 2 (ID2) Fund. This reserve fund is restricted by tax assessment and is maintained for the purpose of providing flood control maintenance, operations, and capital improvements within the discrete area known as ID2. Property within ID2 is subject to property taxes to fund this service. All unspent monies in this fund remain in the fund for future maintenance and replacement of its flood control facilities. The District sets a reserve target for this fund at 50% of the

estimated replacement cost of the facilities. The estimated replacement cost is calculated as the original construction cost adjusted for inflation.

Improvement District No. 3 (ID3) Fund. This reserve fund is restricted by tax assessment and is maintained for the purpose of providing flood control maintenance, operations, and capital improvements within the discrete area known as ID3. Property within ID3 is subject to property taxes to fund this service. All unspent monies in this fund remain in the fund for future maintenance and replacement of its flood control facilities. The District sets a reserve target for this fund at 50% of the estimated replacement cost of the facilities. The estimated replacement cost is calculated as the original construction cost adjusted for inflation.

Benefit Assessment District No. 1 (AD1) Fund. This reserve fund is restricted by tax assessment and is maintained for the purpose of providing flood control maintenance, operations, and capital improvements within the discrete area known as AD1. Property within AD1 is subject to a special benefit assessment to fund this service. All unspent monies in this fund remain in the fund for future maintenance and replacement of its flood control facilities. The District sets a reserve target for this fund at 50% of the estimated replacement cost of the facilities. The estimated replacement cost is calculated as the original construction cost adjusted for inflation.

Engine Project Fund. This reserve fund is restricted by trust agreement relating to the issuance of the 2023 Revenue Certificates of Participation (COPs). Monies are held with a fiscal agent to pay for the costs of the 2023 Engine Project or to reimburse the District for previous costs expended in the acquisition or construction of the project, including any incidental expenses. This reserve fund is used to track all costs and reimbursements related to the 2023 Revenue Certificates of Participation that the District issued in June of 2023 for \$10,925,000 to finance certain capital improvements to the District's water system.

Reserve targets for the three (3) flood control districts (i.e., ID2, ID3, and AD1) are not fully funded and are not anticipated to be so for quite some time. Ideally, these reserves should be adequate to repair or replace structures damaged in a flood event. Flood control assets tend to stay in place for long periods of time and function without damage under normal conditions. However, they can be damaged or destroyed by natural disaster events requiring rebuilding. Some funds may become available from federal or state agencies in a declared disaster event, but it is possible that facilities could be damaged in a localized flood event that is not part of a declared disaster.

In the event of a declared disaster, it is likely that FEMA and CalEMA would provide funding assistance to the District to rebuild the flood control facilities. Under this scenario, the District's reserves would be used for matching funds (typically 10-20% of total cost) to secure the disaster assistance funds.

F. MANAGEMENT OF RESERVE FUNDS

Reserve fund balances will be reviewed, at a minimum, on an annual basis to ensure compliance with this policy. The General Manager will be responsible for managing the accumulation of reserves in the various funds in accordance with Board policy. Only the Board shall approve any reallocation of funds or any transfers between reserve funds. The Board will work collaboratively with the General Manager to

ensure the accuracy of the annual report and evaluate the goals and purposes of each reserve fund and adopt policy changes as may be necessary or desirable.

The minimum levels established for each reserve fund represent the baseline financial condition that is acceptable to TCCWD from risk and long-term financial planning perspectives. Maintaining reserve funds at appropriate levels is a prudent, ongoing business process that consists of an iterative, dynamic assessment and application of various revenue generating alternatives. These alternatives (either alone or in combination with each other) include but are not limited to: fees and charges, energy usage, capital financing, investment of surplus funds, and levels of capital expenditures.

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

RESERVE TARGETS

		Audited Actual Balance 6/30/2025	FY 2025-26 (Targets per Mid-Year Budget)					FY 2026-27 (Targets per Final Budget)					
			Full Reserve Target	Interim Reserve Target	Actual Balance 6/30/2026	Reserve Target Met?		Full Reserve Target	Interim Reserve Target	Forecast Balance 6/30/2027	Reserve Target Met?		
Reserve Funds & Descriptions		Reserve Formula											
DESIGNATED RESERVES													
70 General Fund													
	Working capital	90 days of general fund operating expenses (PY audit)	4,212,320	2,129,000	2,129,000	3,005,559	Full	Yes	2,214,000	2,214,000	2,979,909	Full	Yes
85 Tax Revenue Liability													
	Tax revenue liability reserve	50% of Kern County's liability estimate	1,733,462	1,887,000	943,500	1,889,672	Full	Yes	1,887,000	943,500	1,967,672	Full	Yes
71 Emergency													
	Emergency reserve	5% of general fund operating expenses (prior year audit)	447,356	432,000	216,000	459,393	Full	Yes	449,000	224,500	478,393	Full	Yes
81 Major Repairs & Overhaul													
	Asset maintenance / replacement reserve	5% of capital assets' book value (prior year audit)	1,900,882	1,824,000	912,000	1,952,084	Full	Yes	1,860,000	930,000	1,732,084	Interim	Yes
87 Rate Stabilization													
	Rate stabilization reserve	1% to 5% of general fund operating expenses (PY audit)	698,214	432,000	216,000	717,020	Full	Yes	449,000	224,500	747,020	Full	Yes
74 Unfunded Pension Liability													
	Unfunded pension liability reserve	Initial target of \$250,000	N/A	250,000	125,000	261,447	Full	Yes	250,000	125,000	272,447	Full	Yes
72 Water banking reserve													
	Cost to replace or extract banked water	N/A	3,052,950	N/A	N/A	2,965,066	N/A	N/A	N/A	N/A	3,598,066	N/A	N/A
83 Equip./Infra. - Repl./Upgrade													
	Strategic planning capital improvements	20% mid-term CIP	2,887,279	1,588,000	794,000	94,031	Interim	No	1,688,000	844,000	96,031	Interim	No
RESTRICTED RESERVES													
82 State Payment													
	Six-month operating reserve	50% of current year expenditure budget	10,064,963	2,092,000	2,092,000	12,347,789	Full	Yes	2,001,000	2,001,000	11,158,289	Full	Yes
	Tax revenue liability reserve	50% of Kern County's liability estimate	843,000	843,000	843,000	843,000	Full	Yes	843,000	843,000	843,000	Full	Yes
76 Improvement District No. 2													
	Asset maintenance / replacement reserve	50% of construction cost indexed for inflation	5,545	312,000	312,000	5,551	Interim	No	323,000	323,000	5,551	Interim	No
77 Improvement District No. 3													
	Asset maintenance / replacement reserve	50% of construction cost indexed for inflation	233,043	694,000	694,000	252,030	Interim	No	717,000	717,000	264,930	Interim	No
86 Benefit Assessment Zone No. 1													
	Asset maintenance / replacement reserve	50% of construction cost indexed for inflation	1,285,774	1,989,000	1,989,000	1,324,127	Interim	No	2,055,000	2,055,000	1,326,827	Interim	No
73 Engine Project													
	Certificates of Participation (COP) proceeds	N/A	879,791	N/A	N/A	-	N/A	N/A	N/A	N/A	-	N/A	N/A

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

RATE COVENANT
FORECAST FOR THE YEAR ENDED JUNE 30, 2027

The District covenants, to the fullest extent permitted by law, that it will prescribe and assess at the commencement of each Fiscal Year rates and charges for Water Service which, when combined with other Revenues of the District, are reasonably expected, at the commencement of such Fiscal Year, to be at least sufficient to yield Net Revenues during each Fiscal Year equal to 1.25 times the sum of: (1) debt service payments related to the 2023 Revenue Certificates of Participation, and (2) any other debt service payments or additional payments required with respect to outstanding debt of the District.

The rate covenant formula is as follows:

Rate Covenant: $\frac{\text{Net Revenues}}{\text{Debt Service}}$

The rate covenant is calculated as follows based on the budget for FY 2026-27:

Revenues	
Water Sales	\$ 4,366,000
Water Services	86,750
Property Taxes	7,400,000
Interest & Penalties	1,035,000
Other (Operating & Nonoperating)	28,700
Total Revenues	\$ 12,916,450
Operation and Maintenance Costs	
Source of Supply	\$ 5,000
Pumping	3,897,900
Transmission & Distribution	1,489,100
Administrative and General	2,245,500
Total Operation and Maintenance Costs	\$ 7,637,500
Net Revenues Prior to Transfers	\$ 5,278,950
Transfers (to)/from Rate Stabilization Fund	-
Net Revenues (a)	\$ 5,278,950
Debt Service	
2023 Revenue Certificates of Participation- Principal	\$ 585,000
2023 Revenue Certificates of Participation- Interest	466,750
Total Debt Service (b)	\$ 1,051,750
Rate Covenant Calculation (a)/(b):	5.02
Net Revenues Remaining After Debt Service	\$ 4,227,200

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District Total - Summary

Tehachapi-Cummings County Water District
Revenues & Expenses - District Total - Summary

Account Description	Audited		Amended		PY/CY Budget	
	2024-25	2025-26	2025-26	2026-27	Amount	Pct
	Actual	Actual	Budget	Budget	Change	Chg
Revenues						
Operating Revenues						
Water Sales - Imported	2,621,438	2,345,894	2,830,000	3,370,000	540,000	19%
Water Sales - Surplus	69,862	105,017	75,000	100,000	25,000	33%
Water Sales - Recycled	21,274	12,248	15,000	15,000	0	0%
Water Sales - Recharge BWRA	3,339	757,007	325,000	870,000	545,000	168%
BL Storage Fee	11,372	9,985	10,000	10,000	0	0%
Water Sales - Other	0	134	0	0	0	0%
Water Services	84,262	171,999	77,750	77,750	0	0%
Other Operating Revenues	128,115	163,538	155,400	198,000	42,600	27%
Total Operating Revenues	2,939,662	3,565,822	3,488,150	4,640,750	1,152,600	33%
Non-Operating Revenues						
General Taxes	7,350,278	7,390,951	7,514,100	7,418,000	(96,100)	-1%
Special Taxes	4,493,852	4,824,020	3,408,400	2,306,000	(1,102,400)	-32%
Benefit Assessments	104,539	106,670	113,500	112,200	(1,300)	-1%
Other Revenues	2,155,140	636,948	1,021,200	1,126,800	105,600	10%
Capital Contributions	9,850	5,400	20,000	10,000	(10,000)	-50%
Total Non-Operating Revenues	14,113,659	12,963,989	12,077,200	10,973,000	(1,104,200)	-9%
Total Revenues	17,053,321	16,529,811	15,565,350	15,613,750	48,400	0%
Expenses						
Salaries & Benefits						
Salaries & Wages	1,963,715	2,056,298	2,231,200	2,515,400	284,200	13%
Benefits	2,067,210	880,340	947,600	1,064,600	117,000	12%
Total Salaries & Benefits	4,030,925	2,936,638	3,178,800	3,580,000	401,200	13%
Operations & Maintenance						
Administrative/General	579,361	602,888	587,400	544,500	(42,900)	-7%
Utilities	68,382	75,915	70,000	73,000	3,000	4%
Automobiles & Equipment	152,615	172,910	201,000	187,000	(14,000)	-7%
System Operations	4,215,044	4,999,691	6,277,100	5,792,000	(485,100)	-8%
Maintenance	1,078,776	1,341,589	1,292,700	1,201,700	(91,000)	-7%
Services	288,414	370,874	393,500	382,500	(11,000)	-3%
Government & Regulatory	292,892	222,962	361,000	289,000	(72,000)	-20%
Non-Cash Expenses	1,070,964	0	0	0	0	0%
Total Operations & Maintenance	7,746,448	7,786,829	9,182,700	8,469,700	(713,000)	-8%

Tehachapi-Cummings County Water District
Revenues & Expenses - District Total - Summary

Account Description	Audited		Amended		PY/CY Budget	
	2024-25	2025-26	2025-26	2026-27	Amount	Pct
	Actual	Actual	Budget	Budget	Change	Chg
Debt Service						
Principal Payments	530,000	560,000	560,000	585,000	25,000	4%
Interest Expense	443,202	494,750	494,750	466,750	(28,000)	-6%
Total Debt Service	973,202	1,054,750	1,054,750	1,051,750	(3,000)	0%
Capital Outlay						
Pumping Plants	10,258,542	6,244,377	6,340,720	1,545,000	(4,795,720)	-76%
Mainline Pipeline	0	0	20,000	100,000	80,000	400%
Dams & Reservoir	6,052	0	20,000	20,000	0	0%
Transmission System	98,901	237,703	444,000	378,850	(65,150)	-15%
General Office, Shop & Equipment	208,511	582,552	786,000	1,015,000	229,000	29%
Water Reclamation	93,740	0	0	100,000	100,000	100%
Total Capital Outlay	10,665,746	7,064,632	7,610,720	3,158,850	(4,451,870)	-58%
Total Expenses	23,416,321	18,842,849	21,026,970	16,260,300	(4,766,670)	-23%
Net Income (Loss) Before Transfers	(6,363,000)	(2,313,038)	(5,461,620)	(646,550)	4,815,070	
Reserves						
Beginning Balances	33,567,696	28,244,579	28,244,579	26,116,769	(2,127,810)	
Working Capital Conversion to Cash	0	760,978	786,493	0	(786,493)	
Transfers In	2,022,572	5,734,641	5,697,640	334,000	(5,363,640)	
Transfers Out	(2,022,572)	(5,734,641)	(5,697,640)	(334,000)	5,363,640	
Net Transfers	0	0	0	0	0	
Net To (From) Reserves	(6,363,000)	(2,313,038)	(5,461,620)	(646,550)	4,815,070	
Change in Non-Cash Items	1,039,883	0	0	0	0	
Ending Balances	28,244,579	26,692,519	23,569,452	25,470,219	1,900,767	

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District Total - Account Detail

Tehachapi-Cummings County Water District
Revenues & Expenses - District Total - Account Detail

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	OPERATING REVENUES						
	Water Sales						
40101	Water Sales - Agriculture	2,090,100	1,726,232	2,400,000	2,700,000	300,000	13%
40102	Water Sales - Term M & I	465,022	502,042	300,000	500,000	200,000	67%
40103	Water Sales - Regular M & I	22,495	22,391	60,000	70,000	10,000	17%
40104	Water Sales - Wheeled Water	43,821	95,229	70,000	100,000	30,000	43%
40105	Water Sales - Surplus	69,862	105,017	75,000	100,000	25,000	33%
40106	Water Sales - Recycled Water	21,274	12,248	15,000	15,000	0	0%
40107	Water Sales - Recharge BWRA	3,339	757,007	325,000	870,000	545,000	168%
40108	BL Storage Fee	11,372	9,985	10,000	10,000	0	0%
40110	Water Sales - Other	0	134	0	0	0	0%
	Water Services						
40111	Recurring Service Charges	10,327	10,368	9,300	9,300	0	0%
40112	Recharge Surcharge - Cummings	13,255	46,181	8,500	8,500	0	0%
40113	Recharge Surcharge - Tehachapi	1,163	1,254	1,000	1,000	0	0%
40114	Standby Fees	41,213	42,944	42,950	42,950	0	0%
40115	Connection Fees	585	140	2,000	2,000	0	0%
40116	Delinquent Charges	(3,738)	1,137	1,000	1,000	0	0%
40117	Spreading Loss Surcharge-Cummings	19,436	67,359	12,000	12,000	0	0%
40118	Spreading Loss Surcharge-Tehachapi	2,021	2,616	1,000	1,000	0	0%
	Other Operating Revenues						
40122	Reimbursement - Health Insurance	17,139	23,354	25,600	24,200	(1,400)	-5%
40123	Reimbursement - Flood Control Maint.	77,695	88,192	102,800	151,800	49,000	48%
40125	Reimbursement - Insurance Claims	10,769	23,697	0	0	0	0%
40126	Reimbursement - Other Operating	20,476	28,295	25,000	20,000	(5,000)	-20%
40127	Other Operating Revenue	2,036	0	2,000	2,000	0	0%
	TOTAL OPERATING REVENUES	2,939,662	3,565,822	3,488,150	4,640,750	1,152,600	33%
	NON-OPERATING REVENUES						
	General Taxes						
40201	Current Year Property Taxes	7,012,904	7,080,077	7,238,700	7,121,000	(117,700)	-2%
40202	Prior Year Property Taxes	16,902	27,009	36,000	35,000	(1,000)	-3%
40203	Homeowners Property Tax Relief	30,858	34,650	35,000	25,000	(10,000)	-29%
40204	Redevelopment Agency Pass-through	285,251	241,817	201,400	232,000	30,600	15%
40205	Property Tax - Penalties/Other	4,363	7,398	3,000	5,000	2,000	67%
	Special Taxes						
40211	Current Year State Payment Tax	4,453,424	4,747,390	3,318,400	2,220,000	(1,098,400)	-33%
40212	Prior Year State Payment Tax	10,469	39,752	50,000	46,000	(4,000)	-8%
40213	Homeowners Property Tax Relief	16,275	18,309	20,000	20,000	0	0%
40215	State Payment Tax - Penalties/Other	13,684	18,569	20,000	20,000	0	0%
	Benefit Assessments						
40221	Current Year Benefit Assessments	99,696	101,163	106,000	106,000	0	0%
40222	Prior Year Benefit Assessments	4,690	4,265	6,000	5,000	(1,000)	-17%
40224	Benefit Assessment - Penalties/Other	153	1,242	1,500	1,200	(300)	-20%

Tehachapi-Cummings County Water District
Revenues & Expenses - District Total - Account Detail

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	Other Revenues						
40231	Interest Earnings	1,566,318	762,228	1,019,600	1,100,100	80,500	8%
40232	Unrealized Gain/(Loss)	599,600	(185,228)	0	0	0	0%
40234	Rents and Royalties	2,491	1,653	1,600	1,700	100	6%
40239	Other Non-Operating Revenue	1,835	58,295	0	0	0	0%
40299	Gain/(Loss) on Sale of Asset	(15,104)	0	0	25,000	25,000	100%
	Capital Contributions						
40244	Reimbursement - New Connections	9,850	5,400	20,000	10,000	(10,000)	-50%
	TOTAL NON-OPERATING REVENUES	14,113,659	12,963,989	12,077,200	10,973,000	(1,104,200)	-9%
	TOTAL REVENUES	17,053,321	16,529,811	15,565,350	15,613,750	48,400	0%

EXPENSES							
	SALARIES & BENEFITS						
	Salaries & Wages						
50112	Salaries & Wages	1,921,336	2,003,060	2,181,000	2,467,900	286,900	13%
50114	Overtime & Holiday	42,361	53,238	50,200	47,500	(2,700)	-5%
50119	Compensated Absence Adjustment	18	0	0	0	0	0%
	Benefits						
50121	FICA/MEDI	149,717	155,860	171,000	193,000	22,000	13%
50122	Workers Compensation	30,442	31,152	31,800	33,200	1,400	4%
50124	Health Insurance	442,751	495,523	512,500	587,600	75,100	15%
50125	Health Insurance - Reimbursable	14,921	25,896	25,600	24,200	(1,400)	-5%
50127	Retirement	191,728	171,856	205,200	224,600	19,400	9%
50128	Tuition Reimbursements	0	0	1,500	2,000	500	33%
50131	Retiree Medical Contribution	0	0	0	0	0	0%
50132	Retirement - Annual Lump Sum & UAL	229,061	0	0	0	0	0%
	TOTAL SALARIES & BENEFITS	4,030,925	2,936,638	3,178,800	3,580,000	401,200	13%

	OPERATIONS & MAINTENANCE						
	Administrative/General						
50201	Public Information & Notices	3,654	7,641	5,200	7,500	2,300	44%
50202	Books/Periodicals/Subscriptions	60	93	200	200	0	0%
50203	Printing	1,894	2,470	2,800	2,800	0	0%
50204	Postage & Shipping	2,987	5,099	5,000	5,000	0	0%
50205	Office Supplies	11,254	9,886	14,000	11,000	(3,000)	-21%
50206	Office Computer & Machinery	41,666	70,946	55,000	65,000	10,000	18%
50207	Bank & Administrative Services	3,585	4,055	2,200	4,000	1,800	82%
50208	County Collection Charges	73,805	67,909	77,000	74,100	(2,900)	-4%
50209	Memberships	34,771	36,610	40,000	40,000	0	0%
50210	Directors' Fees	8,800	10,740	16,000	16,800	800	5%
50211	Training & Travel	36,361	35,706	44,700	56,000	11,300	25%
50213	Recruitment	864	2,676	1,500	1,500	0	0%
50214	Awards & Recognition	6,771	3,913	5,000	8,000	3,000	60%
50215	Safety Program & Supplies	16,666	23,100	23,600	18,600	(5,000)	-21%
50216	Legal	310,874	291,719	250,000	200,000	(50,000)	-20%
50217	Audit	25,349	30,325	44,200	33,000	(11,200)	-25%
50219	Water Conservation Program	0	0	1,000	1,000	0	0%

Tehachapi-Cummings County Water District
Revenues & Expenses - District Total - Account Detail

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	Utilities						
50221	Electricity - Office/Shops	24,023	23,098	24,000	24,000	0	0%
50222	Natural Gas - Office/Shops	2,168	7,076	5,000	6,000	1,000	20%
50226	Phone - Internet & Communications	42,191	45,741	41,000	43,000	2,000	5%
	Automobiles & Equipment						
50231	Auto/Equipment - Gas & Oil	86,871	91,747	112,000	101,000	(11,000)	-10%
50232	Automobile Repair	52,320	49,735	58,500	58,500	0	0%
50233	Equipment Repairs	9,689	29,581	23,000	20,000	(3,000)	-13%
50234	Equipment Rentals	2,144	1,686	5,000	5,000	0	0%
50238	Shop Supplies	1,591	161	2,500	2,500	0	0%
	System Operations						
50241	Source of Supply - KCWA Contract	2,579,281	2,850,866	4,172,100	3,992,000	(180,100)	-4%
50242	Natural Gas - Pumping	1,163,627	1,603,369	1,600,000	1,330,000	(270,000)	-17%
50243	Engine Oil & Fluids- Pumping	163,279	269,588	200,000	200,000	0	0%
50244	Electricity - Pumping	199,780	159,476	225,000	175,000	(50,000)	-22%
50245	Electricity - Pipeline	70,050	91,421	55,000	55,000	0	0%
50247	Operation of Joint Turnout	0	0	5,000	5,000	0	0%
50248	Cross Valley Canal O & M	12,583	5,383	15,000	30,000	15,000	100%
50249	Source of Supply - Recycled & Other	26,444	19,588	5,000	5,000	0	0%
	Maintenance						
50251	Maintenance - Pump Plants	503,352	639,803	600,000	525,000	(75,000)	-13%
50252	Maintenance - Natural Gas Pipeline	37,996	0	40,000	60,000	20,000	50%
50253	Maintenance - Pipeline	128,999	107,504	150,000	150,000	0	0%
50254	Maintenance - Reservoir	27,958	39,312	25,000	20,000	(5,000)	-20%
50255	Maintenance - Access Roads	0	0	15,000	15,000	0	0%
50256	Maintenance - Control System	67,470	91,543	90,000	90,000	0	0%
50257	Maintenance - Cogeneration Plant	0	0	1,000	1,000	0	0%
50258	Maintenance - System Wells & Boosters	16,784	297,406	24,000	24,000	0	0%
50259	Maintenance - Flood Control Facilities	85,445	98,121	107,800	156,800	49,000	45%
50260	Maintenance - Recharge Facilities	12,539	4,874	15,000	15,000	0	0%
50261	Maintenance - Office & Grounds	34,730	31,967	35,000	30,000	(5,000)	-14%
50262	Maintenance - Public Water System	0	742	5,000	5,000	0	0%
50264	Customer Meters	98,951	14,878	125,000	50,000	(75,000)	-60%
50266	Welding Supplies	825	1,846	5,500	5,500	0	0%
50267	Pipeline Materials	48,441	0	40,000	40,000	0	0%
50268	Small Tools - Pumping	9,882	10,546	10,000	10,000	0	0%
50269	Small Tools - Pipeline	5,404	3,047	4,400	4,400	0	0%
	Services						
50271	Outside Service	12,019	12,520	17,500	16,500	(1,000)	-6%
50275	Engineering	0	0	9,500	9,500	0	0%
50276	Consulting	79,675	57,039	63,000	63,000	0	0%
50277	Uniforms	16,188	13,626	17,000	17,000	0	0%
50278	Lab Analysis	3,027	2,048	3,500	3,500	0	0%
50279	Insurance & Bonds	163,700	230,352	221,000	203,000	(18,000)	-8%

Tehachapi-Cummings County Water District
Revenues & Expenses - District Total - Account Detail

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	Government & Regulatory						
50281	Emissions Compliance	76,984	34,102	65,000	45,000	(20,000)	-31%
50282	Government Fees/Taxes - Pumping	168,798	109,707	225,000	125,000	(100,000)	-44%
50284	Regulatory Fees - Other	46,715	78,200	70,000	88,000	18,000	26%
50285	Certification Fees	395	953	1,000	1,000	0	0%
50286	Elections	0	0	0	30,000	30,000	100%
	Non-Cash Expenses						
50292	Depreciation	1,070,964	0	0	0	0	0%
	TOTAL OPERATIONS & MAINTENANCE	7,746,448	7,786,829	9,182,700	8,469,700	(713,000)	-8%
	DEBT SERVICE						
	Principal Payments						
50303	Principal - Engine Replacement Financing	530,000	560,000	560,000	585,000	25,000	4%
	Interest Expense						
50313	Interest - Engine Replacement Financing	443,202	494,750	494,750	466,750	(28,000)	-6%
	TOTAL DEBT SERVICE	973,202	1,054,750	1,054,750	1,051,750	(3,000)	0%
	CAPITAL OUTLAY						
	Pumping Plants						
50411	Replacement Pumps	167,318	0	0	120,000	120,000	100%
50412	Pump Plant Improvements	19,800	35,071	90,000	905,000	815,000	906%
50413	Control System Improvements	32,345	15,105	15,000	175,000	160,000	1067%
50414	Replacement Engines	9,921,998	5,928,633	6,040,720	0	(6,040,720)	-100%
50415	Engine Overhauls	0	94,579	75,000	225,000	150,000	200%
50416	Pump Overhauls	117,081	170,989	120,000	120,000	0	0%
	Mainline Pipeline						
50421	Cathodic Protection	0	0	20,000	100,000	80,000	400%
50422	Land Improvements	0	0	0	0	0	0%
	Dams & Reservoir						
50431	Road Repair	6,052	0	20,000	20,000	0	0%
	Transmission System						
50445	Transmission System Meters	0	0	0	50,000	50,000	100%
50448	Upgrade/R&M/Rebuild Wells & Tanks	70,000	154,000	154,000	78,850	(75,150)	-49%
50449	Pipeline Replacement/Rehabilitation	28,901	83,703	290,000	250,000	(40,000)	-14%
	General Office, Shop & Equipment						
50451	Vehicles	14,638	0	0	290,000	290,000	100%
50452	Storage Facility Construction	1,000	177,293	355,000	300,000	(55,000)	-15%
50453	Building Remodel	4,353	111,003	80,000	0	(80,000)	-100%
50454	Roof Replacement	0	0	0	75,000	75,000	100%
50455	Equipment	187,020	288,040	326,000	0	(326,000)	-100%
50456	Building Improvements	0	6,216	25,000	155,000	130,000	520%
50458	CMMS Software	0	0	0	25,000	25,000	100%
50460	Intangible Assets	1,500	0	0	120,000	120,000	100%
50466	Engineering - Consulting	0	0	0	50,000	50,000	100%

Tehachapi-Cummings County Water District
Revenues & Expenses - District Total - Account Detail

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	Water Reclamation & Recovery						
50485	Recovery Well Improvements	93,740	0	0	100,000	100,000	100%
	TOTAL CAPITAL OUTLAY	10,665,746	7,064,632	7,610,720	3,158,850	(4,451,870)	-58%
	TOTAL EXPENSES	23,416,321	18,842,849	21,026,970	16,260,300	(4,766,670)	-23%
	NET INCOME (LOSS)	(6,363,000)	(2,313,038)	(5,461,620)	(646,550)	4,815,070	
	RESERVES						
	BEGINNING BALANCES	33,567,696	28,244,579	28,244,579	26,116,769	(2,127,810)	
	WORKING CAPITAL CONVERSION TO CASH	0	0	786,493	0	(786,493)	
	TRANSFERS IN	2,022,572	5,734,641	5,697,640	334,000	(5,363,640)	
	TRANSFERS OUT	(2,022,572)	(5,734,641)	(5,697,640)	(334,000)	5,363,640	
	NET TO (FROM) RESERVES	(6,363,000)	(2,313,038)	(5,461,620)	(646,550)	4,815,070	
	CHANGE IN NON-CASH ITEMS	1,039,883	0	0	0	0	
	ENDING BALANCES	28,244,579	25,931,541	23,569,452	25,470,219	1,900,767	

Capital Expenditure Budget

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

CAPITAL EXPENDITURE BUDGET

Fund / Dept.	Account Number	Preliminary Budget	Change	Final Budget	Purpose of Capital Expenditure
<u>General / Administration (70-01)</u>					
	50452-01	\$ 300,000	\$ -	\$ 300,000	Storage Facility (carryover)
	50455-03	10,000	(10,000)	-	Director Devices
	50455-04	90,000	(90,000)	-	Electric Forklift
	50456-08	50,000	-	50,000	Bathroom Septic/ Lift Station for PP/PL Office
	50456-09	70,000	-	70,000	Slurry Seal/ Restripe Parking Lot
	50458-01	25,000	-	25,000	Computerized Maintenance Management System (CMMS)
	50460-01	100,000	-	100,000	Water Rate Study (carryover)
	50460-02	20,000	-	20,000	Record Digitization (carryover)
Subtotal		<u>\$ 665,000</u>	<u>\$ (100,000)</u>	<u>\$ 565,000</u>	
<u>General / Pipeline (70-02)</u>					
	50421-01	\$ 100,000	\$ -	\$ 100,000	Cathodic Protection Survey/Study and Installation (carryover)
	50422-04	60,000	(60,000)	-	Perimeter Fencing PP3
	50431-01	20,000	-	20,000	Lake Road Repairs (annual)
	50445-01	50,000	-	50,000	Mag Meter/ SCADA at PP5 Well
	50449-06	50,000	-	50,000	CV Pressure Relief 8" CLA-VAL
	50449-05	200,000	-	200,000	Pipeline Inspection
	50449-06	50,000	(50,000)	-	Engineering For Standardized Pipeline Repair
	50451-04	110,000	-	110,000	Service Truck
	50451-05	60,000	-	60,000	New GIS Vehicle
	50456-02	10,000	-	10,000	New Road/Construction Signage and Delineation
	50485-06	80,000	-	80,000	Nunes Well Rehabilitation
	50485-07	150,000	(150,000)	-	Benz Well Rehabilitation
	50485-08	20,000	-	20,000	Tehachapi Wells Inspections
Subtotal		<u>\$ 960,000</u>	<u>\$ (260,000)</u>	<u>\$ 700,000</u>	
<u>General / Pumping (70-03)</u>					
	50411-03	\$ 120,000	\$ -	\$ 120,000	New 7-stage Pump
	50412-06	20,000	-	20,000	PP Road Base (annual)
	50412-08	150,000	-	150,000	High Pressure Discharge Valve Repl (4/yr x 3 yrs)
	50412-09	20,000	-	20,000	Sand Media Filter Replacement PP4
	50412-10	50,000	-	50,000	Air Receiver Tanks PPs 2 & 3
	50412-11	25,000	-	25,000	Swamp Coolers PP1
	50412-12	40,000	-	40,000	Rebuild 2 Heat Exchangers at PPs 1, 2, and 4
	50412-13	-	600,000	600,000	PP1 New Style Gearheads (4)
	50413-06	200,000	(25,000)	175,000	SCADA Platform Upgrade (Ignition)
	50413-07	25,000	(25,000)	-	PLC & Engine Control Upgrade PP1
	50415-04	150,000	-	150,000	Catalyst Elements PP1
	50415-06	75,000	-	75,000	Spare 1706 Parts for PP4
	50416-01	90,000	-	90,000	Pump Repairs (annual)
	50416-04	30,000	-	30,000	Right Angle Gear Box Repairs (annual)
	50448-01	78,850	-	78,850	STS Maintenance (annual)
	50451-03	120,000	-	120,000	New Half-Ton Pickups
	50454-01	75,000	-	75,000	Roof Replacement at 1 of 4 PPs
	50456-05	25,000	-	25,000	Drainage Improvements PP4
	50466-01	50,000	-	50,000	Engine Replacement Engineering PP4
Subtotal		<u>\$ 1,343,850</u>	<u>\$ 550,000</u>	<u>\$ 1,893,850</u>	
General Fund (70) Total		<u>\$ 2,968,850</u>	<u>\$ 190,000</u>	<u>\$ 3,158,850</u>	
District Total		<u>\$ 2,968,850</u>	<u>\$ 190,000</u>	<u>\$ 3,158,850</u>	

Forecast of Reserves, Revenues & Expenses - Designated

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Forecast of Reserves, Revenues & Expenses - Designated
July 1, 2026 to June 30, 2027

	General Fund (70)	Emergency (71)	Water Banking (72)	Unfunded Pension Liability (74)	Major Repairs & Overhaul (81)	Equip./Infra. Repl./Upgrade (83)	Tax Revenue Liability (85)	Rate Stabilization (87)	Total Designated Reserves
BEGINNING BALANCE ON JULY 1, 2026	\$ 3,005,559	\$ 459,393	\$ 2,965,066	\$ 261,447	\$ 1,952,084	\$ 94,031	\$ 1,889,672	\$ 717,020	\$ 11,344,272
REVENUES									
Operating Revenues									
Water Sales	3,865,000	-	500,000	-	-	-	-	-	4,365,000
Water Services	77,750	-	-	-	-	-	-	-	77,750
Other Operating Revenue	198,000	-	-	-	-	-	-	-	198,000
Total Operating Revenues	4,140,750	-	500,000	-	-	-	-	-	4,640,750
Non-Operating Revenues									
General Taxes	7,400,000	-	-	-	-	-	-	-	7,400,000
Special Taxes	-	-	-	-	-	-	-	-	-
Benefit Assessments	-	-	-	11,000	-	-	-	-	11,000
Other Revenue	201,700	19,000	133,000	-	80,000	2,000	78,000	30,000	543,700
Capital Contributions	10,000	-	-	-	-	-	-	-	10,000
Total Non-Operating Revenues	7,611,700	19,000	133,000	11,000	80,000	2,000	78,000	30,000	7,964,700
TOTAL REVENUES	11,752,450	19,000	633,000	11,000	80,000	2,000	78,000	30,000	12,605,450
TRANSFERS FROM OTHER FUNDS									
From Designated Reserve Funds	300,000	-	-	-	-	-	-	-	300,000
From Restricted Reserve Funds	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS IN	300,000	-	-	-	-	-	-	-	300,000
TOTAL AVAILABLE DURING BUDGET YEAR	15,058,009	478,393	3,598,066	272,447	2,032,084	96,031	1,967,672	747,020	24,249,722
EXPENSES									
Salaries & Benefits	3,580,000	-	-	-	-	-	-	-	3,580,000
Operations & Maintenance	4,253,500	-	-	-	-	-	-	-	4,253,500
Debt Service	1,051,750	-	-	-	-	-	-	-	1,051,750
Capital Outlay	3,158,850	-	-	-	-	-	-	-	3,158,850
TOTAL EXPENSES	12,044,100	-	-	-	-	-	-	-	12,044,100
TRANSFERS TO OTHER FUNDS									
To Designated Reserve Funds	-	-	-	-	300,000	-	-	-	300,000
To Restricted Reserve Funds	34,000	-	-	-	-	-	-	-	34,000
TOTAL TRANSFERS OUT	34,000	-	-	-	300,000	-	-	-	334,000
TOTAL EXPENSES AND TRANSFERS OUT	12,078,100	-	-	-	300,000	-	-	-	12,378,100
ENDING BALANCE ON JUNE 30, 2027	\$ 2,979,909	\$ 478,393	\$ 3,598,066	\$ 272,447	\$ 1,732,084	\$ 96,031	\$ 1,967,672	\$ 747,020	\$ 11,871,622
DESIGNATIONS									
Minimum of 90 days Working Capital	\$ 2,214,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,214,000
Capital Improvement	-	-	-	-	-	1,688,000	-	-	1,688,000
Asset Replacement	-	-	-	-	1,860,000	-	-	-	1,860,000
Rate Stabilization	-	-	-	-	-	-	-	449,000	449,000
Unfunded Pension Liability	-	-	-	250,000	-	-	-	-	250,000
Water Banking Contingency	-	-	N/A	-	-	-	-	-	-
Tax Revenue Liability	-	-	-	-	-	-	1,887,000	-	1,887,000
Emergency	-	449,000	-	-	-	-	-	-	449,000
Total Designated	2,214,000	449,000	-	250,000	1,860,000	1,688,000	1,887,000	449,000	8,797,000
BALANCE	\$ 765,909	\$ 29,393	\$ 3,598,066	\$ 22,447	\$ (127,916)	\$ (1,591,969)	\$ 80,672	\$ 298,020	\$ 3,074,622

General Fund (70) - Summary

Tehachapi-Cummings County Water District
Revenues & Expenses - General Fund (70) - Summary

Account Description	Audited		Amended		PY/CY Budget	
	2024-25	2025-26	2025-26	2026-27	Amount	Pct
	Actual	Actual	Budget	Budget	Change	Chg
Revenues						
Operating Revenues						
Water Sales - Imported	2,621,438	2,345,894	2,830,000	3,370,000	540,000	19%
Water Sales - Surplus	69,862	105,017	75,000	100,000	25,000	33%
Water Sales - Recycled	21,274	12,248	15,000	15,000	0	0%
Water Sales - Recharge BWRA	3,339	757,007	225,000	370,000	145,000	64%
BL Storage Fee	11,372	9,985	10,000	10,000	0	0%
Water Sales - Other	0	134	0	0	0	0%
Water Services	88,238	171,999	77,750	77,750	0	0%
Other Operating Revenues	128,115	163,538	155,400	198,000	42,600	27%
Total Operating Revenues	2,943,638	3,565,822	3,388,150	4,140,750	752,600	22%
Non-Operating Revenues						
General Taxes	7,327,388	7,373,064	7,500,000	7,400,000	(100,000)	-1%
Other Revenues	385,396	158,660	160,700	201,700	41,000	26%
Capital Contributions	9,850	5,400	20,000	10,000	(10,000)	-50%
Total Non-Operating Revenues	7,722,634	7,537,124	7,680,700	7,611,700	(69,000)	-1%
Total Revenues	10,666,272	11,102,946	11,068,850	11,752,450	683,600	6%
Expenses						
Salaries & Benefits						
Salaries & Wages	1,963,715	2,056,298	2,231,200	2,515,400	284,200	13%
Benefits	2,067,210	880,340	947,600	1,064,600	117,000	12%
Total Salaries & Benefits	4,030,925	2,936,638	3,178,800	3,580,000	401,200	13%
Operations & Maintenance						
Administrative/General	565,791	585,889	573,100	531,100	(42,000)	-7%
Utilities	68,382	75,915	70,000	73,000	3,000	4%
Automobiles & Equipment	152,615	172,910	201,000	187,000	(14,000)	-7%
System Operations	1,635,763	2,148,825	2,105,000	1,800,000	(305,000)	-14%
Maintenance	997,194	1,243,468	1,189,900	1,049,900	(140,000)	-12%
Services	230,884	338,085	358,500	350,500	(8,000)	-2%
Government & Regulatory	255,319	197,486	314,000	262,000	(52,000)	-17%
Non-Cash Expenses	1,068,804	0	0	0	0	0%
Total Operations & Maintenance	4,974,752	4,762,578	4,811,500	4,253,500	(558,000)	-12%

Tehachapi-Cummings County Water District
Revenues & Expenses - General Fund (70) - Summary

Account Description	Audited		Amended		PY/CY Budget	
	2024-25	2025-26	2025-26	2026-27	Amount	Pct
	Actual	Actual	Budget	Budget	Change	Chg
Debt Service						
Principal Payments	0	0	0	585,000	585,000	100%
Interest Expense	0	0	0	466,750	466,750	100%
Total Debt Service	0	0	0	1,051,750	1,051,750	100%
Capital Outlay						
Pumping Plants	336,544	315,744	300,000	1,545,000	1,245,000	415%
Mainline Pipeline	0	0	20,000	100,000	80,000	400%
Dams & Reservoir	6,052	0	20,000	20,000	0	0%
Transmission System	98,901	237,703	444,000	378,850	(65,150)	-15%
General Office, Shop & Equipment	208,511	582,552	786,000	1,015,000	229,000	29%
Water Reclamation & Recovery	93,740	0	0	100,000	100,000	100%
Total Capital Outlay	743,748	1,135,999	1,570,000	3,158,850	1,588,850	101%
Total Expenses	9,749,425	8,835,215	9,560,300	12,044,100	2,483,800	26%
<i>Net Income (Loss) Before Transfers</i>	<i>916,847</i>	<i>2,267,731</i>	<i>1,508,550</i>	<i>(291,650)</i>	<i>(1,800,200)</i>	
Reserves						
Beginning Balances	2,679,951	4,212,320	4,212,320	3,005,559	(1,206,761)	
Transfers In	0	0	0	300,000	300,000	
Transfers Out	(2,022,572)	(2,710,774)	(2,662,636)	(34,000)	2,628,636	
Net Transfers	(2,022,572)	(2,710,774)	(2,662,636)	266,000	2,928,636	
Net To (From) Reserves	(1,105,725)	(443,043)	(1,154,086)	(25,650)	1,128,436	
Change in Non-Cash Items	2,638,094	0	0	0	0	
Ending Balances	4,212,320	3,769,277	3,058,234	2,979,909	(78,325)	

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General Fund (70) - Account Detail

Tehachapi-Cummings County Water District
Revenues & Expenses - General Fund (70)

PY/CY
Budget

		Audited	Amended			Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	OPERATING REVENUES						
	Water Sales						
40101	Water Sales - Agriculture	2,090,100	1,726,232	2,400,000	2,700,000	300,000	13%
40102	Water Sales - Term M & I	465,022	502,042	300,000	500,000	200,000	67%
40103	Water Sales - Regular M & I	22,495	22,391	60,000	70,000	10,000	17%
40104	Water Sales - Wheeled Water	43,821	95,229	70,000	100,000	30,000	43%
40105	Water Sales - Surplus	69,862	105,017	75,000	100,000	25,000	33%
40106	Water Sales - Recycled Water	21,274	12,248	15,000	15,000	0	0%
40107	Water Sales - Recharge BWRA	3,339	757,007	225,000	370,000	145,000	64%
40108	BL Storage Fee	11,372	9,985	10,000	10,000	0	0%
40110	Water Sales - Other	0	134	0	0	0	0%
	Water Services						
40111	Recurring Service Charges	10,327	10,368	9,300	9,300	0	0%
40112	Recharge Surcharge - Cummings	13,255	46,181	8,500	8,500	0	0%
40113	Recharge Surcharge - Tehachapi	1,163	1,254	1,000	1,000	0	0%
40114	Standby Fees	41,213	42,944	42,950	42,950	0	0%
40115	Connection Fees	585	140	2,000	2,000	0	0%
40116	Delinquent Charges	238	1,137	1,000	1,000	0	0%
40117	Spreading Loss Surcharge-Cummings	19,436	67,359	12,000	12,000	0	0%
40118	Spreading Loss Surcharge-Tehachapi	2,021	2,616	1,000	1,000	0	0%
	Other Operating Revenues						
40122	Reimbursement - Health Insurance	17,139	23,354	25,600	24,200	(1,400)	-5%
40123	Reimbursement - Flood Control Maint.	77,695	88,192	102,800	151,800	49,000	48%
40125	Reimbursement - Insurance Claims	10,769	23,697	0	0	0	0%
40126	Reimbursement - Other Operating	20,476	28,295	25,000	20,000	(5,000)	-20%
40127	Other Operating Revenue	2,036	0	2,000	2,000	0	0%
	TOTAL OPERATING REVENUES	2,943,638	3,565,822	3,388,150	4,140,750	752,600	22%
	NON-OPERATING REVENUES						
	General Taxes						
40201	Current Year Property Taxes	6,992,105	7,064,070	7,226,000	7,105,000	(121,000)	-2%
40202	Prior Year Property Taxes	16,902	27,009	36,000	35,000	(1,000)	-3%
40203	Homeowners Property Tax Relief	30,858	34,650	35,000	25,000	(10,000)	-29%
40204	Redevelopment Agency Pass-through	283,160	239,937	200,000	230,000	30,000	15%
40205	Property Tax - Penalties/Other	4,363	7,398	3,000	5,000	2,000	67%
	Other Revenues						
40231	Interest Earnings	352,679	129,605	159,100	175,000	15,900	10%
40232	Unrealized Gain/(Loss)	43,495	(30,893)	0	0	0	0%
40234	Rents and Royalties	2,491	1,653	1,600	1,700	100	6%
40239	Other Non-Operating Revenue	1,835	58,295	0	0	0	0%
40299	Gain/(Loss) on Sale of Asset	(15,104)	0	0	25,000	25,000	100%
	Capital Contributions						
40244	Reimbursement - New Connections	9,850	5,400	20,000	10,000	(10,000)	-50%
	TOTAL NON-OPERATING REVENUES	7,722,634	7,537,124	7,680,700	7,611,700	(69,000)	-1%
	TOTAL REVENUES	10,666,272	11,102,946	11,068,850	11,752,450	683,600	6%

Tehachapi-Cummings County Water District
Revenues & Expenses - General Fund (70)

PY/CY
Budget

		Audited	Amended		Budget		
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
EXPENSES							
	SALARIES & BENEFITS						
	Salaries & Wages						
50112	Salaries & Wages	1,921,336	2,003,060	2,181,000	2,467,900	286,900	13%
50114	Overtime & Holiday	42,361	53,238	50,200	47,500	(2,700)	-5%
50119	Compensated Absence Adjustment	18	0	0	0	0	0%
	Benefits		0				
50121	FICA/MEDI	149,717	155,860	171,000	193,000	22,000	13%
50122	Workers Compensation	30,442	31,152	31,800	33,200	1,400	4%
50123	Unemployment	0	53	0	0	0	0%
50124	Health Insurance	442,751	495,523	512,500	587,600	75,100	15%
50125	Health Insurance - Reimbursable	14,921	25,896	25,600	24,200	(1,400)	-5%
50127	Retirement	191,728	171,856	205,200	224,600	19,400	9%
50128	Tuition Reimbursements	0	0	1,500	2,000	500	33%
50129	GASB 68 Pension Expense Adjustment	1,024,211	0	0	0	0	0%
50130	GASB 75 OPEB Expense Adjustment	(15,621)	0	0	0	0	0%
50131	Retiree Medical Contribution	0	0	0	0	0	0%
50132	Retirement - Annual Lump Sum & UAL	229,061	0	0	0	0	0%
	TOTAL SALARIES & BENEFITS	4,030,925	2,936,638	3,178,800	3,580,000	401,200	13%

	OPERATIONS & MAINTENANCE						
	Administrative/General						
50201	Public Information & Notices	1,956	5,943	3,200	5,500	2,300	72%
50202	Books/Periodicals/Subscriptions	60	93	200	200	0	0%
50203	Printing	1,674	2,250	2,500	2,500	0	0%
50204	Postage & Shipping	2,987	5,099	5,000	5,000	0	0%
50205	Office Supplies	11,254	9,886	14,000	11,000	(3,000)	-21%
50206	Office Computer & Machinery	41,666	70,946	55,000	65,000	10,000	18%
50207	Bank & Administrative Services	3,585	4,055	2,200	4,000	1,800	82%
50208	County Collection Charges	62,153	55,867	68,000	68,000	0	0%
50209	Memberships	34,771	36,610	40,000	40,000	0	0%
50210	Directors' Fees	8,800	10,740	16,000	16,800	800	5%
50211	Training & Travel	36,361	35,706	44,700	56,000	11,300	25%
50213	Recruitment	864	2,676	1,500	1,500	0	0%
50214	Awards & Recognition	6,771	3,913	5,000	8,000	3,000	60%
50215	Safety Program & Supplies	16,666	23,100	23,600	18,600	(5,000)	-21%
50216	Legal	310,874	291,719	250,000	200,000	(50,000)	-20%
50217	Audit	25,349	27,286	41,200	28,000	(13,200)	-32%
50219	Water Conservation Program	0	0	1,000	1,000	0	0%
	Utilities						
50221	Electricity - Office/Shops	24,023	23,098	24,000	24,000	0	0%
50222	Natural Gas - Office/Shops	2,168	7,076	5,000	6,000	1,000	20%
50226	Phone - Internet & Communications	42,191	45,741	41,000	43,000	2,000	5%
	Automobiles & Equipment						
50231	Auto/Equipment - Gas & Oil	86,871	91,747	112,000	101,000	(11,000)	-10%
50232	Automobile Repair	52,320	49,735	58,500	58,500	0	0%
50233	Equipment Repairs	9,689	29,581	23,000	20,000	(3,000)	-13%
50234	Equipment Rentals	2,144	1,686	5,000	5,000	0	0%
50238	Shop Supplies	1,591	161	2,500	2,500	0	0%

Tehachapi-Cummings County Water District
Revenues & Expenses - General Fund (70)

PY/CY
Budget

Acct. No.	Account Description	Audited		Amended		Budget	
		2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	System Operations						
50242	Natural Gas - Pumping	1,163,627	1,603,369	1,600,000	1,330,000	(270,000)	-17%
50243	Engine Oil & Fluids- Pumping	163,279	269,588	200,000	200,000	0	0%
50244	Electricity - Pumping	199,780	159,476	225,000	175,000	(50,000)	-22%
50245	Electricity - Pipeline	70,050	91,421	55,000	55,000	0	0%
50247	Operation of Joint Turnout	0	0	5,000	5,000	0	0%
50248	Cross Valley Canal O & M	12,583	5,383	15,000	30,000	15,000	100%
50249	Source of Supply - Recycled & Other	26,444	19,588	5,000	5,000	0	0%
	Maintenance						
50251	Maintenance - Pump Plants	503,352	639,803	600,000	525,000	(75,000)	-13%
50252	Maintenance - Natural Gas Pipeline	37,996	0	40,000	60,000	20,000	50%
50253	Maintenance - Pipeline	128,999	107,504	150,000	150,000	0	0%
50254	Maintenance - Reservoir	27,958	39,312	25,000	20,000	(5,000)	-20%
50255	Maintenance - Access Roads	0	0	15,000	15,000	0	0%
50256	Maintenance - Control System	67,470	91,543	90,000	90,000	0	0%
50257	Maintenance - Cogeneration Plant	0	0	1,000	1,000	0	0%
50258	Maintenance - Wells & Boosters	16,784	297,406	24,000	24,000	0	0%
50259	Maintenance - Flood Control Facilities	3,863	0	5,000	5,000	0	0%
50260	Maintenance - Recharge Facilities	12,539	4,874	15,000	15,000	0	0%
50261	Maintenance - Office & Grounds	34,730	31,967	35,000	30,000	(5,000)	-14%
50262	Maintenance - Public Water System	0	742	5,000	5,000	0	0%
50264	Customer Meters	98,951	14,878	125,000	50,000	(75,000)	-60%
50266	Welding Supplies	825	1,846	5,500	5,500	0	0%
50267	Pipeline Materials	48,441	0	40,000	40,000	0	0%
50268	Small Tools - Pumping	9,882	10,546	10,000	10,000	0	0%
50269	Small Tools - Pipeline	5,404	3,047	4,400	4,400	0	0%
	Services						
50271	Outside Service	12,019	12,520	15,500	14,500	(1,000)	-6%
50272	GIS System and Service	13,805	55,289	62,000	70,000	8,000	13%
50275	Engineering	0	0	7,500	7,500	0	0%
50276	Consulting	45,177	49,652	58,000	63,000	5,000	9%
50277	Uniforms	16,188	13,626	17,000	17,000	0	0%
50278	Lab Analysis	3,027	2,048	3,500	3,500	0	0%
50279	Insurance & Bonds	140,668	204,950	195,000	175,000	(20,000)	-10%
	Government & Regulatory						
50281	Emissions Compliance	64,054	33,696	45,000	45,000	0	0%
50282	Government Fees/Taxes - Pumping	168,798	109,707	225,000	125,000	(100,000)	-44%
50284	Regulatory Fees - Other	22,072	53,130	43,000	61,000	18,000	42%
50285	Certification Fees	395	953	1,000	1,000	0	0%
50286	Elections	0	0	0	30,000	30,000	100%
	Non-Cash Expenses						
50292	Depreciation	1,068,804	0	0	0	0	0%
	TOTAL OPERATIONS & MAINTENANCE	4,974,752	4,762,578	4,811,500	4,253,500	(558,000)	-12%

Tehachapi-Cummings County Water District
Revenues & Expenses - General Fund (70)

PY/CY
Budget

		Audited		Amended		Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	DEBT SERVICE						
	Principal Payments						
50303	Principal - Engine Replacement Financing	0	0	0	585,000	585,000	100%
	Interest Expense						
50313	Interest - Engine Replacement Financing	0	0	0	466,750	466,750	100%
	TOTAL DEBT SERVICE	0	0	0	1,051,750	1,051,750	100%
	CAPITAL OUTLAY						
	Pumping Plants						
50411	Replacement Pumps	167,318	0	0	120,000	120,000	100%
50412	Pump Plant Improvements	19,800	35,071	90,000	905,000	815,000	906%
50413	Control System Improvements	32,345	15,105	15,000	175,000	160,000	1067%
50415	Engine Overhauls	0	94,579	75,000	225,000	150,000	200%
50416	Pump Overhauls	117,081	170,989	120,000	120,000	0	0%
	Mainline Pipeline						
50421	Cathodic Protection	0	0	20,000	100,000	80,000	400%
50422	Land Improvements	0	0	0	0	0	0%
	Dams & Reservoir						
50431	Road Repair	6,052	0	20,000	20,000	0	0%
	Transmission System						
50445	Transmission System Meters	0	0	0	50,000	50,000	100%
50448	Upgrade/R&M/Rebuild Wells & Tanks	70,000	154,000	154,000	78,850	(75,150)	-49%
50449	Pipeline Replacement/Rehabilitation	28,901	83,703	290,000	250,000	(40,000)	-14%
	General Office, Shop & Equipment						
50451	Vehicles	14,638	0	0	290,000	290,000	100%
50452	Storage Facility Construction	1,000	177,293	355,000	300,000	(55,000)	-15%
50453	Building Remodel	4,353	111,003	80,000	0	(80,000)	-100%
50454	Roof Replacement	0	0	0	75,000	75,000	100%
50455	Equipment	187,020	288,040	326,000	0	(326,000)	-100%
50456	Building Improvements	0	6,216	25,000	155,000	130,000	520%
50458	CMMS Software	0	0	0	25,000	25,000	100%
50460	Intangible Assets	1,500	0	0	120,000	120,000	100%
50466	Engineering - Consulting	0	0	0	50,000	50,000	100%
	Water Reclamation & Recovery						
50485	Recovery Well Improvements	93,740	0	0	100,000	100,000	100%
	TOTAL CAPITAL OUTLAY	743,748	1,135,999	1,570,000	3,158,850	1,588,850	101%
	TOTAL EXPENSES	9,749,425	8,835,215	9,560,300	12,044,100	2,483,800	26%
	NET INCOME (LOSS)	916,847	2,267,731	1,508,550	(291,650)	(1,800,200)	

RESERVES						
	BEGINNING BALANCES	2,679,951	4,212,320	4,212,320	3,005,559	(1,206,761)
	TRANSFERS IN	0	0	0	300,000	300,000
	TRANSFERS OUT	(2,022,572)	(2,710,774)	(2,662,636)	(34,000)	2,628,636
	NET TO (FROM) RESERVES	(1,105,725)	(443,043)	(1,154,086)	(25,650)	1,128,436
	CHANGE IN NON-CASH ITEMS	2,638,094	0	0	0	0
	ENDING BALANCES	4,212,320	3,769,277	3,058,234	2,979,909	(78,325)

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Administration Department (70-01)

Tehachapi-Cummings County Water District
Expenses - General Fund, Admin. Dept. (70-01)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
EXPENSES							
	SALARIES & BENEFITS						
	Salaries & Wages						
50112	Salaries & Wages	766,154	825,193	839,700	999,300	159,600	19%
50114	Overtime & Holiday	686	511	1,300	1,100	(200)	-15%
50119	Compensated Absence Adjustment	(3,918)	0	0	0	0	0%
	Benefits						
50121	FICA/MEDI	58,157	61,720	64,000	77,000	13,000	20%
50122	Workers Compensation	3,597	3,864	3,500	4,200	700	20%
50124	Health Insurance	169,876	188,039	186,200	219,200	33,000	18%
50125	Health Insurance - Reimbursable	14,921	25,896	25,600	24,200	(1,400)	-5%
50127	Retirement	67,860	67,977	74,900	81,500	6,600	9%
50128	Tuition Reimbursements	0	0	1,000	1,000	0	0%
50129	GASB 68 Pension Expense Adjustment	358,474	0	0	0	0	0%
50130	GASB 75 OPEB Expense Adjustment	(5,639)	0	0	0	0	0%
50131	Retiree Medical Contribution	0	0	0	0	0	0%
50132	Retirement - Annual Lump Sum & UAL	52,923	0	0	0	0	0%
	TOTAL SALARIES & BENEFITS	1,483,091	1,173,200	1,196,200	1,407,500	211,300	18%
	OPERATIONS & MAINTENANCE						
	Administrative/General						
50201	Public Information & Notices	1,956	5,943	3,200	5,500	2,300	72%
50202	Books/Periodicals/Subscriptions	60	93	200	200	0	0%
50203	Printing	1,674	2,250	2,500	2,500	0	0%
50204	Postage & Shipping	2,987	5,099	5,000	5,000	0	0%
50205	Office Supplies	11,254	9,886	14,000	11,000	(3,000)	-21%
50206	Office Computer & Machinery	41,666	70,946	55,000	65,000	10,000	18%
50207	Bank & Administrative Services	3,585	4,055	2,200	4,000	1,800	82%
50208	County Collection Charges	62,153	55,867	68,000	68,000	0	0%
50209	Memberships	34,771	36,610	40,000	40,000	0	0%
50210	Directors' Fees	8,800	10,740	16,000	16,800	800	5%
50211	Training & Travel	16,258	19,185	30,000	40,000	10,000	33%
50213	Recruitment	0	348	500	500	0	0%
50214	Awards & Recognition	6,771	3,913	5,000	8,000	3,000	60%
50215	Safety Program & Supplies	13,956	19,086	20,000	15,000	(5,000)	-25%
50216	Legal	310,874	291,719	250,000	200,000	(50,000)	-20%
50217	Audit	25,349	27,286	41,200	28,000	(13,200)	-32%
50219	Water Conservation Program	0	0	1,000	1,000	0	0%
	Utilities						
50221	Electricity - Office/Shops	24,023	23,098	24,000	24,000	0	0%
50222	Natural Gas - Office/Shops	2,168	7,076	5,000	6,000	1,000	20%
50226	Phone - Internet & Communications	42,191	45,741	41,000	43,000	2,000	5%
	Automobiles & Equipment						
50231	Auto/Equipment - Gas & Oil	2,861	2,949	6,000	5,000	(1,000)	-17%
50232	Automobile Repair	2,645	2,870	3,500	3,500	0	0%
50234	Equipment Rentals	0	0	500	500	0	0%

Tehachapi-Cummings County Water District
Expenses - General Fund, Admin. Dept. (70-01)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	System Operations						
50248	Cross Valley Canal O & M	12,583	5,383	15,000	30,000	15,000	100%
50249	Source of Supply - Recycled & Other	26,444	19,588	5,000	5,000	0	0%
50250	Delta Conveyance (f.k.a. CA Water Fix)	0	0	0	0	0	0%
	Maintenance						
50261	Maintenance - Office & Grounds	34,730	31,967	35,000	30,000	(5,000)	-14%
	Services						
50271	Outside Service	1,944	2,263	3,000	3,000	0	0%
50272	GIS System and Service	13,805	55,289	62,000	70,000	8,000	13%
50275	Engineering	0	0	2,500	2,500	0	0%
50276	Consulting	45,177	49,652	55,000	60,000	5,000	9%
50279	Insurance & Bonds	140,668	204,950	195,000	175,000	(20,000)	-10%
	Government & Regulatory						
50284	Regulatory Fees - Other	22,072	32,135	22,000	40,000	18,000	82%
50285	Certification Fees	395	893	1,000	1,000	0	0%
50286	Elections	0	0	0	30,000	30,000	100%
	Non-Cash Expenses						
50292	Depreciation	1,068,804	0	0	0	0	0%
	TOTAL OPERATIONS & MAINTENANCE	1,982,624	1,046,880	1,029,300	1,039,000	9,700	1%
	DEBT SERVICE						
	Principal Payments						
50303	Principal - Engine Replacement Financing	0	0	0	585,000	585,000	100%
	Interest Expense						
50313	Interest - Engine Replacement Financing	0	0	0	466,750	466,750	100%
	TOTAL DEBT SERVICE	0	0	0	1,051,750	1,051,750	100%
	CAPITAL OUTLAY						
	General Office, Shop & Equipment						
50452	Storage Facility Construction	1,000	177,293	355,000	300,000	(55,000)	-15%
50453	Building Remodel	4,353	111,003	80,000	0	(80,000)	-100%
50455	Equipment	18,684	0	0	0	0	0%
50456	Building Improvements	0	0	0	120,000	120,000	100%
50458	CMMS Software	0	0	0	25,000	25,000	100%
50460	Intangible Assets	1,500	0	0	120,000	120,000	100%
	TOTAL CAPITAL OUTLAY	25,537	288,296	435,000	565,000	130,000	30%
	TOTAL EXPENSES	3,491,252	2,508,376	2,660,500	4,063,250	1,402,750	53%

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Pipeline Department (70-02)

Tehachapi-Cummings County Water District
Expenses - General Fund, Pipeline Dept. (70-02)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
EXPENSES							
	SALARIES & BENEFITS						
	Salaries & Wages						
50112	Salaries & Wages	542,913	515,921	645,800	685,900	40,100	6%
50114	Overtime & Holiday	20,048	17,444	18,500	18,600	100	1%
50119	Compensated Absence Adjustment	(3,357)	0	0	0	0	0%
	Benefits						
50121	FICA/MEDI	43,067	40,802	51,000	54,000	3,000	6%
50122	Workers Compensation	13,144	11,840	14,000	12,000	(2,000)	-14%
50124	Health Insurance	113,508	131,424	165,000	157,800	(7,200)	-4%
50127	Retirement	55,454	37,812	57,400	63,200	5,800	10%
50128	Tuition Reimbursements	0	0	0	500	500	100%
50129	GASB 68 Pension Expense Adjustment	297,021	0	0	0	0	0%
50130	GASB 75 OPEB Expense Adjustment	(4,796)	0	0	0	0	0%
50131	Retiree Medical Contribution	0	0	0	0	0	0%
50132	Retirement - Annual Lump Sum & UAL	88,371	0	0	0	0	0%
	TOTAL SALARIES & BENEFITS	1,165,373	755,243	951,700	992,000	40,300	4%
	OPERATIONS & MAINTENANCE						
	Administrative/General						
50211	Training & Travel	83	8,689	4,700	6,000	1,300	28%
50213	Recruitment	624	483	500	500	0	0%
50215	Safety Program & Supplies	923	1,887	2,000	2,000	0	0%
	Automobiles & Equipment						
50231	Auto/Equipment - Gas & Oil	42,399	47,541	60,000	50,000	(10,000)	-17%
50232	Automobile Repair	16,777	15,219	20,000	20,000	0	0%
50233	Equipment Repairs	5,900	23,115	20,000	15,000	(5,000)	-25%
50234	Equipment Rentals	77	0	1,500	1,500	0	0%
50238	Shop Supplies	38	0	1,500	1,500	0	0%
	System Operations						
50245	Electricity - Pipeline	70,050	91,421	55,000	55,000	0	0%
50247	Operation of Joint Turnout	0	0	5,000	5,000	0	0%
	Maintenance						
50253	Maintenance - Pipeline	128,999	107,504	150,000	150,000	0	0%
50254	Maintenance - Reservoir	27,958	39,312	25,000	20,000	(5,000)	-20%
50255	Maintenance - Access Roads	0	0	15,000	15,000	0	0%
50257	Maintenance - Cogeneration Plant	0	0	1,000	1,000	0	0%
50258	Maintenance - System Wells & Boosters	16,784	297,406	24,000	24,000	0	0%
50259	Maintenance - Flood Control Facilities	3,863	0	5,000	5,000	0	0%
50260	Maintenance - Recharge Facilities	12,539	4,874	15,000	15,000	0	0%
50262	Maintenance - Public Water System	0	742	5,000	5,000	0	0%
50264	Customer Meters	98,951	14,878	125,000	50,000	(75,000)	-60%
50266	Welding Supplies	423	109	3,200	3,200	0	0%
50267	Pipeline Materials	48,441	0	40,000	40,000	0	0%
50269	Small Tools - Pipeline	5,404	3,047	4,400	4,400	0	0%

Tehachapi-Cummings County Water District
Expenses - General Fund, Pipeline Dept. (70-02)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	Services						
50271	Outside Service	0	0	1,500	500	(1,000)	-67%
50276	Consulting	0	0	1,000	1,000	0	0%
50277	Uniforms	2,105	3,297	3,000	3,000	0	0%
50278	Lab Analysis	3,027	2,048	3,500	3,500	0	0%
	Government & Regulatory						
50285	Certification Fees	0	60	0	0	0	0%
	TOTAL OPERATIONS & MAINTENANCE	485,365	661,632	591,800	497,100	(94,700)	-16%
	CAPITAL OUTLAY						
	Mainline Pipeline						
50421	Cathodic Protection	0	0	20,000	100,000	80,000	400%
50422	Land Improvements	0	0	0	0	0	0%
	Dams & Reservoir						
50431	Road Repair	6,052	0	20,000	20,000	0	0%
	Transmission System						
50445	Transmission System Meters	0	0	0	50,000	50,000	100%
50449	Pipeline Replacement/Rehabilitation	28,901	83,703	290,000	250,000	(40,000)	-14%
	General Office, Shop & Equipment						
50451	Vehicles	14,638	0	0	170,000	170,000	100%
50455	Equipment	76,641	238,520	291,000	0	(291,000)	-100%
50456	Building Improvements	0	0	0	10,000	10,000	100%
	Water Reclamation & Recovery						
50485	Recovery Well Improvements	93,740	0	0	100,000	100,000	100%
	TOTAL CAPITAL OUTLAY	219,972	322,223	621,000	700,000	79,000	13%
	TOTAL EXPENSES	1,870,710	1,739,098	2,164,500	2,189,100	24,600	1%

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Pumping Department (70-03)

Tehachapi-Cummings County Water District
Expenses - General Fund, Pumping Dept. (70-03)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
EXPENSES							
	SALARIES & BENEFITS						
	Salaries & Wages						
50112	Salaries & Wages	612,269	661,946	695,500	782,700	87,200	13%
50114	Overtime & Holiday	21,627	35,283	30,400	27,800	(2,600)	-9%
50119	Compensated Absence Adjustment	7,293	0	0	0	0	0%
	Benefits						
50121	FICA/MEDI	48,493	53,338	56,000	62,000	6,000	11%
50122	Workers Compensation	13,701	15,448	14,300	17,000	2,700	19%
50123	Unemployment	0	53	0	0	0	0%
50124	Health Insurance	159,367	176,060	161,300	210,600	49,300	31%
50127	Retirement	68,414	66,067	72,900	79,900	7,000	10%
50128	Tuition Reimbursements	0	0	500	500	0	0%
50129	GASB 68 Pension Expense Adjustment	368,716	0	0	0	0	0%
50130	GASB 75 OPEB Expense Adjustment	(5,186)	0	0	0	0	0%
50131	Retiree Medical Contribution	0	0	0	0	0	0%
50132	Retirement - Annual Lump Sum & UAL	87,767	0	0	0	0	0%
	TOTAL SALARIES & BENEFITS	1,382,461	1,008,195	1,030,900	1,180,500	149,600	15%
	OPERATIONS & MAINTENANCE						
	Administrative/General						
50211	Training & Travel	20,020	7,832	10,000	10,000	0	0%
50213	Recruitment	240	1,845	500	500	0	0%
50215	Safety Program & Supplies	1,787	2,127	1,600	1,600	0	0%
	Automobiles & Equipment						
50231	Auto/Equipment - Gas & Oil	41,611	41,257	46,000	46,000	0	0%
50232	Automobile Repair	32,898	31,646	35,000	35,000	0	0%
50233	Equipment Repairs	3,789	6,466	3,000	5,000	2,000	67%
50234	Equipment Rentals	2,067	1,686	3,000	3,000	0	0%
50238	Shop Supplies	1,553	161	1,000	1,000	0	0%
	System Operations						
50242	Natural Gas - Pumping	1,163,627	1,603,369	1,600,000	1,330,000	(270,000)	-17%
50243	Engine Oil & Fluids- Pumping	163,279	269,588	200,000	200,000	0	0%
50244	Electricity - Pumping	199,780	159,476	225,000	175,000	(50,000)	-22%
	Maintenance						
50251	Maintenance - Pump Plants	503,352	639,803	600,000	525,000	(75,000)	-13%
50252	Maintenance - Natural Gas Pipeline	37,996	0	40,000	60,000	20,000	50%
50256	Maintenance - Control System	67,470	91,543	90,000	90,000	0	0%
50266	Welding Supplies	402	1,737	2,300	2,300	0	0%
50268	Small Tools - Pumping	9,882	10,546	10,000	10,000	0	0%
	Services						
50271	Outside Service	10,075	10,257	11,000	11,000	0	0%
50275	Engineering	0	0	5,000	5,000	0	0%
50276	Consulting	0	0	2,000	2,000	0	0%
50277	Uniforms	14,083	10,329	14,000	14,000	0	0%

Tehachapi-Cummings County Water District
Expenses - General Fund, Pumping Dept. (70-03)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
	Government & Regulatory						
50281	Emissions Compliance	64,054	33,696	45,000	45,000	0	0%
50282	Government Fees/Taxes - Pumping	168,798	109,707	225,000	125,000	(100,000)	-44%
50284	Regulatory Fees - Other	0	20,995	21,000	21,000	0	0%
	TOTAL OPERATIONS & MAINTENANCE	2,506,763	3,054,066	3,190,400	2,717,400	(473,000)	-15%
	CAPITAL OUTLAY						
	Pumping Plants						
50411	Replacement Pumps	167,318	0	0	120,000	120,000	100%
50412	Pump Plant Improvements	19,800	35,071	90,000	905,000	815,000	906%
50413	Control System Improvements	32,345	15,105	15,000	175,000	160,000	1067%
50415	Engine Overhauls	0	94,579	75,000	225,000	150,000	200%
50416	Pump Overhauls	117,081	170,989	120,000	120,000	0	0%
	Transmission System						
50448	Upgrade/R&M/Rebuild Wells & Tanks	70,000	154,000	154,000	78,850	(75,150)	-49%
	General Office, Shop & Equipment						
50451	Vehicles	0	0	0	120,000	120,000	100%
50454	Roof Replacement - PPs	0	0	0	75,000	75,000	100%
50455	Equipment	91,695	49,520	35,000	0	(35,000)	-100%
50456	Building Improvements	0	6,216	25,000	25,000	0	0%
50466	Engineering - Consulting	0	0	0	50,000	50,000	100%
	TOTAL CAPITAL OUTLAY	498,239	525,480	514,000	1,893,850	1,379,850	268%
	TOTAL EXPENSES	4,387,463	4,587,741	4,735,300	5,791,750	1,056,450	22%

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Other Board-designated Reserve Funds - Account Detail

Tehachapi-Cummings County Water District
Revenues & Expenses - Emergency (71)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Other Revenues						
40231	Interest Earnings	20,539	11,525	17,400	19,000	1,600	9%
40232	Unrealized Gain/(Loss)	11,034	(3,291)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	31,573	8,234	17,400	19,000	1,600	9%
	TOTAL REVENUES	31,573	8,234	17,400	19,000	1,600	9%
EXPENSES							
	TOTAL EXPENSES	0	0	0	0	0	0%
	NET INCOME (LOSS)	31,573	8,234	17,400	19,000	1,600	
RESERVES							
	BEGINNING BALANCES	426,949	447,356	447,356	459,393	12,037	
	TRANSFERS IN	0	0	0	0	0	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	31,573	8,234	17,400	19,000	1,600	
	CHANGE IN NON-CASH ITEMS	(11,166)	0	0	0	0	
	ENDING BALANCES	447,356	455,590	464,756	478,393	13,637	

Tehachapi-Cummings County Water District
Revenues & Expenses - Water Banking (72)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	OPERATING REVENUES						
	Water Sales						
40107	Water Sales - Recharge BWRA	0	0	100,000	500,000	400,000	400%
	Water Services						
40116	Delinquent Charges	(3,976)	0	0	0	0	0%
	TOTAL OPERATING REVENUES	(3,976)	0	100,000	500,000	400,000	400%
NON-OPERATING REVENUES							
	Other Revenues						
40231	Interest Earnings	129,912	74,483	114,100	133,000	18,900	17%
40232	Unrealized Gain/(Loss)	73,169	(21,227)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	203,081	53,256	114,100	133,000	18,900	17%
	TOTAL REVENUES	199,105	53,256	214,100	633,000	418,900	196%
EXPENSES							
	TOTAL EXPENSES	0	0	0	0	0	0%
	NET INCOME (LOSS)	199,105	53,256	214,100	633,000	418,900	
RESERVES							
	BEGINNING BALANCES	2,760,190	2,887,279	2,887,279	2,965,066	77,787	
	TRANSFERS IN	0	0	0	0	0	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	199,105	53,256	214,100	633,000	418,900	
	CHANGE IN NON-CASH ITEMS	(72,016)	0	0	0	0	
	ENDING BALANCES	2,887,279	2,940,535	3,101,379	3,598,066	496,687	

Tehachapi-Cummings County Water District
Revenues & Expenses - Unfunded Pension Liability (74)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Other Revenues						
40231	Interest Earnings	0	17,123	9,900	11,000	1,100	11%
40232	Unrealized Gain/(Loss)	0	(1,753)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	0	15,370	9,900	11,000	1,100	11%
	TOTAL REVENUES	0	15,370	9,900	11,000	1,100	11%
EXPENSES							
	TOTAL EXPENSES	0	0	0	0	0	0%
	NET INCOME (LOSS)	0	15,370	9,900	11,000	1,100	
RESERVES							
	BEGINNING BALANCES	0	0	0	261,447	261,447	
	TRANSFERS IN	0	250,000	250,000	0	(250,000)	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	0	265,370	259,900	11,000	(248,900)	
	CHANGE IN NON-CASH ITEMS	0	0	0	0	0	
	ENDING BALANCES	0	265,370	259,900	272,447	12,547	

Tehachapi-Cummings County Water District
Revenues & Expenses - Major Repairs & Overhaul (81)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Other Revenues						
40231	Interest Earnings	87,339	49,028	73,800	80,000	6,200	8%
40232	Unrealized Gain/(Loss)	46,775	(13,965)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	134,114	35,063	73,800	80,000	6,200	8%
	TOTAL REVENUES	134,114	35,063	73,800	80,000	6,200	8%
EXPENSES							
	TOTAL EXPENSES	0	0	0	0	0	0%
	NET INCOME (LOSS)	134,114	35,063	73,800	80,000	6,200	
RESERVES							
	BEGINNING BALANCES	1,814,148	1,900,882	1,900,882	1,952,084	51,202	
	TRANSFERS IN	0	0	0	0	0	
	TRANSFERS OUT	0	0	0	(300,000)	(300,000)	
	NET TO (FROM) RESERVES	134,114	35,063	73,800	(220,000)	(293,800)	
	CHANGE IN NON-CASH ITEMS	(47,380)	0	0	0	0	
	ENDING BALANCES	1,900,882	1,935,945	1,974,682	1,732,084	(242,598)	

Tehachapi-Cummings County Water District
Revenues & Expenses - Equip./Infra. - Repl./Upgr. (83)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Other Revenues						
40231	Interest Earnings	139,356	0	59,100	2,000	(57,100)	-97%
40232	Unrealized Gain/(Loss)	73,962	0	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	213,318	0	59,100	2,000	(57,100)	-97%
	TOTAL REVENUES	213,318	0	59,100	2,000	(57,100)	-97%
EXPENSES							
	TOTAL EXPENSES	0	0	0	0	0	0%
	NET INCOME (LOSS)	213,318	0	59,100	2,000	(57,100)	
RESERVES							
	BEGINNING BALANCES	2,915,713	3,052,950	3,052,950	94,031	(2,958,919)	
	WORKING CAPITAL CONVERSION TO CASH	0	0	(17,946)	0	17,946	
	TRANSFERS IN	0	0	0	0	0	
	TRANSFERS OUT	0	(3,035,000)	(3,035,004)	0	3,035,004	
	NET TO (FROM) RESERVES	213,318	(3,035,000)	(2,975,904)	2,000	2,977,904	
	CHANGE IN NON-CASH ITEMS	(76,081)	0	0	0	0	
	ENDING BALANCES	3,052,950	17,950	59,100	96,031	36,931	

Tehachapi-Cummings County Water District
Revenues & Expenses - Tax Revenue Liability (85)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Other Revenues						
40231	Interest Earnings	80,245	47,695	67,300	78,000	10,700	16%
40232	Unrealized Gain/(Loss)	47,422	(14,561)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	127,667	33,134	67,300	78,000	10,700	16%
	TOTAL REVENUES	127,667	33,134	67,300	78,000	10,700	16%
EXPENSES							
	TOTAL EXPENSES	0	0	0	0	0	0%
	NET INCOME (LOSS)	127,667	33,134	67,300	78,000	10,700	
RESERVES							
	BEGINNING BALANCES	1,341,445	1,733,462	1,733,462	1,889,672	156,210	
	TRANSFERS IN	310,000	110,000	0	0	0	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	437,667	143,134	67,300	78,000	10,700	
	CHANGE IN NON-CASH ITEMS	(45,650)	0	0	0	0	
	ENDING BALANCES	1,733,462	1,876,596	1,800,762	1,967,672	166,910	

Tehachapi-Cummings County Water District
Revenues & Expenses - Rate Stabilization (87)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Other Revenues						
40231	Interest Earnings	32,070	18,009	27,100	30,000	2,900	11%
40232	Unrealized Gain/(Loss)	17,183	(5,129)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	49,253	12,880	27,100	30,000	2,900	11%
	TOTAL REVENUES	49,253	12,880	27,100	30,000	2,900	11%
EXPENSES							
	TOTAL EXPENSES	0	0	0	0	0	0%
	NET INCOME (LOSS)	49,253	12,880	27,100	30,000	2,900	
RESERVES							
	BEGINNING BALANCES	666,364	698,214	698,214	717,020	18,806	
	TRANSFERS IN	0	0	0	0	0	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	49,253	12,880	27,100	30,000	2,900	
	CHANGE IN NON-CASH ITEMS	(17,403)	0	0	0	0	
	ENDING BALANCES	698,214	711,094	725,314	747,020	21,706	

Forecast of Reserves, Revenues & Expenses - Restricted

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Forecast of Reserves, Revenues & Expenses - Restricted
July 1, 2026 to June 30, 2027

	Engine Project (73)	Improvement District No. 2 (76)	Improvement District No. 3 (77)	State Payment (82)	Benefit Assess. Zone No. 1 (86)	Total Restricted Reserves
BEGINNING BALANCE ON JULY 1, 2026	\$ -	\$ 5,551	\$ 252,030	\$13,190,789	\$ 1,324,127	\$ 14,772,497
REVENUES						
Operating Revenues						
Water Sales	-	-	-	-	-	-
Water Services	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	-	-
Total Operating Revenues	-	-	-	-	-	-
Non-Operating Revenues						
General Taxes	-	6,000	12,000	-	-	18,000
Special Taxes	-	-	-	2,306,000	-	2,306,000
Benefit Assessments	-	-	-	-	112,200	112,200
Other Revenue	-	100	10,000	507,000	55,000	572,100
Capital Contributions	-	-	-	-	-	-
Total Non-Operating Revenues	-	6,100	22,000	2,813,000	167,200	3,008,300
TOTAL REVENUES	-	6,100	22,000	2,813,000	167,200	3,008,300
TRANSFERS FROM OTHER FUNDS						
From Designated Reserve Funds	-	34,000	-	-	-	34,000
From Restricted Reserve Funds	-	-	-	-	-	-
TOTAL TRANSFERS IN	-	34,000	-	-	-	34,000
TOTAL AVAILABLE DURING BUDGET YEAR	-	45,651	274,030	16,003,789	1,491,327	17,814,797
EXPENSES						
Salaries & Benefits	-	-	-	-	-	-
Operations & Maintenance	-	40,100	9,100	4,002,500	164,500	4,216,200
Debt Service	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENSES	-	40,100	9,100	4,002,500	164,500	4,216,200
TRANSFERS TO OTHER FUNDS						
To Designated Reserve Funds	-	-	-	-	-	-
To Restricted Reserve Funds	-	-	-	-	-	-
TOTAL TRANSFERS OUT	-	-	-	-	-	-
TOTAL EXPENSES AND TRANSFERS OUT	-	40,100	9,100	4,002,500	164,500	4,216,200
ENDING BALANCE ON JUNE 30, 2027	\$ -	\$ 5,551	\$ 264,930	\$12,001,289	\$ 1,326,827	\$ 13,598,597
RESTRICTIONS						
State Water Contract Obligations	\$ -	\$ -	\$ -	\$ 2,844,000	\$ -	\$ 2,844,000
Engine Project Costs	N/A	-	-	-	-	-
Flood Control Maintenance	-	323,000	717,000	-	2,055,000	3,095,000
Total Restricted	-	323,000	717,000	2,844,000	2,055,000	5,939,000
BALANCE	\$ -	\$ (317,449)	\$ (452,070)	\$ 9,157,289	\$ (728,173)	\$ 7,659,597

Restricted Reserve Funds - Account Detail

Tehachapi-Cummings County Water District
Revenues & Expenses - Engine Project (73)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Other Revenues						
40231	Interest Earnings	222,857	24,265	24,600	0	(24,600)	-100%
	TOTAL NON-OPERATING REVENUES	222,857	24,265	24,600	0	(24,600)	-100%
	TOTAL REVENUES	222,857	24,265	24,600	0	(24,600)	-100%
EXPENSES							
	OPERATIONS & MAINTENANCE						
	Services						
50276	Consulting	34,498	7,387	5,000	0	(5,000)	-100%
	Government & Regulatory						
50281	Emissions Compliance	12,930	406	20,000	0	(20,000)	-100%
	TOTAL OPERATIONS & MAINTENANCE	47,428	7,793	25,000	0	(25,000)	-100%
	DEBT SERVICE						
	Principal Payments						
50303	Principal - Engine Replacement Financing	530,000	560,000	560,000	0	(560,000)	-100%
	Interest Expense						
50313	Interest - Engine Replacement Financing	443,202	494,750	494,750	0	(494,750)	-100%
	TOTAL DEBT SERVICE	973,202	1,054,750	1,054,750	0	(1,054,750)	-100%
	CAPITAL OUTLAY						
	Pumping Plants						
50414	Replacement Engines	9,921,998	5,928,633	6,040,720	0	(6,040,720)	-100%
	TOTAL CAPITAL OUTLAY	9,921,998	5,928,633	6,040,720	0	(6,040,720)	-100%
	TOTAL EXPENSES	10,942,628	6,991,176	7,120,470	0	(7,120,470)	-100%
	NET INCOME (LOSS)	(10,719,771)	(6,966,911)	(7,095,870)	0	7,095,870	
RESERVES							
	BEGINNING BALANCES	10,978,786	879,791	879,791	0	(879,791)	
	WORKING CAPITAL CONVERSION TO CASH	0	0	804,439	0	(804,439)	
	TRANSFERS IN	726,616	5,703,390	5,411,640	0	(5,411,640)	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	(9,993,155)	(1,263,521)	(1,684,230)	0	1,684,230	
	CHANGE IN NON-CASH ITEMS	(105,840)	0	0	0	0	
	ENDING BALANCES	879,791	(383,730)	0	0	0	

Tehachapi-Cummings County Water District
Revenues & Expenses - Improvement Dist. No. 2 (76)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	General Taxes						
40201	Current Year Property Taxes	10,559	5,270	4,000	6,000	2,000	50%
	Other Revenues						
40231	Interest Earnings	62	9	100	100	0	0%
40232	Unrealized Gain/(Loss)	(6)	0	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	10,615	5,279	4,100	6,100	2,000	49%
	TOTAL REVENUES	10,615	5,279	4,100	6,100	2,000	49%
EXPENSES							
	OPERATIONS & MAINTENANCE						
	Administrative/General						
50208	County Collection Charges	44	41	100	100	0	0%
	Maintenance						
50259	Maintenance - Flood Control Facilities	46,954	47,622	40,000	40,000	0	0%
	Non-Cash Expenses						
50292	Depreciation	60	0	0	0	0	0%
	TOTAL OPERATIONS & MAINTENANCE	47,058	47,663	40,100	40,100	0	0%
	TOTAL EXPENSES	47,058	47,663	40,100	40,100	0	0%
	NET INCOME (LOSS)	(36,443)	(42,384)	(36,000)	(34,000)	2,000	
RESERVES							
	BEGINNING BALANCES	31	5,545	5,545	5,551	6	
	TRANSFERS IN	80,815	42,384	36,000	34,000	(2,000)	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	44,372	0	0	0	0	
	CHANGE IN NON-CASH ITEMS	(38,858)	0	0	0	0	
	ENDING BALANCES	5,545	5,545	5,545	5,551	6	

Tehachapi-Cummings County Water District
Revenues & Expenses - Improvement Dist. No. 3 (77)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	General Taxes						
40201	Current Year Property Taxes	10,240	10,737	8,700	10,000	1,300	15%
40204	Redevelopment Agency Pass-through	2,091	1,880	1,400	2,000	600	43%
	Other Revenues						
40231	Interest Earnings	10,163	6,500	9,100	10,000	900	10%
40232	Unrealized Gain/(Loss)	5,445	(1,709)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	27,939	17,408	19,200	22,000	2,800	15%
	TOTAL REVENUES	27,939	17,408	19,200	22,000	2,800	15%
EXPENSES							
	OPERATIONS & MAINTENANCE						
	Administrative/General						
50208	County Collection Charges	90	86	200	100	(100)	-50%
	Maintenance						
50259	Maintenance - Flood Control Facilities	0	0	9,000	9,000	0	0%
	Non-Cash Expenses						
50292	Depreciation	1,992	0	0	0	0	0%
	TOTAL OPERATIONS & MAINTENANCE	2,082	86	9,200	9,100	(100)	-1%
	TOTAL EXPENSES	2,082	86	9,200	9,100	(100)	-1%
	NET INCOME (LOSS)	25,857	17,322	10,000	12,900	2,900	
RESERVES							
	BEGINNING BALANCES	210,682	233,043	233,043	252,030	18,987	
	TRANSFERS IN	0	0	0	0	0	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	25,857	17,322	10,000	12,900	2,900	
	CHANGE IN NON-CASH ITEMS	(3,496)	0	0	0	0	
	ENDING BALANCES	233,043	250,365	243,043	264,930	21,887	

Tehachapi-Cummings County Water District
Revenues & Expenses - State Payment (82)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Special Taxes						
40211	Current Year State Payment Tax	4,453,424	4,747,390	3,318,400	2,220,000	(1,098,400)	-33%
40212	Prior Year State Payment Tax	10,469	39,752	50,000	46,000	(4,000)	-8%
40213	Homeowners Property Tax Relief	16,275	18,309	20,000	20,000	0	0%
40215	State Payment Tax - Penalties/Other	13,684	18,569	20,000	20,000	0	0%
	Other Revenues						
40231	Interest Earnings	434,262	350,099	408,100	507,000	98,900	24%
40232	Unrealized Gain/(Loss)	251,130	(83,531)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	5,179,244	5,090,588	3,816,500	2,813,000	(1,003,500)	-26%
	TOTAL REVENUES	5,179,244	5,090,588	3,816,500	2,813,000	(1,003,500)	-26%
EXPENSES							
	OPERATIONS & MAINTENANCE						
	Administrative/General						
50208	County Collection Charges	11,152	11,549	8,300	5,500	(2,800)	-34%
50217	Audit - KCWA Agreement	0	3,039	3,000	5,000	2,000	67%
	System Operations						
50241	Source of Supply - KCWA Contract	2,579,281	2,850,866	4,172,100	3,992,000	(180,100)	-4%
	TOTAL OPERATIONS & MAINTENANCE	2,590,433	2,865,454	4,183,400	4,002,500	(180,900)	-4%
	TOTAL EXPENSES	2,590,433	2,865,454	4,183,400	4,002,500	(180,900)	-4%
	NET INCOME (LOSS)	2,588,811	2,225,134	(366,900)	(1,189,500)	(822,600)	
RESERVES							
	BEGINNING BALANCES	8,563,710	10,907,963	10,907,963	13,190,789	2,282,826	
	TRANSFERS IN	0	0	0	0	0	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	2,588,811	2,225,134	(366,900)	(1,189,500)	(822,600)	
	CHANGE IN NON-CASH ITEMS	(244,558)	0	0	0	0	
	ENDING BALANCES	10,907,963	13,133,097	10,541,063	12,001,289	1,460,226	

Tehachapi-Cummings County Water District
Revenues & Expenses - Benefit Assess. Zone No. 1 (86)

		Audited		Amended		PY/CY Budget	
Acct. No.	Account Description	2024-25 Actual	2025-26 Actual	2025-26 Budget	2026-27 Budget	Amount Change	Pct Chg
REVENUES							
	NON-OPERATING REVENUES						
	Benefit Assessments						
40221	Current Year Benefit Assessments	99,696	101,163	106,000	106,000	0	0%
40222	Prior Year Benefit Assessments	4,690	4,265	6,000	5,000	(1,000)	-17%
40224	Benefit Assessment - Penalties/Other	153	1,242	1,500	1,200	(300)	-20%
	Other Revenues						
40231	Interest Earnings	56,834	33,887	49,900	55,000	5,100	10%
40232	Unrealized Gain/(Loss)	29,991	(9,169)	0	0	0	0%
	TOTAL NON-OPERATING REVENUES	191,364	131,388	163,400	167,200	3,800	2%
	TOTAL REVENUES	191,364	131,388	163,400	167,200	3,800	2%
EXPENSES							
	OPERATIONS & MAINTENANCE						
	Administrative/General						
50201	Public Information & Notices	1,698	1,698	2,000	2,000	0	0%
50203	Printing	220	220	300	300	0	0%
50208	County Collection Charges	366	366	400	400	0	0%
	Maintenance						
50259	Maintenance - Flood Control Facilities	34,628	50,499	53,800	102,800	49,000	91%
	Services						
50271	Outside Service	0	0	2,000	2,000	0	0%
50275	Engineering	0	0	2,000	2,000	0	0%
50279	Insurance & Bonds	23,032	25,402	26,000	28,000	2,000	8%
	Government & Regulatory						
50284	Regulatory Fees - Other	24,643	25,070	27,000	27,000	0	0%
	Non-Cash Expenses						
50292	Depreciation	108	0	0	0	0	0%
	TOTAL OPERATIONS & MAINTENANCE	84,695	103,255	113,500	164,500	51,000	45%
	TOTAL EXPENSES	84,695	103,255	113,500	164,500	51,000	45%
	NET INCOME (LOSS)	106,669	28,133	49,900	2,700	(47,200)	
RESERVES							
	BEGINNING BALANCES	1,209,727	1,285,774	1,285,774	1,324,127	38,353	
	TRANSFERS IN	905,141	0	0	0	0	
	TRANSFERS OUT	0	0	0	0	0	
	NET TO (FROM) RESERVES	1,011,810	28,133	49,900	2,700	(47,200)	
	CHANGE IN NON-CASH ITEMS	(935,763)	0	0	0	0	
	ENDING BALANCES	1,285,774	1,313,907	1,335,674	1,326,827	(8,847)	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 26, 2026

TOPIC: Adopt Resolution No. 12-26, For Transfer of Funds

ITEM FOR: Action

PURPOSE: Transfer funds consistent with Board policy and budget

IMPACT: Fiscal/Budget

SUBMITTED BY: Crystal Sampson

EXECUTIVE SUMMARY

Adoption of Resolution No. 12-26 will authorize the transfer of funds per the results of the Fiscal Year 2026-27 Final Budget.

BACKGROUND

As part of the annual budget process, the Board reviews the Reserves Policy prior to adopting the Preliminary Budget each June. The Reserves Policy sets forth reserve targets for each fund and the formulas by which each reserve target is set. The reserve targets, reserve balances, and whether or not targets are met is depicted on the Reserve Targets page following the Reserves Policy in the budget document. Whenever changes to reserve targets occur, there is a potential need for inter-fund transfers to satisfy revised reserve target thresholds. The budget may also include inter-fund transfers deemed necessary to accomplish fiscal year goals as determined and approved by the Board. During the annual review performed of the Reserves Policy prior to its inclusion in the FY 2026-27 Preliminary Budget, it was determined that no revisions were necessary. The version of the Reserves Policy included in the Final Budget document was adopted at the May 2025 regular board meeting with Resolution No. 05-25.

On Tuesday, August 4th, 2026, the Ad-hoc Budget Committee (Directors Davis & Schultz) meeting was held to review and discuss the draft FY 2026-27 Final Budget. Included in the meeting was a discussion of budget transfers consistent with the FY 2026-27 Final Budget document, as follows:

1. The sum of \$300,000 from Major Repairs and Overhaul Fund (81) to General Fund (70)
 - a. Is necessary to fund an intentional, strategic increase to the capital outlay budget to harden critical infrastructure assets to maintain a reliable water supply for our customers.

It is forecast that as of June 30, 2027, full reserve targets will be met for all designated reserve funds except for the following two funds:

1. After the above transfer, the Major Repairs and Overhaul Fund (81) will meet its interim reserve target at only \$128k shy of meeting the full reserve target.
2. The Equipment/ Infrastructure – Replacement/ Upgrade Fund (83) will not meet its interim reserve target. At the end of FY 2025-26, reserve funds were transferred from Fund 83 to Engine Project Fund (73) to complete the multi-year infrastructure project.

Transfers between reserve funds, including into funds that are below the full reserve target, will be considered during the mid-year budget review. The only other reserve targets that will not be met for FY 2026-27 are those set for the flood control improvement districts at Funds 76, 77, and 86.

FISCAL IMPACT

A transfer of \$300,000 from Major Repairs and Overhaul Fund (81) to General Fund (70).

COMMITTEE RECOMMENDATION

The Ad-hoc Budget Committee recommends that the Board approve the transfer between the aforementioned District reserve funds totaling \$300,000.

RECOMMENDED MOTION

"I move for adoption of Resolution No. 12-26, For Transfer of Funds, as described."

ATTACHMENT

A - Resolution No. 12-26, For Transfer of Funds

RESOLUTION NO. 12-26

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
FOR TRANSFER OF FUNDS**

A. Recitals.

1. It is necessary to establish required and designated balances for reserve funds and to transfer funds between reserve funds to maintain targeted reserve fund balances and/or accomplish fiscal year goals as determined and approved by the Board.

2. To satisfy various purposes, all District funds are held as reserve funds that are separately accumulated, managed, maintained, and transferred in accordance with the most recent version of the Reserves Policy adopted with Resolution No. 05-25.

B. Resolutions.

NOW, THEREFORE, BE IT FOUND, DETERMINED, AND RESOLVED by the Board of Directors of TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT as follows:

1. Each of the above recitals is true and correct and the Board so finds and determines.
2. District Treasurer is authorized and directed to make the following reserve fund transfer:
 - a. The sum of \$300,000 from Major Repairs and Overhaul Fund (81) to General Fund (70).

PASSED, APPROVED, AND ADOPTED by the Board of Directors of TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT this 26th day of August 2026.

Robert W. Schultz, Board President

ATTEST:

Catherine Adams, Board Secretary

SECRETARY'S CERTIFICATE

I, CATHERINE ADAMS, Secretary of the Board of Directors of Tehachapi-Cummings County Water District, hereby certify as follows:

The foregoing is a full, true, and correct copy of Resolution No. 12-26 duly adopted at a regular meeting of the Board of Directors of the District duly and legally held at the regular meeting place thereof on August 26, 2026. All of the members of the Board of Directors received due notice of the meeting and a majority thereof was present. At the meeting, the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
Catherine Adams, Board Secretary

(SEAL)

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
AUGUST 26, 2026

TOPIC: Accept Bids and Authorize General Manager to execute Contract, including an Allowance for a Maximum of 10% of Contract Value for Change Orders for Parking Lot Sealing Project

ITEM FOR: Action

PURPOSE: Board of Directors to Accept Bids and Authorize General Manager to execute Contract, including an Allowance for a Maximum of 10% of Contract Value for Change Orders for Parking Lot Sealing Project

IMPACT: Capital Improvement/Facilities

SUBMITTED BY: Jon Curry

EXECUTIVE SUMMARY

Staff sent bid notices to asphalt paving/sealcoat contractors for the Parking Lot Sealing Project. Staff is asking the Board of Directors to Accept Bids and Authorize General Manager to execute Contract, including an Allowance for a Maximum of 10% of Contract Value for Change Orders for Parking Lot Sealing Project.

BACKGROUND

At the July 15 RBM, the Board authorized staff to solicit bids for the Parking Lot Sealing Project. On July 16, staff sent the bid notices to seven asphalt paving/sealcoat contractors (see Attachment "A"). Two bids were received by the August 13 bid submittal deadline. Contractors who submitted bids and bid totals are below.

Kern Asphalt Paving and Sealing - \$37,629.00

VSS International - \$75,120.00

As you will see on the Bidder's List (Attachment "B"), Kern Asphalt is in Bakersfield and VSS is located in Sacramento. Staff believes this is a contributing factor in the large gap between the two bids received. As of note, Kern Asphalt was the contractor on the previous paving and sealcoat project at the district office/yard completed in 2020.

FISCAL IMPACT

The FY 2026-2027 Capital Expenditure Budget includes \$70,000 for this project.

COMMITTEE RECOMMENDATION

None

RECOMMENDED MOTION

"I move that the Board Accept Bids and Authorize General Manager to execute Contract with Kern Asphalt Paving and Sealing, including an Allowance for a Maximum of 10% of Contract Value for Change Orders for Parking Lot Sealing Project".

ATTACHMENTS

- A. Bidders Solicited List
- B. Submitted Bids
- C. Public Works Contract

ATTACHMENT "A"

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT FY 2026-2027 PARKING LOT SEALCOAT PROJECT - BIDDERS SOLICITED

Updated 8/19/26

Contractor	Contact	Phone	Email	Address	Job Walk	RFI	Sub. Bid	Bid Amount
Kern Asphalt	Eddie Nichols	(661)391-8000	enichols@kernasphalt.com	Bakersfield,Ca.	N	N	Y	\$ 37,629.00
Bowman Asphalt	Jake McAfee	(661) 378-4884	JMcafee@bowmanasphalt.com	Bakersfield,Ca.	N	N	N	
Bowman Construction	Ron Bowman	(661) 361-7640	ron@bowmancst.com	Bakersfield,Ca.	N	N	N	
Black Stone Asphalt	Norm Galanski	(661) 282-8800	norm@blackstoneasphalt.com	Bakersfield,Ca.	N	N	N	
ANM	AJ Martinez	(661)-729-6200	ajmartinez@anm-construction.com	Lancaster, Ca.	N	N	N	
Golden Valley	Steve Shwartz		sschwartzpaving@yahoo.com	Bakersfield,Ca.	N	N	N	
VSS Emultech	Maria Prado	(916) 373-1500	maria.prado@slurry.com	Sacramento, Ca.	N	N	Y	\$ 75,120.00



SB-PW
Certified
#1189260

KERN ASPHALT PAVING & SEALING CO., INC

ASPHALT PAVING, ALL TYPES OF
SEAL COATING, STRIPING, BUMPER
BLOCKS, & TRUCKING

2000 NORRIS ROAD, BAKERSFIELD, CA 93308

Phone: (661) 391-8000 Fax (661) 391-8080
STATE CONTRACTORS LICENSE #812686
DIR NUMBER: 1000004530

GRADING & EXCAVATION, ROAD
OILING, CRUSHING, MILLING &
GRINDING

PROPOSAL SUBMITTED TO:

ADDRESS: Tehachapi-Cummings Co. Water Dist.
P.O. Box 326
Tehachapi CA 93581

DATE: 8/13/2026**JOB NAME:** Cummings Co Wtr District**CONTACT:** Jon**JOB #:** 10951**FAX:** HAND DELIVER**JOB LOCATION:** 22901 Banducci Rd, Tehachapi**PHONE:** 661-822-5504**E-MAIL:**

DUE TO FLUCTUATING PRICES, PROPOSALS ARE VALID FOR 15 DAYS FROM ORIGINAL DATE. ANY CONTRACT AGREEMENTS MUST BE REVIEWED BEFORE COMMENCEMENT FOR EACH SCOPE/PHASE (IF APPLICABLE) IN CONTRACT.

Description

1. Remove 4 Existing 4' Concrete Bumper Block & Lay Aside For Reinstallation
2. Clean Existing Asphalt Of Loose Dirt & Debris With Brooms & Blowers
3. Apply Type 2 Slurry Over Approx 32,000sf & Roll With Pneumatic Tire Roller
4. Apply Fog Seal At Rate Of 0.05 Gal/Sq Yd Over Approx 32,000sf (Few Days After Applying Type 2)
5. Layout & Stripe 24 Parking Stalls, 2 Handicap Stalls
6. Reinstall 4 Existing Bumper Blocks

*Prevailing Wage

*One Phase Included

*Payment Bond Included

*Material And Trucking Prices Cannot Be Guaranteed, And All Increases Will Be Passed On To The Customer

*Excludes Asphalt Removal, Skin Patching, Crackfill, Signs & Post, New Bumper Blocks, Herbicide, Night Or Weekend Work, Paint Removal

Kern Asphalt proposes to furnish material and labor for the work subject to the terms and conditions of this Proposal for the following price.

Total	\$37,629.00
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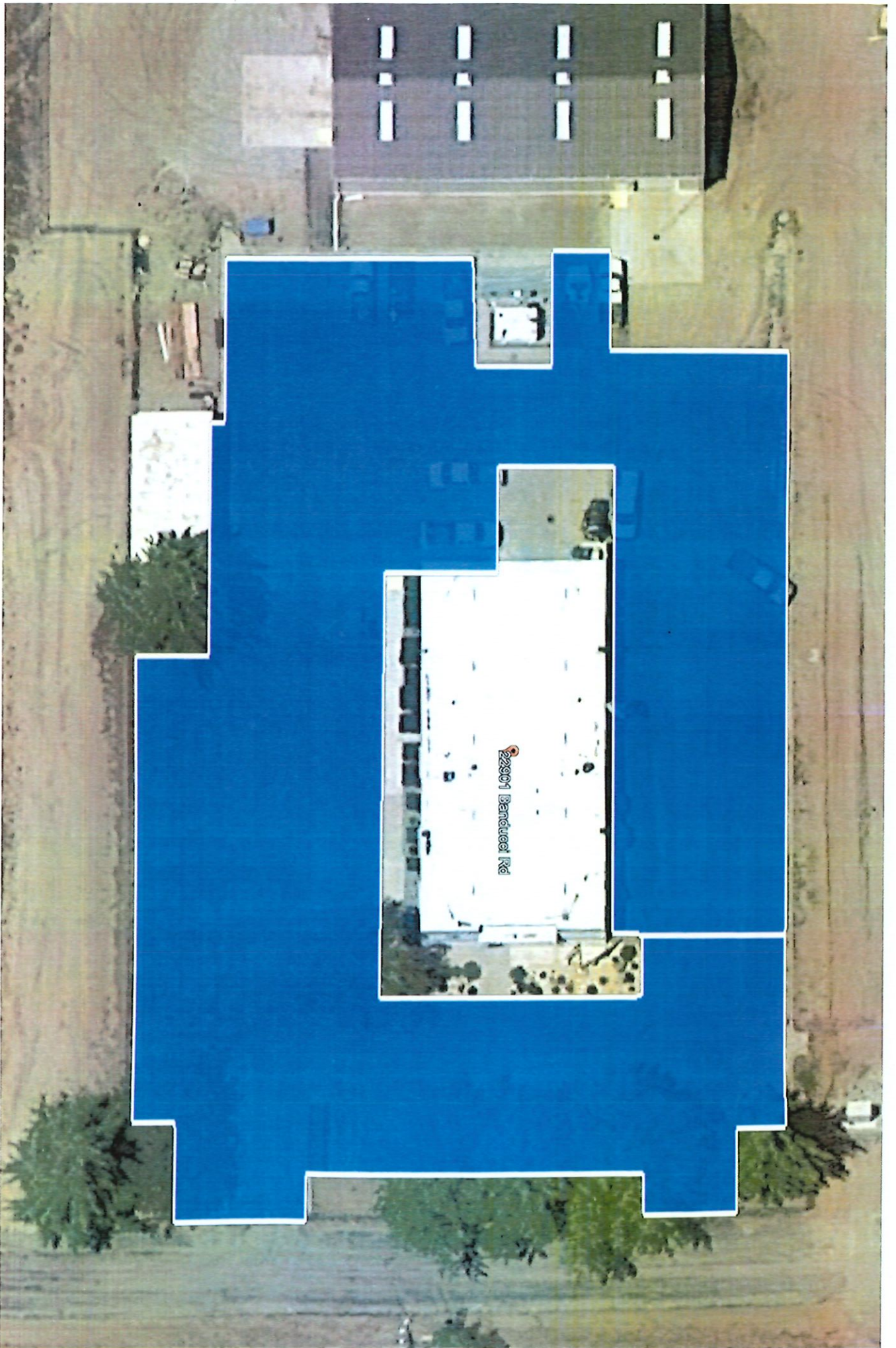
All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

Unless otherwise noted, this contract excludes bid bonds, surety bonds, waivers of subrogation, testing, engineering and permits, base under concrete, curb painting, utility trench patching, any other items not specifically listed in our scope of work in this proposal. (i) We are not responsible for the following: damage to underground unforeseen utilities or buried structures, or damage done to equipment by these unforeseen items, residual cracking due to expansion and contraction of pavement, scuffing due to power steering and/or hot weather. (ii) Kern Asphalt does not guarantee the following: adhesion of material to badly oil soaked pavement, cracks in overlaid asphalt areas, and drainage when less than 1.5%. (iii) No warranty on striping on concrete, paint may chip (iiii) All vehicles and obstacles are to be removed from area, by customer, prior to Kern Asphalt's arrival. All work to be done Mon-Fri in one phase/mobilization (longer drying times may be needed due to cold weather)

Upon the customers acceptance of this proposal, and the "Additional Terms and Conditions" on Page 2, this will become the "Agreement" between the parties.

ACCEPTANCE OF THE "AGREEMENT" BY CUSTOMER:**Authorized Signature by Kern Asphalt:**

Print: _____ Sign: _____ Date: _____





WWW.SLURRY.COM

VSS INTERNATIONAL, INC.

California Office: 3785 CHANNEL DRIVE • WEST SACRAMENTO, CA 95691 • (916) 373-1500
 Arizona Office: 6751 W. GALVESTON STREET • CHANDLER, AZ 85226 • (480) 940-9690
 Contractors License: CA 293727 A,B,C12, • AL 60358 • AK 153434 • AZ ROC285579 • ID PWC-C-13304 • MT 239844
 NM 412612 • NV 014802A • OR 65821 • TN 83003 • UT 12824125-5501 • WA VSSINII875JV

Bid Date: 8/13/2026
Project Name: Parking Lot Resurfacing Project
Project City: Tehachapi Cummings County Water District
Project State: CA

Estimator: Nick Corcoran
Email: nicholas.corcoran@slurry.com
Phone: (916) 798-8592
DIR #: 1000001231

ITEM #	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
1	Type 2 Slurry Seal Parking Lot Area	SF	32,000	\$ 1.93	\$61,760.00
2	Fog Seal Parking Lot Area	SF	32,000	\$ 0.20	\$6,400.00
3	Restripe Parking Areas	LS	1	\$ 6,960.00	\$6,960.00
					\$75,120.00

VSS International is an Open Shop Contractor and will not become signatory to any labor agreements.

INCLUSIONS: 1 Mobilization, additional mobilizations at \$15,000
 Pre-Cleaning by sweeper only, additional cleaning by change order
 Previous mix design and previous calibrations
 VSS work to be applied between 7AM and 7PM weekdays
 Work must be scheduled 6 weeks in advance to assure crew availability
 Quote valid for 10 days, return signed to secure price and schedule
 Includes local prevailing wage rates, should federal rates apply additional charges will occur

EXCLUSIONS: Any work not described above is specifically excluded.
 Traffic control plan, posting, notifications, lane closure and or splitting of streets
 Construction area signs, portable message boards, arrow boards, light towers
 SWPPP/WPCP, permits, testing, QA-QC plan & inspection, new calibrations, test strip
 Pavement repairs, crack weeding, cleaning or sealing, tree trimming
 Permanent or temporary stripe/marker - removal, replacement, protection, or referencing
 Rolling, post sweeping, side-walk/driveway cleaning and or blowing
 Responsibility for any water ponding (surface treatment to follow existing grade) or power steering tears
 Survey, corner records and adjustment of monuments/utilities/manholes of any kind
 OCIP & CCIP insurance, longshoreman, community work force or project labor agreements

NOTES: Materials associated with this quote **ARE** based on price index fluctuations adjustments per the project specifications and will be invoiced or credited monthly and are subjects to subcontractor's payment terms. Please call for different pricing if the opposite condition is required for your bid.
 All work described above is based on estimated quantities and shall be a minimum, overruns to be paid at the unit price.
 VSSI may require a cold weather release form for any resurfacing operations needed for late or early season work in cooler weather climates
 Acceptance of bid/proposal accepts these stipulations regardless of requirements by owner.
 Retention to be paid within 60 days of completion of our work
 Once this proposal is signed or agreed upon by contract, there will be a \$1,500.00 cancellation fee if work is cancelled
 Material Costs Increases: In the event of significant delays or price increase of materials and/or delivery and fuel costs, occurring during the performance of the contract through no fault of VSS, a surcharge may be added to the cost of materials to cover such costs. These surcharges will remain in effect until the price increase is reduced or the project is completed.

This proposal, when accepted by Purchaser, constitutes a binding contract between the parties hereto, incorporating each and every one of the provisions of the Conditions of Sale on the reverse side hereof.

ACCEPTED:

Buyer : _____
 Contractor Firm Name & Title

By : _____
 Signature Date

CONFIRMED:

Seller : **VSS INTERNATIONAL, INC.**
 Contractor Firm Name & Title

By : _____
 Signature Date

A REED FAMILY COMPANY
 EXPLORE OUR FULL LINE OF PRODUCTS,
 SERVICES & EQUIPMENT:

CONSTRUCTION

ASPHALT PRODUCTS

AGGREGATE MATERIALS

READY MIX

TOOLS & EQUIPMENT

PAVEMENT PRESERVATION

SCAN QR CODE

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

PUBLIC WORKS CONTRACT

THIS AGREEMENT (this "Agreement") is executed in duplicate as of the Effective Date by and between the District and the Contractor.

W I T N E S S E T H:

WHEREAS, the Contractor has submitted a proposal to the District for the construction of the Work; and

WHEREAS, the District has accepted such proposal and the District and the Contractor desire to execute an agreement setting forth the terms and conditions pursuant to which the Contractor will perform the Work;

NOW, THEREFORE, IT IS AGREED as follows:

**ARTICLE I.
DEFINITIONS**

1.00. Introduction.

The definitions in this article I shall be applied in the interpretation of this Agreement.

1.01. Article 1.5.

"Article 1.5" means Article 1.5 (commencing with section 20104) of Chapter 1 of Part 3 of the Public Contract Code.

1.02. Board.

"Board" means the Board of Directors of the District.

1.03. Contract Documents.

"Contract Documents" means (i) the Invitation to Bidders sent via email on, June 17, 2020 (Attachment A), Project location map Attachment (B), (ii) Contractor's proposal #93334-1 dated, July 8, 2020. (Attachment C), (iii) this Agreement, and (iv) any change orders.

1.04. Contract Price.

"Contract Price" means lump sum amount of \$37,629.00

1.05. Contract Time.

"Contract Time" means the period ending 58 days from the Effective Date. Notice to Proceed, to be September 2, 2026 (59 days to completion date).

1.06. Contractor.

"Contractor" means Kern Asphalt Paving & Sealing, Bakersfield, CA., Contractor's License # 812686.

1.07. Contractor's Address.

"Contractor's Address" means 2000 Norris Rd., Bakersfield, CA 93308.

1.08. Day or Days.

"Day or Days" means a calendar day or calendar days.

1.09. District.

"District" means TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, a California county water district organized and existing under and by virtue of the provisions of division 12 of the Water Code.

1.10. District's Address.

"District's Address" means 22901 Banducci Road, Tehachapi, CA 93561.

1.11. Effective Date.

"Effective Date" means, September 2, 2026

1.12. General Manager.

"General Manager" means the General Manager of the District or his designated representative.

1.13. Plans.

"Plans" means any official plans, profiles, cross-sections, working drawings and supplemental drawings or reproductions thereof approved by the General Manager which show the location, character, dimensions and details of the Work.

1.14. Project.

This project consists of:

1. Removal of parking stop blocks.
2. Clean/prep surface areas for slurry seal application.
3. Apply Type 2 Slurry Seal treatment to parking lot surface area.
 - a) Type 2 Slurry to be applied at the current State Standard rate per sq. yd.
 - b) Type 2 slurry to be rolled with pneumatic tire roller.
4. Fog sealing of Type 2 Slurry Seal areas.
 - a) Fog seal shall be an approved mixture of water and asphaltic emulsion conforming to Section 94 of the Cal-Trans Standards.
 - b) Fog seal shall be applied as set forth in Section 37-1 of the State Specifications at the rate of 0.05 gallons of asphalt emulsion per sq. yd. of surface covered.
5. Re-striping of parking/yard areas.
- 6.. Re-installation of parking stop blocks
 - Tehachapi-Cummings County Water District is a non-smoking facility. Smoking or Vaping is not permitted on District property.
 - Alcohol, drugs, or weapons are not allowed on District property.
 - Follow all safety rules of CAL-OSHA.
 - Prevailing wage rates will apply as per the General Prevailing Wage Determination made by the California Department of Industrial Relations.
 - Access to sites are locked and gated for security purposes; therefore, access to the sites will be controlled by TCCWD staff. Contractor to be advised that this facility is open to the public and must make accommodations as needed.

- Any modifications to existing District facilities require approval from the General Manager prior to commencing work.
- Contractor to provide a schedule for completion of this project within three working days of Effective Date, September 2, 2026.
- Work hours are from 7:00 AM to 4:30 PM Monday-Friday with all State/Federal holidays observed
- Clean up work area and remove all trash, debris from property. Work site to be cleaned daily.
- Work is to be completed no later than Friday, October 30, 2026.

1.15. Specifications.

“Specifications” means written specifications for the Work.

1.16. Work.

"Work" means all the work specified, indicated, shown or contemplated in this Agreement necessary to construct the Project according to the Contract Documents.

ARTICLE II. SCOPE OF WORK, PERFORMANCE AND PAYMENT

2.00. Construction of the Work.

The Contractor shall furnish all labor, tools, materials, equipment and incidentals necessary to construct and complete the Work in a good and workmanlike manner and in strict conformity with the Contract Documents. Contractor to follow industry standards, certifies he/she is an expert in the paving/sealcoating field, and certifies all staff assigned to this project are qualified to complete the work specifically for this project.

2.01. Examination of Site and Contract Documents.

The Contractor has carefully examined the site of the Work and the Contract Documents. The Contractor is satisfied as to the observed and reasonably observable conditions to be encountered, the character, quality and scope of work to be performed, the quantities and materials to be furnished and the requirements of the Contract Documents. Where the District has made an investigation of site conditions, including subsurface conditions in area where Work is to be performed, or in other areas, some of which may constitute possible local material sources, the investigation is made only for the purpose of study and design. The records of the

investigation are not a part of the Contract Documents and have been shown or made available to the Contractor solely for his convenience. The District assumes no responsibility as to the sufficiency or accuracy of the investigation, the records thereof, the interpretation set forth therein, or the interpretation made by the District in its use thereof. There is no warranty or guarantee, either express or implied, that the conditions indicated by the investigation or records are representative of those existing throughout such areas or any part thereof or that unforeseen developments may not occur or that materials other than, or in proportions different from, those indicated may not be encountered. The Contractor is cautioned to make such independent investigation and examination as he deems necessary to satisfy himself as the conditions to be encountered in the performance of the Work and, with respect to possible local material sources, the quality and quantity of material available from such property and the type and extent of processing that may be required in order to produce material conforming to the requirements of the Specifications. No information derived from such inspection of records of the investigation or compilations thereof made by the District or from the General Manager will in any way relieve the Contractor from any risks or from properly fulfilling the terms of the Contract Documents.

2.02. Intent of Plans.

The intent of the Plans is to prescribe the details for the construction and completion of the Work which the Contractor undertakes to perform. Where the Plans describe portions of the Work in general terms, but not in complete detail, it is understood that only the best general practice is to prevail and that only materials and workmanship of the first quality are to be used. Unless otherwise specified, the Contractor shall furnish all labor, materials, tools, equipment and incidentals and do all the Work in a satisfactory and workmanlike manner.

2.03. Final Cleaning Up.

Before final inspection of the Work, the Contractor shall clean the site of the Work, and any material sites of all rubbish, excess materials, falsework, temporary structures and equipment. All parts of the Work shall be left in a neat and presentable condition. Full compensation for final clean-up is included in the Contract Price and no separate payment will be made therefor.

2.04. Changes.

The District reserves the right to make such alterations, deviations, additions to or deletions from the Plans, including the right to increase or decrease the quantity of any item or portion of the Work or to delete any item or portion of the Work, as may be deemed by the General Manager to be necessary or advisable, and to require such extra work as may be determined by the General Manager to be required for the proper completion or construction of the Work. Any changes will be set forth in a contract change order which will specify, in addition to the work to be done, the change made, adjustment of the Contract Time, if any, and the basis of compensation for such work, which compensation shall include 10% markup for overhead and profit. A contract change order will not become effective until approved by the

General Manager in writing. The Contractor shall proceed with the additional work upon receipt of an approved contract change order. If the Contractor disagrees with any of the terms or conditions of an approved contract change order which he has not executed, he shall submit a written protest to the General Manager within 15 days after receipt of such approved contract change order. The protest shall state the points of disagreement. If a written protest is not submitted, payment will be made in the manner provided in the approved contract change order and such payment shall constitute full compensation for all work included therein or required thereby. If the Contractor signifies his acceptance of the terms and conditions of such contract change order by executing such document and if such change order is approved by the General Manager and the Board and issued to the Contractor, payment in accordance with the provisions therein set forth shall constitute full compensation for all work included therein or required thereby.

2.05. Control of Work.

The General Manager shall decide all questions which may arise as to the quality or acceptability of materials furnished and work performed and as to the manner of performance and rate of progress of the Work, all questions which may arise as to the interpretation of the Plans and Specifications, all questions as to the acceptable fulfillment of the Agreement on the part of the Contractor and all questions as to compensation. The General Manager shall have authority to enforce and make effective such decisions and orders which the Contractor fails to carry out promptly. The Contractor shall designate in writing before starting the Work an authorized representative who shall have the authority to represent and act for the Contractor. The General Manager shall have safe access to the Work during construction and shall be furnished with every reasonable facility for ascertaining that the materials and workmanship are in accordance with the requirements and intentions of the Plans and Specifications. All Work done and all materials furnished shall be subject to his inspection. The inspection of the Work or materials shall not relieve the Contractor of any of his obligations under the Contract Documents. Any portion of the Work which has been rejected shall be remedied, removed or replaced by the Contractor in an acceptable manner and no compensation will be allowed for such removable, replacement or remedial work. Any portion of the Work done which is not described in the Specifications or any portion of the Work done without written authority will be considered as unauthorized work and will not be paid for. Unauthorized work shall be remedied, removed or replaced by the Contractor at his sole expense.

2.06. Subcontractors.

If any subcontractor or person employed by the Contractor shall appear to the General Manager to be incompetent or to act in a disorderly or improper manner, he shall be discharged by the Contractor on the request of the General Manager and such person shall not again be employed on the Work. No subcontractor will be recognized as such, and all persons engaged in construction of the Work will be considered as employees of the Contractor and the Contractor will be held responsible for their Work. The Contractor shall perform with his own organization contract work amounting to not less than 50% of the original Contract Price. Where an entire item is subcontracted, the value of the work subcontracted will be based on the contract

item bid price determined by the General Manager. Before work is started on a subcontract, the Contractor shall file with the General Manager a written statement showing the portion of the Work to be subcontracted, the names of the subcontractors and the description of each portion of the Work to be so subcontracted.

2.07. Beginning of Work.

The Contractor shall begin work within 7 days after receiving a Notice to Proceed from the District and shall diligently prosecute the same to completion within the Contract Time. The Contractor shall notify the General Manager in writing of his intent to begin work at least 24 hours before work has begun. Time is of the essence hereof. Determination that a Day is a non-working Day by reason of inclement weather or conditions resulting therefrom shall be made by the General Manager subject to the right of the Contractor to file written protest within 15 days of the Contractor's receipt of such determination

2.08. Progress Schedule.

The Contractor shall submit to the General Manager a practicable progress schedule within 3 days of the Effective Date. The schedule shall show the order in which the Contractor proposes to carry out the Work, the dates on which he will start the several salient features of the Work, the contemplated dates for completing such features and state the values for each item of the Work. The progress schedule submitted shall be consistent in all respect with the time and order of work requirements of the Contract Documents. No progress payments will be made for any work until a satisfactory schedule has been submitted to the General Manager.

2.09. Temporary Suspension of Work.

The General Manager shall have the authority to suspend the Work, wholly or in part, for such period as he may deem necessary, due to unsuitable weather or to such other conditions as are considered unfavorable for the suitable prosecution of the Work or for such time as he may deem necessary due to the failure on the part of the Contractor to carry out orders given or to perform any provision of the Contract Documents. The Contractor shall immediately comply with a written order of the General Manager to suspend the Work wholly or in part. The suspended work shall be resumed when conditions are favorable and methods are corrected, as ordered or approved in writing by the General Manager.

2.10. Termination of Contract.

If the Contractor fails to commence the Work within the time specified herein, or fails to prosecute the Work diligently or to make necessary progress to complete the Work in a timely manner, or fails to replace or repair any damage or defective work or materials, or fails in

any respect to perform the Work in a good and timely manner, the District may serve written notice to the Contractor and its surety of the District's intention to terminate this Agreement. Such notice shall contain the reasons for termination. If the Contractor does not remedy the deficiencies in the Contractor's performance specified in the notice to the satisfaction of the General Manager within five days of receipt of such notice, this Agreement shall be terminated and the District may take over the Work and prosecute the same to completion by contract or otherwise and may take possession and utilize such materials, appliances and plant as may be on the site of the Work and necessary therefor. The Contractor shall be liable for all damage and expense, including attorney's fees, sustained or incurred by the District by reason of such default in completing the Work.

2.11. Building Permit.

Building permit is not required for this work.

**ARTICLE III.
CONTRACT PRICE AND PAYMENT**

3.00. Contract Price.

In consideration of the conditions, covenants and promises to be kept and performed by the Contractor and for the faithful performance of this Agreement, the Contractor shall receive and accept the Contract Price as full compensation therefor and for all loss or damage arising out of the nature of the Work, the action of the elements or for any unforeseen contingencies or difficulties encountered in prosecution of the Work. The Contract price includes full compensation to the Contractor for all taxes, permits, licenses and other fees which the Contractor is required to pay in order to perform the Work.

3.01. Notice of Potential Claim.

The Contractor shall not be entitled to the payment of any additional compensation for any act or failure to act by the General Manager or the District, including failure or refusal to issue a change order, or for the happening of any event, thing, occurrence or other cause unless the Contractor shall have given the General Manager due written notice of a potential claim as hereinafter provided, except that compliance with this section shall not be a prerequisite as to matters within the scope of the protest provisions of section 2.04 hereof, section 2.07 hereof, or section 2.10 hereof. The written notice of potential claims shall set forth the reasons for which the Contractor believes additional compensation will or may be due, the nature of the cost involved, and, insofar as possible, the amount of the potential claim. Such notice must have been given to the General Manager prior to the time that the Contractor shall have performed the Work giving rise to the potential claim for additional compensation, if based on an act or failure to act by the General Manager or the District, or in all other cases, within 15 days after the happening of the event, thing, occurrence, or other cause giving rise to the potential claim. It is the intention of this section that differences between the District and the Contractor arising under and by virtue of this Agreement be brought to the attention of the

General Manager at the earliest possible time in order that such matters may be settled, if possible, or other appropriate action promptly taken. The Contractor shall have no right to additional compensation for any claim that may be based on any such act, failure to act, event, thing, or occurrence for which no written notice of potential claim was filed.

3.02. Right to Withhold Compensation.

The District may at its option at anytime retain out of any amounts due the Contractor sums sufficient to cover claims filed pursuant to law.

3.03. Partial Payments.

Following final inspection of the Work by the General Manager and certification to the Board by the General Manager that the Work has been completed in accordance with the Contract Documents, the District shall pay the Contractor 95% of the Contract Price and the District shall retain 5% of the Contract Price until 35 days after recordation by the District of a notice of completion and receipt of conditional waivers and releases upon final payment executed by all subcontractors and suppliers of materials. If the Contract Time exceeds 60 days, the District shall make partial payments to the Contractor by the 25th day of each month for 95% of all work performed by the Contractor during the preceding month. Subject to Public Contract Code section 9203, the District may elect to pay more than 95% of the amount of any progress estimate upon recommendation of the General Manager but such payment shall not constitute a waiver of the District's right to retain 5% of subsequent progress payments. At the request and expense of the Contractor and pursuant to Public Contract Code section 22300, securities equivalent to any amount withheld by the District to ensure the Contractor's performance under the Contract shall be deposited with the District as substitute security, or, at the Contractor's request, with a state or federally chartered bank in California as the escrow agent. Escrow instructions shall conform to the requirements of Public Contract Code section 22300.

3.04. Final Claims, Mediation and Arbitration.

If Article 1.5 applies, any "claim" as defined in Public Contract Code section 20104 shall be filed with the District in writing not later than 35 days after recordation of the notice of completion. Any claim shall include all documents necessary to substantiate the claim. The filing of a notice of potential claim under section 3.01 hereof shall be a condition precedent to filing a final claim under this section. The District shall respond to any final claim of the Contractor as provided in Public Contract Code section 20104.2. If such claim is not resolved, such claim shall be mediated and arbitrated pursuant to Public Contracts Code sections 20104.2 through 20104.6.

**ARTICLE IV.
LEGAL RELATIONS AND RESPONSIBILITY**

4.00. Observance of All Laws.

The Contractor shall keep himself fully informed of all existing and future state, federal, county, municipal and local governmental laws, ordinances and regulations which in any manner affect those engaged or employed in the Work, or the materials used in the Work, or which in any way affect the conduct of the Work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the Work. The Contractor at all times shall observe and comply with and shall cause all its agents and employees to observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees and shall protect and indemnify the District and all officers and employees thereof connected with the Work, including but not limited to the General Manager, against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by himself or his employees. If any discrepancy or inconsistency is discovered in the Contract Documents in relation to any such law, ordinance, regulation, order or decree, the Contractor shall forthwith report same in writing to the General Manager.

4.01. Business and Professions Code Requirements.

The Contractor's attention is directed to the provisions of Business and Professions Code section 7028.15 concerning the licensing of contractors. All bidders and contractors shall be licensed in accordance with the laws of the State of California and any bidder or contractor not so licensed is subject to the penalties imposed by such laws.

4.02. Civil Code Requirements.

If the Contract Price exceeds \$25,000, the Contractor concurrently with the execution and delivery of this Agreement shall deliver to the District a payment bond meeting all the requirements of Civil Code sections 9550 and 9554.

4.03. Labor Code Requirements.

The Contractor's attention is directed to the following requirements of the Labor Code:

(a) Hours of Labor. Eight hours labor constitutes a legal day's work. The Contractor shall forfeit, as a penalty to the District, \$25 for each workman employed in the execution of the Work by the Contractor or any subcontractor under it for each Day during which such workman is required or permitted to work more than eight hours in any one Day and 40 hours in any one calendar week in violation of the provisions of the Labor Code, and, in particular, sections 1810 to 1815 thereof, inclusive, except that work performed in excess of eight hours per Day and 40 hours

during any one week shall be permitted upon compensation for all hours worked in excess of eight hours per day at not less than one and a half times the basic rate of pay, as provided in Labor Code section 1815.

(b) Prevailing Wages. Pursuant to the provisions of Labor Code section 1773, the District has obtained from the Director of the Department of Industrial Relations the general prevailing rate of per diem wages and the general prevailing rate of holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to execute the Work. Copies of the prevailing rate of per diem wages are on file at the District's principal office and shall be made available to any interested party on request. The Contractor shall cause a copy of the Director's determination of the prevailing rate of per diem wages to be posted at a prominent place at the site of the Work or posted in the job foreman's vehicle. The District will not recognize any claim for additional compensation because of the payment by the Contractor of any wage rate in excess of the prevailing wage rate. The possibility of wage increases is one of the elements to be considered by the Contractor in determining his bid and will not under any circumstances be considered as the basis of a claim against the District. The Contractor shall comply with Labor Code sections 1774 and 1775. In accordance with Labor Code section 1775, the Contractor shall forfeit as a penalty to the District not more than \$200 for each Day or portion thereof for each worker paid less than the prevailing rates as determined by the Director for the Work or craft in which the worker is employed for any Work or by any subcontractor under the Contractor. The amount of this penalty shall be determined by the Labor Commission based on the factors set forth in section 1775. In addition to such penalty, the difference between such prevailing wage rates and the amount paid to each workman for each Day or portion thereof for which each workman was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

(c) Payroll Records. The Contractor's attention is directed to the provisions of Labor Code section 1776, a portion of which reads as follows:

(a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.

“(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract and the Division of Labor Standards Enforcement of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

“(c) Unless required to be furnished directly to the Labor Commissioner in accordance with paragraph (3) of subdivision (a) of Section 1771.4, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

“(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that

requested the records within 10 days after receipt of a written request.

“(e) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a multiemployer Taft-Hartley trust fund (29 U.S.C. Sec. 186(c)(5)) that requests the records for the purposes of allocating contributions to participants shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits of the social security number. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's social security number.

“(f)(1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.

(2) An employer shall not be liable for damages in a civil action for any reasonable act or omission taken in good faith in compliance with this subdivision.

“(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

“(h) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). If the contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.”

The Contractor shall be responsible for seeing that his subcontractors comply with these provisions. The penalties specified in Labor Code section 1776 for noncompliance therewith may be deducted by the District from any monies due or which may become due to the Contractor. The payroll shall be accompanied by a "Statement of Compliance" signed by the employer or his agent under penalty of perjury indicating that the payrolls are correct and complete and that the wage rates contained therein are not less than those required by this agreement. The Contractor shall be responsible for the submission of copies of payrolls of all subcontractors. The Contractor and each subcontractor shall preserve their payroll records for a period of three years from the date of completion of this Agreement.

(d) No Discrimination. The Contractor's attention is directed to the provisions of Labor Code section 1735 which reads as follows:

"A contractor shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code. Every contractor for public works who violates this section is subject to all the penalties imposed for a violation of this chapter."

(e) Apprentices. The Contractor's attention is directed to the provisions of Labor Code section 1777.5 concerning the employment of apprentices upon public works. The Contractor shall be responsible for compliance with Labor Code section 1777.5 for all apprenticeable occupations with the Contractor.

(f) Workers' Compensation. The Contractor, by execution of this Agreement, hereby complies with Labor Code section 1861 by certifying as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

The Contractor shall provide workers’ compensation coverage as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with no less than \$1,000,000 per accident for bodily injury or disease.

(g) General Safety. In the performance of this contract the Contractor shall comply with all applicable, federal, state and local statutory and regulatory requirements including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict in regulations, the most stringent shall apply. The Contractor shall provide all safeguards, safety devices, and protective equipment and take any other needed actions necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. Safety precautions shall include but shall not be limited to: adequate life protection and life-saving equipment; adequate illumination; instructions in accident protection for all employees, such as the use of machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection, and other safety devices; equipment and wearing apparel as are necessary or lawfully required to prevent accidents, injuries, or illnesses and adequate facilities for the proper inspection and maintenance of all safety measures.

4.04. Public Contract Code Requirements.

(a) Non-collusion Affidavit. If the Contractor has submitted a bid for the performance of the Work, the Contractor shall submit an affidavit to the District in the form specified in Public Contracts Code section 7106.

(b) Notification of Receipt of Third Party Claims. The District shall give the Contractor timely notice of the District’s receipt of any third party claim relating to this Agreement. The Contractor shall reimburse the District pursuant to Public Contract Code section 9201(c) for the reasonable costs incurred by the District in providing the notification required by this subsection 4.04(c).

4.05. Payment of Permits, Licenses and Fees.

The Contractor shall apply and pay for all permits, licenses and other fees required to perform the Work. Building permit not required for this project.

4.06. Responsibility for Damage.

The District and all its officers and employees thereof connected with the Work, including but not limited to the General Manager, shall not be answerable, responsible or accountable in any manner for any loss or damage that may happen to the Work or any part thereof, for any loss or damage to any of the materials or other things used or employed in performing the Work, for injury to or death of any person, either workmen or the public, or for damage to property from any cause which might have been prevented by the Contractor, its workmen or anyone employed by the Contractor. The Contractor shall be responsible for any liability imposed by law and for injuries to or death of any person, including but not limited to workmen, and the public, or damage to property resulting from defects or obstructions or from any cause whatsoever during the progress of the Work or at anytime before its completion and final acceptance. The Contractor shall indemnify and save the District harmless and all its officers and employees thereof connected with the Work, including, but not limited to the General Manager, from all claims, suits or actions of every name, kind and description, brought forth, or on account of, injuries to or death of any person, including but not limited to workmen and the public, or damage to property resulting from the performance of this agreement, except as otherwise provided by law. The duty of the Contractor to indemnify and save harmless includes the duties to defend as set forth in Civil Code section 2778. In addition to any remedy authorized by law, so much of the money due the Contractor under and by virtue of this agreement as shall be considered necessary by the District may be retained by the District until disposition has been made of such suits or claims for damages. The Contractor shall indemnify and hold harmless the District, its officers and employees from any and all claims, suits or actions, except that Contractor shall not be obligated to indemnify the District, its officers and employees for claims, suits or actions to the extent arising out of the active negligence or willful misconduct of the District, its officers and employees.

4.07. Contractor's Responsibility for the Work.

Until final acceptance of the Work by the District, the Contractor shall have the charge and care of the Work and of materials to be used therein and shall bear the risk of injury, loss, or damage to any part thereof by the action of the elements or from any other cause, whether arising from execution or from the non-execution of the Work. The Contractor shall rebuild, repair, restore and make good all injuries, losses or damages to any portion of the Work or the materials occasioned by any cause before its completion and acceptance and shall bear the expense thereof. When the General Manager has made his final inspection and the District has determined that the Work has been completed in all respects in accordance with the Contract Documents, the Board shall formally accept the Work and immediately upon and after such acceptance the Contractor will be relieved of the duty of maintaining and protecting the Work as a whole.

4.08. Guarantee.

The Contractor unconditionally guarantees all materials and workmanship furnished from any defect appearing within one year (product warranty) and one year (labor warranty) after recordation of the notice of completion, unless due to lack of maintenance pursuant to a written maintenance schedule provided by the Contractor prior to completion of the Work or abuse by the District. The Contractor shall replace at his expense to the satisfaction of the General Manager and the District any and all materials and workmanship discovered to be defective within such periods.

ARTICLE V. MISCELLANEOUS PROVISIONS

5.00. Insurance.

Concurrently with the execution and delivery of this Agreement, the Contractor shall deliver to the District a certificate of insurance with a company acceptable to the District certifying that the Contractor and the District are insured under a commercial general comprehensive liability insurance policy with combined single limits of at least \$1,000,000 per occurrence or the full per occurrence limits of the policies available, whichever is greater, such policy insuring the Contractor, the District, its officers and employees, from all claims of personal injury or property damage arising out of or related directly or indirectly to the Work.

5.01. Notices.

Any notice, request, tender, demand, delivery, approval or other communication provided for, required or arising under this Agreement shall be in writing and shall be deemed delivered if delivered in person to an individual, or to an officer of a corporate party, or, if mailed, three business days following deposit in the United States Mail, registered or certified, return receipt requested, postage prepaid, addressed to the District at the District's Address or the Contractor at the Contractor's Address, as the case may be, or at such address or addresses of which such party may give notice in accordance with the provisions of this section.

5.02. Assignment.

The Contractor shall not assign this Agreement in whole or in part, and any such assignment shall be null and void and shall constitute at the District's election a material breach by the Contractor of this Agreement.

5.03. Entire Agreement.

This Agreement supersedes any and all other agreements, either oral or in writing,

between the District and the Contractor with respect to the subject matter hereof and contains all of the covenants and agreements between the parties with respect to such matter, and the District and the Contractor hereby acknowledge that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding.

IN WITNESS WHEREOF, the District and the Contractor have caused this Agreement to be executed as of the Effective Date.

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

KERN ASPHALT PAVING AND SEALING
COMPANY, INC.

By _____
Thomas P. Neisler, General Manager

By _____
Bryan Watson, President

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 26, 2026

TOPIC: Adopt Resolution 13-26 amending and restating the District’s rules and regulations for the sale, use and distribution of water

ITEM FOR: Action

PURPOSE: Update rules and regulations to address issues that have arisen since the last update in 2020.

IMPACT: Policy, Operations, Water Supply

SUBMITTED BY: Tom Neisler

EXECUTIVE SUMMARY

Adoption of Res. 13-26 will amend and restate the District’s water service rules and regulations to update the District’s form of Term M&I Agreement, add relevant exhibits and address minor desired revisions to streamline operations.

BACKGROUND

Water service rules and regulations were last amended and restated by Res. 25-16 in November 2016, which were thereafter further amended by Resolution Nos. 4-20, 5-20, and 12-20. Because of the numerous amendments since adoption of Resolution No. 25-16, and the desire to amend the District’s form of Term M&I Agreement, it is desirable to amend and restate the Rules and Regulations in one document.

The revisions to the Rules and Regulations for the Sale, Use and Distribution of Water are shown on Attachment A. Attachment B is the revised, clean version of the document. Attachment C is the revised version of the Term M&I agreement to be included in the revised Rules and Regulations. Attachment D is Resolution 13-26, adopting the amended and restated Rules and Regulations.

Appendix 2 (included in Attachment B) is the application for Water Service Form that the District requires before allowing connection to our system. This is included in these revisions as a cleanup item.

Appendix 3 (included in Attachment B) is the template for voluntary banking agreements for customers without Term M&I agreements. The Board previously approved such an agreement for an agricultural customer (CEFF II Greenhouse) and this template will allow others to make similar arrangements.

FISCAL IMPACT

No direct fiscal impact anticipated.

COMMITTEE RECOMMENDATION

None.

RECOMMENDED MOTION

“I move for adoption of Resolution 13-26 amending and restating the District’s rules and regulations for the sale, use and distribution of water.”

ATTACHMENTS

A – Red-lined version of Rules & Regulations

- B - Revised, clean version of Rules & Regulations
- C - Red-lined version of the Term M&I Agreement template
- D - Resolution 13-26

ATTACHMENT "A"

RESOLUTION NO. 25-16

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Resolution No. ____-26

EXHIBIT A

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

**RULES AND REGULATIONS
FOR THE SALE, USE AND DISTRIBUTION OF WATER**

PART A. DEFINITIONS. The following terms, as used in all parts of these Rules and Regulations, shall have the following meanings, unless the context requires another meaning.

~~Section 1. "District" - Tehachapi-Cummings County Water District.~~

~~Section 2. "Agricultural water" - water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto, on tracts of land operated in units of more than two (2) acres.~~

~~Section 3. "M&I water" - water used for any use so that the same is not agricultural water within Section 2 hereof.~~

~~Section 2. "Application for Water Service" - a written application submitted by a prospective water user to the District for water service as provided in Part D of these Rules and Regulations.~~

~~Section 3. "Board" - The Board of Directors of the District.~~

~~Section 4. "District" - Tehachapi-Cummings County Water District.~~

~~Section 5. "General Manager" - the General Manager of the District, or in the event of his the General Manager's absence the employee designated by the Board of Directors of District to assume the General Manager's duties.~~

~~Section 6. Section 5. "M&I water" - water used for any use so that the same is not agricultural water within Section 2 hereof.~~

~~Section 7. "Person" - any natural person or artificial person, including but not limited to, a partnership, corporation, association, public entity or any other type of entity.~~

~~Section 8. "Prospective water user" - a person desiring water service from the District, but who is not yet a water user within the preceding definition.~~

~~Section 9. "Term M&I Supplemental Water Purchase and Banking Agreement" - a written agreement entered into between the District and a water user or prospective water user wherein that person agrees to purchase SWP or other imported water from the District for spreading in a basin for later recovery and use within that basin as provided in Part Q of these Rules and Regulations.~~

~~Section 10. water from "Term M&I Agreement" - a written agreement entered into between the District and a water user or prospective water user wherein that person agrees to purchase water from the District for a term and with provisions as provided for in Part C, Section 1 of these Rules and Regulations.~~

~~Section 7.11. "These Rules and Regulations" or "HereofHereof" or Other Words Referring to these Rules and Regulations or Some Part or Section Hereof - these Rules and Regulations as amended from time to time and any successor Rules and Regulations as amended from time to time.~~

~~Section 8.12. "Water Useruser" - any person whose application for water service has been approved by the General Manager and which applicant has complied with all provisions of these Rules and Regulations precedent to entitling him to commencement of water service.~~

~~Section 9. "Prospective Water User" - a person desiring water service from District, but who is not yet a water user within the preceding definition.~~

~~Section 10. "Board" - The Board of Directors of the District.~~

~~Section 11. "Water Banking Agreement" - a written agreement entered into between District and a water user or prospective water user wherein that person agrees to purchase SWP water from District for spreading in a basin for later recovery and use with that basin as provided in Part C, Section 1 of these Rules and Regulations.~~

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PART B. RATES.

Section 1. Setting Rates.

The Board from time to time shall by resolution set rates for water sold by the District.
Rates shall be set for the following categories:

- (a) (a) M&I water delivered pursuant to a Term M&I Agreement;
- (b) (b) M&I water delivered other than pursuant to a Term M&I Agreement;
- (c) (c) Agricultural water.

The Board shall establish appropriate recharge surcharges for any of the above categories where the water user pumps recharged water in lieu of taking delivery on the surface. Such recharge surcharges shall be set to recover the unreimbursed capital costs of acquiring and constructing recharge facilities and the costs of maintaining and operating such facilities. The recharge surcharge shall also include the cost of imported water lost on account of evaporation, phreatophyte consumption or any other losses incurred in the transportation and spreading of recharge water.

Section 2. General Policies Governing Rate Setting.

In setting rates, the Board shall consider the following general policies adopted on account of facts and circumstances unique to the District:

- (i) (i) The District purchases State Water Project ("SWP") water from the ~~Kern~~ Kern County Water Agency ("KCWA") pursuant to the two written contracts, both dated December 16, 1966 (the "KCWA Contracts"), one for up to 15000 AF of M&I water, the other for up to 5000 AF of Agricultural water. The KCWA Contracts obligate the District to pay a specified percentage of (a) ~~KCWA's~~ KCWA's "fixed obligations" (i.e., "the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge") to the State Department of Water Resources ("DWR") under the "Master Contract" between DWR and KCWA, and (b) ~~KCWA's~~ KCWA's "variable

obligations" (i.e., "the variable operation, maintenance, power and replacement components of the Transportation Charge") applicable to delivering the District's Table 1 entitlement to the District's turnout in Reach 16 of the California Aqueduct. The District's "fixed obligations" to KCWA must be paid irrespective of the quantity of SWP water actually delivered. In other words, the District must pay its share of "fixed obligations" even if DWR is unable to deliver any SWP water.

(ii) From its turnout in the California Aqueduct, the District lifts SWP water some 3425 feet by means of four pump stations and 31 miles of transmission lines into its storage reservoir in Brite Valley. The District's main transmission line continues eastward through Tehachapi Valley and ends in Oak Creek Canyon at California Portland Cement Company's plant. The District also owns and operates various distribution lines, recharge facilities in the Tehachapi and Cummings Basin, and water wells as part of its Imported Water System.

(iii) Pursuant to the holding of Fourth District Court of Appeal in *Goodman v. County of Riverside* (1983) 140 Cal.App.3d 900, the District's obligations to the KCWA under the KCWA Contracts are prior voter approved indebtedness and, consequently, the District may levy ad valorem real property taxes to meet the District's obligations, in whole or in part, to the KCWA under the KCWA Contracts.

(iv) The full cost of SWP water purchased by the District from the KCWA pursuant to the KCWA Contracts and pumped and delivered through the Imported Water System far exceeds

the ability of either M&I or Agricultural customers to pay. It is the policy of the District to set water rates such that M&I and Agricultural users in the aggregate pay the full cost of operating and maintaining the ~~District's District's~~ Imported Water System, including reasonable reserves for repairs and replacement, less a major ~~portion~~ of the ~~District's District's~~ share of the 1% general ad valorem tax levy. It is additionally the policy of the District, on account of the benefit to property owners District-wide bestowed by the SWP water supply made available pursuant to the KCWA Contracts, to levy ad valorem taxes each year to meet the ~~District's District's~~ annual obligations under the KCWA Contracts.

(v) ~~(v)~~ In setting rates for M&I water, it is the policy of the District that the rate for M&I water delivered other than pursuant to a Term M&I Agreement (the "~~normal M&I rate~~") shall be set to recover the full cost to the District of purchasing and delivering such water on a non-scheduled occasional demand basis, including all costs under the KCWA Contracts. The rate for M&I water sold pursuant to a Term M&I contract or other contractual basis shall be set at a lower rate than the normal M&I rate on account of the long-term contractual commitment of the water user to the District to purchase a portion of the ~~District's District's~~ Table I entitlement. Further, the ultimate retail purchaser of water sold to wholesale purveyors under Term M&I Agreements ~~pay~~ real property taxes, which support District operations, while non-contract purveyors of M&I water typically are not taxpayers within the District. Further, a lower rate is justified since Term M&I contract customers must schedule their anticipated deliveries six years in advance, which assists the District in meeting its obligations to the KCWA under the KCWA Contracts to likewise schedule its deliveries six years in advance.

(vi) ~~(vi)~~ As set forth in Part K hereof, the District owns all return flows from SWP water purchased from the KCWA under the KCWA Contracts and imported into the District through the ~~District's District's~~ Imported Water System. In setting rates for agricultural water, it is the policy of the Board to take into account the fact that the percentage of return flows back into the ground from agricultural water is substantially higher ~~than~~ from M&I uses. It is the policy of the District to avoid, to the extent possible, setting rates higher than the ability of its customers to pay for water since it is in the ~~District's District's~~ best interests to maximize water sales revenues.

PART C. TERM M&I AGREEMENTS.

Section ~~1.1~~. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Term M&I Agreements for ~~surface~~ delivery of SWP water shall be substantially in form and content ~~set forth in Appendix 1 hereto and Term M&I Agreements for subsurface delivery of recharged SWP water shall be substantially in form and content~~ as set forth in **Appendix 21** hereto.

Section 2. Policy Concerning New Term M&I Customers. —Not all of the SWP facilities authorized and necessary for the DWR to deliver all of the ~~KCWA's~~ ~~KCWA's~~ Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the ~~District's District's~~ Table I entitlement under the KCWA Contracts) have been constructed. Court decisions adverse to the DWR water supply cast further uncertainty as to the amount and dependability of the ~~District's District's~~ SWP water supply. It has been and remains the ~~District's District's~~ policy to routinely extend Term M&I Agreements upon conclusion of their stated terms since the ~~District's District's~~ wholesale customers and their retail customers have built water distribution systems, homes, businesses and other public and private improvements in reliance on the long-term availability of SWP water from the District. Before entering into new Term M&I Agreements or other contracts with new customers, it is the ~~District's District's~~ policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long-term needs of the ~~District's District's~~ existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new ~~customer's~~ ~~customer's~~ anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers and existing agricultural customers. If and when such needs cannot be met, it is ~~District's~~ ~~the District's~~ policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such ~~customer's~~ ~~customer's~~ long-term water requirements.

PART D. WATER SERVICE; APPLICATIONS; CONNECTION AND RECONNECTION CHARGES; DEPOSITS. Water service will be furnished in ~~accordance~~ accordance with the policy and rules herein

adopted and the connection and reconnection charges herein established, subject to all other provisions of these Rules and Regulations.

Section 1. District Service Policy: Domestic Use. It is the current policy of the District to act as a wholesaler of water and not as a retailer, i.e., to transmit such water and not to distribute the same. It shall be consistent with this policy to provide agricultural water service to users who connect at their own expense to the District's transmission facilities from time to time. Except for sales to "Exchangees" pursuant to the Amendment to Judgment in the Tehachapi Basin ~~ease¹case¹~~, the District will provide M&I water service only to: (a) entities or persons constituting recognized public purveyors, including public agencies, public utilities under the jurisdiction of the Public Utilities Commission, and mutual water companies; ~~(b) entities or persons and improvement districts, whether of this District or other public entities, established to furnish water service to the public; (b) existing M&I customer connections~~ for industrial and other non-domestic uses; and (c) for agricultural direct use but for ultimate M&I use under an approved exchange agreement. ~~Included in(a) above shall be improvement districts, whether~~ Except for existing M&I customers of this District ~~or other public entities, established to furnish, the District will not provide M&I water service to the any non-public entity or person for use within the service area of any public purveyor.~~ Transmission facilities additional to those now provided for may be provided by the District from time to time in the discretion of the Board, and it shall be in the discretion of the Board to determine whether and to what extent any particular proposed facility is a transmission facility.

Section 2. Point of Service. Except as additional ~~turnouts~~ turnouts are authorized by the Board, all services shall be from existing turnouts, and from the turnout as determined by the General Manager after consultation with the prospective water user.

Section 3. Preliminary Information; Past Due Amounts. Prior to filing with the District an application for service, the prospective water user shall furnish in writing to the District, on a form which the General Manager shall prepare, information from which the General Manager may determine the size of service required and the turnout at which service would be provided, any special facilities required to provide service, and whether the prospective water user or owner of the property on which the water will be used owes any past due charges of any kind to the District, or whether there is a lien on said property for any such charges. If there exists any such past due charges or lien, no application for service shall be accepted for filing unless such amounts, together with all interest, are first paid.

Section 4. Application. Each prospective water user ("applicant") must make an application for the service desired: substantially in the form attached as Appendix 2. Except where a water purveyor is the applicant, each application for service shall be jointly signed by all the persons constituting the owner of the property on which the water is to be used ("owner" collectively hereafter in these Rules and Regulations) and in the event the prospective water user is not the owner, by such owner and ~~prospective~~ prospective water user, and they shall all be jointly and severally liable for all water charges and other charges. Application shall be made at the District's office (presently located at 22901 Banducci Road, Tehachapi, California, 93561). Where the prospective water user is not the owner, the District's General Manager is given ~~discretion~~ discretion to waive such requirement that the owner sign, provided that the prospective water user shall provide a deposit equivalent to two (2) months' charges as estimated by the District's General Manager (which required deposit may be revised from time to time based on experience). If the prospective water user desires to have a refund of the deposit, he may do so by having a duplicate original of the application executed by the owner and by himself, and filing the same with the District. Each such application shall contain the following ~~information~~ information, in addition to such other information as may be provided for on said form by the General Manager: (1) Name and address of applicant; (2) Date of application; (3) Location of the premises upon which the water will be used; (4) Date service is requested to be commenced; (5) The purpose for which the water is to be used; (6) Prospective water user's mailing address, if different from the first address listed; (7) a copy of the vesting deed shall be

¹ Tehachapi-Cummings County Water District v. City of Tehachapi, etc, et al., Kern County Superior Court Case No. 97210.

- attached; (8) The turnout from which service is requested, which shall be as determined by the General Manager;
(9) The size service requested, which shall be as determined by the General Manager;

~~*Tehachapi-Cummings County Water District v. City of Tehachapi, etc, gJ al., Kern County Superior Court*~~
Case No. 92710.

and (10) as to M&I service, whether a Term M&I Agreement is desired. The ~~application~~ application shall be accompanied by all required charges required prior to the furnishing of service. Above the applicant's signature shall be contained the following in type or print of a size or style to fairly distinguish it from the remainder of the application:

"The undersigned applicant understands that upon approval of this application, ~~the~~ District will take steps toward installation of the necessary facilities for service. However, applicant understands that ~~the~~ District is not liable for any direct or consequential damages of any kind to applicant by reason of delay in the commencement of service. Applicant also understands that as a part of this service contract, it is subject to the Rules and Regulations for the Sale, Use and Distribution of Water as adopted by Resolution No. 13-09 of the Tehachapi-Cummings County Water District (the ~~"Rules and Regulations"~~), as the same may have been heretofore amended, or as the same may be hereafter amended, and to any successor Rules and Regulations as may be thereafter adopted, and that all rates, charges and other rules and regulations are subject to amendment at any time without prior notice to applicant. Applicant acknowledges receipt of a copy of the Rules and Regulations. If this application results in a Term M&I Agreement, the provisions of said Term M&I Agreement will modify the provisions of this paragraph."

Section 5. Where New Turnout Required. If the applicant desires service from a point requiring construction of a new turnout, an application for service shall state the location ~~thereof~~ thereof. The application shall not be approved until the ~~Board has application is~~ approved by the ~~location of the new turnout~~ General Manager, and the estimated cost thereof, which amount shall be an additional ~~connection~~ connection charge which must be deposited prior to approval of the ~~application~~ application.

Section 6. Approval of Application. When all conditions precedent to entitlement to service have been met, the General Manager shall endorse approval on the application form and return one executed counterpart to the prospective water user. Where a Term M&I Agreement is to be executed, service shall not commence until such agreement is executed in two (2) counterparts by ~~the~~ District and the prospective water user.

Section 7. Separate Applications for Each Connection. A separate application shall be required for each separate service connection, but a delinquency by a water user as to any service connection shall constitute a delinquency as to all of the water user's connections. A reconnection for the same water user where service has been discontinued under Sections 2 through 4 of Part E shall not require a new application if reconnection is made within three (3) months of disconnection, and any owner who has signed the initial application shall remain responsible for charges.

Section 8. Connection and Reconnection Charges. The Board, by resolution, shall set connection and reconnection charges to recoup the full cost of each initiation of water service or ~~reestablishment~~ the re-establishment thereof.

Section 9. Connection or Reconnection, Pursuant to Exchange Pool Requirements Under Adjudications. To the extent that any water user is required by the Court in any of the ground water adjudications (Kern County Superior Court Case Nos. 92709, 92710 and 92711) to purchase water from ~~the~~ District in connection with the physical solution imposed by the Court under any exchange pool or similar arrangement, connection charges otherwise payable prior to connection or reconnection shall be paid by ~~the~~ District, except such reconnection charges as arise by reason of disconnection under Sections 2 through 4 of Part E.

Section 10. Lateral Distribution Lines Privately Financed. Lateral distribution lines, the cost of construction of which is paid for or substantially ~~at~~ paid for by a person or persons for service to specific property or

properties, when and as dedication thereof is accepted by this District, shall be accepted on the following condition:

"Water deliveries from said lateral distribution line for the benefit of properties other than the described property (the "described property" hereafter) shall not be permitted to the extent that use of the said line's capacity therefore would prevent the District from meeting reasonable beneficial demands for the described property. Nothing herein contained shall relieve grantors or their successors or the described property from the effect of any ordinance, rule or regulation of ~~District~~the District, now or hereafter established, relating to scheduling of deliveries, interpretability of service for one or more types of use or sub-categories of a use or uses, handling of shortages of water or shortages of water available for certain types of uses or sub-categories of uses, priority of one or more uses or sub-categories of uses or purposes, or any other ordinance, rule or regulation, whether or not of the same or a different type than any of the foregoing, provided the ordinance, rule or regulation is not solely occasioned by or applicable only to said lateral distribution line solely by reason of shortage of capacity occasioned by deliveries or desired deliveries of water there from to properties other than the described properties".

 The foregoing provisions shall not apply to lateral distribution lines financed through assessment districts or ~~improvement~~improvement districts, or if the offered dedication expressly provides that it is not subject to the foregoing and is accepted on that basis by the District. Nothing herein affects or purports to affect the powers of the District as Tehachapi Basin Watermaster under the judgment as amended from time to time in "~~Tehachapi~~"Tehachapi-Cummings County Water District~~District~~, a body corporate and politic, vs. *City of Tehachapi*, a municipal corporation, et al.", Kern County Superior Court No. 97210.

PART E. DISCONNECTION OF SERVICE. Disconnection of service may be made in the following instances, but shall not excuse the water user or owner from payment of all charges ~~otherwise~~otherwise payable.

Section 1. Disconnection at User's Request. Any

water user who desires service disconnected shall give at least one full business day advance written notice to the District (a business day being other than a District holiday or any Saturday or Sunday). A water user in addition to being responsible for water delivered to ~~him~~the water user shall be responsible for charges for any use of water from ~~his~~the water user's connection by any unauthorized person until the end of such one full business day following said written notice. Notwithstanding, when the District has knowledge that the water user has vacated the premises in question or has- otherwise permanently discontinued use of water, the District may make a disconnection.

Section 2. Disconnection for Non-Payment. The District may disconnect any water user's connection when any bill for water service rendered or other charge has become delinquent. The District shall not be required to apply any deposits on hand to avoid such disconnection. A delinquency as to any service connection shall be a delinquency as to all service connections of that water user under this section.

Section 3. Emergency Disconnection for Detrimental or Damaging Conditions. If a condition unsafe or hazardous to District facilities or water supplies is found to exist on the water user's premises, or if the use of water thereon is found to be detrimental or damaging to District facilities or water supply for any reason, including but not limited to, chemicals, fertilizers or other substances applied with or added to such water, or water ~~user's~~user's equipment, application, consumption, use and disposition of such water, the service may be disconnected without prior notice. ~~District~~The District will notify the water user of the reasons for the ~~disconnection~~disconnection and the corrective action to be taken by the water user before service may be restored.

Section 4. Disconnection for Failure to Comply with Rules and Regulations. The District may disconnect any water user's connection for any other failure to comply with these Rules and Regulations.

Section 5. Notice and Hearing. Prior to any disconnection of any water ~~user's~~user's connection, except an emergency disconnection under Section 3 of this part, the General Manager shall notify the water user in writing of the basis for the ~~Distriet's~~District's proposed action; the date the District proposes to disconnect the connection; that the water user, upon timely

request, may have a hearing before the Board to present any objections to the proposed District action; and the last date upon which the request must be received by the District. If the water user does not timely request a hearing before the Board, the District shall proceed to disconnect the connection. If the water user timely requests a hearing before the Board, the Board shall schedule the hearing at the next regular Board meeting, consider the objections of the water user, and make such decision as appears proper under all of the circumstances.

PART F. STATEMENTS. Statements for water charges shall be rendered as follows:

Section 1. Regular Statements. Statements for water delivered shall be mailed monthly on or before the tenth (~~0th~~^{10th}) day of the month with respect to water delivered the preceding month. However, late mailing shall not extend the dates hereafter set forth. All such statements are due and payable immediately, and become delinquent if not paid by the twenty-eighth (28th) day of the month, or if the same not be a District business day, by the next succeeding business day; provided, that as to a public entity water user, a statement shall not become delinquent if paid within twenty-one (21) days after the first regular or adjourned regular meeting of its governing body held after receipt of the billing. If service is discontinued prior ~~to~~^{to a} statement being mailed, it may likewise include charges for water furnished through date of discontinuance.

Section 2. Closing Statements. Closing statements, other than as provided above, shall be mailed promptly upon ~~discontinuance~~^{discontinuance} of service and shall be due and payable within fifteen (15) days after the date on which mailed, or the next succeeding District business day if such fifteenth (15th) day be not a ~~business~~^{business} day. If not paid within that time, they are delinquent.

Section 3. Water User's Obligation to Request Statement. If any water user has not received a statement or bill which should have been received by him under the foregoing rules, it shall be ~~his~~^{the water user's} obligation to timely obtain a duplicate statement from ~~the~~ District, and risk of loss in the mails shall not be the responsibility of ~~the~~ District.

Section 4. Meter Readings. Bills for water service will state the date on which read, the date of the last prior reading, the respective meter readings on those two (2) dates, the amount of the bill and the last day for payment before the same becomes delinquent, in addition to any other matters determined by the General Manager. Billings ~~will~~^{will} be based on meter readings. However, if there has been a substantial malfunction or failure of a meter, it shall be the responsibility of the General Manager to cause an investigation and to determine the estimated actual quantity used. Any supplementary statements rendered on account thereof shall be payable within a like period and with like consequences, as a closing bill, as provided in Section 2 of this part. If a previously over-billing has been involved, such amounts shall be credited or refunded, if ~~a~~ request for refund is made.

Part

PART G. Delinquent Charges: Deposits: Liens: Actions to Collect. **DELINQUENT CHARGES; DEPOSITS; LIENS; ACTIONS TO COLLECT.** In addition to and not in substitution of ~~the~~ District's other rights and remedies, the following provisions shall apply.

Section 1. Late Payment Charges. If any statement for water delivered shall become delinquent (~~See~~^{see} Part F) there shall be added to the other applicable charges interest at the ~~maximum~~^{maximum} rate ~~authorized by law~~^{authorized by law} of one percent (1%) ~~per month~~, commencing with the date on which the same became delinquent, and an administration charge, which the Board hereby determines to be ~~reasonable~~^{reasonable} in relation to ~~the~~ District's anticipated costs, of Two Hundred Fifty Dollars (\$250.00) or ten percent (~~10~~¹⁰) of the billed ~~amount~~^{amount} involved, whichever is ~~the lesser~~^{less}, ~~subject to the General Manager's discretion~~; in addition to any reconnection charges under Section 8, Part D.

Section 2. Deposits for Service. Any water user against whom late payment charges have accrued shall be required to make a deposit with ~~the~~ District in an amount equal to estimated charges for water for the highest two

(2) months of anticipated use in any calendar year, such amount to be determined in the discretion of ~~the~~ District's General Manager. Such deposit shall be maintained until the water user has timely paid all bills without delinquency, for a period of twelve (12) consecutive calendar months. Failure to pay any required deposit within ten (10) days of written notice thereof, where service has not theretofore been discontinued, shall be further ground for discontinuance of service by ~~the~~ District with reconnection charges as provided in Section 8, Part D. ~~The~~ District may, but is not required to, apply any deposit to outstanding amounts due and owing. When a deposit has been made, but is no longer required, the same will be refunded to the water user after

deduction of any charges or indebtedness to ~~the District which are due and owing, or applied against succeeding water bills.~~
~~Absent written direction as to the first alternative, District may apply the same to succeeding water bills.~~

~~District which are due and owing, or applied against succeeding water bills. Absent written direction as to the first alternative,~~
~~the District may apply the same to succeeding water bills.~~

Section 3. Unpaid Charges a Lien on Property. To the extent permitted by law, any unpaid charges, including connection charges and other charges, shall constitute a lien on the property of the water user as specifically provided by the County Water District Act (Water Code Section 31701.7). The District may record with the County Recorder a notice or "certificate" of any such lien and thereafter file suit to foreclose such lien in the manner provided by law.

Section 4. Actions to Collect. In the event any action is brought to collect any ~~of~~ unpaid charges, including connection and other charges, whether separately or apart from any foreclosure of lien, the District shall be entitled to recover, in addition to any such charges, its reasonable ~~attorneys~~attorney fees and court costs.

PART H. NON-LIABILITY OF DISTRICT; INDEMNIFICATION AND HOLD HARMLESS OF DISTRICT BY WATER USERS.

Section 1. Untreated Water - No Warranty. All water sold by the District will be untreated water. It shall be the ~~responsibility~~responsibility of the water user utilizing, serving or otherwise disposing of the same for human or animal consumption to cause such treatment thereof as may be required by any applicable law, rule or regulation for any such use and as may in addition thereto be necessary or desirable for any such use. The District expressly disclaims any warranty or representation of suitability for any of the above uses, and the water user shall assume full responsibility therefore. The water user shall provide any person to whom the water is otherwise sold or disposed of a copy of this section, unless such user shall have treated said water in accordance with all applicable laws, rules and regulations. No water user or other person shall serve water obtained directly or indirectly from the District in a domestic water system without first complying with all applicable laws, rules and regulations. There is further no warranty or representation ~~concerning~~concerning any use of delivered water as to content of dissolved or undissolved solids in the water, salts, or absence of impurities or foreign objects in any water delivered, nor as to the long or short-term effect on soils, pipes or fittings of utilization of water delivered.

Section 2. District Not Liable; Indemnifications. Notwithstanding the term "sale" or like terms in these Rules and Regulations, which may be used for convenience, any service of water to any water user is a water service agreement. Any such water user shall be required to and shall be deemed to have consented to accept water service at the location served subject to such conditions of pressure and service as may be provided from time to time, and such condition may be changed by the District's General Manager, consistent with these Rules and Regulations. The District, its Directors, agents, employees and independent ~~contractors~~contractors shall not be liable to any water user or any person to whom a water user provides water, directly or indirectly, for any claimed damage or expense occasioned from any of the following, whether or not occasioned by the concurrent or contributory negligence, actual or alleged, of the District or its Directors, agents, employees or independent contractors: quality or content of water, whether ~~relating~~relating to a matter specified in the preceding section or otherwise; delayed commencement or recommencement of service; interruptions of service; low pressure; high pressure fluctuations of pressure; shortage or insufficiency of supply; the control, carriage, handling, use, disposal or distribution of water delivered to a water user once it reaches a point beyond the facilities owned and operated by the District. Notwithstanding any provisions in these Rules and Regulations, any water service agreement is solely between the District and the applying water user (subject to liability of any co-signing owner), ~~notwithstanding~~notwithstanding that that water user may in ~~turn~~turn supply such water to others, and no provision in this agreement shall be deemed to make any other person a beneficiary, third party or otherwise, of any provision of said water service agreement, or to establish any contractual relationship between such other party and the District. It is the responsibility of the water user to provide terms and conditions as a part of any furnishing of water to others. Each water user shall indemnify and hold the District, its Directors, agents, employees and independent contractors harmless from any claims by any such other persons, whether from matters set forth in this section, or based on any other ground, and whether or not occasioned by the concurrent or contributory negligence, actual or alleged, of the District or its Directors, agents, employees or independent contractors.

~~contractors.~~

PART I. SERVICE CONNECTION FACILITIES INSTALLED BY DISTRICT;~~FACILITIES TO~~

FACILITIES TO BE INSTALLED BY WATER USER; PROTECTION OF DISTRICT FACILITIES. ~~The~~The following facilities will be installed and maintained by the District and water user respectively, subject to all other provisions of these Rules and Regulations.

Section 1. Installation by District. Upon approval of an application for service, payment of all required connection charges and execution by the District and water user of any other required agreement, the facilities to be installed by the District will ~~consist of any new turnout approved under Part D, Section 5 hereof, a mainline valve, propeller meter, manhole, all required pipe, fittings and couplings, and any and all~~ include such pipeline and appurtenances as determined by the General Manager. All such facilities to the boundary of District's permanent ~~said easement shall be the property of and be maintained by the District.~~

~~easement. The facilities may include, as determined by the General Manager, a manifold, secondary valve and a check valve. All such facilities to the boundary of said easement shall be the property of and be maintained by District.~~

Section 2. District's Assistance in Necessary Rights-of-Way and Easements. Notwithstanding any other provision of these Rules and Regulations, the District, under appropriate agreement approved by its Board, may acquire, either consensually or through condemnation proceedings, easements and rights-of-way for lateral or other lines to prospective water users who cannot otherwise obtain such easements and rights-of-way. Such water users will be required to bear all costs and expenses of easement acquisition and installation of facilities therein, which the District will own.

Section 3. Water User's Responsibility for Distribution System. The water user shall ~~provide his own~~ be responsible for the installation and maintenance of all facilities from the terminus of ~~District~~the District's facilities.

**PART J. CERTAIN USES OF WATER AND OTHER ACTS PROHIBITED;
RATES FOR**

PROHIBITED WATER USES. The following uses and acts are prohibited, and, for prohibited uses and acts, water rates shall be payable in accordance with the following.

Section 1. No Water to be Conveyed to Third Person Except by a Water Purveyor. No water user, except a water purveyor (being one regularly engaged in the business of distributing M&I water) shall, without the prior written consent of ~~District~~, sell or convey any water obtained from the District to any other person or permit any other person to obtain the same from water user's distribution facilities.

Section 2. Uses for Which Rates Have Not Been Established. No water user shall use or permit to be used any water obtained from the District for any use or category for which rates have not been established, or which requires the consent of the District where that consent has not been first obtained in writing. Each water user shall be absolutely responsible for the acts of its distributees in this regard.

Section 3. Unauthorized Connection or Reconnection. Only District personnel are authorized to connect or reconnect service. No other person shall do so.

Section 4. Charges and Rates for Violation. Any water user who violates any of the foregoing sections of this part, and any other person who violates Section 3 of this Part, or who bypasses a District meter, shall be deemed to have agreed to pay double the normal M&I rate, and in the case of a Section 3 violation, all charges which would otherwise be imposed for an authorized connection or reconnection. Nothing herein shall ~~preclude~~preclude the District from disconnecting. In the event of a by-pass of a District meter, it shall be presumed that such by-pass occurred immediately after the last meter reading, and that water has been taken twenty-four (24) hours a day each day thereafter at the

full rate of flow which the connection is capable of transmitting, and it shall be the burden of that person to demonstrate to the contrary. The General Manager in such event shall determine the amounts due and, payable from time to time and render a billing which is immediately due and payable.

Section 5. Only District Personnel to Operate or Control District Facilities. No person other than authorized District personnel shall operate, control or otherwise disturb any District water system equipment or facilities.

PART K. DISTRICT'S RIGHT IN WASTE, SEEPAGE AND RETURN FLOW. The District has and claims all right, title and interest in and to all return flow into any ground water basin within the District's boundaries resulting from water imported by the District, along with the right to later recapture or otherwise utilize the same, provided, however, the District does not claim title to return flow from imported water purchased by a public entity from the District which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated therefore by the District acting as Watermaster of any such basin. The District's claim extends to all return flow from water imported by the District, whether from spreading operations by the District, from waste or seepage before any delivery of water by the District, from waste or seepage thereafter, and from percolation after or as a result of use or reuse of imported waters by any water user or other person, except imported water purchased from the District by a public entity which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated by the District acting as Watermaster of any such basin. The District hereby expresses its intention to later recapture or otherwise utilize such return flow. Nothing herein shall prevent any person from engaging in drainage or other activities to protect his land or the use thereof from return flow which otherwise would injure or would threaten injury to the enjoyment or utilization of such land.

PART L. SHORTAGES. The District retains the right and power to later provide, consistent with any then applicable provisions of law, for priorities, restrictions, prohibitions and exclusions in the event of shortage or other emergency, including cessation or interruption of sale of water to particular users.

PART M. MANAGEMENT OF DISTRICT WATER SYSTEM; ACCESS. The following provisions apply to management of the District's system and access to lands of water users.

Section 1. Management - General Manager and Employees. Subject to the Board's overall control, the District's water system is under the exclusive management and control of the General Manager who is a person appointed by the District's Board to manage the affairs of the District pursuant to its direction. No other person except said General Manager or a person operating under his authority shall operate any of the facilities of the District's system. The General Manager shall supervise the activities of all District employees in connection with operation and maintenance of District's water system and all other activities of District. Any controversy between a water user and District shall be handled by the General Manager, or in his absence the employee designated by the Board to act for the District.

Any controversy between a water user and the District shall be handled by the General Manager, or in the General Manager's absence, the employee designated by the Board to act.

Section 2. Right of Access. The District employees authorized by the General Manager shall have reasonable access to lands and irrigation facilities within the District for the purpose of conducting District business which

may include the following: (a) Inspection of the lands upon which water delivered by the District is being applied for the purpose of determining water users' compliance with these Rules and Regulations or performing any function under these Rules and Regulations, including inspection and testing of any water meter; (b) Inspection, maintenance, repair or modification of facilities of the District's water system.

Section 3. Scheduling of Agricultural Water. When deemed necessary or desirable ~~by~~, the General Manager, ~~he~~ may schedule the delivery of agricultural water in such manner as ~~he~~ the General Manager deems ~~advisable~~ advisable.

PART N. DECISIONS OF GENERAL ~~MANAGER~~ MANAGER; APPEAL TO BOARD. In order to assure

fairness to water users, the following provisions are established relative to decisions of the General Manager and appeals there from.

Section 1. General Manager Decisions. Any person desiring to appeal a decision of the General Manager affecting that person as a water user or prospective water user shall first request that the decision be placed in writing and provided that person. It shall be the duty of the General Manager to promptly do so, who may also reduce any decision to writing without such a request.

Section 2. Appeals. If any such written decision ~~involves~~ involves the payment of any charge or amount of money, any appeal there from as hereinafter provided for shall not excuse the payment ~~when~~ when otherwise due and payable had there been no appeal. Provided that all such payments have been made to the District, the water user or prospective water user may file an appeal in writing to the Board within twenty (20) days after the written decision is deposited in the mails or personally delivered to the person affected, specifying the decision appealed from and the grounds of the appeal. The Board shall thereafter hear the evidence on the matter and make its determination in writing. Failure to timely pay any amount involved which becomes due and payable after the filing of the appeal but before hearing shall be deemed an abandonment of the appeal unless the Board should otherwise rule. Any such hearing shall be conducted as close as possible in accordance with normal rules of evidence, but the acceptance of inadmissible evidence shall not be grounds for voiding the decision of the Board. If any refund is then indicated it shall be promptly made, or if the water user or prospective water user so consents shall be credited against subsequent charges. If no appeal is filed within twenty (20) days after the written decision is mailed to the person or personally delivered to him, or any payment called for by said decision is not made concurrently with or before the filing of any such appeal, the decision of the General Manager becomes final and conclusive, unless for good cause shown the Board grants relief from any default in timely filing an appeal or making any payment otherwise due and payable under said decision.

PART ~~Q~~ O. SEVERABILITY; INTERPRETATION.

Section ~~1.1~~ 1.1. Severability. If any provision of these Rules and Regulations is determined to be invalid, it is the intention that the remainder of these Rules and Regulations shall not be affected thereby.

Section 2. Interpretation. In the event of any ambiguity in these Rules and Regulations or its application, the ~~Board's~~ Board's interpretation shall be final and conclusive.

PART P. SPECIAL RULES AND REGULATIONS GOVERNING ~~THE~~ THE USE OF RECYCLED WATER.

Section 1.1. Introduction. The District by contract with the California Department of Corrections & Rehabilitation (CDCR) will receive disinfected tertiary recycled water ~~("recycled water")~~ from

~~CDCR's~~CDCR's California Correctional Institution in Cummings Valley ~~("CCI")~~. The District intends to sell water for irrigation uses enumerated in and in accordance with subpart (a) of section 60304 of Title 14 of the California Code of Regulations. For any other recycled water uses in the future including, but not limited to, industrial processes and commercial, landscape or recreational impoundments, wildlife habitat, and groundwater recharge, the District shall submit additional plans and documents to the State of California, Department of Health Services and the Central Valley Regional Water Quality Control Board for review

and approval. These future recycled water applications will be evaluated on a case-by-case basis and shall be evaluated in accordance with the California Environmental Quality Act.

Section 1.2. Purpose. The purpose of these special recycled water rules and regulations is to promote the conservation and reuse of water resources and to ensure maximum public benefit from the use of ~~District's~~the District's recycled water supply by regulating its use in accordance with applicable federal, state and local regulations. These rules and regulations are also intended to be those required as a condition of issuing a master recycled water project permit pursuant to Water Code section 13523.11(b)(3) ~~of the Water Code.~~

Section 1.3. Policy. Recycled water supplies shall be used to the maximum extent possible for any approved beneficial use. This shall be accomplished through the beneficial use of recycled water in compliance with applicable federal, state and local regulations.

Section 1.4. Intent. The District shall provide recycled water wherever the District determines its use is economically and technically feasible and consistent with these rules and regulations and its contractual obligations to CDCR.

Pursuant to Water Code section 13523.11(b)(3), the establishment and enforcement of these rules and regulations shall govern the design, construction and use of recycled water distribution and disposal systems within the District.

It is further, the intent of these rules and regulations to be consistent with the following criteria:

- California Code of Regulations, Title 22, Division 4, Chapter 3, *Wastewater Reclamation Criteria*;
- California Code of Regulations, Title 17, Division 1, Chapter 5, Group 4, Articles 1 & 2;
- The State Department of Health Services (State DHS), *Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water*;
- Any measures that are deemed necessary for protection of public health, such as the American Water Works Association (AWWA) California/Nevada Section, *Guidelines for the Distribution of Non-Potable Water and Guidelines for Retrofitting to Recycled Water* or alternate measures that are acceptable to the State DHS.
- The General Waste Discharge Requirements for Landscape Irrigation Uses of

Municipal Recycled Water as Adopted by the State Water Resources Control Board.

Section 1.5. Scope. These special rules and regulations establish the requirements for recycled water use and the provision of recycled water service by the District to its customers. If there is any conflict between the provisions of these rules and regulations and the provisions of any of the documents incorporated by reference, the most stringent requirement will govern.

Section 1.6. Incorporation of Supporting Documentation. The following documents and programs, as may be amended hereafter, are incorporated herein and by this reference made a part hereof as though fully set forth:

- ~~A.~~ A. California Code of Regulations, Department of Health Services, Title 22, Division 4;
- ~~B.~~ B. Department of Health Services, “Manual of Cross-Connection Control/Procedures and Practices”
- ~~C.~~ C. California Code of Regulations, “Regulations Relating to Cross-Connections” (Title 17, Chapter 5, Subchapter 1);
- ~~D.~~ D. California State Water Resources Control Board, “General Waste Discharge Requirements for Landscape Irrigation Uses of Municipal Recycled Water”
- ~~E.~~ E. California-Nevada Section American Water Works Association “Guidelines for Distribution of Non-potable Water”

- F. F. California-Nevada Section American Water Works Association "Guidelines for the On-Site Retrofit of Facilities Using Disinfected Tertiary Recycled Water,"
- G. G. T-CCWD "Recycled Water Use Guidelines And Best Management Practices" (Sections 7.1-7.7).
- H. H. T-CCWD "Recycled Water Inspection And Monitoring Program" (Sections 8.1-8.6).
- I. I. All other Federal, State or local statutes, regulations, ordinances governing the distribution and use of recycled water.

Section 2.1. Definitions.

- A. "A. "Applicant". Party requesting a Recycled Water Service Connection and/or recycled water service from the District.
- B. B. "As-Built Drawings". Engineered drawings that depict the completed facilities as constructed or modified.
- C. C. "Backflow". A condition that results in the flow of water into District pipelines from a source other than an approved water supply.
- D. "D. "Board". The Board of Directors of Tehachapi-Cummings County Water District.
- E. E. "Cross Connection". Any unapproved and/or unprotected connection between a standard District water system and a non-potable system.
- F. F. "Customer/User". Recipient of recycled water service from the District.
- G. G. "District". Tehachapi-Cummings County Water District and/or the Staff thereof.
- H. "H. "Service Connection". The ~~District's~~District's valve and meter through which a customer takes delivery from the District of recycled water.
- I. "I. "Recycled Water". Disinfected tertiary treated recycled water as defined in section 60301.230 of Title 14 of the California Code of Regulations.
- J. "District's Standard Rules and Regulations." The Rules and Regulations for the sale, use and distribution of water, of which theses special regulations for recycled water are a part (Part P), as adopted by Resolution No. 13-09, and as may be amended in the future.

- K. “Non-Potable Water”.** Water that is not acceptable for human consumption in conformance with federal, state and local drinking water standards.
- L. “Off-Site Recycled Water Facilities”.** Facilities under the control of the District from the source of supply (CDCR) to the point of connection to the ~~customer's~~customer's on-site facilities normally up to and including the Service Connection.
- M. “On-Site Recycled Water System”.** The customer operated portion of the recycled water system facilities, extending from the Service Connection to the ~~customer's~~customer's parcel to be provided with recycled water service and including recycled water system facilities on the parcel to be irrigated with recycled water.

- ~~recycled water system facilities on the parcel to be irrigated with recycled water.~~
- ~~N.~~ N. **"Potable Water".** Water which conforms to the latest federal, state and local drinking water standards.
- ~~Q.~~ O. **"Recreational Impoundment".** A body of water used for recreational activities including, but not limited to, fishing, boating, and/or swimming.
- ~~P.~~ P. **"Recycled Water Agreement".** An executed contract between the District and the customer, as a condition for obtaining recycled water service.
- ~~Q.~~ Q. **"Regulatory Agency".** Individually, or in concert, the U.S. Environmental Protection Agency, U.S. Army Corps of Engineers, the Central Valley Regional Water Quality Control Board, State Water Resources Control Board, State Department of Health, California Department of Fish and ~~Game~~, the Kern County Department of Environmental Health Services, and the District.
- ~~R.~~ R. **"Standard District Water".** Water, other than recycled water, supplied by the District.
- ~~S.~~ S. **"Unauthorized Discharge".** Any release of recycled water that violates the provisions of these rules and regulations or any applicable federal, state, District, or local statutes, regulations, ordinances, contracts or other requirements.
- ~~T.~~ T. **"Use Area".** The specific area designated to be served recycled water through on-site recycled water facilities.

Section 3.1. Off-Site Recycled Water Facilities and Service Connections.

- ~~A.~~ A. Off-site recycled water facilities and Service Connections shall be planned, furnished and installed by ~~the~~ District at ~~customers'~~ customers' expense in accordance with applicable federal, state and local statutes, ordinances and regulations.
- ~~B.~~ B. The District reserves the right to determine the location, size, capacity, manufacturer and model(s) of off-site recycled water facilities and Service Connections.
- ~~C.~~ C. Requests for modification or relocation of an existing Service Connection shall be made to the District in writing and paid for in advance before the District will begin the involved work.
- ~~D.~~ D. The District reserves the right to limit the use area to be supplied by one Service Connection to one customer. A Service Connection shall not be used to supply adjoining property of a different customer unless approved by the District, in writing in advance of any new use.
- ~~E.~~ E. Every Service Connection shall be equipped with a valve on the inlet side of the meter to control the water supply through the meter assembly.

~~F.~~ F. District ownership and maintenance responsibilities terminate at the valve on the ~~user's~~user's side of the meter assembly.

~~G.~~ G. The standard District water supply system or any public water supply shall not be used as a backup or supplemental source of water for a recycled water system unless the connection between the two systems is protected by an air gap separation which complies with the requirements of sections 7602(a) and 7603(a) of Title 17 and the approval of the District or the operator of the public water system has been obtained. If a ~~"Swivel-ell"~~ type connection is used it must be used in accordance with the provisions of the Department of Health Services Policy Memo 2003-003. Approved backflow prevention devices shall be provided, installed, tested, and maintained by the recycled water user in accordance with the applicable provisions of Title 17, Division 1, Chapter 5, Group 4, Article 2.

Section 3.2. On-Site Recycled Water Facilities.

- ~~A.~~ A. Each customer shall be responsible for furnishing, installing, operating and maintaining all facilities necessary to convey water from the meter assembly at the Service Connection to the use area in a manner that does not harm or damage any person or property, including any employees or property of the District.
- ~~B.~~ B. On-site recycled water facilities shall be constructed in accordance with applicable federal, state and local statutes, ordinances and regulations.
- ~~C.~~ C. The District shall inspect the construction of all recycled water facilities to ensure compliance with applicable regulations.
- ~~D.~~ D. The District shall approve irrigation system schedules of its customers who shall be obligated to coordinate the scheduling of their irrigation demand among themselves so that all of the ~~District's~~District's customers receive their share of recycled water supplied by CDCR to the District in an efficient manner. The District shall have the right to impose schedules upon its recycled water customers if the customers fail to agree.
- ~~E.~~ E. On-site recycled water facilities shall be tested under active conditions in the presence of the District inspector and most likely a representative from the State DOHS, ~~Kern~~Kern County Department of Environmental Health Services, Central Valley Regional Water Quality Control Board or other regulatory agency to ensure compliance with local, state and federal conditions.

Section 3.3. Conversion of Existing Facilities.

- ~~A.~~ A. Conversion of Existing Facilities to Recycled Water Use. Prior to the conversion of an existing irrigation system to recycled water use, the District at the ~~customer's~~customer's expense shall, at a minimum, review the record drawings, prepare required reports, and determine the measures necessary to bring the system into full compliance. No existing irrigation facilities shall be converted to, or incorporated into, a recycled water system without proper testing and approval by District and/or other regulatory agencies.

Section 3.4. Marking Water Facilities.

- ~~A.~~ A. The exposed portions of the ~~customer's~~customer's recycled water piping and appurtenances shall be clearly identified in accordance with local and health department requirements. The method of identification shall be clearly detailed on all plans, specifications, and engineering reports.

- ~~B.~~ B. Water meters used for recycled water service shall not be used for any other water service.

Section 3.5. Cross-Connection Prevention.

- ~~A.~~ A. Backflow Assembly. Backflow assemblies are required at every recycled water service connection and at every back up connection between a customer recycled water system and the standard District water system or with any public system. The customer, at ~~his/her~~ the customer's sole expense, shall install, test, and maintain an approved backflow assembly in accordance with Title 17 of the California Code of Regulations as a prerequisite to receiving recycled water service.

Any backflow prevention device installed to protect the standard District water system or other public water system shall be tested, inspected, and maintained in accordance with section 7605 of Title 17, California Code of Regulations.

- ~~B.~~ B. System Testing. As required by the State Department of Health Services or the regulatory agency, the District will periodically conduct a cross-connection control test of the integrity of the on-site recycled water system at those facilities having both standard District water service or other public water service and recycled water service. Methods of system testing include, but may not be limited to: 1) isolating each system in ~~turn~~ turn and recording the internal pressure of the isolated system; or 2) introducing tracer dyes into the system to determine existence of backflow into the standard District or other public water system. The recycled water system shall be tested as described above for possible cross connections at least once every four (4) years.

- ~~C.~~ C. The District shall provide adequate notice prior to conducting a cross-connection control test to the State Department of Health Services and any other regulatory agency requesting notice.

- ~~D.~~ D. The cost of testing and any repairs or corrections identified during the testing shall be paid for solely by the customer.

Section 4.1. General Statement. The District shall provide recycled water where the District determines recycled water is technically and economically feasible. However, each use must be approved on a case-by-case basis. Determination of the specific uses shall be in accordance with the treatment standards and water quality requirements set forth in Title 22, Division 4, Chapter 3 of the California Code of Regulations and to preserve the public health. Each use shall, in addition, be subject to the availability of distribution facilities or the technical and economic feasibility of making such facilities available, as determined by the District. ~~—~~

Section 4.2. ~~District's~~ District's Liability. The District is not responsible for any condition of the recycled water itself, or any substance that may be mixed with or be in recycled water as delivered to any customer,

except as required by Title 22 and applicable regulations. The District shall not be liable for any damage from recycled water, including that resulting from inadequate capacity, interrupted service, defective plumbing, broken or faulty services, or recycled water mains; or any conditions beyond the control of the District. All users shall accept the pressure provided at the location of the Service Connection and hold the District harmless from any and all liability, damage, loss, costs, fees or expenses of whatever type or nature, arising from low pressure or high pressure conditions, or from interruptions of service.

Section 4.3. Conditions of Service. Recycled water service will be made available to the customer in accordance with the following terms and conditions:

- ~~A.~~ A. Compliance with Regulations. The ~~District's~~District's recycled water shall be used in a manner that complies with all applicable federal, state, and local statutes, ordinances, regulations and other applicable requirements for the treatment level supplied, as determined by the District.

The use of recycled water shall not, at any time, cause pollution, contamination, or a private or public nuisance, as defined by section 13050 of the California Water Code. Recycled water shall be used by customers at all times in a manner that does not cause illness or injury to any person and in a manner that does not harm or damage any real or personal property of any person or entity, including the District. Customers shall not discharge recycled water into any watercourse unless Waste Discharge Requirements for such discharge have been previously obtained by the customer from the Central Valley Regional Water Quality Control Board.

- ~~B.~~ B. Studies and Reports. The cost and preparation of any study or report necessary to comply with the California Environmental Quality Act (CEQA) or ~~obtaining~~obtain any permit or other approval required from a regulatory agency shall be the responsibility of the applicant.

- ~~C.~~ C. Service Constraints. All service is contingent on the quantity and quality of recycled water available to the District from CDCR at CCI and shall be provided in accordance with the terms of the Agreements between the District and CDCR and between the District and the customer.

- ~~D.~~ D. Distribution. The District reserves the right to control and schedule distribution as necessary to: 1) maintain an acceptable working pressure; 2) safeguard the public health; 3) manage the availability of recycled water supply to each of the ~~District's~~District's customers; and 4) construct, maintain, and operate the facilities.

- ~~E.~~ E. Deliveries. Deliveries (or runs) of recycled water shall, in no event, be less than 15% or more than 100% of the rated capacity (as determined by the District) of the involved meters.

- ~~F.~~ F. Metering. All recycled water use shall be metered, and all recycled water used on any premises where a meter is installed must pass through a meter. Customers shall be held responsible and charged for all recycled water passing through the meter(s), unless otherwise specified by the District.

- ~~G.~~ G. Best Management Practices. Each applicant must demonstrate its ability to comply with the Recycled Water Use Guidelines and Best Management Practices (Sections

~~7.1.1~~ ~~7.1.6~~ hereafter), including, but not limited to, an adequate reuse system, including adequate tailwater ponds and recycling pumps.

H. Scheduling.

1. On or before November 15 of each year, each customer shall advise the District in writing whether the customer intends to use recycled water during the following calendar year, and provide an estimate of the quantity of recycled water that the customer will need that year. Only customers that so advise the District prior to November 15 in any year will be entitled to receive recycled water during the following year.
2. On or before February 1 of each year, each customer shall provide the District in writing a firm order for recycled water and a monthly delivery schedule specifying the quantity of recycled water the customer requests to be delivered during each month of the year. This order and delivery schedule will obligate the customer to take the full ordered quantity of recycled water during the year if such quantity is available. If a customer fails to provide such a written order and delivery scheduled by February 1 in any year, the District may conclude that the customer does not have any demand for recycled water in that year and will not have any obligation to deliver any recycled water to the customer during the year.
3. Based on the terms of each Recycled Water Agreement and the annual orders and monthly delivery schedules provided to the District on or before February 1 of each year, the District will determine the quantity of recycled water that the District can make available to each customer for the year. On or before February 28th of each year, the District shall notify each of its recycled water customers of the estimated amount of recycled water that the District anticipates will be available for delivery to the customer in the year. Periodically thereafter, the District shall provide updated estimates as quantities of recycled water available from CDCR are revised.
4. If a customer fails to take delivery of the full quantity of recycled water that it orders in a given year, such failure will be grounds for suspension or termination of recycled water service if this failure results in the waste of recycled water. If a customer underestimates its recycled water demand in its order provided on or before February 1, the District will deliver recycled water to the customer in excess of the quantities ordered and scheduled to the extent the District can do so while meeting the demands of other customers.

Section 4.4. Request for Service.

~~A.~~ A. Application. All requests for recycled water service must be made by the applicant completing and signing the appropriate District application form. Upon receipt of an application, the District will review the application and may prescribe requirements and conditions in the ~~District's~~District's sole discretion, in writing to the applicant as to the off-site and on-site facilities necessary to be constructed, the manner of connection, the financial responsibility, and the use of the recycled water. Prior to receiving recycled water service, the proposed use shall be approved by the District and any other regulatory agency which asserts jurisdiction to approve the proposed use. The District will inspect on-site recycled water facilities to assure initial and future continued compliance with the ~~District's~~District's regulations and other applicable requirements.

~~B.~~ B. Recycled Water Use Agreement. Upon approval of the application by the District in

its sole discretion, and issuance of all required regulatory agency permits, a Recycled Water Agreement shall be executed between the District and customer authorizing the applicant to receive recycled water service subject to the terms and conditions of these rules and regulations and federal, state, and local regulatory agencies rules and regulations. Such agreement shall include, but not be limited to, the property location, quantity of recycled water to be used, permitted uses, and rate to be charged for the recycled water. Such agreement shall require any customer before applying recycled water to any land the customer does not own to supply to the District the ~~landowner's~~landowner's consent on a form be supplied by the District.

Section 4.5. Disputed Recycled Water Bills. The District will investigate any dispute over the correctness of a recycled water bill. Bills reflecting clerical or meter errors shall be adjusted, taking into consideration the volume of business, seasonable demand, and any other factors that may assist in determining an equitable charge.

Section 4.6. Non-Registering Recycled Water Meter. When a meter is found to be out of order, the charge for water will be based on, at the option of the District, either the average monthly consumption for the preceding months during which the meter is known to have registered correctly, or the consumption as registered by a ~~"substitute meter"~~["]. Consideration will also be given to volume of business, seasonal demand and any other factors that may assist in determining an equitable charge.

Section 4.7. Wholesale Recycled Water Service. Wholesale recycled water service to another water agency shall be specifically dealt with in a special agreement, by and between the involved water agency and the District covering the terms and conditions for service.

Section 4.8. Discontinuance of Service.

~~A.~~ A. Turn-off At ~~Customer's~~Customer's Request. A customer may request that service be discontinued, either temporarily or permanently, only if permitted and in the manner provided in the Recycled Water Agreement.

~~B.~~ B. Turn-off by the District. The District may discontinue a ~~customer's~~customer's service for

any of the reasons set forth in Part E of the ~~District's~~District's Standard Rules and Regulations and for the following additional reasons:

- ~~1.~~ 1. Water Quality. Service may be discontinued if CDCR discontinues recycled water deliveries to the District for any reason or, at any point in the ~~District's~~District's distribution system, the recycled water does not meet the requirements of the District or any regulatory agency. Service will, in the latter case, be restored at such time as recycled water again meets the requirements of regulatory agencies.
- ~~2.~~ 2. For Non-Compliance With Terms & Conditions Contained in ~~District's~~District's Recycled Water Agreement. The ~~customer's~~customer's failure to comply with any of the terms and conditions contained in the ~~District's~~District's standard recycled water agreement shall result in an enforcement action. The District shall have the right to enforce the agreement by any method provided in the agreement or by any applicable federal, state or local law, rule or regulation.
- ~~3.~~ 3. For Non-Compliance With Regulations. Service may be suspended or terminated in the manner provided herein at any time the ~~customer's~~customer's operations do not conform to these special rules and regulations as determined by the District in its sole discretion. Where safety of water supply or public health is endangered, or regulations have been violated, service may be suspended immediately without notice. Otherwise, all defects noted shall be corrected within the period of time specified by the District.
- ~~4.~~ 4. For Waste or Misuse of Water. In order to protect against ~~serious and negligent~~waste or misuse of recycled water, the District may suspend service if such wasteful practices ~~or misuses of recycled water~~ are not remedied after notice to such effect has been given to the customer. Because failure to take the full quantity of recycled water ordered for the year will likely result in the waste of recycled water, the District may suspend or terminate service if the customer does not take delivery of the full quantity of recycled water the customer ordered for that year.
- ~~5.~~ 5. For Unauthorized Use of Recycled Water. When the District has discovered an unauthorized use, the service may be suspended without notice. Any person obtaining recycled water without District approval will be liable for a penalty charge, as set forth in Part J of these Rules and Regulations. The District shall, as appropriate, notify the State Department of Health Services and the ~~Kern~~Kern County Department of Environmental Health Services of such unauthorized use. Repeated unauthorized usage shall be considered as tampering with District property and may result in the offender being charged and prosecuted.

Section 4.9. Re-Establishment of Service. The District shall have the right to refuse to re-establish service following termination of service for violation of these provisions or any Recycled Water Agreement. Any request to re-establish service subsequent to the termination of recycled water service shall be in the manner prescribed for initially obtaining recycled water service from the District, which may include the collection of a security deposit, as set forth in Part G of these Rules and Regulations.

Section 4.10.— Special Rules Pertaining to Use of Recycled Water in ~~the~~ Cummings Basin.

- ~~A.~~ A. No recycled water shall be used in the Cummings Basin north and west of the South Quarter ~~Corner~~Corner of Section 25, T.32S., R.~~3-E31E.~~3-E31E., M.D.B.&M., that is, west of Pellisier Road [County Road No. 241] and north of the westerly extension of Highline Road.
- ~~B.~~ B. Customers using recycled water to irrigate crops (including turf grass) in the Cummings Basin as a condition of receiving recycled water for irrigation shall elect to participate in the Southern San Joaquin Valley Water Quality Coalition, ~~Kern~~Kern River Sub-Basin. The District shall establish a surface water quality monitoring station in Chanac Creek at the eastern boundary of Parcel Map No. 4117 subject to approval of the Central Valley Regional Water Quality Control Board, and shall take and analyze samples collected therefrom when and as may be required by the Regional Board as part of any WDR Conditional Waiver Program.
- ~~C.~~ C. The District shall monitor Cummings Basin groundwater quality on a monthly basis by taking and analyzing samples from Well No. 36C2 near the Northwest ~~Corner~~Corner of Section 36, T.32S., R.~~3-E31E.~~3-E31E., M.D.B.&M., commonly referred to as "~~SSCSD's~~SSCSD's Cummings Valley Well No. ~~1.~~1." Analyses of such samples shall be public documents, available to inspection and copying by members of the public.
- ~~D.~~ D. Customers in the Cummings Basin shall not discharge recycled water into Chanac Creek or any other water course except pursuant to Waste Discharge Requirements issued by the Central Valley Regional Water Quality Control Board. Any such discharge shall be grounds for termination of the Recycled Water Agreement between the customer and the District.
- ~~E.~~ E. Customers using recycled water to irrigate crops in the Cummings Valley shall demonstrate to the ~~District's~~District's satisfaction that their recycling systems, including tailwater ponds and pumps, are sized, constructed, located and maintained such so as to preclude any accidental overflows or discharges to adjoining lands or Chanac Creek. Customers shall grant the District the right to position mobile diesel pumps at tailwater ponds for emergency back up operation by customers in the event a ~~customer's~~customer's pump fails. All costs of operating District mobile diesel pumps shall be promptly reimbursed by the customer. At a minimum, the District shall install a mobile diesel pump at any tailwater pond which has overflowed in the previous five years.
- ~~F.~~ F. As used herein, "~~Cummings Basin~~Cummings Basin" shall mean all the land overlying the Cummings Valley Groundwater Basin and all non-overlying lands within the Cummings Valley Watershed as defined in Findings of Fact and Conclusions of Law in ~~Kern~~Kern County Superior Court Case No. 97210.

Section 5.1. On-Site Facilities. Customer shall operate, maintain and control all on-site recycled water facilities in accordance with the requirements established by District, federal, state, and local regulatory agencies. It shall be the sole responsibility of the recycled water user to:

- ~~A.~~ A. Designate a recycled water supervisor who is responsible for the recycled water system at each use area under the ~~user's~~user's control. Specific responsibilities of the recycled water supervisor include the proper installation, operation, and maintenance of the irrigation system;

compliance of the project with the ~~District's~~District's rules and regulations, prevention of potential hazards, implementation of Best Management Practices and preservation of the recycled water distribution system in its "as built" form. Designated recycled water supervisors shall obtain instruction in the use of recycled water from an institution approved by the State DOHS.

- ~~B.~~ B. Maintain a copy of these rules and regulations, irrigation system layout map, and a recycled water system operations manual at the use area. These documents shall be available to operating personnel at all times.
- ~~C.~~ C. Ensure that all on-site operations personnel are trained and familiarized with the use of recycled water.
- ~~D.~~ D. Furnish its operations personnel with maintenance instructions, irrigation schedules, controller charts, and record drawings to ensure proper operation in accordance with the on-site facilities design, the Recycled Water Agreement, and these rules and regulations.
- ~~E.~~ E. Prior to the initiation of recycled water service, the recycled water user shall submit plans and specifications for recycled water distribution facilities to the District for review and approval.
- ~~F.~~ F. The recycled water user shall provide written notification, in a timely manner, to the District of any material change or proposed change in the character of the use of recycled water.
- ~~G.~~ G. Ensure that the design and operation of ~~customer's~~customer's recycled water facilities remain in compliance with all the terms of the Recycled Water Agreement and all the terms of these rules and regulations.
- ~~H.~~ H. Implement on-site controls, which meet the requirements established by the District, federal, state, and local regulatory agencies to protect the health of ~~customer's~~customer's employees and the public.
- ~~I.~~ I. Notify the District immediately of any and all failures in the system resulting in an unauthorized discharge or a contamination of another system due to a cross-connection on the premises. Customer complaints or complaints received by customers concerning recycled water use that may involve public illness shall be reported to the State ~~DOHS~~DOHS, the ~~Kern~~Kern County DEH, and to the District which shall maintain a log of all complaints regarding recycled water.
- ~~J.~~ J. Protect all recycled water storage facilities, including tailwater ponds, against erosion, overland runoff, and other impacts resulting from a 20-year, 24-hour frequency storm unless the Central Valley Regional Board Executive Officer approves relaxed storm protection measures for the facility.
- ~~K.~~ K. Protect all recycled water storage facilities against 20-year frequency peak stream flows as defined by the Flood Plain Management Division of the ~~Kern~~Kern County Engineering and Survey Services Department, unless such division approves relaxed storm protection measures for the facility.

- ~~L.~~ L. Protect all potable drinking water fountains and eating facilities from spray of recycled water.
- ~~M.~~ M. Ensure that the recycled facilities are operated at all times in full compliance with all federal, state, local and District recycled water requirements.
- ~~N.~~ N. Ensure that all recycled facilities are operated at all times in a manner that does not result in a discharge of recycled water into a watercourse, or cause illness or injury to any person or damage any real or personal property of any person, including the District.

Section 5.2. District Recycled Water System Facilities.

- ~~A.~~ A. Ownership, operation and maintenance of all recycled water system facilities up to, and including, the ~~District's~~District's valve meter assembly at the Service Connection, shall be the responsibility of the District.
- ~~1.~~ 1. Tampering with District Property. No person shall at any time tamper with District property. Such tampering constitutes a misdemeanor or felony criminal violation punishable by law. Only authorized District personnel may operate District facilities. A customer may operate District recycled water facilities only if expressly authorized in a Recycled Water Agreement.
- ~~2.~~ 2. Unauthorized Use of Recycled Water. Customers who open the valve of a Service Connection without District approval may be liable for a penalty charge, as determined by the District, and for the cost of water usage, based either on the meter reading (if available) or the estimated consumption during the time water service was received without proper arrangements. Repeatedly turning on service without making proper arrangements shall be considered as tampering with District property and may result in the offender being charged and prosecuted.
~~offender being charged and prosecuted.~~
- ~~3.~~ 3. Use of Recycled Water on Non-Approved site. Use of recycled water on a site that has not been approved for the use of recycled water requires the immediate notification of State ~~OOHSDOHS~~ and/or Kern County DEH and/or Central Valley Regional Water Quality Control Board.
- ~~3.~~ 4. Property Damage. Any repair costs incurred by the District as a result of damage inflicted by the customer or others will be billed to the responsible party. Failure by the responsible party to pay for such costs shall constitute grounds for discontinuance of water service and/or legal action by the District. Amounts paid by the District shall incur interest at ~~12%~~1½% per month until paid in full.

Section 5.3. Access to ~~customer's~~customer's Premises.

- ~~A.~~ A. The ~~Tehachapi-Cummings County Water~~ District, the Central Valley Regional

Water Quality Control Board, the State ~~OOHSDOHS~~, the Kern County DEH, or any other regulatory agency, and any authorized representative of these agencies, upon presentation of proper credentials, shall have the right to enter upon the recycled water use site during reasonable hours, or at any time during an emergency, for the following reasons:

1. 1. Monitoring and inspecting all recycled water systems to ascertain compliance with these rules and regulations and other regulatory requirements of any regulatory agency.
2. 2. Installing, maintaining, repairing and reading District owned facilities serving the ~~customer's~~ customer's premises.

B. Where necessary, keys and/or lock combinations shall be provided to the District for site access.

Section 6.1. Termination of Service. ~~Tehachapi-Cummings County Water~~ The District may terminate service to a recycled water user who uses, transports, or stores such water in violation of these special rules and regulations, in violation of the ~~District's~~ District's Standard Rules and Regulations, or in violation of any Recycled Water Agreement with the District.

A. The Central Valley Regional Water Quality Control Board may initiate enforcement action against any recycled water user, including but not limited to, the termination of the reclaimed water service, who:

A.1. Discharges recycled water in violation of any applicable discharge requirement prescribed by the Regional Board or by the State Water Resources Control Board, or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.

2. Uses, transports, or stores such water in violation of the rules and regulations governing the design, construction and use of recycled water distribution and disposal systems promulgated by the District; or in a

~~B.~~ manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.

Section 6.2. Investigation and Initial Determination. The District shall investigate all reports of non-compliance with any provision of these special rules and regulations and/or the Recycled Water Agreement to determine the seriousness of the violation. Determination regarding the seriousness will be based upon:

1) the magnitude and duration of the violation; 2) its effect on the operation of the ~~District's~~ District's recycled water system; 3) its effect on third parties; 4) its impact on public and environmental health and safety; 5) the history and good faith of the customer; and 6) its effect on ~~District's~~ District's compliance with regulatory agency rules and regulations or regulatory agency permit conditions.

Section 7.1. Recycled Water Use Guidelines and Best Management Practices. As a supplier of recycled water, the District must ensure that the ~~District's~~ District's customers are aware of their responsibilities regarding recycled water use. The following Sections 7.1.1 through 7.1.6 constitute the ~~District's~~ District's Recycled Water Use Guidelines and Best Management Practices ~~("BMP")~~. The BMP are consistent with those promulgated by the State of California Department of Health Services, in Title 17 and Title 22 of the California Code of Regulations. The

implementation of the BMP is essential in controlling soil erosion, over spray and ponding, promoting efficient irrigation practices and preventing discharged of recycled water offsite or into watercourses.

Section 7.1.1. General Operational Controls.

- ~~A.~~ A. The use of recycled water must be limited to the areas designated and approved by the District.
- ~~B.~~ B. All recycled water valves and outlets shall be properly tagged to warn the public and employees that the water is not safe for drinking.
- ~~C.~~ C. All recycled water piping and appurtenances in new installations and appurtenances in retrofit installations shall be colored purple or distinctively wrapped with purple tape in accordance with Chapter 7.9, section 4049.54 of the California Health and Safety Code.
- ~~D.~~ D. Where feasible, different piping materials should be used to assist in water system identification.
- ~~E.~~ E. All recycled water valves, outlets and sprinkler heads should be of a type that can only be operated by designated personnel.
- ~~F.~~ F. No recycled water shall be discharged into any watercourse.
- ~~G.~~ G. The recycled water piping system shall not include any hose bibbs. The use or installation of hose bibbs on any on-site water system that presently operates or is designed to operate with recycled water, regardless of the hose bibb style, construction or identification is strictly prohibited.
- ~~H.~~ H. No physical connection shall be made or allowed to exist between any recycled water system and any separate system conveying standard District water. Backflow preventers shall be required at the discretion of the ~~district~~District.
- ~~I.~~ I. The use of recycled water shall at no time create odors, slime, deposits, become a public or private nuisance or create a trespass of any kind.
- ~~J.~~ J. The use area shall be maintained to prevent the breeding of flies, mosquitoes or other vectors.
- ~~K.~~ K. Reclaimed water facilities shall be operated in accordance with best management practices (~~BMP's~~BMP's) to prevent direct human consumption of reclaimed water and to minimize misting, ponding, and runoff. ~~BMP's~~ BMP's shall be implemented that will minimize public contact and preclude discharges onto areas not under customer control and discharges into watercourse.
- ~~L.~~ L. Customers shall ensure that all recycled water facilities are maintained, operated and repaired at all times in a manner that does not cause illness or injury to any person and in a manner that does not cause damage or injury to the real or personal property of any person or entity, including the District.

Section 7.1.2. Posting of On-Site Notices. All use areas where recycled water is used and that are

accessible to the public shall be posted with conspicuous signs, in a size no less than 4 inches by 8 inches, that include the following wording and picture in a size no less than 4 inches high by 8 inches wide: "RECYCLED WATER - DO NOT DRINK". The sign(s) shall be of a size easily readable by the public. The prescribed wording should also be translated into Spanish and other appropriate languages and included in the required signs.

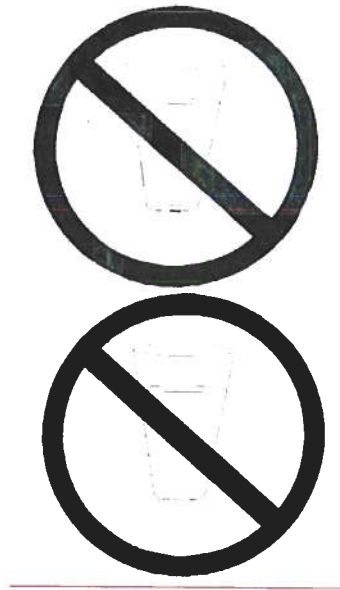


Figure 1

All water outlets shall be posted as "potable" or "non-potable", as appropriate

Section 7.1.3. Worker/Public Protection. Workers, residents, and the public shall be made aware of the potential health hazards associated with contact or ingestion of recycled water, and should be educated about proper hygienic practices to protect themselves and their families.

- ~~A.~~ A. Workers and others must be notified that recycled water is in use, through the posting of signs, etc.
- ~~B.~~ B. The following measures should be taken to minimize contact with recycled water:
 - ~~1.~~ 1. Workers/public should not be subjected to recycled water sprays.
 - ~~2.~~ 2. Workers should be provided with the appropriate clothing during prolonged contact with recycled water.
- ~~C.~~ C. Potable drinking water should be provided for workers.
- ~~D.~~ D. Toilet and washing facilities should be provided.

E. E. Precautions should be taken to avoid contact with food and food should not be taken into areas that are still wet with recycled water.

F. F. A first aid kit should be available on site, to prevent cuts and other injuries to

contact recycled water.

Section 7.1.4. General Crop Irrigation Uses. All windblown spray and surface runoff of reclaimed water applied for irrigation onto property not owned or controlled by the discharger or reclaimed water user shall be prevented by implementation of ~~BMP's~~BMP's.

Irrigation with reclaimed water shall be during periods of minimal human use of the service area. Consideration shall be given to allow an adequate dry-out time before the irrigated area will be used by the public.

All drinking fountains located within the approved use area shall be protected by location and/or structure from contact with recycled water spray, mist, or runoff. Protection shall be by design, construction practice, or system operation.

Facilities that may be used by the public, including but not limited to eating surfaces and playground equipment and located within the approved use areas, shall be protected to the maximum extent possible by siting and/or structure from contact by irrigation with recycled water spray, mist or runoff. Protection shall be by design, construction practice or system operation.

Section 7.1.5. Efficient Irrigation. The following methods of irrigation management should be applied to reduce run off, ponding and over spray and preclude discharges of recycled water to watercourses. When followed, these methods will result in uniform irrigation and efficient operation.

~~A.~~ A. Hardware.

All irrigation systems must have the appropriate equipment/hardware for the application.

- ~~1.~~ 1. Install irrigation system according to the design.
- ~~2.~~ 2. Make sure all sprinkler heads are uniform in brand, model and nozzle size. Where different arcs are needed at the same station, match precipitation rates by changing nozzles.
- ~~3.~~ 3. Measure spacing between sprinkler heads. Place heads per ~~manufacturer's~~manufacturer's recommendations.
- ~~4.~~ 4. Where lower precipitation rates are required, such as on slopes, reduce nozzle size and spray angle per ~~manufacturer's~~manufacturer's recommendations.
- ~~5.~~ 5. Install booster pumps to increase pressure where needed.
- ~~6.~~ 6. Install pressure reducers to decrease pressure where needed, often on steep hillsides where main lines run downhill.
- ~~7.~~ 7. Make sure piping is sized to transmit water in the quantity demanded by the system.
- ~~8.~~ 8. Use check valves either in-line or built into the sprinkler head assembly to virtually eliminate low head drainage after the valve has closed. THESE THESE DEVICES SUBSTANTIALLY REDUCE RUN OFF AND PONDING FROM

INDIVIDUAL SPRINKLER HEADS.

~~DEVICES SUBSTANTIALLY REDUCE RUN OFF AND PONDING
FROM INDIVIDUAL SPRINKLER HEADS.~~

- ~~9.~~ 9. Use automatic flow control devices that shut down a system if a break or other similar high flow/low pressure situation develops during irrigation. THESE DEVICES CAN SAVE SIGNIFICANT AMOUNTS OF WATER AND ELIMINATE RUN OFF OR PONDING IF A BREAK SHOULD OCCUR.
- ~~10.~~ 10. The use of centralized control systems or controllers that measure or can be programmed to use evaporation rates, or systems that use controls such as moisture sensors is recommended.

~~B.~~ B. Maintenance.

Maintenance is often the most overlooked irrigation system component. Perform the following routinely, and to fix a problem with the irrigation system.

- ~~1.~~ 1. Adjust sprinkler heads so they achieve 80% head to head coverage through out their intended arc. There should be no obstruction that would interfere with the free rotation and smooth operation of any sprinkler, such as trees, tall grass, shrubs, signs, etc. The system should be tested during the daytime so adjustments can be made.
- ~~2.~~ 2. Adjust valves or pressure regulators so that the systems are operating at the pressure required by the sprinkler heads or emitters. Test pressures periodically with a pressure gauge to maintain appropriate pressure levels.
- ~~3.~~ 3. Routinely test the accuracy of time clocks. Have the time clock recalibrated or repaired as necessary.
- ~~4.~~ 4. Repair or replace broken risers, sprinklers, valves, etc. as soon as they are discovered. Replace with appropriate make and model of equipment to maintain uniformity ~~through out~~ throughout the system.
- ~~5.~~ 5. Routinely check backflow devices, pumps, etc. for leaks and repair or replace as necessary.
- ~~6.~~ 6. Routinely clean screens and backwash filters to keep systems operating optimally.

~~C.~~ C. Management.

System management determines: 1) the appropriate duration of the irrigation cycle, and 2) the frequency at which irrigation occurs.

- ~~I.~~ I. Duration: The duration or length of an irrigation cycle (run time) should be long enough to fill up the root zone reservoir. If total run times are longer than required, then deep percolation losses occur. There are

exceptions to this general rule. A common and important exception to this rule is to reduce levels of salts in the root zone reservoir. This is accomplished by applying additional water to force salts down past the root zone. This process, called leaching, is a common use of irrigation water. Run times are also dependent on distribution uniformity (DU). DU is a measurement of how evenly water is applied to the irrigated area. Run times are reduced by higher levels of DU.

~~2.~~ 2. Frequency: The frequency of an irrigation cycle should be as often as necessary to meet the water requirements of the vegetation. This is determined by measuring the amount of moisture remaining in the root zone reservoir between irrigation cycles. When an appropriate moisture level is determined, the irrigation cycles should be scheduled to ensure watering frequency is such to maintain that level.

~~3.~~ 3. Practices for optimizing management of an irrigation system:

- ~~a)~~ a) Use tensiometers, gypsum blocks, soil probes, the "feel method", and/or the California Irrigation Management Information System to estimate soil moisture levels. Inspect and maintain regularly to ensure accuracy and reliability.
- ~~b)~~ b) Use automatic rain shut-off devices to reduce irrigation if significant rainfall occurs.
- ~~c)~~ c) Use multiple rain shut-off devices to reduce ponding if precipitation rate is higher than the infiltration rate of the soil.
- ~~d)~~ d) Irrigate in the evening or early morning to avoid the heat and/or windy parts of the day. This will reduce evaporation losses and minimize windblown spray from entering unintended areas.
- ~~e)~~ e) Group irrigated areas into zones of similar water use. For example, irrigate grass areas separately from shrub areas, sunny areas separately from shady areas, etc.
- ~~f)~~ f) As needed, aerate the soil to improve infiltration of air and water into the soil.
- ~~g)~~ g) Provide as much flexibility as possible into the design of the irrigation system. Built in ability to make changes as necessary can add to the efficiency of the system.
- ~~h)~~ h) Perform good horticultural practices; fertilization, mowing, dethatching, aeration, and pest control, as necessary to create the best growing environment for landscape vegetation.

Because irrigation systems have constant wear and tear, periodic checks and adjustments are all part of good landscape water management programs.

~~D.~~ D. Reuse System and Tailwater Ponds:

- ~~1.~~ 1. Each customer shall have a system to collect and reuse tailwater, including tailwater ponds with recycling booster pumps of sufficient number, size, construction and location to (a) recycle all excess irrigation water for reuse, (b) contain and confine all irrigation water on the ~~customer's~~customer's fields and (c) preclude discharge of any recycled water onto adjoining lands or into any watercourse.
- ~~2.~~ 2. Each customer shall allow the District to position on those customer tailwater ponds the District selects District owned mobile diesel pumps to be operated by a customer as an emergency backup if a ~~customer's~~customer's recycling pump fails. At a minimum, the District shall position a mobile diesel pump on any tail water pond which within the previous five years has overflowed onto adjoining land or into a watercourse. The customer shall provide fuel for such pumps and shall promptly reimburse the District for any costs incurred by the District during emergency operation of such backup pumps.

Section 7.1.6. Use of Recycled Water Adjacent to Potable Wells.

- ~~A.~~ A. Irrigation with recycled water shall not take place within 50 feet of any domestic water supply well unless all of the following conditions have been met:
- ~~1.~~ 1. A geological investigation demonstrates that an aquitard exists at the well between the uppermost aquifer being drawn from and the ground surface.
 - ~~2.~~ 2. The well contains an annular seal that extends from the surface into the aquitard.
 - ~~3.~~ 3. The well is housed to prevent any recycled water spray from coming into contact with the wellhead facilities.
 - ~~4.~~ 4. The ground surface immediately around the wellhead is contoured to allow surface water to drain away from the well.
 - ~~5.~~ 5. The owner of the well approves of the elimination of the buffer zone requirement.
- ~~B.~~ B. No impoundment of recycled water shall take place within 100 feet of any domestic water supply well.
- ~~C.~~ C. Crop Irrigation with recycled water shall be prohibited within the Cummings Valley north and west of the intersection of Pellisier Road (County Road No. 241) and the western extension of Highline Road.
- ~~D.~~ D. Other special restrictions applicable to use of recycled water in the Cummings Valley and its watershed are set forth in section 4.11 of the ~~District's~~District's Rules and Regulations Governing Use of Recycled Water.

Section 8.1. Recycled Water Inspection and Monitoring Program. The Recycled Water Inspection and Monitoring Program set forth in the following Sections 8.1.1 through 8.1.5 is designed to insure compliance with all federal, state and local regulations governing the use of recycled water. The ~~District's~~ "District's "Rules and Regulations Governing the Use of Recycled Water" provides the legal authority for the implementation of this Recycled Water Inspection and Monitoring Program. The key components of this program include the ~~District's~~District's Cross Connection Control Program. In addition, educational information may be provided by the ~~District's~~District's staff to prevent any unintentional misuse of recycled water.

Section 8.1.1. Plan Check Function. All new recycled water users proposing to install recycled water irrigation systems are required to submit plans for review and approval by the District and Regulatory Authority. Plan review is conducted by the ~~District's~~District's staff to verify conformance with District standards. The irrigation system is inspected following construction to verify conformance with the approved plans.

Section 8.1.2. Application for Service. The ~~District's~~ "District's "Rules and Regulations Governing the Use of Recycled Water" requires all customers desiring or required to obtain recycled water service to submit an application on a form developed by the District. This provision also requires that an agreement be signed prior to any connection to any District owned recycled water facilities.

Section 8.1.3. Recycled Water Agreement. After review of the application for service, a recycled water service agreement is prepared. This agreement is between the District and the customer, and is a condition of obtaining recycled water service.

Section 8.1.4. Inspection and Monitoring. Recycled water meters are read periodically by District water operators, meter readers and other District personnel. If any problems are discovered (ponding, run-off, inappropriate use, over spray, missing signs, etc.), the Wastewater/Recycled Water Supervisor, or ~~his~~the Wastewater/Recycled Water Supervisor's designee, will respond within 72 hours. Any issues that have potential health risks will be responded to immediately and reported to the County Department of Environmental Health Services.

In addition, all recycled water users will be inspected a minimum of annually. This routine inspection is conducted to verify compliance with the provisions established in the ~~District's~~ "District's "Rules and Regulations Governing the Use of Recycled Water", the Recycled Water Agreement, and any other federal, state or local regulations. The inspection will be conducted with the designated ~~"On-Site Recycled Water Supervisor"~~. Any violations, deficiencies, or unacceptable findings will be noted and the On-Site Recycled Water Supervisor will be required to perform corrective action.

Section 8.1.5. Non-Compliance Issues. It is the policy of the District to remedy a violation as soon as possible through progressive enforcement procedures. This procedure provides the customer due process, and considers the seriousness of the violation when determining the appropriate enforcement action.

Enforcement mechanisms (notices, penalties, fines and termination of service) are described in more detail in the ~~District's~~ "District's "Rules and Regulations Governing the Use of Recycled Water". Enforcement mechanisms are also included in the ~~District's~~District's Recycled Water Agreements.

~~PART Q.~~

PART Q. WATER BANKING AGREEMENTS.

Section 1. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Supplemental Water Purchase and Banking Agreements both subsurface delivery of recharged SWP water and for spreading and later recovery and use of SWP water shall be substantially in form and content as set forth

in Appendix 3- to these Rules and Regulations.

Section 2. Policy Concerning Supplemental Water and Water Banking Customers. —Not all of the SWP facilities authorized and necessary for ~~the~~ DWR to deliver all of the KCWA's Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the District's Table 1 entitlement under the KCWA Contracts) have been constructed. Court decisions adverse to the DWR water supply cast further uncertainty ~~as to~~ regarding the amount and dependability of the District's SWP water supply. Before entering into new Water Banking Agreements, Supplemental Water Purchase and Banking Agreements, or other contracts with new customers, it is the District's policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long term needs of the District's existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new customer's anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers, and existing agricultural customers. If and when such needs cannot be met, it is the District's policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such customer's long term water requirements. ____

Section 3. Substitute of Return Flows for Surface Deliveries. Provided that sufficient District return flows are in storage and pumping of same by District customers will not adversely affect other pumpers of groundwater exercising valid rights, the District in its discretion may allow customers to pump District return flows in lieu of imported water provided that such customers and the District execute a Supplemental Water Purchase and Banking Agreement substantially in the form and content as set forth in Appendix 3 to these rules and regulations.

PART R. RIGHT TO AMEND, ETC.; PROVISIONS PART OF EVERY WATER SERVICE AGREEMENT; CERTAIN OTHER CONTRACTS.

Section 1. Right to Amend. The District retains the right at any time and from time to time, with or without notice, to amend, repeal, or add provisions additional to, any provision in these Rules and Regulations, either by actual amendment hereof, or by successor Rules and Regulations and amendments thereto. Any such change, including but not limited to, increases in rates or re-categorization or uses for rate purposes, or any rule or regulation, shall apply to water service commenced theretofore or thereafter, except to the extent as may be provided in any Term M&I Agreement or other contract.

Section 2. Provisions as Amended Part of Water Service Agreements. Every provision of these Rules and Regulations, as the same may be changed from time to time, whether before or after the entering into of any water service agreement (whether by approval of application alone or by reasons of a Term M&I Agreement) shall be deemed a part of each such water service agreement, and without thereby limiting the foregoing, each water user and co-signing owner shall be deemed to have agreed to the District's right to waste, seepage and return flow as provided in Part K, and to have quitclaimed to the District any otherwise right, title or interest of water user therein.

Section 3. Incorporation of Provisions of the KCWA Contracts and Master Contract. Every water service agreement is also subject to the provisions of the KCWA Contracts as they may be hereafter amended, and to the extent provided or later provided therein, or otherwise by law, to the provisions of the Master Water Supply Contract between DWR and the KCWA, as the same may be hereafter amended.

ATTACHMENT "B"

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Resolution No. 13-26

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
AMENDING AND RESTATING THE DISTRICT'S
RULES AND REGULATIONS
FOR THE SALE, USE AND DISTRIBUTION OF WATER

- A. California Water Code section 31024 provides that a county water district may establish rules and regulations for the sale, distribution, and use of water and may provide that water shall not be furnished to persons against whom there are delinquent water rates.
- B. By Resolution No. 15-76, the District first adopted rules and regulations for the sale, use and distribution of water ("Rules and Regulations") which have been amended from time to time thereafter.
- C. By Resolution No. 25-16, the District adopted amended and restated Rules and Regulations, which were thereafter further amended by Resolution Nos. 4-20, 5-20, and 12-20.
- D. Because of the numerous amendments since adoption of Resolution No. 25-16, and the desire to amend the District's form of Term M&I Agreement, it is desirable to amend and restate the Rules and Regulations in one document.

NOW, THEREFORE, be it found, determined and resolved by the Board of Directors of the Tehachapi-Cummings County Water District as follows:

- 1. Each of the recitals set forth above is true and correct, and the Board so finds and determines.
- 2. The amended and restated Rules and Regulations attached hereto as **Exhibit A** and incorporated herein by reference are hereby approved and adopted.

APPROVED and ADOPTED by the Board of Directors of TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT this _____th day of _____, 2026.

Robert W. Schultz, President

ATTEST:

Catherine Adams, Secretary

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

SECRETARY'S CERTIFICATION

I, CATHERINE ADAMS, Secretary of the Board of Directors of Tehachapi-Cummings County Water District, do hereby certify that the foregoing Resolution No. ____-26 was introduced at a regular meeting of the Board held on the ____th day of _____, 2026 and was passed by the following vote:

Ayes: _____

Noes: None

Absent: None

Abstain: None

Catherine Adams, Secretary

EXHIBIT A

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

RULES AND REGULATIONS FOR THE SALE, USE AND DISTRIBUTION OF WATER

PART A. DEFINITIONS. The following terms, as used in all parts of these Rules and Regulations, shall have the following meanings, unless the context requires another meaning.

Section 1. "Agricultural water" - water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto, on tracts of land operated in units of more than two (2) acres.

Section 2. "Application for Water Service" – a written application submitted by a prospective water user to the District for water service as provided in Part D of these Rules and Regulations.

Section 3. "Board" - The Board of Directors of the District.

Section 4. "District" – Tehachapi-Cummings County Water District.

Section 5. "General Manager" - the General Manager of the District, or in the event of the General Manager's absence the employee designated by the Board of Directors of District to assume the General Manager's duties.

Section 6. "M&I water" - water used for any use so that the same is not agricultural water within Section 2 hereof.

Section 7. "Person" - any natural person or artificial person, including but not limited to, a partnership, corporation, association, public entity or any other type of entity.

Section 8. "Prospective water user" - a person desiring water service from the District, but who is not yet a water user within the preceding definition.

Section 9. "Supplemental Water Purchase and Banking Agreement" - a written agreement entered into between the District and a water user or prospective water user wherein that person agrees to purchase SWP or other imported water from the District for spreading in a basin for later recovery and use within that basin as provided in Part Q of these Rules and Regulations.

Section 10. "Term M&I Agreement" - a written agreement entered into between the District and a water user or prospective water user wherein that person agrees to purchase water from the District for a term and with provisions as provided for in Part C, Section 1 of these Rules and Regulations.

Section 11. "These Rules and Regulations" or "Hereof" or Other Words Referring to these Rules and Regulations or Some Part or Section Hereof - these Rules and Regulations as amended from time to time and any successor Rules and Regulations as amended from time to time.

Section 12. "Water user" - any person whose application for water service has been approved by the General Manager and which applicant has complied with all provisions of these Rules and Regulations precedent to entitling him to commencement of water service.

PART B. RATES.

Section 1. Setting Rates.

The Board from time to time shall by resolution set rates for water sold by the District. Rates shall be set for the following categories:

- (a) M&I water delivered pursuant to a Term M&I Agreement;
- (b) M&I water delivered other than pursuant to a Term M&I Agreement;
- (c) Agricultural water.

The Board shall establish appropriate recharge surcharges for any of the above categories where the water user pumps recharged water in lieu of taking delivery on the surface. Such recharge surcharges shall be set to recover the unreimbursed capital costs of acquiring and constructing recharge facilities and the costs of maintaining and operating such facilities. The recharge surcharge shall also include the cost of imported water lost on account of evaporation, phreatophyte consumption or any other losses incurred in the transportation and spreading of recharge water.

Section 2. General Policies Governing Rate Setting.

In setting rates, the Board shall consider the following general policies adopted on account of facts and circumstances unique to the District:

(i) The District purchases State Water Project (“SWP”) water from the Kern County Water Agency (“KCWA”) pursuant to the two written contracts, both dated December 16, 1966 (the KCWA Contracts”), one for up to 15000 AF of M&I water, the other for up to 5000 AF of Agricultural water. The KCWA Contracts obligate the District to pay a specified percentage of (a) KCWA’s “fixed obligations” (i.e., “the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge”) to the State Department of Water Resources (“DWR”) under the “Master Contract” between DWR and KCWA, and (b) KCWA’s “variable obligations” (i.e., “the variable operation, maintenance, power and replacement components of the Transportation Charge”) applicable to delivering the District’s Table 1 entitlement to the District’s turnout in Reach 16 of the California Aqueduct. The District’s “fixed obligations” to KCWA must be paid irrespective of the quantity of SWP water actually delivered. In other words, the District must pay its share of “fixed obligations” even if DWR is unable to deliver any SWP water.

(ii) From its turnout in the California Aqueduct, the District lifts SWP water some 3425 feet by means of four pump stations and 31 miles of transmission lines into its storage reservoir in Brite Valley. The District’s main transmission line continues eastward through Tehachapi Valley and ends in Oak Creek Canyon at California Portland Cement Company’s plant. The District also owns and operates various distribution lines, recharge facilities in the Tehachapi and Cummings Basin, and water wells as part of its Imported Water System.

(iii) Pursuant to the holding of Fourth District Court of Appeal in *Goodman v. County of Riverside* (1983) 140 Cal.App.3d 900, the District’s obligations to the KCWA under the KCWA Contracts are prior voter approved indebtedness and, consequently, the District may levy ad valorem real property taxes to meet the District’s obligations, in whole or in part, to the KCWA under the KCWA Contracts.

(iv) The full cost of SWP water purchased by the District from the KCWA pursuant to the KCWA Contracts and pumped and delivered through the Imported Water System far exceeds the ability of either M&I or Agricultural customers to pay. It is the policy of the District to set water rates such that M&I and Agricultural users in the aggregate pay the full cost of operating and maintaining the District’s Imported Water System, including reasonable reserves for repairs and replacement, less a major portion of the District’s share of the 1% general ad valorem tax levy. It is additionally the policy of the District, on account of the benefit to property owners District-wide bestowed by the SWP water supply made available pursuant to the KCWA Contracts, to levy ad valorem taxes each year to meet the District’s annual obligations under the KCWA Contracts.

(v) In setting rates for M&I water, it is the policy of the District that the rate for M&I water delivered other than pursuant to a Term M&I Agreement (the “normal M&I rate”) shall be set to recover the full cost to the District of purchasing and delivering such water on a non-scheduled occasional demand basis, including all costs under the KCWA Contracts. The rate for M&I water sold pursuant to a Term M&I contract or other contractual basis shall be set at a lower rate than the normal M&I rate on account of the long-term contractual commitment of the water user to the District to purchase a portion of the District’s Table I entitlement. Further, the ultimate retail purchaser of water sold to wholesale purveyors under Term M&I Agreements pays real property taxes, which support District operations, while non-contract purveyors of M&I water typically are not taxpayers within the District. Further, a lower rate is justified since Term M&I contract customers must schedule their anticipated deliveries six years in advance, which assists the District in meeting its obligations to the KCWA under the KCWA Contracts to likewise schedule its deliveries six years in advance.

(vi) As set forth in Part K hereof, the District owns all return flows from SWP water purchased from the KCWA under the KCWA Contracts and imported into the District through the District’s Imported Water System. In setting rates for agricultural water, it is the policy of the Board to take into account the fact that the percentage of return flows back into the ground from agricultural water is substantially higher than from M&I uses. It is the policy of the District to avoid, to the extent possible, setting rates higher than the ability of its customers to pay for water since it is in the District’s best interests to maximize water sales revenues.

PART C. TERM M&I AGREEMENTS.

Section 1. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Term M&I Agreements for delivery of SWP water shall be substantially in form and content as set forth in **Appendix 1** hereto.

Section 2. Policy Concerning New Term M&I Customers. Not all of the SWP facilities authorized and necessary for the DWR to deliver all of the KCWA’s Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the District’s Table 1 entitlement under the KCWA Contracts) have been constructed. Court decisions adverse to the DWR water supply cast further uncertainty as to the amount and dependability of the District’s SWP water supply. It has been and remains the District’s policy to routinely extend Term M&I Agreements upon conclusion of their stated terms since the District’s wholesale customers and their retail customers have built water distribution systems, homes, businesses and other public and private improvements in reliance on the long-term availability of SWP water from the District. Before entering into new Term M&I Agreements or other contracts with new customers, it is the District’s policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long-term needs of the District’s existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new customer’s anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers and existing agricultural customers. If and when such needs cannot be met, it is the District’s policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such customer’s long-term water requirements.

PART D. WATER SERVICE; APPLICATIONS; CONNECTION AND RECONNECTION CHARGES; DEPOSITS. Water service will be furnished in accordance with the policy and rules herein adopted and the connection and reconnection charges herein established, subject to all other provisions of these Rules and Regulations.

Section 1. District Service Policy: Domestic Use. It is the current policy of the District to act as a wholesaler of water and not as a retailer, i.e., to transmit such water and not to distribute the same. It shall be consistent with this policy to provide agricultural water service to users who connect at their own expense

to the District's transmission facilities from time to time. Except for sales to "Exchangees" pursuant to the Amendment to Judgment in the Tehachapi Basin case¹, the District will provide M&I water service only to: (a) entities or persons constituting recognized public purveyors, including public agencies, public utilities under the jurisdiction of the Public Utilities Commission, and mutual water companies and improvement districts, whether of this District or other public entities, established to furnish water service to the public; (b) existing M&I customer connections for industrial and other non-domestic uses; and (c) for agricultural direct use but for ultimate M&I use under an approved exchange agreement. Except for existing M&I customers of the District, the District will not provide M&I water service to any non-public entity or person for use within the service area of any public purveyor. Transmission facilities additional to those now provided for may be provided by the District from time to time in the discretion of the Board, and it shall be in the discretion of the Board to determine whether and to what extent any particular proposed facility is a transmission facility.

Section 2. Point of Service. Except as additional turnouts are authorized by the Board, all services shall be from existing turnouts, and from the turnout as determined by the General Manager after consultation with the prospective water user.

Section 3. Preliminary Information; Past Due Amounts. Prior to filing with the District an application for service, the prospective water user shall furnish in writing to the District, on a form which the General Manager shall prepare, information from which the General Manager may determine the size of service required and the turnout at which service would be provided, any special facilities required to provide service, and whether the prospective water user or owner of the property on which the water will be used owes any past due charges of any kind to the District, or whether there is a lien on said property for any such charges. If there exists any such past due charges or lien, no application for service shall be accepted for filing unless such amounts, together with all interest, are first paid.

Section 4. Application. Each prospective water user ("applicant") must make an application for the service desired substantially in the form attached as **Appendix 2**. Except where a water purveyor is the applicant, each application for service shall be jointly signed by all the persons constituting the owner of the property on which the water is to be used ("owner" collectively hereafter in these Rules and Regulations) and in the event the prospective water user is not the owner, by such owner and prospective water user, and they shall all be jointly and severally liable for all water charges and other charges. Application shall be made at the District's office (presently located at 22901 Banducci Road, Tehachapi, California, 93561). Where the prospective water user is not the owner, the District's General Manager is given discretion to waive such requirement that the owner sign, provided that the prospective water user shall provide a deposit equivalent to two (2) months' charges as estimated by the District's General Manager (which required deposit may be revised from time to time based on experience). If the prospective water user desires to have a refund of the deposit, he may do so by having a duplicate original of the application executed by the owner and by himself, and filing the same with the District. Each such application shall contain the following information, in addition to such other information as may be provided for on said form by the General Manager: (1) Name and address of applicant; (2) Date of application; (3) Location of the premises upon which the water will be used; (4) Date service is requested to be commenced; (5) The purpose for which the water is to be used; (6) Prospective water user's mailing address, if different from the first address listed; (7) a copy of the vesting deed shall be attached; (8) The turnout from which service is requested, which shall be as determined by the General Manager; (9) The size service requested, which shall be as determined by the General Manager; and (10) as to M&I service, whether a Term M&I Agreement is desired. The application shall be accompanied by all required charges required prior to the furnishing of service. Above the applicant's signature shall be contained the following in type or print of a size or style to fairly distinguish it from the remainder of the application:

¹ *Tehachapi-Cummings County Water District v. City of Tehachapi, etc, et al.*, Kern County Superior Court Case No. 97210.

"The undersigned applicant understands that upon approval of this application, the District will take steps toward installation of the necessary facilities for service. However, applicant understands that the District is not liable for any direct or consequential damages of any kind to applicant by reason of delay in the commencement of service. Applicant also understands that as a part of this service contract, it is subject to the Rules and Regulations for the Sale, Use and Distribution of Water as adopted by Resolution No. 13-09 of the Tehachapi-Cummings County Water District (the "Rules and Regulations"), as the same may have been heretofore amended, or as the same may be hereafter amended, and to any successor Rules and Regulations as may be thereafter adopted, and that all rates, charges and other rules and regulations are subject to amendment at any time without prior notice to applicant. Applicant acknowledges receipt of a copy of the Rules and Regulations. If this application results in a Term M&I Agreement, the provisions of said Term M&I Agreement will modify the provisions of this paragraph."

Section 5. Where New Turnout Required. If the applicant desires service from a point requiring construction of a new turnout, an application for service shall state the location thereof. The application shall not be approved until the application is approved by the General Manager, and the estimated cost thereof, which amount shall be an additional connection charge which must be deposited prior to approval of the application.

Section 6. Approval of Application. When all conditions precedent to entitlement to service have been met, the General Manager shall endorse approval on the application form and return one executed counterpart to the prospective water user. Where a Term M&I Agreement is to be executed, service shall not commence until such agreement is executed in two (2) counterparts by the District and the prospective water user.

Section 7. Separate Applications for Each Connection. A separate application shall be required for each separate service connection, but a delinquency by a water user as to any service connection shall constitute a delinquency as to all of the water user's connections. A reconnection for the same water user where service has been discontinued under Sections 2 through 4 of Part E shall not require a new application if reconnection is made within three (3) months of disconnection, and any owner who has signed the initial application shall remain responsible for charges.

Section 8. Connection and Reconnection Charges. The Board, by resolution, shall set connection and reconnection charges to recoup the full cost of each initiation of water service or the re-establishment thereof.

Section 9. Connection or Reconnection, Pursuant to Exchange Pool Requirements Under Adjudications. To the extent that any water user is required by the Court in any of the ground water adjudications (Kern County Superior Court Case Nos. 92709, 92710 and 92711) to purchase water from the District in connection with the physical solution imposed by the Court under any exchange pool or similar arrangement, connection charges otherwise payable prior to connection or reconnection shall be paid by the District, except such reconnection charges as arise by reason of disconnection under Sections 2 through 4 of Part E.

Section 10. Lateral Distribution Lines Privately Financed. Lateral distribution lines, the cost of construction of which is paid for or substantially paid for by a person or persons for service to specific property or properties, when and as dedication thereof is accepted by this District, shall be accepted on the following condition:

"Water deliveries from said lateral distribution line for the benefit of

properties other than the described property (the "described property" hereafter) shall not be permitted to the extent that use of the said line's capacity therefore would prevent the District from meeting reasonable beneficial demands for the described property. Nothing herein contained shall relieve grantors or their successors or the described property from the effect of any ordinance, rule or regulation of the District, now or hereafter established, relating to scheduling of deliveries, interpretability of service for one or more types of use or sub-categories of a use or uses, handling of shortages of water or shortages of water available for certain types of uses or sub-categories of uses, priority of one or more uses or sub-categories of uses or purposes, or any other ordinance, rule or regulation, whether or not of the same or a different type than any of the foregoing, provided the ordinance, rule or regulation is not solely occasioned by or applicable only to said lateral distribution line solely by reason of shortage of capacity occasioned by deliveries or desired deliveries of water there from to properties other than the described properties".

The foregoing provisions shall not apply to lateral distribution lines financed through assessment districts or improvement districts, or if the offered dedication expressly provides that it is not subject to the foregoing and is accepted on that basis by the District. Nothing herein affects or purports to affect the powers of the District as Tehachapi Basin Watermaster under the judgment as amended from time to time in "*Tehachapi-Cummings County Water District*, a body corporate and politic, vs. *City of Tehachapi*, a municipal corporation, et al.", Kern County Superior Court No. 97210.

PART E. DISCONNECTION OF SERVICE. Disconnection of service may be made in the following instances, but shall not excuse the water user or owner from payment of all charges otherwise payable.

Section 1. Disconnection at User's Request. Any water user who desires service disconnected shall give at least one full business day advance written notice to the District (a business day being other than a District holiday or any Saturday or Sunday). A water user in addition to being responsible for water delivered to the water user shall be responsible for charges for any use of water from the water user's connection by any unauthorized person until the end of such one full business day following said written notice. Notwithstanding, when the District has knowledge that the water user has vacated the premises in question or has otherwise permanently discontinued use of water, the District may make a disconnection.

Section 2. Disconnection for Non-Payment. The District may disconnect any water user's connection when any bill for water service rendered or other charge has become delinquent. The District shall not be required to apply any deposits on hand to avoid such disconnection. A delinquency as to any service connection shall be a delinquency as to all service connections of that water user under this section.

Section 3. Emergency Disconnection for Detrimental or Damaging Conditions. If a condition unsafe or hazardous to District facilities or water supplies is found to exist on the water user's premises, or if the use of water thereon is found to be detrimental or damaging to District facilities or water supply for any reason, including but not limited to, chemicals, fertilizers or other substances applied with or added to such water, or water user's equipment, application, consumption, use and disposition of such water, the service may be disconnected without prior notice. The District will notify the water user of the reasons for the disconnection and the corrective action to be taken by the water user before service may be restored.

Section 4. Disconnection for Failure to Comply with Rules and Regulations. The District may disconnect any water user's connection for any other failure to comply with these Rules and Regulations.

Section 5. Notice and Hearing. Prior to any disconnection of any water user's connection, except an emergency disconnection under Section 3 of this part, the General Manager shall notify the water user in writing of the basis for the District's proposed action; the date the District proposes to disconnect the connection; that the water user, upon timely request, may have a hearing before the Board to present any objections to the proposed District action; and the last date upon which the request must be received by the District. If the water user does not timely request a hearing before the Board, the District shall proceed to disconnect the connection. If the water user timely requests a hearing before the Board, the Board shall schedule the hearing at the next regular Board meeting, consider the objections of the water user, and make such decision as appears proper under all of the circumstances.

PART F. STATEMENTS. Statements for water charges shall be rendered as follows:

Section 1. Regular Statements. Statements for water delivered shall be mailed monthly on or before the tenth (10th) day of the month with respect to water delivered the preceding month. However, late mailing shall not extend the dates hereafter set forth. All such statements are due and payable immediately, and become delinquent if not paid by the twenty-eighth (28th) day of the month, or if the same not be a District business day, by the next succeeding business day; provided, that as to a public entity water user, a statement shall not become delinquent if paid within twenty-one (21) days after the first regular or adjourned regular meeting of its governing body held after receipt of the billing. If service is discontinued prior to a statement being mailed, it may likewise include charges for water furnished through date of discontinuance.

Section 2. Closing Statements. Closing statements, other than as provided above, shall be mailed promptly upon discontinuance of service and shall be due and payable within fifteen (15) days after the date on which mailed, or the next succeeding District business day if such fifteenth (15th) day be not a business day. If not paid within that time, they are delinquent.

Section 3. Water User's Obligation to Request Statement. If any water user has not received a statement or bill which should have been received by him under the foregoing rules, it shall be the water user's obligation to timely obtain a duplicate statement from the District, and risk of loss in the mails shall not be the responsibility of the District.

Section 4. Meter Readings. Bills for water service will state the date on which read, the date of the last prior reading, the respective meter readings on those two (2) dates, the amount of the bill and the last day for payment before the same becomes delinquent, in addition to any other matters determined by the General Manager. Billings will be based on meter readings. However, if there has been a substantial malfunction or failure of a meter, it shall be the responsibility of the General Manager to cause an investigation and to determine the estimated actual quantity used. Any supplementary statements rendered on account thereof shall be payable within a like period and with like consequences, as a closing bill, as provided in Section 2 of this part. If a previously over-billing has been involved, such amounts shall be credited or refunded, if a request for refund is made.

PART G. DELINQUENT CHARGES; DEPOSITS; LIENS; ACTIONS TO COLLECT. In addition to and not in substitution of the District's other rights and remedies, the following provisions shall apply.

Section 1. Late Payment Charges. If any statement for water delivered shall become delinquent (see Part F) there shall be added to the other applicable charges interest at the rate of one percent (1%) per month, commencing with the date on which the same became delinquent, and an administration charge, which the Board hereby determines to be reasonable in relation to the District's anticipated costs, of Two Hundred Fifty Dollars (\$250.00) or ten percent (10%) of the billed amount involved, whichever is less, subject to the General Manager's discretion; in addition to any reconnection charges under Section 8, Part D,

Section 2. Deposits for Service. Any water user against whom late payment charges have accrued shall be required to make a deposit with the District in an amount equal to estimated charges for water for the highest two (2) months of anticipated use in any calendar year, such amount to be determined in the discretion of the District's General Manager. Such deposit shall be maintained until the water user has timely paid all bills without

delinquency, for a period of twelve (12) consecutive calendar months. Failure to pay any required deposit within ten (10) days of written notice thereof, where service has not theretofore been discontinued, shall be further ground for discontinuance of service by the District with reconnection charges as provided in Section 8, Part D. The District may, but is not required to, apply any deposit to outstanding amounts due and owing. When a deposit has been made, but is no longer required, the same will be refunded to the water user after deduction of any charges or indebtedness to the

District which are due and owing, or applied against succeeding water bills. Absent written direction as to the first alternative, the District may apply the same to succeeding water bills.

Section 3. Unpaid Charges a Lien on Property. To the extent permitted by law, any unpaid charges, including connection charges and other charges, shall constitute a lien on the property of the water user as specifically provided by the County Water District Act (Water Code Section 31701.7). The District may record with the County Recorder a notice or "certificate" of any such lien and thereafter file suit to foreclose such lien in the manner provided by law.

Section 4. Actions to Collect. In the event any action is brought to collect any unpaid charges, including connection and other charges, whether separately or apart from any foreclosure of lien, the District shall be entitled to recover, in addition to any such charges, its reasonable attorney fees and court costs.

PART H. NON-LIABILITY OF DISTRICT; INDEMNIFICATION AND HOLD HARMLESS OF DISTRICT BY WATER USERS.

Section 1. Untreated Water - No Warranty. All water sold by the District will be untreated water. It shall be the responsibility of the water user utilizing, serving or otherwise disposing of the same for human or animal consumption to cause such treatment thereof as may be required by any applicable law, rule or regulation for any such use and as may in addition thereto be necessary or desirable for any such use. The District expressly disclaims any warranty or representation of suitability for any of the above uses, and the water user shall assume full responsibility therefore. The water user shall provide any person to whom the water is otherwise sold or disposed of a copy of this section, unless such user shall have treated said water in accordance with all applicable laws, rules and regulations. No water user or other person shall serve water obtained directly or indirectly from the District in a domestic water system without first complying with all applicable laws, rules and regulations. There is further no warranty or representation concerning any use of delivered water as to content of dissolved or undissolved solids in the water, salts, or absence of impurities or foreign objects in any water delivered, nor as to the long or short-term effect on soils, pipes or fittings of utilization of water delivered.

Section 2. District Not Liable; Indemnifications. Notwithstanding the term "sale" or like terms in these Rules and Regulations, which may be used for convenience, any service of water to any water user is a water service agreement. Any such water user shall be required to and shall be deemed to have consented to accept water service at the location served subject to such conditions of pressure and service as may be provided from time to time, and such condition may be changed by the District's General Manager, consistent with these Rules and Regulations. The District, its Directors, agents, employees and independent contractors shall not be liable to any water user or any person to whom a water user provides water, directly or indirectly, for any claimed damage or expense occasioned from any of the following, whether or not occasioned by the concurrent or contributory negligence, actual or alleged, of the District or its Directors, agents, employees or independent contractors: quality or content of water, whether relating to a matter specified in the preceding section or otherwise; delayed commencement or recommencement of service; interruptions of service; low pressure; high pressure fluctuations of pressure; shortage or insufficiency of supply; the control, carriage, handling, use, disposal or distribution of water delivered to a water user once it reaches a point beyond the facilities owned and operated by the District. Notwithstanding any provisions in these Rules and Regulations, any water service agreement is solely between the District and the applying water user (subject to liability of any co-signing owner), notwithstanding that that water user may in turn supply such water to others, and no provision in this agreement shall be deemed to make any other person a beneficiary, third party or otherwise, of any provision of said water service agreement, or to establish any contractual relationship between such other party and the District. It is the responsibility of the water user to provide terms

and conditions as a part of any furnishing of water to others. Each water user shall indemnify and hold the District, its Directors, agents, employees and independent contractors harmless from any claims by any such other persons, whether from matters set forth in this section, or based on any other ground, and whether or not occasioned by the concurrent or contributory negligence, actual or alleged, of the District or its Directors, agents, employees or independent contractors.

PART I. SERVICE CONNECTION FACILITIES INSTALLED BY DISTRICT; FACILITIES TO BE INSTALLED BY WATER USER; PROTECTION OF DISTRICT FACILITIES. The following facilities will be installed and maintained by the District and water user respectively, subject to all other provisions of these Rules and Regulations.

Section 1. Installation by District. Upon approval of an application for service, payment of all required connection charges and execution by the District and water user of any other required agreement, the facilities to be installed by the District will include such pipeline and appurtenances as determined by the General Manager. All such facilities to the boundary of said easement shall be the property of and be maintained by the District.

Section 2. District's Assistance in Necessary Rights-of-Way and Easements. Notwithstanding any other provision of these Rules and Regulations, the District, under appropriate agreement approved by its Board, may acquire, either consensually or through condemnation proceedings, easements and rights-of-way for lateral or other lines to prospective water users who cannot otherwise obtain such easements and rights-of-way. Such water users will be required to bear all costs and expenses of easement acquisition and installation of facilities therein, which the District will own.

Section 3. Water User's Responsibility for Distribution System. The water user shall be responsible for the installation and maintenance of all facilities from the terminus of the District's facilities.

PART J. CERTAIN USES OF WATER AND OTHER ACTS PROHIBITED; RATES FOR PROHIBITED WATER USES. The following uses and acts are prohibited, and, for prohibited uses and acts, water rates shall be payable in accordance with the following.

Section 1. No Water to be Conveyed to Third Person Except by a Water Purveyor. No water user, except a water purveyor (being one regularly engaged in the business of distributing M&I water) shall, without the prior written consent of, sell or convey any water obtained from the District to any other person or permit any other person to obtain the same from water user's distribution facilities.

Section 2. Uses for Which Rates Have Not Been Established. No water user shall use or permit to be used any water obtained from the District for any use or category for which rates have not been established, or which requires the consent of the District where that consent has not been first obtained in writing. Each water user shall be absolutely responsible for the acts of its distributees in this regard.

Section 3. Unauthorized Connection or Reconnection. Only District personnel are authorized to connect or reconnect service. No other person shall do so.

Section 4. Charges and Rates for Violation. Any water user who violates any of the foregoing sections of this part, and any other person who violates Section 3 of this Part, or who bypasses a District meter, shall be deemed to have agreed to pay double the normal M&I rate, and in the case of a Section 3 violation, all charges which would otherwise be imposed for an authorized connection or reconnection. Nothing herein shall preclude the District from disconnecting. In the event of a by-pass of a District meter, it shall be presumed that such by-pass occurred immediately after the last meter reading, and that water has been taken twenty-four (24) hours a day each day thereafter at the full rate of flow which the connection is capable of transmitting, and it shall be the burden of that person to demonstrate to the contrary. The General Manager in such event shall determine the amounts due and, payable from time to time and render a billing which is immediately due and payable.

Section 5. Only District Personnel to Operate or Control District Facilities. No person other than authorized District personnel shall operate, control or otherwise disturb any District water system equipment or facilities.

PART K. DISTRICT'S RIGHT IN WASTE, SEEPAGE AND RETURN FLOW. The District has and claims all right, title and interest in and to all return flow into any ground water basin within the District's boundaries resulting from water imported by the District, along with the right to later recapture or otherwise utilize the same, provided, however, the District does not claim title to return flow from imported water purchased by a public entity from the District which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated therefore by the District acting as Watermaster of any such basin. The District's claim extends to all return flow from water imported by the District, whether from spreading operations by the District, from waste or seepage before any delivery of water by the District, from waste or seepage thereafter, and from percolation after or as a result of use or reuse of imported waters by any water user or other person, except imported water purchased from the District by a public entity which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated by the District acting as Watermaster of any such basin. The District hereby expresses its intention to later recapture or otherwise utilize such return flow. Nothing herein shall prevent any person from engaging in drainage or other activities to protect that person's land or the use thereof from return flow which otherwise would injure or would threaten injury to the enjoyment or utilization of such land.

PART L. SHORTAGES. The District retains the right and power to later provide, consistent with any then applicable provisions of law, for priorities, restrictions, prohibitions and exclusions in the event of shortage or other emergency, including cessation or interruption of sale of water to particular users.

PART M. MANAGEMENT OF DISTRICT WATER SYSTEM; ACCESS. The following provisions apply to management of the District's system and access to lands of water users.

Section 1. Management - General Manager and Employees. Subject to the Board's overall control, the District's water system is under the exclusive management and control of the General Manager who is a person appointed by the District's Board to manage the affairs of the District pursuant to its direction. No other person except said General Manager or a person operating under the General Manager's authority shall operate any of the facilities of the District's system. The General Manager shall supervise the activities of all District employees in connection with operation and maintenance of District's water system and all other activities of the District.

Any controversy between a water user and the District shall be handled by the General Manager, or in the General Manager's absence, the employee designated by the Board to act.

Section 2. Right of Access. The District employees authorized by the General Manager shall have reasonable access to lands and irrigation facilities within the District for the purpose of conducting District business which may include the following: (a) Inspection of the lands upon which water delivered by the District is being applied for the purpose of determining water users' compliance with these Rules and Regulations or performing any

function under these Rules and Regulations, including inspection and testing of any water meter; (b) Inspection, maintenance, repair or modification of facilities of the District's water system.

Section 3. Scheduling of Agricultural Water. When deemed necessary or desirable, the General Manager may schedule the delivery of agricultural water in such manner as the General Manager deems advisable.

PART N. DECISIONS OF GENERAL MANAGER; APPEAL TO BOARD. In order to assure fairness to water users, the following provisions are established relative to decisions of the General Manager and appeals there from.

Section 1. General Manager Decisions. Any person desiring to appeal a decision of the General Manager

affecting that person as a water user or prospective water user shall first request that the decision be placed in writing and provided that person. It shall be the duty of the General Manager to promptly do so, who may also reduce any decision to writing without such a request.

Section 2. Appeals. If any such written decision involves the payment of any charge or amount of money, any appeal therefrom as hereinafter provided for shall not excuse the payment when otherwise due and payable had there been no appeal. Provided that all such payments have been made to the District, the water user or prospective water user may file an appeal in writing to the Board within twenty (20) days after the written decision is deposited in the mails or personally delivered to the person affected, specifying the decision appealed from and the grounds of the appeal. The Board shall thereafter hear the evidence on the matter and make its determination in writing. Failure to timely pay any amount involved which becomes due and payable after the filing of the appeal but before hearing shall be deemed an abandonment of the appeal unless the Board should otherwise rule. Any such hearing shall be conducted as close as possible in accordance with normal rules of evidence, but the acceptance of inadmissible evidence shall not be grounds for voiding the decision of the Board. If any refund is then indicated it shall be promptly made, or if the water user or prospective water user so consents shall be credited against subsequent charges. If no appeal is filed within twenty (20) days after the written decision is mailed to the person or personally delivered to him, or any payment called for by said decision is not made concurrently with or before the filing of any such appeal, the decision of the General Manager becomes final and conclusive, unless for good cause shown the Board grants relief from any default in timely filing an appeal or making any payment otherwise due and payable under said decision.

PART O. SEVERABILITY; INTERPRETATION.

Section 1. Severability. If any provision of these Rules and Regulations is determined to be invalid, it is the intention that the remainder of these Rules and Regulations shall not be affected thereby.

Section 2. Interpretation. In the event of any ambiguity in these Rules and Regulations or its application, the Board's interpretation shall be final and conclusive.

PART P. SPECIAL RULES AND REGULATIONS GOVERNING THE USE OF RECYCLED WATER.

Section 1.1. Introduction. The District by contract with the California Department of Corrections & Rehabilitation (CDCR) will receive disinfected tertiary recycled water ("recycled water") from CDCR's California Correctional Institution in Cummings Valley ("CCI"). The District intends to sell water for irrigation uses enumerated in and in accordance with subpart (a) of section 60304 of Title 14 of the California Code of Regulations. For any other recycled water uses in the future including, but not limited to, industrial processes and commercial, landscape or recreational impoundments, wildlife habitat, and groundwater recharge, the District shall submit additional plans and documents to the State of California, Department of Health Services and the Central Valley Regional Water Quality Control Board for review

and approval. These future recycled water applications will be evaluated on a case-by-case basis and shall be evaluated in accordance with the California Environmental Quality Act.

Section 1.2. Purpose. The purpose of these special recycled water rules and regulations is to promote the conservation and reuse of water resources and to ensure maximum public benefit from the use of the District's recycled water supply by regulating its use in accordance with applicable federal, state and local regulations. These rules and regulations are also intended to be those required as a condition of issuing a master recycled water project permit pursuant to Water Code section 13523.1(b)(3).

Section 1.3. Policy. Recycled water supplies shall be used to the maximum extent possible for any approved beneficial use. This shall be accomplished through the beneficial use of recycled water in compliance with applicable federal, state and local regulations.

Section 1.4. Intent. The District shall provide recycled water wherever the District determines its use is economically and technically feasible and consistent with these rules and regulations and its contractual obligations to CDCR.

Pursuant to Water Code section 13523.1(b)(3), the establishment and enforcement of these rules and regulations shall govern the design, construction and use of recycled water distribution and disposal systems within the District.

It is further, the intent of these rules and regulations to be consistent with the following criteria:

- California Code of Regulations, Title 22, Division 4, Chapter 3, *Wastewater Reclamation Criteria*;
- California Code of Regulations, Title 17, Division 1, Chapter 5, Group 4, Articles 1 & 2;
- The State Department of Health Services (State DHS), *Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water*;
- Any measures that are deemed necessary for protection of public health, such as the American Water Works Association (AWWA) California/Nevada Section, *Guidelines for the Distribution of Non-Potable Water and Guidelines for Retrofitting to Recycled Water* or alternate measures that are acceptable to the State DHS.
- The General Waste Discharge Requirements for Landscape Irrigation Uses of Municipal Recycled Water as Adopted by the State Water Resources Control Board.

Section 1.5. Scope. These special rules and regulations establish the requirements for recycled water use and the provision of recycled water service by the District to its customers. If there is any conflict between the provisions of these rules and regulations and the provisions of any of the documents incorporated by reference, the most stringent requirement will govern.

Section 1.6. Incorporation of Supporting Documentation. The following documents and programs, as may be amended hereafter, are incorporated herein and by this reference made a part hereof as though fully set forth:

- A. California Code of Regulations, Department of Health Services, Title 22, Division 4;
- B. Department of Health Services, “Manual of Cross-Connection Control/Procedures and Practices”
- C. California Code of Regulations, “Regulations Relating to Cross-Connections” (Title 17, Chapter 5, Subchapter 1);
- D. California State Water Resources Control Board, “General Waste Discharge Requirements for Landscape Irrigation Uses of Municipal Recycled Water”

- E. California-Nevada Section American Water Works Association “Guidelines for Distribution of Non-potable Water”
- F. California-Nevada Section American Water Works Association “Guidelines for the On-Site Retrofit of Facilities Using Disinfected Tertiary Recycled Water.”
- G. T-CCWD “Recycled Water Use Guidelines And Best Management Practices” (Sections 7.1-7.7).
- H. T-CCWD “Recycled Water Inspection And Monitoring Program” (Sections 8.1-8.6).
- I. All other Federal, State or local statutes, regulations, ordinances governing the distribution and use of recycled water.

Section 2.1. Definitions.

- A. **“Applicant”**. Party requesting a Recycled Water Service Connection and/or recycled water service from the District.
- B. **“As-Built Drawings”**. Engineered drawings that depict the completed facilities as constructed or modified.
- C. **“Backflow”**. A condition that results in the flow of water into District pipelines from a source other than an approved water supply.
- D. **“Board”**. The Board of Directors of Tehachapi-Cummings County Water District.
- E. **“Cross Connection”**. Any unapproved and/or unprotected connection between a standard District water system and a non-potable system.
- F. **“Customer/User”**. Recipient of recycled water service from the District.
- G. **“District”**. Tehachapi-Cummings County Water District and/or the Staff thereof.
- H. **“Service Connection”**. The District=s valve and meter through which a customer takes delivery from the District of recycled water.
- I. **“Recycled Water”**. Disinfected tertiary treated recycled water as defined in section 60301.230 of Title 14 of the California Code of Regulations.
- J. **“District’s Standard Rules and Regulations.”** The Rules and Regulations for the sale, use and distribution of water, of which theses special regulations for recycled water are a part (Part P), as adopted by Resolution No. 13-09, and as may be amended in the future.
- K. **“Non-Potable Water”**. Water that is not acceptable for human consumption in conformance with federal, state and local drinking water standards.

- L. **“Off-Site Recycled Water Facilities”**. Facilities under the control of the District from the source of supply (CDCR) to the point of connection to the customer’s on-site facilities normally up to and including the Service Connection.
- M. **“On-Site Recycled Water System”**. The customer operated portion of the recycled water system facilities, extending from the Service Connection to the customer’s parcel to be provided with recycled water service and including recycled water system facilities on the parcel to be irrigated with recycled water.
- N. **“Potable Water”**. Water which conforms to the latest federal, state and local drinking water standards.
- O. **“Recreational Impoundment”**. A body of water used for recreational activities including, but not limited to, fishing, boating, and/or swimming.
- P. **“Recycled Water Agreement”**. An executed contract between the District and the customer, as a condition for obtaining recycled water service.
- Q. **“Regulatory Agency”**. Individually, or in concert, the U.S. Environmental Protection Agency, U.S. Army Corps of Engineers, the Central Valley Regional Water Quality Control Board, State Water Resources Control Board, State Department of Health, California Department of Fish and Game, the Kern County Department of Environmental Health Services, and the District.
- R. **“Standard District Water”**. Water, other than recycled water, supplied by the District.
- S. **“Unauthorized Discharge”**. Any release of recycled water that violates the provisions of these rules and regulations or any applicable federal, state, District, or local statutes, regulations, ordinances, contracts or other requirements.
- T. **“Use Area”**. The specific area designated to be served recycled water through on-site recycled water facilities.

Section 3.1. Off-Site Recycled Water Facilities and Service Connections.

- A. Off-site recycled water facilities and Service Connections shall be planned, furnished and installed by District at customers’ expense in accordance with applicable federal, state and local statutes, ordinances and regulations.
- B. The District reserves the right to determine the location, size, capacity, manufacturer and model(s) of off-site recycled water facilities and Service Connections.
- C. Requests for modification or relocation of an existing Service Connection shall be made to the District in writing and paid for in advance before the District will begin the involved work.
- D. The District reserves the right to limit the use area to be supplied by one Service

Connection to one customer. A Service Connection shall not be used to supply adjoining property of a different customer unless approved by the District, in writing in advance of any new use.

- E. Every Service Connection shall be equipped with a valve on the inlet side of the meter to control the water supply through the meter assembly.
- F. District ownership and maintenance responsibilities terminate at the valve on the user's side of the meter assembly.
- G. The standard District water supply system or any public water supply shall not be used as a backup or supplemental source of water for a recycled water system unless the connection between the two systems is protected by an air gap separation which complies with the requirements of sections 7602(a) and 7603(a) of Title 17 and the approval of the District or the operator of the public water system has been obtained. If a "Swivel-ell" type connection is used it must be used in accordance with the provisions of the Department of Health Services Policy Memo 2003-003. Approved backflow prevention devices shall be provided, installed, tested, and maintained by the recycled water user in accordance with the applicable provisions of Title 17, Division 1, Chapter 5, Group 4, Article 2.

Section 3.2. On-Site Recycled Water Facilities.

- A. Each customer shall be responsible for furnishing, installing, operating and maintaining all facilities necessary to convey water from the meter assembly at the Service Connection to the use area in a manner that does not harm or damage any person or property, including any employees or property of the District.
- B. On-site recycled water facilities shall be constructed in accordance with applicable federal, state and local statutes, ordinances and regulations.
- C. The District shall inspect the construction of all recycled water facilities to ensure compliance with applicable regulations.
- D. The District shall approve irrigation system schedules of its customers who shall be obligated to coordinate the scheduling of their irrigation demand among themselves so that all of the District's customers receive their share of recycled water supplied by CDCR to the District in an efficient manner. The District shall have the right to impose schedules upon its recycled water customers if the customers fail to agree.
- E. On-site recycled water facilities shall be tested under active conditions in the presence of the District inspector and most likely a representative from the State DOHS, Kern County Department of Environmental Health Services, Central Valley Regional Water Quality Control Board or other regulatory agency to ensure compliance with local, state and federal conditions.

Section 3.3. Conversion of Existing Facilities.

- A. Conversion of Existing Facilities to Recycled Water Use. Prior to the conversion

of an existing irrigation system to recycled water use, the District at the customer's expense shall, at a minimum, review the record drawings, prepare required reports, and determine the measures necessary to bring the system into full compliance. No existing irrigation facilities shall be converted to, or incorporated into, a recycled water system without proper testing and approval by District and/or other regulatory agencies.

Section 3.4. Marking Water Facilities.

- A. The exposed portions of the customer's recycled water piping and appurtenances shall be clearly identified in accordance with local and health department requirements. The method of identification shall be clearly detailed on all plans, specifications, and engineering reports.
- B. Water meters used for recycled water service shall not be used for any other water service.

Section 3.5. Cross-Connection Prevention.

- A. Backflow Assembly. Backflow assemblies are required at every recycled water service connection and at every back up connection between a customer recycled water system and the standard District water system or with any public system. The customer, at the customer's sole expense, shall install, test, and maintain an approved backflow assembly in accordance with Title 17 of the California Code of Regulations as a prerequisite to receiving recycled water service.

Any backflow prevention device installed to protect the standard District water system or other public water system shall be tested, inspected, and maintained in accordance with section 7605 of Title 17, California Code of Regulations.

- B. System Testing. As required by the State Department of Health Services or the regulatory agency, the District will periodically conduct a cross-connection control test of the integrity of the on-site recycled water system at those facilities having both standard District water service or other public water service and recycled water service. Methods of system testing include, but may not be limited to: 1) isolating each system in turn and recording the internal pressure of the isolated system; or 2) introducing tracer dyes into the system to determine existence of backflow into the standard District or other public water system. The recycled water system shall be tested as described above for possible cross connections at least once every four (4) years.
- C. The District shall provide adequate notice prior to conducting a cross-connection control test to the State Department of Health Services and any other regulatory agency requesting notice.
- D. The cost of testing and any repairs or corrections identified during the testing shall be paid for solely by the customer.

Section 4.1. General Statement. The District shall provide recycled water where the District determines recycled water is technically and economically feasible. However, each use must be approved on a case-by-case basis. Determination of the specific uses shall be in accordance with the treatment

standards and water quality requirements set forth in Title 22, Division 4, Chapter 3 of the California Code of Regulations and to preserve the public health. Each use shall, in addition, be subject to the availability of distribution facilities or the technical and economic feasibility of making such facilities available, as determined by the District.

Section 4.2. District's Liability. The District is not responsible for any condition of the recycled water itself, or any substance that may be mixed with or be in recycled water as delivered to any customer, except as required by Title 22 and applicable regulations. The District shall not be liable for any damage from recycled water, including that resulting from inadequate capacity, interrupted service, defective plumbing, broken or faulty services, or recycled water mains; or any conditions beyond the control of the District. All users shall accept the pressure provided at the location of the Service Connection and hold the District harmless from any and all liability, damage, loss, costs, fees or expenses of whatever type or nature, arising from low pressure or high pressure conditions, or from interruptions of service.

Section 4.3. Conditions of Service. Recycled water service will be made available to the customer in accordance with the following terms and conditions:

- A. Compliance with Regulations. The District's recycled water shall be used in a manner that complies with all applicable federal, state, and local statutes, ordinances, regulations and other applicable requirements for the treatment level supplied, as determined by the District.

The use of recycled water shall not, at any time, cause pollution, contamination, or a private or public nuisance, as defined by section 13050 of the California Water Code. Recycled water shall be used by customers at all times in a manner that does not cause illness or injury to any person and in a manner that does not harm or damage any real or personal property of any person or entity, including the District. Customers shall not discharge recycled water into any watercourse unless Waste Discharge Requirements for such discharge have been previously obtained by the customer from the Central Valley Regional Water Quality Control Board.

- B. Studies and Reports. The cost and preparation of any study or report necessary to comply with the California Environmental Quality Act (CEQA) or obtain any permit or other approval required from a regulatory agency shall be the responsibility of the applicant.
- C. Service Constraints. All service is contingent on the quantity and quality of recycled water available to the District from CDCR at CCI and shall be provided in accordance with the terms of the Agreements between the District and CDCR and between the District and the customer.
- D. Distribution. The District reserves the right to control and schedule distribution as necessary to: 1) maintain an acceptable working pressure; 2) safeguard the public health; 3) manage the availability of recycled water supply to each of the District's customers; and 4) construct, maintain, and operate the facilities.
- E. Deliveries. Deliveries (or runs) of recycled water shall, in no event, be less than 15% or more than 100% of the rated capacity (as determined by the District) of the involved meters.

- F. Metering. All recycled water use shall be metered, and all recycled water used on any premises where a meter is installed must pass through a meter. Customers shall be held responsible and charged for all recycled water passing through the meter(s), unless otherwise specified by the District.
- G. Best Management Practices. Each applicant must demonstrate its ability to comply with the Recycled Water Use Guidelines and Best Management Practices (Sections 7.1.1 – 7.1.6 hereafter), including, but not limited to, an adequate reuse system, including adequate tailwater ponds and recycling pumps.
- H. Scheduling.
1. On or before November 15 of each year, each customer shall advise the District in writing whether the customer intends to use recycled water during the following calendar year, and provide an estimate of the quantity of recycled water that the customer will need that year. Only customers that so advise the District prior to November 15 in any year will be entitled to receive recycled water during the following year.
 2. On or before February 1 of each year, each customer shall provide the District in writing a firm order for recycled water and a monthly delivery schedule specifying the quantity of recycled water the customer requests to be delivered during each month of the year. This order and delivery schedule will obligate the customer to take the full ordered quantity of recycled water during the year if such quantity is available. If a customer fails to provide such a written order and delivery scheduled by February 1 in any year, the District may conclude that the customer does not have any demand for recycled water in that year and will not have any obligation to deliver any recycled water to the customer during the year.
 3. Based on the terms of each Recycled Water Agreement and the annual orders and monthly delivery schedules provided to the District on or before February 1 of each year, the District will determine the quantity of recycled water that the District can make available to each customer for the year. On or before February 28th of each year, the District shall notify each of its recycled water customers of the estimated amount of recycled water that the District anticipates will be available for delivery to the customer in the year. Periodically thereafter, the District shall provide updated estimates as quantities of recycled water available from CDCR are revised.
 4. If a customer fails to take delivery of the full quantity of recycled water that it orders in a given year, such failure will be grounds for suspension or termination of recycled water service if this failure results in the waste of recycled water. If a customer underestimates its recycled water demand in its order provided on or before February 1, the District will deliver recycled water to the customer in excess of the quantities ordered and scheduled to the extent the District can do so while meeting the demands of other customers.

Section 4.4. Request for Service.

- A. Application. All requests for recycled water service must be made by the applicant completing and signing the appropriate District application form. Upon receipt of an application, the District will review the application and may prescribe requirements and conditions in the District's sole discretion, in writing to the applicant as to the off-site and on-site facilities necessary to be constructed, the manner of connection, the financial responsibility, and the use of the recycled water. Prior to receiving recycled water service, the proposed use shall be approved by the District and any other regulatory agency which asserts jurisdiction to approve the proposed use. The District will inspect on-site recycled water facilities to assure initial and future continued compliance with the District's regulations and other applicable requirements.
- B. Recycled Water Use Agreement. Upon approval of the application by the District in its sole discretion, and issuance of all required regulatory agency permits, a Recycled Water Agreement shall be executed between the District and customer authorizing the applicant to receive recycled water service subject to the terms and conditions of these rules and regulations and federal, state, and local regulatory agencies rules and regulations. Such agreement shall include, but not be limited to, the property location, quantity of recycled water to be used, permitted uses, and rate to be charged for the recycled water. Such agreement shall require any customer before applying recycled water to any land the customer does not own to supply to the District the landowner's consent on a form be supplied by the District.

Section 4.5. Disputed Recycled Water Bills. The District will investigate any dispute over the correctness of a recycled water bill. Bills reflecting clerical or meter errors shall be adjusted, taking into consideration the volume of business, seasonable demand, and any other factors that may assist in determining an equitable charge.

Section 4.6. Non-Registering Recycled Water Meter. When a meter is found to be out of order, the charge for water will be based on, at the option of the District, either the average monthly consumption for the preceding months during which the meter is known to have registered correctly, or the consumption as registered by a "substitute meter". Consideration will also be given to volume of business, seasonal demand and any other factors that may assist in determining an equitable charge.

Section 4.7. Wholesale Recycled Water Service. Wholesale recycled water service to another water agency shall be specifically dealt with in a special agreement, by and between the involved water agency and the District covering the terms and conditions for service.

Section 4.8. Discontinuance of Service.

- A. Turn-off At Customer's Request. A customer may request that service be discontinued, either temporarily or permanently, only if permitted and in the manner provided in the Recycled Water Agreement.
- B. Turn-off by the District. The District may discontinue a customer's service for any of the reasons set forth in Part E of the District's Standard Rules and Regulations and for the following additional reasons:
 - 1. Water Quality. Service may be discontinued if CDCR discontinues recycled water deliveries to the District for any reason or, at any point in

the District's distribution system, the recycled water does not meet the requirements of the District or any regulatory agency. Service will, in the latter case, be restored at such time as recycled water again meets the requirements of regulatory agencies.

2. For Non-Compliance With Terms & Conditions Contained in District's Recycled Water Agreement. The customer's failure to comply with any of the terms and conditions contained in the District's standard recycled water agreement shall result in an enforcement action. The District shall have the right to enforce the agreement by any method provided in the agreement or by any applicable federal, state or local law, rule or regulation.
3. For Non-Compliance With Regulations. Service may be suspended or terminated in the manner provided herein at any time the customer's operations do not conform to these special rules and regulations as determined by the District in its sole discretion. Where safety of water supply or public health is endangered, or regulations have been violated, service may be suspended immediately without notice. Otherwise, all defects noted shall be corrected within the period of time specified by the District.
4. For Waste or Misuse of Water. In order to protect against waste or misuse of recycled water, the District may suspend service if such wasteful practices or misuses of recycled water are not remedied after notice to such effect has been given to the customer. Because failure to take the full quantity of recycled water ordered for the year will likely result in the waste of recycled water, the District may suspend or terminate service if the customer does not take delivery of the full quantity of recycled water the customer ordered for that year.
5. For Unauthorized Use of Recycled Water. When the District has discovered an unauthorized use, the service may be suspended without notice. Any person obtaining recycled water without District approval will be liable for a penalty charge, as set forth in Part J of these Rules and Regulations. The District shall, as appropriate, notify the State Department of Health Services and the Kern County Department of Environmental Health Services of such unauthorized use. Repeated unauthorized usage shall be considered as tampering with District property and may result in the offender being charged and prosecuted.

Section 4.9. Re-Establishment of Service. The District shall have the right to refuse to re-establish service following termination of service for violation of these provisions or any Recycled Water Agreement. Any request to re-establish service subsequent to the termination of recycled water service shall be in the manner prescribed for initially obtaining recycled water service from the District, which may include the collection of a security deposit, as set forth in Part G of these Rules and Regulations.

Section 4.10. Special Rules Pertaining to Use of Recycled Water in Cummings Basin.

- A. No recycled water shall be used in the Cummings Basin north and west of the

South Quarter Corner of Section 25, T.32S., R.31E., M.D.B.&M., that is, west of Pellisier Road [County Road No. 241] and north of the westerly extension of Highline Road.

- B. Customers using recycled water to irrigate crops (including turf grass) in the Cummings Basin as a condition of receiving recycled water for irrigation shall elect to participate in the Southern San Joaquin Valley Water Quality Coalition, Kern River Sub-Basin. The District shall establish a surface water quality monitoring station in Chanac Creek at the eastern boundary of Parcel Map No. 4117 subject to approval of the Central Valley Regional Water Quality Control Board, and shall take and analyze samples collected therefrom when and as may be required by the Regional Board as part of any WDR Conditional Waiver Program.
- C. The District shall monitor Cummings Basin groundwater quality on a monthly basis by taking and analyzing samples from Well No. 36C2 near the Northwest Corner of Section 36, T.32S., R.31E., M.D.B.&M., commonly referred to as "SSCSD's Cummings Valley Well No. 1." Analyses of such samples shall be public documents, available to inspection and copying by members of the public.
- D. Customers in the Cummings Basin shall not discharge recycled water into Chanac Creek or any other water course except pursuant to Waste Discharge Requirements issued by the Central Valley Regional Water Quality Control Board. Any such discharge shall be grounds for termination of the Recycled Water Agreement between the customer and the District.
- E. Customers using recycled water to irrigate crops in the Cummings Valley shall demonstrate to the District's satisfaction that their recycling systems, including tailwater ponds and pumps, are sized, constructed, located and maintained such so as to preclude any accidental overflows or discharges to adjoining lands or Chanac Creek. Customers shall grant the District the right to position mobile diesel pumps at tailwater ponds for emergency back up operation by customers in the event a customer's pump fails. All costs of operating District mobile diesel pumps shall be promptly reimbursed by the customer. At a minimum, the District shall install a mobile diesel pump at any tailwater pond which has overflowed in the previous five years.
- F. As used herein, "Cummings Basin" shall mean all the land overlying the Cummings Valley Groundwater Basin and all non-overlying lands within the Cummings Valley Watershed as defined in Findings of Fact and Conclusions of Law in Kern County Superior Court Case No. 97210.

Section 5.1. On-Site Facilities. Customer shall operate, maintain and control all on-site recycled water facilities in accordance with the requirements established by District, federal, state, and local regulatory agencies. It shall be the sole responsibility of the recycled water user to:

- A. Designate a recycled water supervisor who is responsible for the recycled water system at each use area under the user's control. Specific responsibilities of the recycled water supervisor include the proper installation, operation, and maintenance of the irrigation system; compliance of the project with the District's

rules and regulations, prevention of potential hazards, implementation of Best Management Practices and preservation of the recycled water distribution system in its “as built” form. Designated recycled water supervisors shall obtain instruction in the use of recycled water from an institution approved by the State DOHS.

- B. Maintain a copy of these rules and regulations, irrigation system layout map, and a recycled water system operations manual at the use area. These documents shall be available to operating personnel at all times.
- C. Ensure that all on-site operations personnel are trained and familiarized with the use of recycled water.
- D. Furnish its operations personnel with maintenance instructions, irrigation schedules, controller charts, and record drawings to ensure proper operation in accordance with the on-site facilities design, the Recycled Water Agreement, and these rules and regulations.
- E. Prior to the initiation of recycled water service, the recycled water user shall submit plans and specifications for recycled water distribution facilities to the District for review and approval.
- F. The recycled water user shall provide written notification, in a timely manner, to the District of any material change or proposed change in the character of the use of recycled water.
- G. Ensure that the design and operation of customer’s recycled water facilities remain in compliance with all the terms of the Recycled Water Agreement and all the terms of these rules and regulations.
- H. Implement on-site controls, which meet the requirements established by the District, federal, state, and local regulatory agencies to protect the health of customer’s employees and the public.
- I. Notify the District immediately of any and all failures in the system resulting in an unauthorized discharge or a contamination of another system due to a cross-connection on the premises. Customer complaints or complaints received by customers concerning recycled water use that may involve public illness shall be reported to the State DOHS, the Kern County DEH, and to the District which shall maintain a log of all complaints regarding recycled water.
- J. Protect all recycled water storage facilities, including tailwater ponds, against erosion, overland runoff, and other impacts resulting from a 20-year, 24-hour frequency storm unless the Central Valley Regional Board Executive Officer approves relaxed storm protection measures for the facility.
- K. Protect all recycled water storage facilities against 20-year frequency peak stream flows as defined by the Flood Plain Management Division of the Kern County Engineering and Survey Services Department, unless such division approves relaxed storm protection measures for the facility.

- L. Protect all potable drinking water fountains and eating facilities from spray of recycled water.
- M. Ensure that the recycled facilities are operated at all times in full compliance with all federal, state, local and District recycled water requirements.
- N. Ensure that all recycled facilities are operated at all times in a manner that does not result in a discharge of recycled water into a watercourse, or cause illness or injury to any person or damage any real or personal property of any person, including the District.

Section 5.2. District Recycled Water System Facilities.

- A. Ownership, operation and maintenance of all recycled water system facilities up to, and including, the District's valve meter assembly at the Service Connection, shall be the responsibility of the District.
 - 1. Tampering with District Property. No person shall at any time tamper with District property. Such tampering constitutes a misdemeanor or felony criminal violation punishable by law. Only authorized District personnel may operate District facilities. A customer may operate District recycled water facilities only if expressly authorized in a Recycled Water Agreement.
 - 2. Unauthorized Use of Recycled Water. Customers who open the valve of a Service Connection without District approval may be liable for a penalty charge, as determined by the District, and for the cost of water usage, based either on the meter reading (if available) or the estimated consumption during the time water service was received without proper arrangements. Repeatedly turning on service without making proper arrangements shall be considered as tampering with District property and may result in the offender being charged and prosecuted.
 - 3. Use of Recycled Water on Non-Approved site. Use of recycled water on a site that has not been approved for the use of recycled water requires the immediate notification of State DOHS and/or Kern County DEH and/or Central Valley Regional Water Quality Control Board.
 - 4. Property Damage. Any repair costs incurred by the District as a result of damage inflicted by the customer or others will be billed to the responsible party. Failure by the responsible party to pay for such costs shall constitute grounds for discontinuance of water service and/or legal action by the District. Amounts paid by the District shall incur interest at 12% per month until paid in full.

Section 5.3. Access to customer's Premises.

- A. The District, the Central Valley Regional Water Quality Control Board, the State DOHS, the Kern County DEH, or any other regulatory agency, and any authorized

representative of these agencies, upon presentation of proper credentials, shall have the right to enter upon the recycled water use site during reasonable hours, or at any time during an emergency, for the following reasons:

1. Monitoring and inspecting all recycled water systems to ascertain compliance with these rules and regulations and other regulatory requirements of any regulatory agency.
 2. Installing, maintaining, repairing and reading District owned facilities serving the customer's premises.
- B. Where necessary, keys and/or lock combinations shall be provided to the District for site access.

Section 6.1. Termination of Service. The District may terminate service to a recycled water user who uses, transports, or stores such water in violation of these special rules and regulations, in violation of the District's Standard Rules and Regulations, or in violation of any Recycled Water Agreement with the District.

- A. The Central Valley Regional Water Quality Control Board may initiate enforcement action against any recycled water user, including but not limited to, the termination of the reclaimed water service, who:
1. Discharges recycled water in violation of any applicable discharge requirement prescribed by the Regional Board or by the State Water Resources Control Board, or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.
 2. Uses, transports, or stores such water in violation of the rules and regulations governing the design, construction and use of recycled water distribution and disposal systems promulgated by the District; or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.

Section 6.2. Investigation and Initial Determination. The District shall investigate all reports of non-compliance with any provision of these special rules and regulations and/or the Recycled Water Agreement to determine the seriousness of the violation. Determination regarding the seriousness will be based upon: 1) the magnitude and duration of the violation; 2) its effect on the operation of the District's recycled water system; 3) its effect on third parties; 4) its impact on public and environmental health and safety; 5) the history and good faith of the customer; and 6) its effect on District's compliance with regulatory agency rules and regulations or regulatory agency permit conditions.

Section 7.1. Recycled Water Use Guidelines and Best Management Practices. As a supplier of recycled water, the District must ensure that the District's customers are aware of their responsibilities regarding recycled water use. The following Sections 7.1.1 through 7.1.6 constitute the District's Recycled Water Use Guidelines and Best Management Practices ("BMP"). The BMP are consistent with those promulgated by the State of California Department of Health Services, in Title 17 and Title 22 of the California Code of Regulations. The implementation of the BMP is essential in controlling soil erosion,

over spray and ponding, promoting efficient irrigation practices and preventing discharged of recycled water offsite or into watercourses.

Section 7.1.1. General Operational Controls.

- A. The use of recycled water must be limited to the areas designated and approved by the District.
- B. All recycled water valves and outlets shall be properly tagged to warn the public and employees that the water is not safe for drinking.
- C. All recycled water piping and appurtenances in new installations and appurtenances in retrofit installations shall be colored purple or distinctively wrapped with purple tape in accordance with Chapter 7.9, section 4049.54 of the California Health and Safety Code.
- D. Where feasible, different piping materials should be used to assist in water system identification.
- E. All recycled water valves, outlets and sprinkler heads should be of a type that can only be operated by designated personnel.
- F. No recycled water shall be discharged into any watercourse.
- G. The recycled water piping system shall not include any hose bibbs. The use or installation of hose bibbs on any on-site water system that presently operates or is designed to operate with recycled water, regardless of the hose bibb style, construction or identification is strictly prohibited.
- H. No physical connection shall be made or allowed to exist between any recycled water system and any separate system conveying standard District water. Backflow preventers shall be required at the discretion of the District.
- I. The use of recycled water shall at no time create odors, slime, deposits, become a public or private nuisance or create a trespass of any kind.
- J. The use area shall be maintained to prevent the breeding of flies, mosquitoes or other vectors.
- K. Reclaimed water facilities shall be operated in accordance with best management practices (BMP's) to prevent direct human consumption of reclaimed water and to minimize misting, ponding, and runoff. BMP's shall be implemented that will minimize public contact and preclude discharges onto areas not under customer control and discharges into watercourse.
- L. Customers shall ensure that all recycled water facilities are maintained, operated and repaired at all times in a manner that does not cause illness or injury to any person and in a manner that does not cause damage or injury to the real or personal property of any person or entity, including the District.

Section 7.1.2. Posting of On-Site Notices. All use areas where recycled water is used and that are accessible to the public shall be posted with conspicuous signs, in a size no less than 4 inches by 8 inches, that include the following wording and picture in a size no less than 4 inches high by 8 inches wide: “RECYCLED WATER - DO NOT DRINK”. The sign(s) shall be of a size easily readable by the public. The prescribed wording should also be translated into Spanish and other appropriate languages and included in the required signs.



Figure 1

All water outlets shall be posted as “potable” or “non-potable”, as appropriate

Section 7.1.3. Worker/Public Protection. Workers, residents, and the public shall be made aware of the potential health hazards associated with contact or ingestion of recycled water, and should be educated about proper hygienic practices to protect themselves and their families.

- A. Workers and others must be notified that recycled water is in use, through the posting of signs, etc.
- B. The following measures should be taken to minimize contact with recycled water:
 - 1. Workers/public should not be subjected to recycled water sprays.
 - 2. Workers should be provided with the appropriate clothing during prolonged contact with recycled water.
- C. Potable drinking water should be provided for workers.
- D. Toilet and washing facilities should be provided.
- E. Precautions should be taken to avoid contact with food and food should not be taken into areas that are still wet with recycled water.
- F. A first aid kit should be available on site, to prevent cuts and other injuries to contact recycled water.

Section 7.1.4. General Crop Irrigation Uses. All windblown spray and surface runoff of reclaimed water applied for irrigation onto property not owned or controlled by the discharger or reclaimed water user

shall be prevented by implementation of BMP's.

Irrigation with reclaimed water shall be during periods of minimal human use of the service area. Consideration shall be given to allow an adequate dry-out time before the irrigated area will be used by the public.

All drinking fountains located within the approved use area shall be protected by location and/or structure from contact with recycled water spray, mist, or runoff. Protection shall be by design, construction practice, or system operation.

Facilities that may be used by the public, including but not limited to eating surfaces and playground equipment and located within the approved use areas, shall be protected to the maximum extent possible by siting and/or structure from contact by irrigation with recycled water spray, mist or runoff. Protection shall be by design, construction practice or system operation.

Section 7.1.5. Efficient Irrigation. The following methods of irrigation management should be applied to reduce run off, ponding and over spray and preclude discharges of recycled water to watercourses. When followed, these methods will result in uniform irrigation and efficient operation.

A. Hardware.

All irrigation systems must have the appropriate equipment/hardware for the application.

1. Install irrigation system according to the design.
2. Make sure all sprinkler heads are uniform in brand, model and nozzle size. Where different arcs are needed at the same station, match precipitation rates by changing nozzles.
3. Measure spacing between sprinkler heads. Place heads per manufacturer's recommendations.
4. Where lower precipitation rates are required, such as on slopes, reduce nozzle size and spray angle per manufacturer's recommendations.
5. Install booster pumps to increase pressure where needed.
6. Install pressure reducers to decrease pressure where needed, often on steep hillsides where main lines run downhill.
7. Make sure piping is sized to transmit water in the quantity demanded by the system.
8. Use check valves either in-line or built into the sprinkler head assembly to virtually eliminate low head drainage after the valve has closed. THESE DEVICES SUBSTANTIALLY REDUCE RUN OFF AND PONDING FROM INDIVIDUAL SPRINKLER HEADS.
9. Use automatic flow control devices that shut down a system if a break or

other similar high flow/low pressure situation develops during irrigation. THESE DEVICES CAN SAVE SIGNIFICANT AMOUNTS OF WATER AND ELIMINATE RUN OFF OR PONDING IF A BREAK SHOULD OCCUR.

10. The use of centralized control systems or controllers that measure or can be programmed to use evaporation rates, or systems that use controls such as moisture sensors is recommended.

B. Maintenance.

Maintenance is often the most overlooked irrigation system component. Perform the following routinely, and to fix a problem with the irrigation system.

1. Adjust sprinkler heads so they achieve 80% head to head coverage throughout their intended arc. There should be no obstruction that would interfere with the free rotation and smooth operation of any sprinkler, such as trees, tall grass, shrubs, signs, etc. The system should be tested during the daytime so adjustments can be made.
2. Adjust valves or pressure regulators so that the systems are operating at the pressure required by the sprinkler heads or emitters. Test pressures periodically with a pressure gauge to maintain appropriate pressure levels.
3. Routinely test the accuracy of time clocks. Have the time clock recalibrated or repaired as necessary.
4. Repair or replace broken risers, sprinklers, valves, etc. as soon as they are discovered. Replace with appropriate make and model of equipment to maintain uniformity throughout the system.
5. Routinely check backflow devices, pumps, etc. for leaks and repair or replace as necessary.
6. Routinely clean screens and backwash filters to keep systems operating optimally.

C. Management.

System management determines: 1) the appropriate duration of the irrigation cycle, and 2) the frequency at which irrigation occurs.

1. Duration: The duration or length of an irrigation cycle (run time) should be long enough to fill up the root zone reservoir. If total run times are longer than required, then deep percolation losses occur. There are exceptions to this general rule. A common and important exception to this rule is to reduce levels of salts in the root zone reservoir. This is accomplished by applying additional water to force salts down past the root zone. This process, called leaching, is a common use of irrigation water. Run times are also dependent on distribution uniformity (DU). DU

is a measurement of how evenly water is applied to the irrigated area. Run times are reduced by higher levels of DU.

2. Frequency: The frequency of an irrigation cycle should be as often as necessary to meet the water requirements of the vegetation. This is determined by measuring the amount of moisture remaining in the root zone reservoir between irrigation cycles. When an appropriate moisture level is determined, the irrigation cycles should be scheduled to ensure watering frequency is such to maintain that level.
3. Practices for optimizing management of an irrigation system:
 - a) Use tensiometers, gypsum blocks, soil probes, the “feel method”, and/or the California Irrigation Management Information System to estimate soil moisture levels. Inspect and maintain regularly to ensure accuracy and reliability.
 - b) Use automatic rain shut-off devices to reduce irrigation if significant rainfall occurs.
 - c) Use multiple rain shut-off devices to reduce ponding if precipitation rate is higher than the infiltration rate of the soil.
 - d) Irrigate in the evening or early morning to avoid the heat and/or windy parts of the day. This will reduce evaporation losses and minimize windblown spray from entering unintended areas.
 - e) Group irrigated areas into zones of similar water use. For example, irrigate grass areas separately from shrub areas, sunny areas separately from shady areas, etc.
 - f) As needed, aerate the soil to improve infiltration of air and water into the soil.
 - g) Provide as much flexibility as possible into the design of the irrigation system. Built in ability to make changes as necessary can add to the efficiency of the system.
 - h) Perform good horticultural practices; fertilization, mowing, de-thatching, aeration, and pest control, as necessary to create the best growing environment for landscape vegetation.

Because irrigation systems have constant wear and tear, periodic checks and adjustments are all part of good landscape water management programs.

D. Reuse System and Tailwater Ponds:

1. Each customer shall have a system to collect and reuse tailwater, including

tailwater ponds with recycling booster pumps of sufficient number, size, construction and location to (a) recycle all excess irrigation water for reuse, (b) contain and confine all irrigation water on the customer's fields and (c) preclude discharge of any recycled water onto adjoining lands or into any watercourse.

2. Each customer shall allow the District to position on those customer tailwater ponds the District selects District owned mobile diesel pumps to be operated by a customer as an emergency backup if a customer's recycling pump fails. At a minimum, the District shall position a mobile diesel pump on any tail water pond which within the previous five years has overflowed onto adjoining land or into a watercourse. The customer shall provide fuel for such pumps and shall promptly reimburse the District for any costs incurred by the District during emergency operation of such backup pumps.

Section 7.1.6. Use of Recycled Water Adjacent to Potable Wells.

- A. Irrigation with recycled water shall not take place within 50 feet of any domestic water supply well unless all of the following conditions have been met:
 1. A geological investigation demonstrates that an aquitard exists at the well between the uppermost aquifer being drawn from and the ground surface.
 2. The well contains an annular seal that extends from the surface into the aquitard.
 3. The well is housed to prevent any recycled water spray from coming into contact with the wellhead facilities.
 4. The ground surface immediately around the wellhead is contoured to allow surface water to drain away from the well.
 5. The owner of the well approves of the elimination of the buffer zone requirement.
- B. No impoundment of recycled water shall take place within 100 feet of any domestic water supply well.
- C. Crop Irrigation with recycled water shall be prohibited within the Cummings Valley north and west of the intersection of Pellisier Road (County Road No. 241) and the western extension of Highline Road.
- D. Other special restrictions applicable to use of recycled water in the Cummings Valley and its watershed are set forth in section 4.11 of the District's Rules and Regulations Governing Use of Recycled Water.

Section 8.1. Recycled Water Inspection and Monitoring Program. The Recycled Water Inspection and Monitoring Program set forth in the following Sections 8.1.1 through 8.1.5 is designed to insure

compliance with all federal, state and local regulations governing the use of recycled water. The District's "Rules and Regulations Governing the Use of Recycled Water" provides the legal authority for the implementation of this Recycled Water Inspection and Monitoring Program. The key components of this program include the District's Cross Connection Control Program. In addition, educational information may be provided by the District's staff to prevent any unintentional misuse of recycled water.

Section 8.1.1. Plan Check Function. All new recycled water users proposing to install recycled water irrigation systems are required to submit plans for review and approval by the District and Regulatory Authority. Plan review is conducted by the District's staff to verify conformance with District standards. The irrigation system is inspected following construction to verify conformance with the approved plans.

Section 8.1.2. Application for Service. The District's "Rules and Regulations Governing the Use of Recycled Water" requires all customers desiring or required to obtain recycled water service to submit an application on a form developed by the District. This provision also requires that an agreement be signed prior to any connection to any District owned recycled water facilities.

Section 8.1.3. Recycled Water Agreement. After review of the application for service, a recycled water service agreement is prepared. This agreement is between the District and the customer, and is a condition of obtaining recycled water service.

Section 8.1.4. Inspection and Monitoring. Recycled water meters are read periodically by District water operators, meter readers and other District personnel. If any problems are discovered (ponding, run-off, inappropriate use, over spray, missing signs, etc.), the Wastewater/Recycled Water Supervisor, or the Wastewater/Recycled Water Supervisor's designee, will respond within 72 hours. Any issues that have potential health risks will be responded to immediately and reported to the County Department of Environmental Health Services.

In addition, all recycled water users will be inspected a minimum of annually. This routine inspection is conducted to verify compliance with the provisions established in the District's "Rules and Regulations Governing the Use of Recycled Water", the Recycled Water Agreement, and any other federal, state or local regulations. The inspection will be conducted with the designated "On-Site Recycled Water Supervisor". Any violations, deficiencies, or unacceptable findings will be noted and the On-Site Recycled Water Supervisor will be required to perform corrective action.

Section 8.1.5. Non-Compliance Issues. It is the policy of the District to remedy a violation as soon as possible through progressive enforcement procedures. This procedure provides the customer due process, and considers the seriousness of the violation when determining the appropriate enforcement action.

Enforcement mechanisms (notices, penalties, fines and termination of service) are described in more detail in the District's "Rules and Regulations Governing the Use of Recycled Water". Enforcement mechanisms are also included in the District's Recycled Water Agreements.

PART Q. WATER BANKING AGREEMENTS.

Section 1. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Supplemental Water Purchase and Banking Agreements both subsurface delivery of recharged SWP water and for spreading and later recovery and use of SWP water shall be substantially in form and content as set forth in **Appendix 3** to these Rules and Regulations.

Section 2. Policy Concerning Supplemental Water and Water Banking Customers. Not all of the SWP facilities authorized and necessary for DWR to deliver all of the KCWA's Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the District's Table 1 entitlement under the KCWA Contracts) have been constructed. Court decisions adverse to the DWR water supply cast further uncertainty regarding the amount and dependability of the District's SWP water supply. Before entering into new Water Banking Agreements, Supplemental Water Purchase and Banking Agreements, or other contracts with new customers, it is the District's policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long term needs of the District's existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new customer's anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers, and existing agricultural customers. If and when such needs cannot be met, it is the District's policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such customer's long term water requirements.

Section 3. Substitute of Return Flows for Surface Deliveries. Provided that sufficient District return flows are in storage and pumping of same by District customers will not adversely affect other pumpers of groundwater exercising valid rights, the District in its discretion may allow customers to pump District return flows in lieu of imported water provided that such customers and the District execute a Supplemental Water Purchase and Banking Agreement substantially in the form and content as set forth in **Appendix 4** to these rules and regulations.

PART R. RIGHT TO AMEND, ETC.; PROVISIONS OF EVERY WATER SERVICE AGREEMENT; CERTAIN OTHER CONTRACTS.

Section 1. Right to Amend. The District retains the right at any time and from time to time, with or without notice, to amend, repeal, or add provisions additional to, any provision in these Rules and Regulations, either by actual amendment hereof, or by successor Rules and Regulations and amendments thereto. Any such change, including but not limited to, increases in rates or re-categorization or uses for rate purposes, or any rule or regulation, shall apply to water service commenced theretofore or thereafter, except to the extent as may be provided in any Term M&I Agreement or other contract.

Section 2. Provisions as Amended Part of Water Service Agreements. Every provision of these Rules and Regulations, as the same may be changed from time to time, whether before or after the entering into of any water service agreement (whether by approval of application alone or by reasons of a Term M&I Agreement) shall be deemed a part of each such water service agreement, and without thereby limiting the foregoing, each water user and co-signing owner shall be deemed to have agreed to the District's right to waste, seepage and return flow as provided in Part K, and to have quitclaimed to the District any otherwise right, title or interest of water user therein.

Section 3. Incorporation of Provisions of the KCWA Contracts and Master Contract. Every water service agreement is also subject to the provisions of the KCWA Contracts as they may be hereafter amended, and to the extent provided or later provided therein, or otherwise by law, to the provisions of the Master Water Supply Contract between DWR and the KCWA, as the same may be hereafter amended.

ATTACHMENT "C"

TERM M&I AGREEMENT [For Existing Recharge Water Customers]

(Basin)

THIS AGREEMENT is entered into effective , 2026 (Effective Date), by and between TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, a county water district ("~~District~~" hereinafter) and ("~~Water User~~" hereinafter).

A. Recitals:

RECITALS

(i) A. As provided in Part C of the ~~District's~~ District's Rules and Regulations, as amended from time to time (Rules and Regulations), it is ~~District~~ the District's policy to meet the present and future needs of its current Term M&I Agreement Customers customers from the ~~District's~~ District's State Water Project ("SWP") water (SWP Water) supply pursuant to the ~~District's~~ District's two water supply contracts with the ~~Kern~~ Kern County Water Agency ("~~KCWA~~") both dated December 16, 1966 (the "~~KCWA WATER SUPPLY CONTRACTS~~") Water Supply Contracts). Water User for many years has had a Term M&I Agreement with the District, for M&I use as defined in District's Rules and Regulations, and wishes to enter into a further Term M&I Agreement, as herein provided. ~~To the extent any water taken by Water User qualifies for agricultural rates, the Rules and Regulations shall govern the same and this agreement shall be inapplicable thereto.~~

(ii) This is a "Term M&I Agreement", entered into pursuant to the Rules and Regulations, and does not govern Water User's purchase of agricultural water.

(iii) C. Pursuant to Part K of the ~~District's~~ District's Rules and Regulations, as amended, the District claims all right, title and interest in and to all return flows into any groundwater basin within the ~~District's~~ District's boundaries of water imported by the District, whether by means of waste, seepage or percolation before or after delivery, use or reuse, or from the ~~District's~~ District's intentional recharge of ~~IMPORTED WATER~~ imported water, including without limitation, SWP Water by the District in District spreading areas, together with the right to recapture and otherwise utilize same (all such return flows hereafter "~~RECHARGE WATER~~") Recharge Water).

D. Section 3 of Part C of the District's Rules and Regulations provides that the District in its discretion, may elect to allow retail purveyors having Term M&I Agreements with the District to pump Recharge Water in lieu of taking surface deliveries of SWP Water.

E. Water User ~~wishes~~ desires to reduce the cost of treating ~~IMPORTED WATER~~ SWP Water by substituting therefor ~~RECHARGE WATER~~ therefore Recharge Water to be pumped by Water User from the Basin.

(iv)

(v) F. In accordance with the longstanding holdings of the California Supreme Court (*City of Los Angeles v. City of Glendale* (1943) 23 Cal.-2d 68, 76-77 and *City of Los Angeles v. City of San Fernando* (1975) 14 Cal. 3d 123, 257-261), and other holdings of the Courts, the District and the Water User have the right to recharge, store and withdraw ~~IMPORTED WATER~~ SWP Water from the Basin.

B. Agreement:

G. Except as expressly provided herein, this agreement fully supersedes and replaces any and all prior Term M&I Agreements between the District and the Water User.

AGREEMENT

Now, therefore, it is agreed between the parties, in consideration of the terms hereof, and the lower rates for M&I water taken pursuant to a Term M&I Agreement, as follows:

1. Incorporation of Recitals and Rules and Regulations. The recitals above are incorporated into this agreement. This agreement is subject to all the provisions of the District's Rules and Regulations, as may be amended from time to time, except to the extent expressly inconsistent with a material term of this agreement, in which event this agreement shall control.

2. Water User's Annual SWP M&I Demand. During the term of this agreement, ~~and each annual period hereunder,~~ Water User agrees to purchase from the District ~~(and the District agrees to sell to Water User (i) all water used, sold or distributed by Water User for M&I use, as defined in the District's Rules and Regulations, over and above all quantities of "LOCAL WATER AVAILABLE TO WATER USER"; "Local Water Available To Water User" as that quoted term is defined and limited in paragraph 24 hereof, (hereinafter referred to as the "NET IMPORTED M&I REQUIREMENT") provided, however, District shall have no obligation to sell to Water User more than~~ [insert Water User's 2040 projected SWP water demand from Table 2-13 of the 2010 Tehachapi Regional UWMP] and (b) "Net SWP M&I Demand") subject to the limitations set forth in paragraph 2 (a-d) below, and (ii) sufficient water to establish and maintain Water User's ~~BANKED WATER RESERVE ACCOUNT~~ as User's BWRA minimum goal as provided in paragraph 5 below.

(a) Water to Meet Growth Rate Supply. The District shall annually provide the Water User with SWP Water sufficient to meet that portion of Water User's Net SWP M&I Demand identified as Water User's **"Maximum SWP Allocation"** on Exhibit A, which is based on Water User's projected cumulative annual growth rate of one percent (1.00%), unless stated otherwise in this agreement] through year 2040. The starting or base year for this calculation is 2020 in which Water User's total consumption was [redacted] AF ([redacted] AF local water + [redacted] AF SWP Water).

(b) [City of Tehachapi Only] Change in Growth Rate. So long as the rolling average of the District's SWP Water Table 1 Allocation for the preceding 10 years meets or exceeds forty-one percent (41%) of its 19,300 AF contracted supply, the District shall annually supply Water User with SWP Water based on a growth rate of one and one-quarter percent (1.25%). In the event the 10-year rolling average for the District's SWP Water Table 1 Allocation falls below forty-one percent (41%), the SWP Water available to Water User for each successive year shall be reduced to a one percent (1.00%) growth rate, until the 10-year rolling average increases to forty-one percent (41%) or more, at which time the annual growth rate will return to one and one-quarter percent (1.25%). A table showing the District's historic SWP Water Table 1 Allocation is attached as Exhibit B.

(c) Shortfall Replenishment.

(i) To the extent that the actual volume of SWP Water delivered by the District to Water User in a given calendar year is less than the volume of SWP water requested in Water User's November 1 written estimate in paragraph 6 ("Shortfall Volume") the District shall make up the Shortfall Volume to Water User in one or more subsequent years when sufficient water is available, provided in paragraph 3 hereafter that Water User's current year request shall be met first. Once the Water User's current year request is met, any accrued Shortfall Volumes shall be deposited directly into the Water User's Banked Water Reserve Account ("BWRA") (toward satisfying the minimum BWRA Goal defined in paragraph 5 below) until that requirement is fully met, and thereafter shall be deposited into the Water User's voluntary BWRA, subject to the BWRA Cap set forth in paragraph 5(b) below. Notwithstanding the foregoing, the District shall have no obligation to make up any accrued Shortfall Volumes beyond the Water User's BWRA Cap.

(ii) The District's obligation to deliver the accrued Shortfall Volumes pursuant to this paragraph 2(c), shall take precedence over the District's delivery of SWP Water for voluntary groundwater banking and discretionary recharge. In the event the District lacks sufficient available SWP Water to concurrently make up the accrued Shortfall Volumes to Water User and other customers holding Term M&I Agreements, the SWP Water available to meet the District's accrued Shortfall Volumes shall be allocated among the Water User and its

other Term M&I customers on a pro-rata basis in proportion to their respective accrued Shortfall Volumes.

~~4.3.~~ **Water Rates.** Water User shall pay the District for the water purchased hereunder at the Term M&I rate for the Water ~~User's~~User's pressure zone, as such rates and zones are established and modified from time to time by the District's Board of Directors.

time to time by the District's Board of Directors.

2. ~~"LOCAL WATER AVAILABLE TO WATER USER"~~ "Local Water Available To Water User" shall include only the

4. following:

(a) As to water intended to be produced, extracted or diverted from Tehachapi Basin or its watershed, as such terms are defined in the judgment, as amended, in *Tehachapi-Cummings County Water District v. City of Tehachapi, a municipal corporation, et al.*, Kern County Superior Court No. 97210 (~~"Tehachapi Basin; LOCAL WATER AVAILABLE TO WATER USER"~~), Local Water Available To Water User shall include only the following annual quantities and other rights of which Water User owns or leases, and as such annual quantities and other rights are or shall have been reduced, and thereafter adjusted from time to time, by the Court in allocating the allowable annual production from the Basin, or otherwise reduced in any annual period pursuant to any provisions of the judgment as amended from time to time: (i) Such annual quantity or other right originally adjudicated to said Water User in the judgment as so reduced and adjusted, and (ii) such annual quantity or other right originally adjudicated to another party in the judgment but subsequently acquired or leased by Water User, as so reduced and adjusted, provided that such transfer complied with all conditions and procedures set forth in the judgment.

(b) As to water intended to be produced, extracted or diverted from the Brite Basin or its watershed, as such terms are defined in the judgment in *Tehachapi-Cummings County Water District v. Irving P. Austin, et al.*, Kern County Superior Court No. 97211 (**Brite Basin**), LOCAL WATER AVAILABLE TO WATER USER shall include only extractions by Water User lawfully exercising ~~overlying~~adjudicated rights until such time as such rights may be curtailed or modified in any future amendment to such judgment.

(c) As to water intended to be produced, extracted or diverted from the Cummings Basin or its watershed, as such terms are defined in the ~~judgment~~Amended and Restated Judgment and Physical Solution in *Tehachapi-Cummings County Water District v. Frank Armstrong, et al.*, Kern County Superior Court No. 97209 (**Cummings Basin**), local water available to Water User shall only include extractions by Water User lawfully exercising overlying rights pursuant to the Amended and Restated Judgment until such time as such rights may be curtailed or modified in any future amendment to such judgment.

~~(d)~~ (d) As to water intended to be produced or diverted from any basin other than the Tehachapi, Brite and Cummings Basins, any native water which Water User has a right to divert or pump.

(e) Any SWP Water acquired by the Water User from any entity other than the District and available to Water User in the [redacted] Basin.

5. Banked Water Reserve Account

(a) Minimum BWRA Goal. In addition to its ~~NET IMPORTED M&I REQUIREMENT~~Maximum SWP Allocation, Water User shall purchase from the District and direct the District to spread and store in the ~~Tehachapi [redacted] Basin for Water User's~~Tehachapi [redacted] Basin for Water User's account sufficient water to establish and thereafter maintain a ~~BANKED WATER RESERVE ACCOUNT ("BWRA")~~Banked Water Reserve Account ("BWRA") with a minimum goal equal to, at a minimum, five times the annual average of Water User's SWP water demand over the previous five calendar years as set forth in the table entitled "BANKED WATER RESERVE ACCOUNT CALCULATION""Banked Water Reserve Account Calculation" attached hereto as Exhibit AC which the District shall update annually by February ~~1 (the "BWRA TABLE")~~1 ("BWRA Table"). Water User shall purchase each year, at a minimum and if made available by District, sufficient water to achieve its BWRA minimum goal as set forth in the BWRA Table within 10 years of the Effective Date. Water User shall not be required in any one year to purchase for its BWRA more than twice its Net SWP Water Demand for such year.

(b) Voluntary BWRA Water. Provided Water User has met its BWRA minimum goal, Water User may purchase from the District, and direct the District to spread and store in the [redacted] Basin for Water User's BWRA, additional water, which, when added to Water User's BWRA minimum goal, shall not exceed a

combined total of [REDACTED] AF or the BWRA minimum goal in paragraph 5(a), whichever is greater (“**BWRA Cap**”).

(c) Subject to the BWRA Cap, Watermaster approval and other legal requirements, Water User may spread and store water for its BWRA in its own recharge facilities in whole or in part in lieu of directing the District to spread its BWRA water in District spreading facilities. ~~Water User shall~~

(d) In years when the District adopts a water shortage ordinance limiting the District from supplying some or all of the Maximum SWP Allocation requested by the Water User, Water User shall pump and draw from its BWRA whenever and the District is unable to supply all of shall debit the Water User's NET IMPORTED M&I REQUIREMENT on account of drought, damage to SWP or District facilities, or any other event. During User's BWRA to cover the shortfall.

(e) Accounting Method. Water User's extractions from its BWRA shall first ten years of the term be accounted for on a First-In, First-Out (“FIFO”) basis. Consequently, water stored in the Water User's BWRA as of this agreement, Water User shall purchase each year, at a minimum, sufficient water to achieve its BWRA goal as set forth in the BWRA TABLE by December 31, [insert 10th year from effective date]. Water User shall not be required in any one year to purchase for its BWRA more than twice its NET IMPORTED WATER REQUIREMENT for such year. 2025, is [REDACTED] AF which shall be deemed to be extracted, used, or transferred first.

~~3-(f)~~ Termination/District Right of First Refusal. Upon termination of this agreement, Water User shall own the water in its BWRA free of any and all and Water User may continue to store, or may pump, or may sell or transfer the water to another water user in the [REDACTED] Basin, provided that in the event of sale or transfer the District shall have the first right of refusal to purchase BWRA water stored after December 31, 2025, at the Water User's then current Term M&I rate. Water held in the Water User's BWRA as of December 31, 2025, in the amount of [REDACTED] AF shall be subject to a Right of First Refusal in favor of the District, but shall be subject to FIFO accounting.

~~restrictions imposed by this agreement and Water User may continue to store, or may pump, or may sell, or otherwise dispose of such water as it sees fit.~~

~~4. This agreement is subject to all the provisions of the District's Rules and Regulations including all future amendments thereof, except to the extent inconsistent with a material term of this agreement.~~

~~Within thirty (30)~~

(g) The District's obligation to supply water under this paragraph 5 is conditioned upon the availability of sufficient SWP Water to enable the District to meet all current year reasonable demands of its customers. In the event the District has insufficient SWP Water available to meet the full reasonable demands of its customers in any year, the District's available SWP Water in that year shall be allocated in accordance with the District's Rules and Regulations, water priority ordinance or other policies adopted by the District from time to time.

(h) Extractions in Excess of Maximum SWP Allocation. If the Water User extracts SWP Water in excess of its Maximum SWP Allocation five or more years in any 10-year period, then in addition to any other remedies available, the District shall have the right to terminate this Agreement on 90-days of the execution of this agreement, and prior written notice.

5.6. Water User Estimate. Prior to each November 1 thereafter during the term of this agreement, Water User shall furnish to District a written estimate of its ~~NET IMPORTED~~Net SWP M&I ~~REQUIREMENT~~Demand for the next calendar year, which shall not exceed the Maximum SWP Allocation for that year. This estimate is for planning purposes and shall not (a) constitute a contractual obligation to take the estimated quantity, or (b) alter the provisions of subparagraphs 2 above. Nothing herein shall limit the right of the District to require other and further reports pursuant to the powers reserved under paragraph 4 above reasonably necessary to implement this agreement.

6.7. Minimum Purchase. Notwithstanding any other provision of this agreement, Water User agrees to pay District for a minimum quantity the greater of (i) its scheduled BWRA input or (ii) if its BWRA is full, five (5) acre-feet per each annual period or any partial annual period under this agreement, unless failure of Water User to receive that quantity is due to inability of District to deliver all or a portion of such supply. The General Manager shall have discretion to decrease the minimum quantity.

7.8. Water User Breach. If the Water User should at any time substantially fail to comply with this agreement, and District on account thereof terminates this agreement, or should Water User terminate the same other than for a reason hereinabove set forth, Water User shall be obligated to forthwith pay to District, in addition to any amounts otherwise owing to District, the difference between the amount of money which Water User was obligated to pay to District for water sold and delivered pursuant to this agreement and the amount of money which Water User would have been obligated to pay to District had said water so sold and delivered been originally sold and delivered at the ~~normal~~regular M&I rate during the calendar year of such termination or substantial failure to comply with this agreement. Nothing herein contained is intended to foreclose the District from seeking such damages as it may sustain from any breach, substantial or not, of this agreement by Water User whether ~~or not~~ such breach leads to ~~District's~~District's termination of this agreement.

8.9. Annual Period. The annual period under this agreement shall be the calendar year, and if the first annual period be less than a full calendar year, "LOCAL WATER AVAILABLE TO WATER USER" "Local Water Available To Water User" for that short annual period shall be in such proportion as the number of days under this agreement in that calendar year bears to 365.

9.10. Recharge Water. In lieu of Water User taking direct delivery from District, Water User's ~~NET IMPORTED~~ M&I ~~REQUIREMENT~~User's Maximum SWP Allocation may be provided in accordance with this paragraph 9. For purposes of this paragraph 9, (i) ~~"IMPORTED WATER"~~ "Water User's Well[s]" means SWP water purchased by the District pursuant to the KCWA WATER SUPPLY CONTRACTS and (ii) ~~"WATER USER'S WELL[S]" means that [those]~~ certain well[s] in the _____ Basin as listed in Exhibit ~~BD~~ hereto, as such list may be modified from time to time as a result of Water User constructing or acquiring new wells and/or abandonment of then existing wells, provided, however, Water User shall obtain the ~~District's~~District's prior written

consent to change Water ~~User's~~User's extraction wells which shall not be withheld unless the District reasonably determines that such new well or wells will substantially interfere with another well or wells in the vicinity.

~~(a).~~ (a) Substitution of Recharge Water. _Water User may pump ~~RECHARGE WATER~~
Recharge Water in lieu of taking surface delivery of ~~IMPORTED WATER~~SWP Water at the price and subject to the
terms and provisions hereinafter set forth.

~~(b).~~ (b) Place of Delivery. _Any ~~RECHARGE WATER~~
Recharge Water supplied by the District in lieu of surface deliveries of ~~IMPORTED WATER~~SWP Water
shall be delivered underground in the \ Basin at

the depth of groundwater as it fluctuates in ~~WATER-USER'S WELL~~ Water User's Well[s]. Water User shall be responsible for all costs, liability and expense of pumping ~~RECHARGE WATER~~ Recharge Water to the surface and transporting same for use within Water User's boundaries.

~~(c)-~~ (c) Place of Use. Water User shall use ~~RECHARGE WATER~~ Recharge Water to provide retail water to its customers within Water User's service area and within the ~~District's~~ District's boundaries and for no other purpose.

~~(d)-~~ (d) Scheduling. On or before November 1 of each year for the balance of the term of the agreement, Water User shall notify the District in writing of the proportion of its ~~NET IMPORTED~~ Net SWP M&I REQUIREMENT Demand for the following calendar year it wishes to be met with ~~RECHARGE WATER~~ Recharge Water in lieu of surface deliveries of ~~IMPORTED WATER~~ SWP Water. On or before February 28th of each year, the District shall notify Water User of the estimated amount of ~~RECHARGE WATER~~ Recharge Water which is available to be substituted for surface deliveries of ~~IMPORTED WATER~~ SWP Water in such calendar year. Periodically thereafter, the District shall provide updated estimates as SWP delivery allocations are revised.

~~(e)-~~ (e) Metering. The Water User shall install a meter of manufacture and model approved by the District at ~~WATER-USER'S WELL~~ Seach of Water User's Well[s] at Water User's expense. The meter shall be maintained in good working order and regularly calibrated so as to comply with the standards of the American Water Works Association per their manuals M6, M33 and M36. Water User shall provide the District with proof satisfactory to the District that Water User has obtained the right to exclusively operate ~~WATER-USER'S WELL~~ Water User's Well[s] for the purposes set forth herein and that the owner of ~~WATER-USER'S WELL~~ Water User's Well[s] and surrounding lands has conveyed to the District in writing the right to enter such lands to take meter readings at ~~WATER-USER'S WELL~~ Water User's Well[s].

~~(f)-~~ (f) Reduction or Termination of Substitute Deliveries. In the event a third party demonstrates ~~that new or increased~~ pumping of ~~RECHARGE WATER~~ Recharge Water by Water User as herein provided is causing significant impacts on the third ~~party's~~ party's production of native groundwater from its existing well or wells, the Water User shall confer with such third party and mitigate such impacts to a level acceptable to such third party, failing which the District in its sole discretion may determine the rate of pumping and quantities of ~~RECHARGE WATER~~ Recharge Water which Water User may extract in lieu of surface deliveries of ~~IMPORTED WATER~~ SWP Water provided, however, the District shall provide Water User with fifteen (15) days prior written notice of any reduction or termination of allowed pumping of ~~RECHARGE WATER~~ Recharge Water hereunder.

~~(g)-~~ (g) Price. For ~~RECHARGE WATER~~ Recharge Water delivered and metered by the District hereunder, except for water recharged through facilities owned and operated by the Water User, Water User shall pay the District, in addition to the Term M&I rate, a surcharge determined by the District from time to time to recapture the construction, operation and maintenance costs of the District's recharge facilities.

~~(h)-~~ (h) Spreading Loss Factor. For all ~~water~~ Recharge Water spread, whether in the ~~District's~~ District's or the Water ~~User's~~ User's spreading facilities, a spreading loss factor of 6% will be imposed pursuant to Section 1 of Part B of the ~~District's~~ District's Rules and Regulations for losses on account of evaporation, phreatophyte consumption and any other losses incurred in the transportation and spreading of ~~RECHARGE WATER~~ Recharge Water.

~~(i)-~~ (i) Disclaimer. Water User acknowledges that the District's right to ~~RECHARGE WATER~~ Recharge Water within the ~~Cummings, Brite and Tehachapi Basins~~ Basin has not been fully determined but is a matter within the continuing jurisdiction of the ~~Kern~~ Kern County Superior Court in Case ~~No~~ Nos. 97209, 97210 and 97211. Water User acknowledges that ~~paragraph 2 of the Judgments in each such case~~ generally prohibits prohibit the exportation outside of the particular groundwater basin of any native groundwater extracted from such basin. ~~Water User further acknowledges that paragraph 5 of the Judgments in each such case provides, in part:~~

"

Water User further acknowledges that paragraph 8 of the Amended and Restated Judgment in Case No. 97209 provides, in part:

"Except as to CDCR, which will be agreed to by contract, the District owns and may hereafter Extract all Imported Water which has entered the Cummings Basin before entry of this Amended Judgment or which may thereafter enter into the Cummings Basin through Artificial Replenishments or as Return Flows following use of Imported Water on the surface in the Cummings Basin Area."

Water User further acknowledges that paragraph 5 of the Judgments in Case Nos. 97210 and 97211 provides, in part:

"Nothing in this Judgment contained shall be deemed a determination whether the Plaintiff or any other party will or will not have any rights in any return flow from water subsequently imported, which matter shall be within the continuing jurisdiction of the Court."

~~Water User further acknowledges that the State of California, a defendant in Case No. 97209, has objected to the District's Amended Findings of Fact, Conclusions of Law and Judgment in Case No. 97209, in which the District claims the right to return flow from the use of imported waters or waste or seepage from the District's imported water project in the Cummings Basin, and that the Court has not ruled on such objection.~~ While the District has claimed and continues to claim a right to return flow from the use of imported waters in the Cummings, Brite and Tehachapi Basins, including the right to extract and export outside of such basins imported SWP water intentionally percolated by the District in District recharge areas for storage in such basins and subsequent extraction and beneficial use, all consistent with rulings from the California Appellate Courts, the District makes no warranties or representations to Water User as to the validity of the District's position on these issues. Water User has sought its own legal advice concerning the validity of the District's claim to ~~RECHARGE WATER~~ Recharge Water and Water User's right to export ~~RECHARGE WATER~~ Recharge Water for use on lands which do not overlie the groundwater basin from which the ~~RECHARGE WATER~~ Recharge Water will be pumped and has relied upon its own independent legal advice in entering into this agreement and acquiring rights in and improving and repairing ~~WATER USER'S WELL[S]~~ Water User's Well[s]. Accordingly, Water User acknowledges that the District shall have no liability to Water User in the event that it is ultimately determined in Case Nos. 97209, 97210 and 97211 or any other proceeding that the District does not have the right to sell ~~RECHARGE WATER~~ Recharge Water in the Cummings, Brite and Tehachapi Basins or Water User may not export ~~RECHARGE WATER~~ Recharge Water for use outside of the basin or basins in which the District had spread ~~RECHARGE WATER~~ Recharge Water.

~~10. The District's obligation to supply water hereunder is conditioned upon the availability of sufficient SWP water under the KCWA WATER SUPPLY CONTRACTS to enable the District to meet all of its Customers' water demands. In event the District in any year has insufficient SWP water available to meet the full needs of Water User pursuant to the terms of this agreement and its other customers, the District's available SWP water in that year shall be allocated in accordance with the District's Rules and Regulations or other policies adopted by the District from time to time, provided that such policies recognize any priorities mandated by statute or recognized under the KCWA WATER SUPPLY CONTRACTS OR KCWA's contract with the State of California referenced therein. Provided, however, the Water User shall draw upon Water User's BWRA to make up any such shortages.~~

~~11.~~ 11. Term. This agreement shall have a term ending ~~__, __~~ December 31, 2035 ~~[(Here insert the end of the calendar year which is closest to 10 years from the effective date of this agreement, whether said date is more or less than 10 years in total.)];~~ provided, however, that each year on the anniversary date of this agreement, this agreement shall extend one additional year, unless, at least 90 days prior to such anniversary date either party provides notice to the other that it will not consent to such further extension(s) of this agreement and further, provided, however, this agreement shall terminate upon termination of the KCWA ~~WATER SUPPLY CONTRACTS (December 31, 2039)~~ Water Supply Contracts which are presently extended to December 31, 2085.

WHEREFORE, the parties have executed this agreement as of the ~~dates opposite their respective~~
~~signatures~~Effective Date.

Dated: _____
TEHACHAPI-CUMMINGS COUNTY _____
WATER ~~DISTRICT~~ DISTRICT

By _____

By: _____ By: _____
_____, President

By _____

Secretary ("District")

Dated: _____

By _____
_____, President

By _____

Secretary ("_____
By: _____ By: _____
_____, Secretary _____, Secretary

"District" _____ "Water User")"
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other similar high flow/low pressure situation develops during irrigation. THESE DEVICES CAN SAVE SIGNIFICANT AMOUNTS OF WATER AND ELIMINATE RUN OFF OR PONDING IF A BREAK SHOULD OCCUR.

10. The use of centralized control systems or controllers that measure or can be programmed to use evaporation rates, or systems that use controls such as moisture sensors is recommended.

B. Maintenance.

Maintenance is often the most overlooked irrigation system component. Perform the following routinely, and to fix a problem with the irrigation system.

1. Adjust sprinkler heads so they achieve 80% head to head coverage throughout their intended arc. There should be no obstruction that would interfere with the free rotation and smooth operation of any sprinkler, such as trees, tall grass, shrubs, signs, etc. The system should be tested during the daytime so adjustments can be made.
2. Adjust valves or pressure regulators so that the systems are operating at the pressure required by the sprinkler heads or emitters. Test pressures periodically with a pressure gauge to maintain appropriate pressure levels.
3. Routinely test the accuracy of time clocks. Have the time clock recalibrated or repaired as necessary.
4. Repair or replace broken risers, sprinklers, valves, etc. as soon as they are discovered. Replace with appropriate make and model of equipment to maintain uniformity throughout the system.
5. Routinely check backflow devices, pumps, etc. for leaks and repair or replace as necessary.
6. Routinely clean screens and backwash filters to keep systems operating optimally.

C. Management.

System management determines: 1) the appropriate duration of the irrigation cycle, and 2) the frequency at which irrigation occurs.

1. Duration: The duration or length of an irrigation cycle (run time) should be long enough to fill up the root zone reservoir. If total run times are longer than required, then deep percolation losses occur. There are exceptions to this general rule. A common and important exception to this rule is to reduce levels of salts in the root zone reservoir. This is accomplished by applying additional water to force salts down past the root zone. This process, called leaching, is a common use of irrigation water. Run times are also dependent on distribution uniformity (DU). DU

is a measurement of how evenly water is applied to the irrigated area. Run times are reduced by higher levels of DU.

2. Frequency: The frequency of an irrigation cycle should be as often as necessary to meet the water requirements of the vegetation. This is determined by measuring the amount of moisture remaining in the root zone reservoir between irrigation cycles. When an appropriate moisture level is determined, the irrigation cycles should be scheduled to ensure watering frequency is such to maintain that level.
3. Practices for optimizing management of an irrigation system:
 - a) Use tensiometers, gypsum blocks, soil probes, the “feel method”, and/or the California Irrigation Management Information System to estimate soil moisture levels. Inspect and maintain regularly to ensure accuracy and reliability.
 - b) Use automatic rain shut-off devices to reduce irrigation if significant rainfall occurs.
 - c) Use multiple rain shut-off devices to reduce ponding if precipitation rate is higher than the infiltration rate of the soil.
 - d) Irrigate in the evening or early morning to avoid the heat and/or windy parts of the day. This will reduce evaporation losses and minimize windblown spray from entering unintended areas.
 - e) Group irrigated areas into zones of similar water use. For example, irrigate grass areas separately from shrub areas, sunny areas separately from shady areas, etc.
 - f) As needed, aerate the soil to improve infiltration of air and water into the soil.
 - g) Provide as much flexibility as possible into the design of the irrigation system. Built in ability to make changes as necessary can add to the efficiency of the system.
 - h) Perform good horticultural practices; fertilization, mowing, de-thatching, aeration, and pest control, as necessary to create the best growing environment for landscape vegetation.

Because irrigation systems have constant wear and tear, periodic checks and adjustments are all part of good landscape water management programs.

D. Reuse System and Tailwater Ponds:

1. Each customer shall have a system to collect and reuse tailwater, including

tailwater ponds with recycling booster pumps of sufficient number, size, construction and location to (a) recycle all excess irrigation water for reuse, (b) contain and confine all irrigation water on the customer's fields and (c) preclude discharge of any recycled water onto adjoining lands or into any watercourse.

2. Each customer shall allow the District to position on those customer tailwater ponds the District selects District owned mobile diesel pumps to be operated by a customer as an emergency backup if a customer's recycling pump fails. At a minimum, the District shall position a mobile diesel pump on any tail water pond which within the previous five years has overflowed onto adjoining land or into a watercourse. The customer shall provide fuel for such pumps and shall promptly reimburse the District for any costs incurred by the District during emergency operation of such backup pumps.

Section 7.1.6. Use of Recycled Water Adjacent to Potable Wells.

- A. Irrigation with recycled water shall not take place within 50 feet of any domestic water supply well unless all of the following conditions have been met:
 1. A geological investigation demonstrates that an aquitard exists at the well between the uppermost aquifer being drawn from and the ground surface.
 2. The well contains an annular seal that extends from the surface into the aquitard.
 3. The well is housed to prevent any recycled water spray from coming into contact with the wellhead facilities.
 4. The ground surface immediately around the wellhead is contoured to allow surface water to drain away from the well.
 5. The owner of the well approves of the elimination of the buffer zone requirement.
- B. No impoundment of recycled water shall take place within 100 feet of any domestic water supply well.
- C. Crop Irrigation with recycled water shall be prohibited within the Cummings Valley north and west of the intersection of Pellisier Road (County Road No. 241) and the western extension of Highline Road.
- D. Other special restrictions applicable to use of recycled water in the Cummings Valley and its watershed are set forth in section 4.11 of the District's Rules and Regulations Governing Use of Recycled Water.

Section 8.1. Recycled Water Inspection and Monitoring Program. The Recycled Water Inspection and Monitoring Program set forth in the following Sections 8.1.1 through 8.1.5 is designed to insure

compliance with all federal, state and local regulations governing the use of recycled water. The District's "Rules and Regulations Governing the Use of Recycled Water" provides the legal authority for the implementation of this Recycled Water Inspection and Monitoring Program. The key components of this program include the District's Cross Connection Control Program. In addition, educational information may be provided by the District's staff to prevent any unintentional misuse of recycled water.

Section 8.1.1. Plan Check Function. All new recycled water users proposing to install recycled water irrigation systems are required to submit plans for review and approval by the District and Regulatory Authority. Plan review is conducted by the District's staff to verify conformance with District standards. The irrigation system is inspected following construction to verify conformance with the approved plans.

Section 8.1.2. Application for Service. The District's "Rules and Regulations Governing the Use of Recycled Water" requires all customers desiring or required to obtain recycled water service to submit an application on a form developed by the District. This provision also requires that an agreement be signed prior to any connection to any District owned recycled water facilities.

Section 8.1.3. Recycled Water Agreement. After review of the application for service, a recycled water service agreement is prepared. This agreement is between the District and the customer, and is a condition of obtaining recycled water service.

Section 8.1.4. Inspection and Monitoring. Recycled water meters are read periodically by District water operators, meter readers and other District personnel. If any problems are discovered (ponding, run-off, inappropriate use, over spray, missing signs, etc.), the Wastewater/Recycled Water Supervisor, or the Wastewater/Recycled Water Supervisor's designee, will respond within 72 hours. Any issues that have potential health risks will be responded to immediately and reported to the County Department of Environmental Health Services.

In addition, all recycled water users will be inspected a minimum of annually. This routine inspection is conducted to verify compliance with the provisions established in the District's "Rules and Regulations Governing the Use of Recycled Water", the Recycled Water Agreement, and any other federal, state or local regulations. The inspection will be conducted with the designated "On-Site Recycled Water Supervisor". Any violations, deficiencies, or unacceptable findings will be noted and the On-Site Recycled Water Supervisor will be required to perform corrective action.

Section 8.1.5. Non-Compliance Issues. It is the policy of the District to remedy a violation as soon as possible through progressive enforcement procedures. This procedure provides the customer due process, and considers the seriousness of the violation when determining the appropriate enforcement action.

Enforcement mechanisms (notices, penalties, fines and termination of service) are described in more detail in the District's "Rules and Regulations Governing the Use of Recycled Water". Enforcement mechanisms are also included in the District's Recycled Water Agreements.

PART Q. WATER BANKING AGREEMENTS.

Section 1. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Supplemental Water Purchase and Banking Agreements both subsurface delivery of recharged SWP water and for spreading and later recovery and use of SWP water shall be substantially in form and content as set forth in **Appendix 3** to these Rules and Regulations.

Section 2. Policy Concerning Supplemental Water and Water Banking Customers. Not all of the SWP facilities authorized and necessary for DWR to deliver all of the KCWA's Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the District's Table 1 entitlement under the KCWA Contracts) have been constructed. Court decisions adverse to the DWR water supply cast further uncertainty regarding the amount and dependability of the District's SWP water supply. Before entering into new Water Banking Agreements, Supplemental Water Purchase and Banking Agreements, or other contracts with new customers, it is the District's policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long term needs of the District's existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new customer's anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers, and existing agricultural customers. If and when such needs cannot be met, it is the District's policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such customer's long term water requirements.

Section 3. Substitute of Return Flows for Surface Deliveries. Provided that sufficient District return flows are in storage and pumping of same by District customers will not adversely affect other pumpers of groundwater exercising valid rights, the District in its discretion may allow customers to pump District return flows in lieu of imported water provided that such customers and the District execute a Supplemental Water Purchase and Banking Agreement substantially in the form and content as set forth in **Appendix 4** to these rules and regulations.

PART R. RIGHT TO AMEND, ETC.; PROVISIONS OF EVERY WATER SERVICE AGREEMENT; CERTAIN OTHER CONTRACTS.

Section 1. Right to Amend. The District retains the right at any time and from time to time, with or without notice, to amend, repeal, or add provisions additional to, any provision in these Rules and Regulations, either by actual amendment hereof, or by successor Rules and Regulations and amendments thereto. Any such change, including but not limited to, increases in rates or re-categorization or uses for rate purposes, or any rule or regulation, shall apply to water service commenced theretofore or thereafter, except to the extent as may be provided in any Term M&I Agreement or other contract.

Section 2. Provisions as Amended Part of Water Service Agreements. Every provision of these Rules and Regulations, as the same may be changed from time to time, whether before or after the entering into of any water service agreement (whether by approval of application alone or by reasons of a Term M&I Agreement) shall be deemed a part of each such water service agreement, and without thereby limiting the foregoing, each water user and co-signing owner shall be deemed to have agreed to the District's right to waste, seepage and return flow as provided in Part K, and to have quitclaimed to the District any otherwise right, title or interest of water user therein.

Section 3. Incorporation of Provisions of the KCWA Contracts and Master Contract. Every water service agreement is also subject to the provisions of the KCWA Contracts as they may be hereafter amended, and to the extent provided or later provided therein, or otherwise by law, to the provisions of the Master Water Supply Contract between DWR and the KCWA, as the same may be hereafter amended.

ATTACHMENT "D"

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Resolution No. 13-26

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
AMENDING AND RESTATING THE DISTRICT'S
RULES AND REGULATIONS
FOR THE SALE, USE AND DISTRIBUTION OF WATER

- A. California Water Code section 31024 provides that a county water district may establish rules and regulations for the sale, distribution, and use of water and may provide that water shall not be furnished to persons against whom there are delinquent water rates.
- B. By Resolution No. 15-76, the District first adopted rules and regulations for the sale, use and distribution of water ("Rules and Regulations") which have been amended from time to time thereafter.
- C. By Resolution No. 25-16, the District adopted amended and restated Rules and Regulations, which were thereafter further amended by Resolution Nos. 4-20, 5-20, and 12-20.
- D. Because of the numerous amendments since adoption of Resolution No. 25-16, and the desire to amend the District's form of Term M&I Agreement, it is desirable to amend and restate the Rules and Regulations in one document.

NOW, THEREFORE, be it found, determined and resolved by the Board of Directors of the Tehachapi-Cummings County Water District as follows:

- 1. Each of the recitals set forth above is true and correct, and the Board so finds and determines.
- 2. The amended and restated Rules and Regulations attached hereto as **Exhibit A** and incorporated herein by reference are hereby approved and adopted.

APPROVED and ADOPTED by the Board of Directors of TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT this 26th day of August, 2026.

Robert W. Schultz, Board President

ATTEST:

Catherine Adams, Board Secretary

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

SECRETARY'S CERTIFICATION

I, CATHERINE ADAMS, Secretary of the Board of Directors of Tehachapi-Cummings County Water District, do hereby certify that the foregoing Resolution No. 13-26 was introduced at a regular meeting of the Board held on the 26th day of August, 2026 and was passed by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Catherine Adams, Board Secretary

EXHIBIT A

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

RULES AND REGULATIONS FOR THE SALE, USE AND DISTRIBUTION OF WATER

PART A. DEFINITIONS. The following terms, as used in all parts of these Rules and Regulations, shall have the following meanings, unless the context requires another meaning.

Section 1. "Agricultural water" - water used primarily in the commercial production of agricultural crops or livestock, including domestic use incidental thereto, on tracts of land operated in units of more than two (2) acres.

Section 2. "Application for Water Service" – a written application submitted by a prospective water user to the District for water service as provided in Part D of these Rules and Regulations.

Section 3. "Board" - The Board of Directors of the District.

Section 4. "District" – Tehachapi-Cummings County Water District.

Section 5. "General Manager" - the General Manager of the District, or in the event of the General Manager's absence the employee designated by the Board of Directors of District to assume the General Manager's duties.

Section 6. "M&I water" - water used for any use so that the same is not agricultural water within Section 2 hereof.

Section 7. "Person" - any natural person or artificial person, including but not limited to, a partnership, corporation, association, public entity or any other type of entity.

Section 8. "Prospective water user" - a person desiring water service from the District, but who is not yet a water user within the preceding definition.

Section 9. "Supplemental Water Purchase and Banking Agreement" - a written agreement entered into between the District and a water user or prospective water user wherein that person agrees to purchase SWP or other imported water from the District for spreading in a basin for later recovery and use within that basin as provided in Part Q of these Rules and Regulations.

Section 10. "Term M&I Agreement" - a written agreement entered into between the District and a water user or prospective water user wherein that person agrees to purchase water from the District for a term and with provisions as provided for in Part C, Section 1 of these Rules and Regulations.

Section 11. "These Rules and Regulations" or "Hereof" or Other Words Referring to these Rules and Regulations or Some Part or Section Hereof - these Rules and Regulations as amended from time to time and any successor Rules and Regulations as amended from time to time.

Section 12. "Water user" - any person whose application for water service has been approved by the General Manager and which applicant has complied with all provisions of these Rules and Regulations precedent to entitling him to commencement of water service.

PART B. RATES.

Section 1. Setting Rates.

The Board from time to time shall by resolution set rates for water sold by the District. Rates shall be set for the following categories:

- (a) M&I water delivered pursuant to a Term M&I Agreement;
- (b) M&I water delivered other than pursuant to a Term M&I Agreement;
- (c) Agricultural water.

The Board shall establish appropriate recharge surcharges for any of the above categories where the water user pumps recharged water in lieu of taking delivery on the surface. Such recharge surcharges shall be set to recover the unreimbursed capital costs of acquiring and constructing recharge facilities and the costs of maintaining and operating such facilities. The recharge surcharge shall also include the cost of imported water lost on account of evaporation, phreatophyte consumption or any other losses incurred in the transportation and spreading of recharge water.

Section 2. General Policies Governing Rate Setting.

In setting rates, the Board shall consider the following general policies adopted on account of facts and circumstances unique to the District:

(i) The District purchases State Water Project (“SWP”) water from the Kern County Water Agency (“KCWA”) pursuant to the two written contracts, both dated December 16, 1966 (the KCWA Contracts”), one for up to 15000 AF of M&I water, the other for up to 5000 AF of Agricultural water. The KCWA Contracts obligate the District to pay a specified percentage of (a) KCWA’s “fixed obligations” (i.e., “the capital cost and minimum operation, maintenance, power and replacement components of the Delta Water Charge and Transportation Charge”) to the State Department of Water Resources (“DWR”) under the “Master Contract” between DWR and KCWA, and (b) KCWA’s “variable obligations” (i.e., “the variable operation, maintenance, power and replacement components of the Transportation Charge”) applicable to delivering the District’s Table 1 entitlement to the District’s turnout in Reach 16 of the California Aqueduct. The District’s “fixed obligations” to KCWA must be paid irrespective of the quantity of SWP water actually delivered. In other words, the District must pay its share of “fixed obligations” even if DWR is unable to deliver any SWP water.

(ii) From its turnout in the California Aqueduct, the District lifts SWP water some 3425 feet by means of four pump stations and 31 miles of transmission lines into its storage reservoir in Brite Valley. The District’s main transmission line continues eastward through Tehachapi Valley and ends in Oak Creek Canyon at California Portland Cement Company’s plant. The District also owns and operates various distribution lines, recharge facilities in the Tehachapi and Cummings Basin, and water wells as part of its Imported Water System.

(iii) Pursuant to the holding of Fourth District Court of Appeal in *Goodman v. County of Riverside* (1983) 140 Cal.App.3d 900, the District’s obligations to the KCWA under the KCWA Contracts are prior voter approved indebtedness and, consequently, the District may levy ad valorem real property taxes to meet the District’s obligations, in whole or in part, to the KCWA under the KCWA Contracts.

(iv) The full cost of SWP water purchased by the District from the KCWA pursuant to the KCWA Contracts and pumped and delivered through the Imported Water System far exceeds the ability of either M&I or Agricultural customers to pay. It is the policy of the District to set water rates such that M&I and Agricultural users in the aggregate pay the full cost of operating and maintaining the District’s Imported Water System, including reasonable reserves for repairs and replacement, less a major portion of the District’s share of the 1% general ad valorem tax levy. It is additionally the policy of the District, on account of the benefit to property owners District-wide bestowed by the SWP water supply made available pursuant to the KCWA Contracts, to levy ad valorem taxes each year to meet the District’s annual obligations under the KCWA Contracts.

(v) In setting rates for M&I water, it is the policy of the District that the rate for M&I water delivered other than pursuant to a Term M&I Agreement (the “normal M&I rate”) shall be set to recover the full cost to the District of purchasing and delivering such water on a non-scheduled occasional demand basis, including all costs under the KCWA Contracts. The rate for M&I water sold pursuant to a Term M&I contract or other contractual basis shall be set at a lower rate than the normal M&I rate on account of the long-term contractual commitment of the water user to the District to purchase a portion of the District’s Table I entitlement. Further, the ultimate retail purchaser of water sold to wholesale purveyors under Term M&I Agreements pays real property taxes, which support District operations, while non-contract purveyors of M&I water typically are not taxpayers within the District. Further, a lower rate is justified since Term M&I contract customers must schedule their anticipated deliveries six years in advance, which assists the District in meeting its obligations to the KCWA under the KCWA Contracts to likewise schedule its deliveries six years in advance.

(vi) As set forth in Part K hereof, the District owns all return flows from SWP water purchased from the KCWA under the KCWA Contracts and imported into the District through the District’s Imported Water System. In setting rates for agricultural water, it is the policy of the Board to take into account the fact that the percentage of return flows back into the ground from agricultural water is substantially higher than from M&I uses. It is the policy of the District to avoid, to the extent possible, setting rates higher than the ability of its customers to pay for water since it is in the District’s best interests to maximize water sales revenues.

PART C. TERM M&I AGREEMENTS.

Section 1. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Term M&I Agreements for delivery of SWP water shall be substantially in form and content as set forth in **Appendix 1** hereto.

Section 2. Policy Concerning New Term M&I Customers. Not all of the SWP facilities authorized and necessary for the DWR to deliver all of the KCWA’s Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the District’s Table 1 entitlement under the KCWA Contracts) have been constructed. Court decisions adverse to the DWR water supply cast further uncertainty as to the amount and dependability of the District’s SWP water supply. It has been and remains the District’s policy to routinely extend Term M&I Agreements upon conclusion of their stated terms since the District’s wholesale customers and their retail customers have built water distribution systems, homes, businesses and other public and private improvements in reliance on the long-term availability of SWP water from the District. Before entering into new Term M&I Agreements or other contracts with new customers, it is the District’s policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long-term needs of the District’s existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new customer’s anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers and existing agricultural customers. If and when such needs cannot be met, it is the District’s policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such customer’s long-term water requirements.

PART D. WATER SERVICE; APPLICATIONS; CONNECTION AND RECONNECTION CHARGES; DEPOSITS. Water service will be furnished in accordance with the policy and rules herein adopted and the connection and reconnection charges herein established, subject to all other provisions of these Rules and Regulations.

Section 1. District Service Policy: Domestic Use. It is the current policy of the District to act as a wholesaler of water and not as a retailer, i.e., to transmit such water and not to distribute the same. It shall be consistent with this policy to provide agricultural water service to users who connect at their own expense

to the District's transmission facilities from time to time. Except for sales to "Exchangees" pursuant to the Amendment to Judgment in the Tehachapi Basin case¹, the District will provide M&I water service only to: (a) entities or persons constituting recognized public purveyors, including public agencies, public utilities under the jurisdiction of the Public Utilities Commission, and mutual water companies and improvement districts, whether of this District or other public entities, established to furnish water service to the public; (b) existing M&I customer connections for industrial and other non-domestic uses; and (c) for agricultural direct use but for ultimate M&I use under an approved exchange agreement. Except for existing M&I customers of the District, the District will not provide M&I water service to any non-public entity or person for use within the service area of any public purveyor. Transmission facilities additional to those now provided for may be provided by the District from time to time in the discretion of the Board, and it shall be in the discretion of the Board to determine whether and to what extent any particular proposed facility is a transmission facility.

Section 2. Point of Service. Except as additional turnouts are authorized by the Board, all services shall be from existing turnouts, and from the turnout as determined by the General Manager after consultation with the prospective water user.

Section 3. Preliminary Information; Past Due Amounts. Prior to filing with the District an application for service, the prospective water user shall furnish in writing to the District, on a form which the General Manager shall prepare, information from which the General Manager may determine the size of service required and the turnout at which service would be provided, any special facilities required to provide service, and whether the prospective water user or owner of the property on which the water will be used owes any past due charges of any kind to the District, or whether there is a lien on said property for any such charges. If there exists any such past due charges or lien, no application for service shall be accepted for filing unless such amounts, together with all interest, are first paid.

Section 4. Application. Each prospective water user ("applicant") must make an application for the service desired substantially in the form attached as **Appendix 2**. Except where a water purveyor is the applicant, each application for service shall be jointly signed by all the persons constituting the owner of the property on which the water is to be used ("owner" collectively hereafter in these Rules and Regulations) and in the event the prospective water user is not the owner, by such owner and prospective water user, and they shall all be jointly and severally liable for all water charges and other charges. Application shall be made at the District's office (presently located at 22901 Banducci Road, Tehachapi, California, 93561). Where the prospective water user is not the owner, the District's General Manager is given discretion to waive such requirement that the owner sign, provided that the prospective water user shall provide a deposit equivalent to two (2) months' charges as estimated by the District's General Manager (which required deposit may be revised from time to time based on experience). If the prospective water user desires to have a refund of the deposit, he may do so by having a duplicate original of the application executed by the owner and by himself, and filing the same with the District. Each such application shall contain the following information, in addition to such other information as may be provided for on said form by the General Manager: (1) Name and address of applicant; (2) Date of application; (3) Location of the premises upon which the water will be used; (4) Date service is requested to be commenced; (5) The purpose for which the water is to be used; (6) Prospective water user's mailing address, if different from the first address listed; (7) a copy of the vesting deed shall be attached; (8) The turnout from which service is requested, which shall be as determined by the General Manager; (9) The size service requested, which shall be as determined by the General Manager; and (10) as to M&I service, whether a Term M&I Agreement is desired. The application shall be accompanied by all required charges required prior to the furnishing of service. Above the applicant's signature shall be contained the following in type or print of a size or style to fairly distinguish it from the remainder of the application:

¹ *Tehachapi-Cummings County Water District v. City of Tehachapi, etc, et al.*, Kern County Superior Court Case No. 97210.

"The undersigned applicant understands that upon approval of this application, the District will take steps toward installation of the necessary facilities for service. However, applicant understands that the District is not liable for any direct or consequential damages of any kind to applicant by reason of delay in the commencement of service. Applicant also understands that as a part of this service contract, it is subject to the Rules and Regulations for the Sale, Use and Distribution of Water as adopted by Resolution No. 13-09 of the Tehachapi-Cummings County Water District (the "Rules and Regulations"), as the same may have been heretofore amended, or as the same may be hereafter amended, and to any successor Rules and Regulations as may be thereafter adopted, and that all rates, charges and other rules and regulations are subject to amendment at any time without prior notice to applicant. Applicant acknowledges receipt of a copy of the Rules and Regulations. If this application results in a Term M&I Agreement, the provisions of said Term M&I Agreement will modify the provisions of this paragraph."

Section 5. Where New Turnout Required. If the applicant desires service from a point requiring construction of a new turnout, an application for service shall state the location thereof. The application shall not be approved until the application is approved by the General Manager, and the estimated cost thereof, which amount shall be an additional connection charge which must be deposited prior to approval of the application.

Section 6. Approval of Application. When all conditions precedent to entitlement to service have been met, the General Manager shall endorse approval on the application form and return one executed counterpart to the prospective water user. Where a Term M&I Agreement is to be executed, service shall not commence until such agreement is executed in two (2) counterparts by the District and the prospective water user.

Section 7. Separate Applications for Each Connection. A separate application shall be required for each separate service connection, but a delinquency by a water user as to any service connection shall constitute a delinquency as to all of the water user's connections. A reconnection for the same water user where service has been discontinued under Sections 2 through 4 of Part E shall not require a new application if reconnection is made within three (3) months of disconnection, and any owner who has signed the initial application shall remain responsible for charges.

Section 8. Connection and Reconnection Charges. The Board, by resolution, shall set connection and reconnection charges to recoup the full cost of each initiation of water service or the re-establishment thereof.

Section 9. Connection or Reconnection, Pursuant to Exchange Pool Requirements Under Adjudications. To the extent that any water user is required by the Court in any of the ground water adjudications (Kern County Superior Court Case Nos. 92709, 92710 and 92711) to purchase water from the District in connection with the physical solution imposed by the Court under any exchange pool or similar arrangement, connection charges otherwise payable prior to connection or reconnection shall be paid by the District, except such reconnection charges as arise by reason of disconnection under Sections 2 through 4 of Part E.

Section 10. Lateral Distribution Lines Privately Financed. Lateral distribution lines, the cost of construction of which is paid for or substantially paid for by a person or persons for service to specific property or properties, when and as dedication thereof is accepted by this District, shall be accepted on the following condition:

"Water deliveries from said lateral distribution line for the benefit of

properties other than the described property (the "described property" hereafter) shall not be permitted to the extent that use of the said line's capacity therefore would prevent the District from meeting reasonable beneficial demands for the described property. Nothing herein contained shall relieve grantors or their successors or the described property from the effect of any ordinance, rule or regulation of the District, now or hereafter established, relating to scheduling of deliveries, interpretability of service for one or more types of use or sub-categories of a use or uses, handling of shortages of water or shortages of water available for certain types of uses or sub-categories of uses, priority of one or more uses or sub-categories of uses or purposes, or any other ordinance, rule or regulation, whether or not of the same or a different type than any of the foregoing, provided the ordinance, rule or regulation is not solely occasioned by or applicable only to said lateral distribution line solely by reason of shortage of capacity occasioned by deliveries or desired deliveries of water there from to properties other than the described properties".

The foregoing provisions shall not apply to lateral distribution lines financed through assessment districts or improvement districts, or if the offered dedication expressly provides that it is not subject to the foregoing and is accepted on that basis by the District. Nothing herein affects or purports to affect the powers of the District as Tehachapi Basin Watermaster under the judgment as amended from time to time in "*Tehachapi-Cummings County Water District*, a body corporate and politic, vs. *City of Tehachapi*, a municipal corporation, et al.", Kern County Superior Court No. 97210.

PART E. DISCONNECTION OF SERVICE. Disconnection of service may be made in the following instances, but shall not excuse the water user or owner from payment of all charges otherwise payable.

Section 1. Disconnection at User's Request. Any water user who desires service disconnected shall give at least one full business day advance written notice to the District (a business day being other than a District holiday or any Saturday or Sunday). A water user in addition to being responsible for water delivered to the water user shall be responsible for charges for any use of water from the water user's connection by any unauthorized person until the end of such one full business day following said written notice. Notwithstanding, when the District has knowledge that the water user has vacated the premises in question or has otherwise permanently discontinued use of water, the District may make a disconnection.

Section 2. Disconnection for Non-Payment. The District may disconnect any water user's connection when any bill for water service rendered or other charge has become delinquent. The District shall not be required to apply any deposits on hand to avoid such disconnection. A delinquency as to any service connection shall be a delinquency as to all service connections of that water user under this section.

Section 3. Emergency Disconnection for Detrimental or Damaging Conditions. If a condition unsafe or hazardous to District facilities or water supplies is found to exist on the water user's premises, or if the use of water thereon is found to be detrimental or damaging to District facilities or water supply for any reason, including but not limited to, chemicals, fertilizers or other substances applied with or added to such water, or water user's equipment, application, consumption, use and disposition of such water, the service may be disconnected without prior notice. The District will notify the water user of the reasons for the disconnection and the corrective action to be taken by the water user before service may be restored.

Section 4. Disconnection for Failure to Comply with Rules and Regulations. The District may disconnect any water user's connection for any other failure to comply with these Rules and Regulations.

Section 5. Notice and Hearing. Prior to any disconnection of any water user's connection, except an emergency disconnection under Section 3 of this part, the General Manager shall notify the water user in writing of the basis for the District's proposed action; the date the District proposes to disconnect the connection; that the water user, upon timely request, may have a hearing before the Board to present any objections to the proposed District action; and the last date upon which the request must be received by the District. If the water user does not timely request a hearing before the Board, the District shall proceed to disconnect the connection. If the water user timely requests a hearing before the Board, the Board shall schedule the hearing at the next regular Board meeting, consider the objections of the water user, and make such decision as appears proper under all of the circumstances.

PART F. STATEMENTS. Statements for water charges shall be rendered as follows:

Section 1. Regular Statements. Statements for water delivered shall be mailed monthly on or before the tenth (10th) day of the month with respect to water delivered the preceding month. However, late mailing shall not extend the dates hereafter set forth. All such statements are due and payable immediately, and become delinquent if not paid by the twenty-eighth (28th) day of the month, or if the same not be a District business day, by the next succeeding business day; provided, that as to a public entity water user, a statement shall not become delinquent if paid within twenty-one (21) days after the first regular or adjourned regular meeting of its governing body held after receipt of the billing. If service is discontinued prior to a statement being mailed, it may likewise include charges for water furnished through date of discontinuance.

Section 2. Closing Statements. Closing statements, other than as provided above, shall be mailed promptly upon discontinuance of service and shall be due and payable within fifteen (15) days after the date on which mailed, or the next succeeding District business day if such fifteenth (15th) day be not a business day. If not paid within that time, they are delinquent.

Section 3. Water User's Obligation to Request Statement. If any water user has not received a statement or bill which should have been received by him under the foregoing rules, it shall be the water user's obligation to timely obtain a duplicate statement from the District, and risk of loss in the mails shall not be the responsibility of the District.

Section 4. Meter Readings. Bills for water service will state the date on which read, the date of the last prior reading, the respective meter readings on those two (2) dates, the amount of the bill and the last day for payment before the same becomes delinquent, in addition to any other matters determined by the General Manager. Billings will be based on meter readings. However, if there has been a substantial malfunction or failure of a meter, it shall be the responsibility of the General Manager to cause an investigation and to determine the estimated actual quantity used. Any supplementary statements rendered on account thereof shall be payable within a like period and with like consequences, as a closing bill, as provided in Section 2 of this part. If a previously over-billing has been involved, such amounts shall be credited or refunded, if a request for refund is made.

PART G. DELINQUENT CHARGES; DEPOSITS; LIENS; ACTIONS TO COLLECT. In addition to and not in substitution of the District's other rights and remedies, the following provisions shall apply.

Section 1. Late Payment Charges. If any statement for water delivered shall become delinquent (see Part F) there shall be added to the other applicable charges interest at the rate of one percent (1%) per month, commencing with the date on which the same became delinquent, and an administration charge, which the Board hereby determines to be reasonable in relation to the District's anticipated costs, of Two Hundred Fifty Dollars (\$250.00) or ten percent (10%) of the billed amount involved, whichever is less, subject to the General Manager's discretion; in addition to any reconnection charges under Section 8, Part D,

Section 2. Deposits for Service. Any water user against whom late payment charges have accrued shall be required to make a deposit with the District in an amount equal to estimated charges for water for the highest two (2) months of anticipated use in any calendar year, such amount to be determined in the discretion of the District's General Manager. Such deposit shall be maintained until the water user has timely paid all bills without

delinquency, for a period of twelve (12) consecutive calendar months. Failure to pay any required deposit within ten (10) days of written notice thereof, where service has not theretofore been discontinued, shall be further ground for discontinuance of service by the District with reconnection charges as provided in Section 8, Part D. The District may, but is not required to, apply any deposit to outstanding amounts due and owing. When a deposit has been made, but is no longer required, the same will be refunded to the water user after deduction of any charges or indebtedness to the

District which are due and owing, or applied against succeeding water bills. Absent written direction as to the first alternative, the District may apply the same to succeeding water bills.

Section 3. Unpaid Charges a Lien on Property. To the extent permitted by law, any unpaid charges, including connection charges and other charges, shall constitute a lien on the property of the water user as specifically provided by the County Water District Act (Water Code Section 31701.7). The District may record with the County Recorder a notice or "certificate" of any such lien and thereafter file suit to foreclose such lien in the manner provided by law.

Section 4. Actions to Collect. In the event any action is brought to collect any unpaid charges, including connection and other charges, whether separately or apart from any foreclosure of lien, the District shall be entitled to recover, in addition to any such charges, its reasonable attorney fees and court costs.

PART H. NON-LIABILITY OF DISTRICT; INDEMNIFICATION AND HOLD HARMLESS OF DISTRICT BY WATER USERS.

Section 1. Untreated Water - No Warranty. All water sold by the District will be untreated water. It shall be the responsibility of the water user utilizing, serving or otherwise disposing of the same for human or animal consumption to cause such treatment thereof as may be required by any applicable law, rule or regulation for any such use and as may in addition thereto be necessary or desirable for any such use. The District expressly disclaims any warranty or representation of suitability for any of the above uses, and the water user shall assume full responsibility therefore. The water user shall provide any person to whom the water is otherwise sold or disposed of a copy of this section, unless such user shall have treated said water in accordance with all applicable laws, rules and regulations. No water user or other person shall serve water obtained directly or indirectly from the District in a domestic water system without first complying with all applicable laws, rules and regulations. There is further no warranty or representation concerning any use of delivered water as to content of dissolved or undissolved solids in the water, salts, or absence of impurities or foreign objects in any water delivered, nor as to the long or short-term effect on soils, pipes or fittings of utilization of water delivered.

Section 2. District Not Liable; Indemnifications. Notwithstanding the term "sale" or like terms in these Rules and Regulations, which may be used for convenience, any service of water to any water user is a water service agreement. Any such water user shall be required to and shall be deemed to have consented to accept water service at the location served subject to such conditions of pressure and service as may be provided from time to time, and such condition may be changed by the District's General Manager, consistent with these Rules and Regulations. The District, its Directors, agents, employees and independent contractors shall not be liable to any water user or any person to whom a water user provides water, directly or indirectly, for any claimed damage or expense occasioned from any of the following, whether or not occasioned by the concurrent or contributory negligence, actual or alleged, of the District or its Directors, agents, employees or independent contractors: quality or content of water, whether relating to a matter specified in the preceding section or otherwise; delayed commencement or recommencement of service; interruptions of service; low pressure; high pressure fluctuations of pressure; shortage or insufficiency of supply; the control, carriage, handling, use, disposal or distribution of water delivered to a water user once it reaches a point beyond the facilities owned and operated by the District. Notwithstanding any provisions in these Rules and Regulations, any water service agreement is solely between the District and the applying water user (subject to liability of any co-signing owner), notwithstanding that that water user may in turn supply such water to others, and no provision in this agreement shall be deemed to make any other person a beneficiary, third party or otherwise, of any provision of said water service agreement, or to establish any contractual relationship between such other party and the District. It is the responsibility of the water user to provide terms

and conditions as a part of any furnishing of water to others. Each water user shall indemnify and hold the District, its Directors, agents, employees and independent contractors harmless from any claims by any such other persons, whether from matters set forth in this section, or based on any other ground, and whether or not occasioned by the concurrent or contributory negligence, actual or alleged, of the District or its Directors, agents, employees or independent contractors.

PART I. SERVICE CONNECTION FACILITIES INSTALLED BY DISTRICT; FACILITIES TO BE INSTALLED BY WATER USER; PROTECTION OF DISTRICT FACILITIES. The following facilities will be installed and maintained by the District and water user respectively, subject to all other provisions of these Rules and Regulations.

Section 1. Installation by District. Upon approval of an application for service, payment of all required connection charges and execution by the District and water user of any other required agreement, the facilities to be installed by the District will include such pipeline and appurtenances as determined by the General Manager. All such facilities to the boundary of said easement shall be the property of and be maintained by the District.

Section 2. District's Assistance in Necessary Rights-of-Way and Easements. Notwithstanding any other provision of these Rules and Regulations, the District, under appropriate agreement approved by its Board, may acquire, either consensually or through condemnation proceedings, easements and rights-of-way for lateral or other lines to prospective water users who cannot otherwise obtain such easements and rights-of-way. Such water users will be required to bear all costs and expenses of easement acquisition and installation of facilities therein, which the District will own.

Section 3. Water User's Responsibility for Distribution System. The water user shall be responsible for the installation and maintenance of all facilities from the terminus of the District's facilities.

PART J. CERTAIN USES OF WATER AND OTHER ACTS PROHIBITED; RATES FOR PROHIBITED WATER USES. The following uses and acts are prohibited, and, for prohibited uses and acts, water rates shall be payable in accordance with the following.

Section 1. No Water to be Conveyed to Third Person Except by a Water Purveyor. No water user, except a water purveyor (being one regularly engaged in the business of distributing M&I water) shall, without the prior written consent of, sell or convey any water obtained from the District to any other person or permit any other person to obtain the same from water user's distribution facilities.

Section 2. Uses for Which Rates Have Not Been Established. No water user shall use or permit to be used any water obtained from the District for any use or category for which rates have not been established, or which requires the consent of the District where that consent has not been first obtained in writing. Each water user shall be absolutely responsible for the acts of its distributees in this regard.

Section 3. Unauthorized Connection or Reconnection. Only District personnel are authorized to connect or reconnect service. No other person shall do so.

Section 4. Charges and Rates for Violation. Any water user who violates any of the foregoing sections of this part, and any other person who violates Section 3 of this Part, or who bypasses a District meter, shall be deemed to have agreed to pay double the normal M&I rate, and in the case of a Section 3 violation, all charges which would otherwise be imposed for an authorized connection or reconnection. Nothing herein shall preclude the District from disconnecting. In the event of a by-pass of a District meter, it shall be presumed that such by-pass occurred immediately after the last meter reading, and that water has been taken twenty-four (24) hours a day each day thereafter at the full rate of flow which the connection is capable of transmitting, and it shall be the burden of that person to demonstrate to the contrary. The General Manager in such event shall determine the amounts due and, payable from time to time and render a billing which is immediately due and payable.

Section 5. Only District Personnel to Operate or Control District Facilities. No person other than authorized District personnel shall operate, control or otherwise disturb any District water system equipment or facilities.

PART K. DISTRICT'S RIGHT IN WASTE, SEEPAGE AND RETURN FLOW. The District has and claims all right, title and interest in and to all return flow into any ground water basin within the District's boundaries resulting from water imported by the District, along with the right to later recapture or otherwise utilize the same, provided, however, the District does not claim title to return flow from imported water purchased by a public entity from the District which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated therefore by the District acting as Watermaster of any such basin. The District's claim extends to all return flow from water imported by the District, whether from spreading operations by the District, from waste or seepage before any delivery of water by the District, from waste or seepage thereafter, and from percolation after or as a result of use or reuse of imported waters by any water user or other person, except imported water purchased from the District by a public entity which is intentionally spread for storage in a groundwater basin by such public entity pursuant to rules and regulations promulgated by the District acting as Watermaster of any such basin. The District hereby expresses its intention to later recapture or otherwise utilize such return flow. Nothing herein shall prevent any person from engaging in drainage or other activities to protect that person's land or the use thereof from return flow which otherwise would injure or would threaten injury to the enjoyment or utilization of such land.

PART L. SHORTAGES. The District retains the right and power to later provide, consistent with any then applicable provisions of law, for priorities, restrictions, prohibitions and exclusions in the event of shortage or other emergency, including cessation or interruption of sale of water to particular users.

PART M. MANAGEMENT OF DISTRICT WATER SYSTEM; ACCESS. The following provisions apply to management of the District's system and access to lands of water users.

Section 1. Management - General Manager and Employees. Subject to the Board's overall control, the District's water system is under the exclusive management and control of the General Manager who is a person appointed by the District's Board to manage the affairs of the District pursuant to its direction. No other person except said General Manager or a person operating under the General Manager's authority shall operate any of the facilities of the District's system. The General Manager shall supervise the activities of all District employees in connection with operation and maintenance of District's water system and all other activities of the District.

Any controversy between a water user and the District shall be handled by the General Manager, or in the General Manager's absence, the employee designated by the Board to act.

Section 2. Right of Access. The District employees authorized by the General Manager shall have reasonable access to lands and irrigation facilities within the District for the purpose of conducting District business which may include the following: (a) Inspection of the lands upon which water delivered by the District is being applied for the purpose of determining water users' compliance with these Rules and Regulations or performing any

function under these Rules and Regulations, including inspection and testing of any water meter; (b) Inspection, maintenance, repair or modification of facilities of the District's water system.

Section 3. Scheduling of Agricultural Water. When deemed necessary or desirable, the General Manager may schedule the delivery of agricultural water in such manner as the General Manager deems advisable.

PART N. DECISIONS OF GENERAL MANAGER; APPEAL TO BOARD. In order to assure fairness to water users, the following provisions are established relative to decisions of the General Manager and appeals there from.

Section 1. General Manager Decisions. Any person desiring to appeal a decision of the General Manager

affecting that person as a water user or prospective water user shall first request that the decision be placed in writing and provided that person. It shall be the duty of the General Manager to promptly do so, who may also reduce any decision to writing without such a request.

Section 2. Appeals. If any such written decision involves the payment of any charge or amount of money, any appeal therefrom as hereinafter provided for shall not excuse the payment when otherwise due and payable had there been no appeal. Provided that all such payments have been made to the District, the water user or prospective water user may file an appeal in writing to the Board within twenty (20) days after the written decision is deposited in the mails or personally delivered to the person affected, specifying the decision appealed from and the grounds of the appeal. The Board shall thereafter hear the evidence on the matter and make its determination in writing. Failure to timely pay any amount involved which becomes due and payable after the filing of the appeal but before hearing shall be deemed an abandonment of the appeal unless the Board should otherwise rule. Any such hearing shall be conducted as close as possible in accordance with normal rules of evidence, but the acceptance of inadmissible evidence shall not be grounds for voiding the decision of the Board. If any refund is then indicated it shall be promptly made, or if the water user or prospective water user so consents shall be credited against subsequent charges. If no appeal is filed within twenty (20) days after the written decision is mailed to the person or personally delivered to him, or any payment called for by said decision is not made concurrently with or before the filing of any such appeal, the decision of the General Manager becomes final and conclusive, unless for good cause shown the Board grants relief from any default in timely filing an appeal or making any payment otherwise due and payable under said decision.

PART O. SEVERABILITY; INTERPRETATION.

Section 1. Severability. If any provision of these Rules and Regulations is determined to be invalid, it is the intention that the remainder of these Rules and Regulations shall not be affected thereby.

Section 2. Interpretation. In the event of any ambiguity in these Rules and Regulations or its application, the Board's interpretation shall be final and conclusive.

PART P. SPECIAL RULES AND REGULATIONS GOVERNING THE USE OF RECYCLED WATER.

Section 1.1. Introduction. The District by contract with the California Department of Corrections & Rehabilitation (CDCR) will receive disinfected tertiary recycled water ("recycled water") from CDCR's California Correctional Institution in Cummings Valley ("CCI"). The District intends to sell water for irrigation uses enumerated in and in accordance with subpart (a) of section 60304 of Title 14 of the California Code of Regulations. For any other recycled water uses in the future including, but not limited to, industrial processes and commercial, landscape or recreational impoundments, wildlife habitat, and groundwater recharge, the District shall submit additional plans and documents to the State of California, Department of Health Services and the Central Valley Regional Water Quality Control Board for review

and approval. These future recycled water applications will be evaluated on a case-by-case basis and shall be evaluated in accordance with the California Environmental Quality Act.

Section 1.2. Purpose. The purpose of these special recycled water rules and regulations is to promote the conservation and reuse of water resources and to ensure maximum public benefit from the use of the District's recycled water supply by regulating its use in accordance with applicable federal, state and local regulations. These rules and regulations are also intended to be those required as a condition of issuing a master recycled water project permit pursuant to Water Code section 13523.1(b)(3).

Section 1.3. Policy. Recycled water supplies shall be used to the maximum extent possible for any approved beneficial use. This shall be accomplished through the beneficial use of recycled water in compliance with applicable federal, state and local regulations.

Section 1.4. Intent. The District shall provide recycled water wherever the District determines its use is economically and technically feasible and consistent with these rules and regulations and its contractual obligations to CDCR.

Pursuant to Water Code section 13523.1(b)(3), the establishment and enforcement of these rules and regulations shall govern the design, construction and use of recycled water distribution and disposal systems within the District.

It is further, the intent of these rules and regulations to be consistent with the following criteria:

- California Code of Regulations, Title 22, Division 4, Chapter 3, *Wastewater Reclamation Criteria*;
- California Code of Regulations, Title 17, Division 1, Chapter 5, Group 4, Articles 1 & 2;
- The State Department of Health Services (State DHS), *Preparation of an Engineering Report for the Production, Distribution and Use of Recycled Water*;
- Any measures that are deemed necessary for protection of public health, such as the American Water Works Association (AWWA) California/Nevada Section, *Guidelines for the Distribution of Non-Potable Water and Guidelines for Retrofitting to Recycled Water* or alternate measures that are acceptable to the State DHS.
- The General Waste Discharge Requirements for Landscape Irrigation Uses of Municipal Recycled Water as Adopted by the State Water Resources Control Board.

Section 1.5. Scope. These special rules and regulations establish the requirements for recycled water use and the provision of recycled water service by the District to its customers. If there is any conflict between the provisions of these rules and regulations and the provisions of any of the documents incorporated by reference, the most stringent requirement will govern.

Section 1.6. Incorporation of Supporting Documentation. The following documents and programs, as may be amended hereafter, are incorporated herein and by this reference made a part hereof as though fully set forth:

- A. California Code of Regulations, Department of Health Services, Title 22, Division 4;
- B. Department of Health Services, “Manual of Cross-Connection Control/Procedures and Practices”
- C. California Code of Regulations, “Regulations Relating to Cross-Connections” (Title 17, Chapter 5, Subchapter 1);
- D. California State Water Resources Control Board, “General Waste Discharge Requirements for Landscape Irrigation Uses of Municipal Recycled Water”

- E. California-Nevada Section American Water Works Association “Guidelines for Distribution of Non-potable Water”
- F. California-Nevada Section American Water Works Association “Guidelines for the On-Site Retrofit of Facilities Using Disinfected Tertiary Recycled Water.”
- G. T-CCWD “Recycled Water Use Guidelines And Best Management Practices” (Sections 7.1-7.7).
- H. T-CCWD “Recycled Water Inspection And Monitoring Program” (Sections 8.1-8.6).
- I. All other Federal, State or local statutes, regulations, ordinances governing the distribution and use of recycled water.

Section 2.1. Definitions.

- A. **“Applicant”**. Party requesting a Recycled Water Service Connection and/or recycled water service from the District.
- B. **“As-Built Drawings”**. Engineered drawings that depict the completed facilities as constructed or modified.
- C. **“Backflow”**. A condition that results in the flow of water into District pipelines from a source other than an approved water supply.
- D. **“Board”**. The Board of Directors of Tehachapi-Cummings County Water District.
- E. **“Cross Connection”**. Any unapproved and/or unprotected connection between a standard District water system and a non-potable system.
- F. **“Customer/User”**. Recipient of recycled water service from the District.
- G. **“District”**. Tehachapi-Cummings County Water District and/or the Staff thereof.
- H. **“Service Connection”**. The District’s valve and meter through which a customer takes delivery from the District of recycled water.
- I. **“Recycled Water”**. Disinfected tertiary treated recycled water as defined in section 60301.230 of Title 14 of the California Code of Regulations.
- J. **“District’s Standard Rules and Regulations.”** The Rules and Regulations for the sale, use and distribution of water, of which these special regulations for recycled water are a part (Part P), as adopted by Resolution No. 13-09, and as may be amended in the future.
- K. **“Non-Potable Water”**. Water that is not acceptable for human consumption in conformance with federal, state and local drinking water standards.

- L. **“Off-Site Recycled Water Facilities”**. Facilities under the control of the District from the source of supply (CDCR) to the point of connection to the customer’s on-site facilities normally up to and including the Service Connection.
- M. **“On-Site Recycled Water System”**. The customer operated portion of the recycled water system facilities, extending from the Service Connection to the customer’s parcel to be provided with recycled water service and including recycled water system facilities on the parcel to be irrigated with recycled water.
- N. **“Potable Water”**. Water which conforms to the latest federal, state and local drinking water standards.
- O. **“Recreational Impoundment”**. A body of water used for recreational activities including, but not limited to, fishing, boating, and/or swimming.
- P. **“Recycled Water Agreement”**. An executed contract between the District and the customer, as a condition for obtaining recycled water service.
- Q. **“Regulatory Agency”**. Individually, or in concert, the U.S. Environmental Protection Agency, U.S. Army Corps of Engineers, the Central Valley Regional Water Quality Control Board, State Water Resources Control Board, State Department of Health, California Department of Fish and Game, the Kern County Department of Environmental Health Services, and the District.
- R. **“Standard District Water”**. Water, other than recycled water, supplied by the District.
- S. **“Unauthorized Discharge”**. Any release of recycled water that violates the provisions of these rules and regulations or any applicable federal, state, District, or local statutes, regulations, ordinances, contracts or other requirements.
- T. **“Use Area”**. The specific area designated to be served recycled water through on-site recycled water facilities.

Section 3.1. Off-Site Recycled Water Facilities and Service Connections.

- A. Off-site recycled water facilities and Service Connections shall be planned, furnished and installed by District at customers’ expense in accordance with applicable federal, state and local statutes, ordinances and regulations.
- B. The District reserves the right to determine the location, size, capacity, manufacturer and model(s) of off-site recycled water facilities and Service Connections.
- C. Requests for modification or relocation of an existing Service Connection shall be made to the District in writing and paid for in advance before the District will begin the involved work.
- D. The District reserves the right to limit the use area to be supplied by one Service

Connection to one customer. A Service Connection shall not be used to supply adjoining property of a different customer unless approved by the District, in writing in advance of any new use.

- E. Every Service Connection shall be equipped with a valve on the inlet side of the meter to control the water supply through the meter assembly.
- F. District ownership and maintenance responsibilities terminate at the valve on the user's side of the meter assembly.
- G. The standard District water supply system or any public water supply shall not be used as a backup or supplemental source of water for a recycled water system unless the connection between the two systems is protected by an air gap separation which complies with the requirements of sections 7602(a) and 7603(a) of Title 17 and the approval of the District or the operator of the public water system has been obtained. If a "Swivel-ell" type connection is used it must be used in accordance with the provisions of the Department of Health Services Policy Memo 2003-003. Approved backflow prevention devices shall be provided, installed, tested, and maintained by the recycled water user in accordance with the applicable provisions of Title 17, Division 1, Chapter 5, Group 4, Article 2.

Section 3.2. On-Site Recycled Water Facilities.

- A. Each customer shall be responsible for furnishing, installing, operating and maintaining all facilities necessary to convey water from the meter assembly at the Service Connection to the use area in a manner that does not harm or damage any person or property, including any employees or property of the District.
- B. On-site recycled water facilities shall be constructed in accordance with applicable federal, state and local statutes, ordinances and regulations.
- C. The District shall inspect the construction of all recycled water facilities to ensure compliance with applicable regulations.
- D. The District shall approve irrigation system schedules of its customers who shall be obligated to coordinate the scheduling of their irrigation demand among themselves so that all of the District's customers receive their share of recycled water supplied by CDCR to the District in an efficient manner. The District shall have the right to impose schedules upon its recycled water customers if the customers fail to agree.
- E. On-site recycled water facilities shall be tested under active conditions in the presence of the District inspector and most likely a representative from the State DOHS, Kern County Department of Environmental Health Services, Central Valley Regional Water Quality Control Board or other regulatory agency to ensure compliance with local, state and federal conditions.

Section 3.3. Conversion of Existing Facilities.

- A. Conversion of Existing Facilities to Recycled Water Use. Prior to the conversion

of an existing irrigation system to recycled water use, the District at the customer's expense shall, at a minimum, review the record drawings, prepare required reports, and determine the measures necessary to bring the system into full compliance. No existing irrigation facilities shall be converted to, or incorporated into, a recycled water system without proper testing and approval by District and/or other regulatory agencies.

Section 3.4. Marking Water Facilities.

- A. The exposed portions of the customer's recycled water piping and appurtenances shall be clearly identified in accordance with local and health department requirements. The method of identification shall be clearly detailed on all plans, specifications, and engineering reports.
- B. Water meters used for recycled water service shall not be used for any other water service.

Section 3.5. Cross-Connection Prevention.

- A. Backflow Assembly. Backflow assemblies are required at every recycled water service connection and at every back up connection between a customer recycled water system and the standard District water system or with any public system. The customer, at the customer's sole expense, shall install, test, and maintain an approved backflow assembly in accordance with Title 17 of the California Code of Regulations as a prerequisite to receiving recycled water service.

Any backflow prevention device installed to protect the standard District water system or other public water system shall be tested, inspected, and maintained in accordance with section 7605 of Title 17, California Code of Regulations.

- B. System Testing. As required by the State Department of Health Services or the regulatory agency, the District will periodically conduct a cross-connection control test of the integrity of the on-site recycled water system at those facilities having both standard District water service or other public water service and recycled water service. Methods of system testing include, but may not be limited to: 1) isolating each system in turn and recording the internal pressure of the isolated system; or 2) introducing tracer dyes into the system to determine existence of backflow into the standard District or other public water system. The recycled water system shall be tested as described above for possible cross connections at least once every four (4) years.
- C. The District shall provide adequate notice prior to conducting a cross-connection control test to the State Department of Health Services and any other regulatory agency requesting notice.
- D. The cost of testing and any repairs or corrections identified during the testing shall be paid for solely by the customer.

Section 4.1. General Statement. The District shall provide recycled water where the District determines recycled water is technically and economically feasible. However, each use must be approved on a case-by-case basis. Determination of the specific uses shall be in accordance with the treatment

standards and water quality requirements set forth in Title 22, Division 4, Chapter 3 of the California Code of Regulations and to preserve the public health. Each use shall, in addition, be subject to the availability of distribution facilities or the technical and economic feasibility of making such facilities available, as determined by the District.

Section 4.2. District's Liability. The District is not responsible for any condition of the recycled water itself, or any substance that may be mixed with or be in recycled water as delivered to any customer, except as required by Title 22 and applicable regulations. The District shall not be liable for any damage from recycled water, including that resulting from inadequate capacity, interrupted service, defective plumbing, broken or faulty services, or recycled water mains; or any conditions beyond the control of the District. All users shall accept the pressure provided at the location of the Service Connection and hold the District harmless from any and all liability, damage, loss, costs, fees or expenses of whatever type or nature, arising from low pressure or high pressure conditions, or from interruptions of service.

Section 4.3. Conditions of Service. Recycled water service will be made available to the customer in accordance with the following terms and conditions:

- A. Compliance with Regulations. The District's recycled water shall be used in a manner that complies with all applicable federal, state, and local statutes, ordinances, regulations and other applicable requirements for the treatment level supplied, as determined by the District.

The use of recycled water shall not, at any time, cause pollution, contamination, or a private or public nuisance, as defined by section 13050 of the California Water Code. Recycled water shall be used by customers at all times in a manner that does not cause illness or injury to any person and in a manner that does not harm or damage any real or personal property of any person or entity, including the District. Customers shall not discharge recycled water into any watercourse unless Waste Discharge Requirements for such discharge have been previously obtained by the customer from the Central Valley Regional Water Quality Control Board.

- B. Studies and Reports. The cost and preparation of any study or report necessary to comply with the California Environmental Quality Act (CEQA) or obtain any permit or other approval required from a regulatory agency shall be the responsibility of the applicant.
- C. Service Constraints. All service is contingent on the quantity and quality of recycled water available to the District from CDCR at CCI and shall be provided in accordance with the terms of the Agreements between the District and CDCR and between the District and the customer.
- D. Distribution. The District reserves the right to control and schedule distribution as necessary to: 1) maintain an acceptable working pressure; 2) safeguard the public health; 3) manage the availability of recycled water supply to each of the District's customers; and 4) construct, maintain, and operate the facilities.
- E. Deliveries. Deliveries (or runs) of recycled water shall, in no event, be less than 15% or more than 100% of the rated capacity (as determined by the District) of the involved meters.

- F. Metering. All recycled water use shall be metered, and all recycled water used on any premises where a meter is installed must pass through a meter. Customers shall be held responsible and charged for all recycled water passing through the meter(s), unless otherwise specified by the District.
- G. Best Management Practices. Each applicant must demonstrate its ability to comply with the Recycled Water Use Guidelines and Best Management Practices (Sections 7.1.1 – 7.1.6 hereafter), including, but not limited to, an adequate reuse system, including adequate tailwater ponds and recycling pumps.
- H. Scheduling.
1. On or before November 15 of each year, each customer shall advise the District in writing whether the customer intends to use recycled water during the following calendar year, and provide an estimate of the quantity of recycled water that the customer will need that year. Only customers that so advise the District prior to November 15 in any year will be entitled to receive recycled water during the following year.
 2. On or before February 1 of each year, each customer shall provide the District in writing a firm order for recycled water and a monthly delivery schedule specifying the quantity of recycled water the customer requests to be delivered during each month of the year. This order and delivery schedule will obligate the customer to take the full ordered quantity of recycled water during the year if such quantity is available. If a customer fails to provide such a written order and delivery scheduled by February 1 in any year, the District may conclude that the customer does not have any demand for recycled water in that year and will not have any obligation to deliver any recycled water to the customer during the year.
 3. Based on the terms of each Recycled Water Agreement and the annual orders and monthly delivery schedules provided to the District on or before February 1 of each year, the District will determine the quantity of recycled water that the District can make available to each customer for the year. On or before February 28th of each year, the District shall notify each of its recycled water customers of the estimated amount of recycled water that the District anticipates will be available for delivery to the customer in the year. Periodically thereafter, the District shall provide updated estimates as quantities of recycled water available from CDCR are revised.
 4. If a customer fails to take delivery of the full quantity of recycled water that it orders in a given year, such failure will be grounds for suspension or termination of recycled water service if this failure results in the waste of recycled water. If a customer underestimates its recycled water demand in its order provided on or before February 1, the District will deliver recycled water to the customer in excess of the quantities ordered and scheduled to the extent the District can do so while meeting the demands of other customers.

Section 4.4. Request for Service.

- A. Application. All requests for recycled water service must be made by the applicant completing and signing the appropriate District application form. Upon receipt of an application, the District will review the application and may prescribe requirements and conditions in the District's sole discretion, in writing to the applicant as to the off-site and on-site facilities necessary to be constructed, the manner of connection, the financial responsibility, and the use of the recycled water. Prior to receiving recycled water service, the proposed use shall be approved by the District and any other regulatory agency which asserts jurisdiction to approve the proposed use. The District will inspect on-site recycled water facilities to assure initial and future continued compliance with the District's regulations and other applicable requirements.
- B. Recycled Water Use Agreement. Upon approval of the application by the District in its sole discretion, and issuance of all required regulatory agency permits, a Recycled Water Agreement shall be executed between the District and customer authorizing the applicant to receive recycled water service subject to the terms and conditions of these rules and regulations and federal, state, and local regulatory agencies rules and regulations. Such agreement shall include, but not be limited to, the property location, quantity of recycled water to be used, permitted uses, and rate to be charged for the recycled water. Such agreement shall require any customer before applying recycled water to any land the customer does not own to supply to the District the landowner's consent on a form be supplied by the District.

Section 4.5. Disputed Recycled Water Bills. The District will investigate any dispute over the correctness of a recycled water bill. Bills reflecting clerical or meter errors shall be adjusted, taking into consideration the volume of business, seasonable demand, and any other factors that may assist in determining an equitable charge.

Section 4.6. Non-Registering Recycled Water Meter. When a meter is found to be out of order, the charge for water will be based on, at the option of the District, either the average monthly consumption for the preceding months during which the meter is known to have registered correctly, or the consumption as registered by a "substitute meter". Consideration will also be given to volume of business, seasonal demand and any other factors that may assist in determining an equitable charge.

Section 4.7. Wholesale Recycled Water Service. Wholesale recycled water service to another water agency shall be specifically dealt with in a special agreement, by and between the involved water agency and the District covering the terms and conditions for service.

Section 4.8. Discontinuance of Service.

- A. Turn-off At Customer's Request. A customer may request that service be discontinued, either temporarily or permanently, only if permitted and in the manner provided in the Recycled Water Agreement.
- B. Turn-off by the District. The District may discontinue a customer's service for any of the reasons set forth in Part E of the District's Standard Rules and Regulations and for the following additional reasons:
 - 1. Water Quality. Service may be discontinued if CDCR discontinues recycled water deliveries to the District for any reason or, at any point in

the District's distribution system, the recycled water does not meet the requirements of the District or any regulatory agency. Service will, in the latter case, be restored at such time as recycled water again meets the requirements of regulatory agencies.

2. For Non-Compliance With Terms & Conditions Contained in District's Recycled Water Agreement. The customer's failure to comply with any of the terms and conditions contained in the District's standard recycled water agreement shall result in an enforcement action. The District shall have the right to enforce the agreement by any method provided in the agreement or by any applicable federal, state or local law, rule or regulation.
3. For Non-Compliance With Regulations. Service may be suspended or terminated in the manner provided herein at any time the customer's operations do not conform to these special rules and regulations as determined by the District in its sole discretion. Where safety of water supply or public health is endangered, or regulations have been violated, service may be suspended immediately without notice. Otherwise, all defects noted shall be corrected within the period of time specified by the District.
4. For Waste or Misuse of Water. In order to protect against waste or misuse of recycled water, the District may suspend service if such wasteful practices or misuses of recycled water are not remedied after notice to such effect has been given to the customer. Because failure to take the full quantity of recycled water ordered for the year will likely result in the waste of recycled water, the District may suspend or terminate service if the customer does not take delivery of the full quantity of recycled water the customer ordered for that year.
5. For Unauthorized Use of Recycled Water. When the District has discovered an unauthorized use, the service may be suspended without notice. Any person obtaining recycled water without District approval will be liable for a penalty charge, as set forth in Part J of these Rules and Regulations. The District shall, as appropriate, notify the State Department of Health Services and the Kern County Department of Environmental Health Services of such unauthorized use. Repeated unauthorized usage shall be considered as tampering with District property and may result in the offender being charged and prosecuted.

Section 4.9. Re-Establishment of Service. The District shall have the right to refuse to re-establish service following termination of service for violation of these provisions or any Recycled Water Agreement. Any request to re-establish service subsequent to the termination of recycled water service shall be in the manner prescribed for initially obtaining recycled water service from the District, which may include the collection of a security deposit, as set forth in Part G of these Rules and Regulations.

Section 4.10. Special Rules Pertaining to Use of Recycled Water in Cummings Basin.

- A. No recycled water shall be used in the Cummings Basin north and west of the

South Quarter Corner of Section 25, T.32S., R.31E., M.D.B.&M., that is, west of Pellisier Road [County Road No. 241] and north of the westerly extension of Highline Road.

- B. Customers using recycled water to irrigate crops (including turf grass) in the Cummings Basin as a condition of receiving recycled water for irrigation shall elect to participate in the Southern San Joaquin Valley Water Quality Coalition, Kern River Sub-Basin. The District shall establish a surface water quality monitoring station in Chanac Creek at the eastern boundary of Parcel Map No. 4117 subject to approval of the Central Valley Regional Water Quality Control Board, and shall take and analyze samples collected therefrom when and as may be required by the Regional Board as part of any WDR Conditional Waiver Program.
- C. The District shall monitor Cummings Basin groundwater quality on a monthly basis by taking and analyzing samples from Well No. 36C2 near the Northwest Corner of Section 36, T.32S., R.31E., M.D.B.&M., commonly referred to as "SSCSD's Cummings Valley Well No. 1." Analyses of such samples shall be public documents, available to inspection and copying by members of the public.
- D. Customers in the Cummings Basin shall not discharge recycled water into Chanac Creek or any other water course except pursuant to Waste Discharge Requirements issued by the Central Valley Regional Water Quality Control Board. Any such discharge shall be grounds for termination of the Recycled Water Agreement between the customer and the District.
- E. Customers using recycled water to irrigate crops in the Cummings Valley shall demonstrate to the District's satisfaction that their recycling systems, including tailwater ponds and pumps, are sized, constructed, located and maintained such so as to preclude any accidental overflows or discharges to adjoining lands or Chanac Creek. Customers shall grant the District the right to position mobile diesel pumps at tailwater ponds for emergency back up operation by customers in the event a customer's pump fails. All costs of operating District mobile diesel pumps shall be promptly reimbursed by the customer. At a minimum, the District shall install a mobile diesel pump at any tailwater pond which has overflowed in the previous five years.
- F. As used herein, "Cummings Basin" shall mean all the land overlying the Cummings Valley Groundwater Basin and all non-overlying lands within the Cummings Valley Watershed as defined in Findings of Fact and Conclusions of Law in Kern County Superior Court Case No. 97210.

Section 5.1. On-Site Facilities. Customer shall operate, maintain and control all on-site recycled water facilities in accordance with the requirements established by District, federal, state, and local regulatory agencies. It shall be the sole responsibility of the recycled water user to:

- A. Designate a recycled water supervisor who is responsible for the recycled water system at each use area under the user's control. Specific responsibilities of the recycled water supervisor include the proper installation, operation, and maintenance of the irrigation system; compliance of the project with the District's

rules and regulations, prevention of potential hazards, implementation of Best Management Practices and preservation of the recycled water distribution system in its “as built” form. Designated recycled water supervisors shall obtain instruction in the use of recycled water from an institution approved by the State DOHS.

- B. Maintain a copy of these rules and regulations, irrigation system layout map, and a recycled water system operations manual at the use area. These documents shall be available to operating personnel at all times.
- C. Ensure that all on-site operations personnel are trained and familiarized with the use of recycled water.
- D. Furnish its operations personnel with maintenance instructions, irrigation schedules, controller charts, and record drawings to ensure proper operation in accordance with the on-site facilities design, the Recycled Water Agreement, and these rules and regulations.
- E. Prior to the initiation of recycled water service, the recycled water user shall submit plans and specifications for recycled water distribution facilities to the District for review and approval.
- F. The recycled water user shall provide written notification, in a timely manner, to the District of any material change or proposed change in the character of the use of recycled water.
- G. Ensure that the design and operation of customer’s recycled water facilities remain in compliance with all the terms of the Recycled Water Agreement and all the terms of these rules and regulations.
- H. Implement on-site controls, which meet the requirements established by the District, federal, state, and local regulatory agencies to protect the health of customer’s employees and the public.
- I. Notify the District immediately of any and all failures in the system resulting in an unauthorized discharge or a contamination of another system due to a cross-connection on the premises. Customer complaints or complaints received by customers concerning recycled water use that may involve public illness shall be reported to the State DOHS, the Kern County DEH, and to the District which shall maintain a log of all complaints regarding recycled water.
- J. Protect all recycled water storage facilities, including tailwater ponds, against erosion, overland runoff, and other impacts resulting from a 20-year, 24-hour frequency storm unless the Central Valley Regional Board Executive Officer approves relaxed storm protection measures for the facility.
- K. Protect all recycled water storage facilities against 20-year frequency peak stream flows as defined by the Flood Plain Management Division of the Kern County Engineering and Survey Services Department, unless such division approves relaxed storm protection measures for the facility.

- L. Protect all potable drinking water fountains and eating facilities from spray of recycled water.
- M. Ensure that the recycled facilities are operated at all times in full compliance with all federal, state, local and District recycled water requirements.
- N. Ensure that all recycled facilities are operated at all times in a manner that does not result in a discharge of recycled water into a watercourse, or cause illness or injury to any person or damage any real or personal property of any person, including the District.

Section 5.2. District Recycled Water System Facilities.

- A. Ownership, operation and maintenance of all recycled water system facilities up to, and including, the District's valve meter assembly at the Service Connection, shall be the responsibility of the District.
 - 1. Tampering with District Property. No person shall at any time tamper with District property. Such tampering constitutes a misdemeanor or felony criminal violation punishable by law. Only authorized District personnel may operate District facilities. A customer may operate District recycled water facilities only if expressly authorized in a Recycled Water Agreement.
 - 2. Unauthorized Use of Recycled Water. Customers who open the valve of a Service Connection without District approval may be liable for a penalty charge, as determined by the District, and for the cost of water usage, based either on the meter reading (if available) or the estimated consumption during the time water service was received without proper arrangements. Repeatedly turning on service without making proper arrangements shall be considered as tampering with District property and may result in the offender being charged and prosecuted.
 - 3. Use of Recycled Water on Non-Approved site. Use of recycled water on a site that has not been approved for the use of recycled water requires the immediate notification of State DOHS and/or Kern County DEH and/or Central Valley Regional Water Quality Control Board.
 - 4. Property Damage. Any repair costs incurred by the District as a result of damage inflicted by the customer or others will be billed to the responsible party. Failure by the responsible party to pay for such costs shall constitute grounds for discontinuance of water service and/or legal action by the District. Amounts paid by the District shall incur interest at 12% per month until paid in full.

Section 5.3. Access to customer's Premises.

- A. The District, the Central Valley Regional Water Quality Control Board, the State DOHS, the Kern County DEH, or any other regulatory agency, and any authorized

representative of these agencies, upon presentation of proper credentials, shall have the right to enter upon the recycled water use site during reasonable hours, or at any time during an emergency, for the following reasons:

1. Monitoring and inspecting all recycled water systems to ascertain compliance with these rules and regulations and other regulatory requirements of any regulatory agency.
 2. Installing, maintaining, repairing and reading District owned facilities serving the customer's premises.
- B. Where necessary, keys and/or lock combinations shall be provided to the District for site access.

Section 6.1. Termination of Service. The District may terminate service to a recycled water user who uses, transports, or stores such water in violation of these special rules and regulations, in violation of the District's Standard Rules and Regulations, or in violation of any Recycled Water Agreement with the District.

- A. The Central Valley Regional Water Quality Control Board may initiate enforcement action against any recycled water user, including but not limited to, the termination of the reclaimed water service, who:
1. Discharges recycled water in violation of any applicable discharge requirement prescribed by the Regional Board or by the State Water Resources Control Board, or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.
 2. Uses, transports, or stores such water in violation of the rules and regulations governing the design, construction and use of recycled water distribution and disposal systems promulgated by the District; or in a manner which creates or threatens to create conditions of pollution, contamination, or nuisance, as defined in Water Code section 13050.

Section 6.2. Investigation and Initial Determination. The District shall investigate all reports of non-compliance with any provision of these special rules and regulations and/or the Recycled Water Agreement to determine the seriousness of the violation. Determination regarding the seriousness will be based upon: 1) the magnitude and duration of the violation; 2) its effect on the operation of the District's recycled water system; 3) its effect on third parties; 4) its impact on public and environmental health and safety; 5) the history and good faith of the customer; and 6) its effect on District's compliance with regulatory agency rules and regulations or regulatory agency permit conditions.

Section 7.1. Recycled Water Use Guidelines and Best Management Practices. As a supplier of recycled water, the District must ensure that the District's customers are aware of their responsibilities regarding recycled water use. The following Sections 7.1.1 through 7.1.6 constitute the District's Recycled Water Use Guidelines and Best Management Practices ("BMP"). The BMP are consistent with those promulgated by the State of California Department of Health Services, in Title 17 and Title 22 of the California Code of Regulations. The implementation of the BMP is essential in controlling soil erosion,

over spray and ponding, promoting efficient irrigation practices and preventing discharged of recycled water offsite or into watercourses.

Section 7.1.1. General Operational Controls.

- A. The use of recycled water must be limited to the areas designated and approved by the District.
- B. All recycled water valves and outlets shall be properly tagged to warn the public and employees that the water is not safe for drinking.
- C. All recycled water piping and appurtenances in new installations and appurtenances in retrofit installations shall be colored purple or distinctively wrapped with purple tape in accordance with Chapter 7.9, section 4049.54 of the California Health and Safety Code.
- D. Where feasible, different piping materials should be used to assist in water system identification.
- E. All recycled water valves, outlets and sprinkler heads should be of a type that can only be operated by designated personnel.
- F. No recycled water shall be discharged into any watercourse.
- G. The recycled water piping system shall not include any hose bibbs. The use or installation of hose bibbs on any on-site water system that presently operates or is designed to operate with recycled water, regardless of the hose bibb style, construction or identification is strictly prohibited.
- H. No physical connection shall be made or allowed to exist between any recycled water system and any separate system conveying standard District water. Backflow preventers shall be required at the discretion of the District.
- I. The use of recycled water shall at no time create odors, slime, deposits, become a public or private nuisance or create a trespass of any kind.
- J. The use area shall be maintained to prevent the breeding of flies, mosquitoes or other vectors.
- K. Reclaimed water facilities shall be operated in accordance with best management practices (BMP's) to prevent direct human consumption of reclaimed water and to minimize misting, ponding, and runoff. BMP's shall be implemented that will minimize public contact and preclude discharges onto areas not under customer control and discharges into watercourse.
- L. Customers shall ensure that all recycled water facilities are maintained, operated and repaired at all times in a manner that does not cause illness or injury to any person and in a manner that does not cause damage or injury to the real or personal property of any person or entity, including the District.

Section 7.1.2. Posting of On-Site Notices. All use areas where recycled water is used and that are accessible to the public shall be posted with conspicuous signs, in a size no less than 4 inches by 8 inches, that include the following wording and picture in a size no less than 4 inches high by 8 inches wide: “RECYCLED WATER - DO NOT DRINK”. The sign(s) shall be of a size easily readable by the public. The prescribed wording should also be translated into Spanish and other appropriate languages and included in the required signs.



Figure 1

All water outlets shall be posted as “potable” or “non-potable”, as appropriate

Section 7.1.3. Worker/Public Protection. Workers, residents, and the public shall be made aware of the potential health hazards associated with contact or ingestion of recycled water, and should be educated about proper hygienic practices to protect themselves and their families.

- A. Workers and others must be notified that recycled water is in use, through the posting of signs, etc.
- B. The following measures should be taken to minimize contact with recycled water:
 - 1. Workers/public should not be subjected to recycled water sprays.
 - 2. Workers should be provided with the appropriate clothing during prolonged contact with recycled water.
- C. Potable drinking water should be provided for workers.
- D. Toilet and washing facilities should be provided.
- E. Precautions should be taken to avoid contact with food and food should not be taken into areas that are still wet with recycled water.
- F. A first aid kit should be available on site, to prevent cuts and other injuries to contact recycled water.

Section 7.1.4. General Crop Irrigation Uses. All windblown spray and surface runoff of reclaimed water applied for irrigation onto property not owned or controlled by the discharger or reclaimed water user

shall be prevented by implementation of BMP's.

Irrigation with reclaimed water shall be during periods of minimal human use of the service area. Consideration shall be given to allow an adequate dry-out time before the irrigated area will be used by the public.

All drinking fountains located within the approved use area shall be protected by location and/or structure from contact with recycled water spray, mist, or runoff. Protection shall be by design, construction practice, or system operation.

Facilities that may be used by the public, including but not limited to eating surfaces and playground equipment and located within the approved use areas, shall be protected to the maximum extent possible by siting and/or structure from contact by irrigation with recycled water spray, mist or runoff. Protection shall be by design, construction practice or system operation.

Section 7.1.5. Efficient Irrigation. The following methods of irrigation management should be applied to reduce run off, ponding and over spray and preclude discharges of recycled water to watercourses. When followed, these methods will result in uniform irrigation and efficient operation.

A. Hardware.

All irrigation systems must have the appropriate equipment/hardware for the application.

1. Install irrigation system according to the design.
2. Make sure all sprinkler heads are uniform in brand, model and nozzle size. Where different arcs are needed at the same station, match precipitation rates by changing nozzles.
3. Measure spacing between sprinkler heads. Place heads per manufacturer's recommendations.
4. Where lower precipitation rates are required, such as on slopes, reduce nozzle size and spray angle per manufacturer's recommendations.
5. Install booster pumps to increase pressure where needed.
6. Install pressure reducers to decrease pressure where needed, often on steep hillsides where main lines run downhill.
7. Make sure piping is sized to transmit water in the quantity demanded by the system.
8. Use check valves either in-line or built into the sprinkler head assembly to virtually eliminate low head drainage after the valve has closed. THESE DEVICES SUBSTANTIALLY REDUCE RUN OFF AND PONDING FROM INDIVIDUAL SPRINKLER HEADS.
9. Use automatic flow control devices that shut down a system if a break or

other similar high flow/low pressure situation develops during irrigation. THESE DEVICES CAN SAVE SIGNIFICANT AMOUNTS OF WATER AND ELIMINATE RUN OFF OR PONDING IF A BREAK SHOULD OCCUR.

10. The use of centralized control systems or controllers that measure or can be programmed to use evaporation rates, or systems that use controls such as moisture sensors is recommended.

B. Maintenance.

Maintenance is often the most overlooked irrigation system component. Perform the following routinely, and to fix a problem with the irrigation system.

1. Adjust sprinkler heads so they achieve 80% head to head coverage throughout their intended arc. There should be no obstruction that would interfere with the free rotation and smooth operation of any sprinkler, such as trees, tall grass, shrubs, signs, etc. The system should be tested during the daytime so adjustments can be made.
2. Adjust valves or pressure regulators so that the systems are operating at the pressure required by the sprinkler heads or emitters. Test pressures periodically with a pressure gauge to maintain appropriate pressure levels.
3. Routinely test the accuracy of time clocks. Have the time clock recalibrated or repaired as necessary.
4. Repair or replace broken risers, sprinklers, valves, etc. as soon as they are discovered. Replace with appropriate make and model of equipment to maintain uniformity throughout the system.
5. Routinely check backflow devices, pumps, etc. for leaks and repair or replace as necessary.
6. Routinely clean screens and backwash filters to keep systems operating optimally.

C. Management.

System management determines: 1) the appropriate duration of the irrigation cycle, and 2) the frequency at which irrigation occurs.

1. Duration: The duration or length of an irrigation cycle (run time) should be long enough to fill up the root zone reservoir. If total run times are longer than required, then deep percolation losses occur. There are exceptions to this general rule. A common and important exception to this rule is to reduce levels of salts in the root zone reservoir. This is accomplished by applying additional water to force salts down past the root zone. This process, called leaching, is a common use of irrigation water. Run times are also dependent on distribution uniformity (DU). DU

is a measurement of how evenly water is applied to the irrigated area. Run times are reduced by higher levels of DU.

2. Frequency: The frequency of an irrigation cycle should be as often as necessary to meet the water requirements of the vegetation. This is determined by measuring the amount of moisture remaining in the root zone reservoir between irrigation cycles. When an appropriate moisture level is determined, the irrigation cycles should be scheduled to ensure watering frequency is such to maintain that level.
3. Practices for optimizing management of an irrigation system:
 - a) Use tensiometers, gypsum blocks, soil probes, the “feel method”, and/or the California Irrigation Management Information System to estimate soil moisture levels. Inspect and maintain regularly to ensure accuracy and reliability.
 - b) Use automatic rain shut-off devices to reduce irrigation if significant rainfall occurs.
 - c) Use multiple rain shut-off devices to reduce ponding if precipitation rate is higher than the infiltration rate of the soil.
 - d) Irrigate in the evening or early morning to avoid the heat and/or windy parts of the day. This will reduce evaporation losses and minimize windblown spray from entering unintended areas.
 - e) Group irrigated areas into zones of similar water use. For example, irrigate grass areas separately from shrub areas, sunny areas separately from shady areas, etc.
 - f) As needed, aerate the soil to improve infiltration of air and water into the soil.
 - g) Provide as much flexibility as possible into the design of the irrigation system. Built in ability to make changes as necessary can add to the efficiency of the system.
 - h) Perform good horticultural practices; fertilization, mowing, de-thatching, aeration, and pest control, as necessary to create the best growing environment for landscape vegetation.

Because irrigation systems have constant wear and tear, periodic checks and adjustments are all part of good landscape water management programs.

D. Reuse System and Tailwater Ponds:

1. Each customer shall have a system to collect and reuse tailwater, including

tailwater ponds with recycling booster pumps of sufficient number, size, construction and location to (a) recycle all excess irrigation water for reuse, (b) contain and confine all irrigation water on the customer's fields and (c) preclude discharge of any recycled water onto adjoining lands or into any watercourse.

2. Each customer shall allow the District to position on those customer tailwater ponds the District selects District owned mobile diesel pumps to be operated by a customer as an emergency backup if a customer's recycling pump fails. At a minimum, the District shall position a mobile diesel pump on any tail water pond which within the previous five years has overflowed onto adjoining land or into a watercourse. The customer shall provide fuel for such pumps and shall promptly reimburse the District for any costs incurred by the District during emergency operation of such backup pumps.

Section 7.1.6. Use of Recycled Water Adjacent to Potable Wells.

- A. Irrigation with recycled water shall not take place within 50 feet of any domestic water supply well unless all of the following conditions have been met:
 1. A geological investigation demonstrates that an aquitard exists at the well between the uppermost aquifer being drawn from and the ground surface.
 2. The well contains an annular seal that extends from the surface into the aquitard.
 3. The well is housed to prevent any recycled water spray from coming into contact with the wellhead facilities.
 4. The ground surface immediately around the wellhead is contoured to allow surface water to drain away from the well.
 5. The owner of the well approves of the elimination of the buffer zone requirement.
- B. No impoundment of recycled water shall take place within 100 feet of any domestic water supply well.
- C. Crop Irrigation with recycled water shall be prohibited within the Cummings Valley north and west of the intersection of Pellisier Road (County Road No. 241) and the western extension of Highline Road.
- D. Other special restrictions applicable to use of recycled water in the Cummings Valley and its watershed are set forth in section 4.11 of the District's Rules and Regulations Governing Use of Recycled Water.

Section 8.1. Recycled Water Inspection and Monitoring Program. The Recycled Water Inspection and Monitoring Program set forth in the following Sections 8.1.1 through 8.1.5 is designed to insure

compliance with all federal, state and local regulations governing the use of recycled water. The District's "Rules and Regulations Governing the Use of Recycled Water" provides the legal authority for the implementation of this Recycled Water Inspection and Monitoring Program. The key components of this program include the District's Cross Connection Control Program. In addition, educational information may be provided by the District's staff to prevent any unintentional misuse of recycled water.

Section 8.1.1. Plan Check Function. All new recycled water users proposing to install recycled water irrigation systems are required to submit plans for review and approval by the District and Regulatory Authority. Plan review is conducted by the District's staff to verify conformance with District standards. The irrigation system is inspected following construction to verify conformance with the approved plans.

Section 8.1.2. Application for Service. The District's "Rules and Regulations Governing the Use of Recycled Water" requires all customers desiring or required to obtain recycled water service to submit an application on a form developed by the District. This provision also requires that an agreement be signed prior to any connection to any District owned recycled water facilities.

Section 8.1.3. Recycled Water Agreement. After review of the application for service, a recycled water service agreement is prepared. This agreement is between the District and the customer, and is a condition of obtaining recycled water service.

Section 8.1.4. Inspection and Monitoring. Recycled water meters are read periodically by District water operators, meter readers and other District personnel. If any problems are discovered (ponding, run-off, inappropriate use, over spray, missing signs, etc.), the Wastewater/Recycled Water Supervisor, or the Wastewater/Recycled Water Supervisor's designee, will respond within 72 hours. Any issues that have potential health risks will be responded to immediately and reported to the County Department of Environmental Health Services.

In addition, all recycled water users will be inspected a minimum of annually. This routine inspection is conducted to verify compliance with the provisions established in the District's "Rules and Regulations Governing the Use of Recycled Water", the Recycled Water Agreement, and any other federal, state or local regulations. The inspection will be conducted with the designated "On-Site Recycled Water Supervisor". Any violations, deficiencies, or unacceptable findings will be noted and the On-Site Recycled Water Supervisor will be required to perform corrective action.

Section 8.1.5. Non-Compliance Issues. It is the policy of the District to remedy a violation as soon as possible through progressive enforcement procedures. This procedure provides the customer due process, and considers the seriousness of the violation when determining the appropriate enforcement action.

Enforcement mechanisms (notices, penalties, fines and termination of service) are described in more detail in the District's "Rules and Regulations Governing the Use of Recycled Water". Enforcement mechanisms are also included in the District's Recycled Water Agreements.

PART Q. WATER BANKING AGREEMENTS.

Section 1. Contents. Except in circumstances requiring other forms of agreement, as determined by the Board in its discretion, Supplemental Water Purchase and Banking Agreements both subsurface delivery of recharged SWP water and for spreading and later recovery and use of SWP water shall be substantially in form and content as set forth in **Appendix 3** to these Rules and Regulations.

Section 2. Policy Concerning Supplemental Water and Water Banking Customers. Not all of the SWP facilities authorized and necessary for DWR to deliver all of the KCWA's Table A entitlement under the Master Contract (and necessary for the KCWA to deliver all of the District's Table 1 entitlement under the KCWA Contracts) have been constructed. Court decisions adverse to the DWR water supply cast further uncertainty regarding the amount and dependability of the District's SWP water supply. Before entering into new Water Banking Agreements, Supplemental Water Purchase and Banking Agreements, or other contracts with new customers, it is the District's policy to carefully consider whether any SWP water under the KCWA Contracts, surplus to the anticipated long term needs of the District's existing Term M&I and other contract customers, exists and will continue to exist during the entire duration of the new customer's anticipated demand. In allocating its available water supply, the District will first meet the reasonable present and future needs of its existing M&I Term customers, other existing contract customers, and existing agricultural customers. If and when such needs cannot be met, it is the District's policy that new customers, as a condition of service, shall provide the District with such additional water supply as needed to meet such customer's long term water requirements.

Section 3. Substitute of Return Flows for Surface Deliveries. Provided that sufficient District return flows are in storage and pumping of same by District customers will not adversely affect other pumpers of groundwater exercising valid rights, the District in its discretion may allow customers to pump District return flows in lieu of imported water provided that such customers and the District execute a Supplemental Water Purchase and Banking Agreement substantially in the form and content as set forth in **Appendix 4** to these rules and regulations.

PART R. RIGHT TO AMEND, ETC.; PROVISIONS PART OF EVERY WATER SERVICE AGREEMENT; CERTAIN OTHER CONTRACTS.

Section 1. Right to Amend. The District retains the right at any time and from time to time, with or without notice, to amend, repeal, or add provisions additional to, any provision in these Rules and Regulations, either by actual amendment hereof, or by successor Rules and Regulations and amendments thereto. Any such change, including but not limited to, increases in rates or re-categorization or uses for rate purposes, or any rule or regulation, shall apply to water service commenced theretofore or thereafter, except to the extent as may be provided in any Term M&I Agreement or other contract.

Section 2. Provisions as Amended Part of Water Service Agreements. Every provision of these Rules and Regulations, as the same may be changed from time to time, whether before or after the entering into of any water service agreement (whether by approval of application alone or by reasons of a Term M&I Agreement) shall be deemed a part of each such water service agreement, and without thereby limiting the foregoing, each water user and co-signing owner shall be deemed to have agreed to the District's right to waste, seepage and return flow as provided in Part K, and to have quitclaimed to the District any otherwise right, title or interest of water user therein.

Section 3. Incorporation of Provisions of the KCWA Contracts and Master Contract. Every water service agreement is also subject to the provisions of the KCWA Contracts as they may be hereafter amended, and to the extent provided or later provided therein, or otherwise by law, to the provisions of the Master Water Supply Contract between DWR and the KCWA, as the same may be hereafter amended.

APPENDIX 1

TERM M&I AGREEMENT [For Existing Recharge Water Customers]

(_____ Basin)

THIS AGREEMENT is entered into effective _____, 2026 (**Effective Date**), by and between TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, a county water district (**District**) and _____ (**Water User**).

RECITALS

- A. As provided in Part C of the District's Rules and Regulations, as amended from time to time (**Rules and Regulations**), it is the District's policy to meet the present and future needs of its current Term M&I Agreement customers from the District's State Water Project water (**SWP Water**) supply pursuant to the District's two water supply contracts with the Kern County Water Agency (**KCWA**) both dated December 16, 1966 (**KCWA Water Supply Contracts**). Water User for many years has had a Term M&I Agreement with the District for M&I use as defined in District's Rules and Regulations and wishes to enter into a further Term M&I Agreement, as herein provided.
- B. This is a "Term M&I Agreement," entered pursuant to the Rules and Regulations and does not govern Water User's purchase of agricultural water.
- C. Pursuant to Part K of the District's Rules and Regulations, the District claims all right, title and interest in and to all return flows into any groundwater basin within the District's boundaries of water imported by the District, whether by means of waste, seepage or percolation before or after delivery, use or reuse, or from the District's intentional recharge of imported water, including without limitation, SWP Water by the District in District spreading areas, together with the right to recapture and otherwise utilize same (all such return flows hereafter "**Recharge Water**").
- D. Section 3 of Part C of the District's Rules and Regulations provides that the District in its discretion, may elect to allow retail purveyors having Term M&I Agreements with the District to pump Recharge Water in lieu of taking surface deliveries of SWP Water.
- E. Water User desires to reduce the cost of treating SWP Water by substituting therefore Recharge Water to be pumped by Water User from the _____ Basin.
- F. In accordance with the longstanding holdings of the California Supreme Court (*City of Los Angeles v. City of Glendale* (1943) 23 Cal.2d 68, 76-77 and *City of Los Angeles v. City of San Fernando* (1975) 14 Cal. 3d 123, 257-261), and other holdings of the Courts, the District and the Water User have the right to recharge, store and withdraw SWP Water from the _____ Basin.
- G. Except as expressly provided herein, this agreement fully supersedes and replaces any and all prior Term M&I Agreements between the District and the Water User.

AGREEMENT

Now, therefore, it is agreed between the parties, in consideration of the terms hereof, and the lower rates for M&I water taken pursuant to a Term M&I Agreement, as follows:

1. Incorporation of Recitals and Rules and Regulations. The recitals above are incorporated into this agreement. This agreement is subject to all the provisions of the District's Rules and Regulations, as may be amended from time to time, except to the extent expressly inconsistent with a material term of this agreement, in which event this agreement shall control.

2. **Water User's Annual SWP M&I Demand.** During the term of this agreement Water User agrees to purchase from the District and the District agrees to sell to Water User (i) all water used, sold or distributed by Water User for M&I use, as defined in the District's Rules and Regulations, over and above all quantities of "Local Water Available To Water User" as that quoted term is defined and limited in paragraph 4 hereof, (hereinafter referred to as the "**Net SWP M&I Demand**") subject to the limitations set forth in paragraph 2 (a-d) below, and (ii) sufficient water to establish and maintain Water User's BWRA minimum goal as provided in paragraph 5 below.

(a) **Water to Meet Growth Rate Supply.** The District shall annually provide the Water User with SWP Water sufficient to meet that portion of Water User's Net SWP M&I Demand identified as Water User's "**Maximum SWP Allocation**" on Exhibit A, which is based on Water User's projected cumulative annual growth rate of one percent (1.00%), unless stated otherwise in this agreement] through year 2040. The starting or base year for this calculation is 2020 in which Water User's total consumption was _____ AF (_____ AF local water + _____ AF SWP Water).

(b) **[City of Tehachapi Only] Change in Growth Rate.** So long as the rolling average of the District's SWP Water Table 1 Allocation for the preceding 10 years meets or exceeds forty-one percent (41%) of its 19,300 AF contracted supply, the District shall annually supply Water User with SWP Water based on a growth rate of one and one-quarter percent (1.25%). In the event the 10-year rolling average for the District's SWP Water Table 1 Allocation falls below forty-one percent (41%), the SWP Water available to Water User for each successive year shall be reduced to a one percent (1.00%) growth rate, until the 10-year rolling average increases to forty-one percent (41%) or more, at which time the annual growth rate will return to one and one-quarter percent (1.25%). A table showing the District's historic SWP Water Table 1 Allocation is attached as Exhibit B.

(c) **Shortfall Replenishment.**

(i) To the extent that the actual volume of SWP Water delivered by the District to Water User in a given calendar year is less than the volume of SWP water requested in Water User's November 1 written estimate in paragraph 6 ("**Shortfall Volume**") the District shall make up the Shortfall Volume to Water User in one or more subsequent years when sufficient water is available, provided that Water User's current year request shall be met first. Once the Water User's current year request is met, any accrued Shortfall Volumes shall be deposited directly into the Water User's Banked Water Reserve Account ("**BWRA**") (toward satisfying the minimum BWRA Goal defined in paragraph 5 below) until that requirement is fully met, and thereafter shall be deposited into the Water User's voluntary BWRA, subject to the BWRA Cap set forth in paragraph 5(b) below. Notwithstanding the foregoing, the District shall have no obligation to make up any accrued Shortfall Volumes beyond the Water User's BWRA Cap.

(ii) The District's obligation to deliver the accrued Shortfall Volumes pursuant to this paragraph 2(c), shall take precedence over the District's delivery of SWP Water for voluntary groundwater banking and discretionary recharge. In the event the District lacks sufficient available SWP Water to concurrently make up the accrued Shortfall Volumes to Water User and other customers holding Term M&I Agreements, the SWP Water available to meet the District's accrued Shortfall Volumes shall be allocated among the Water User and its other Term M&I customers on a pro-rata basis in proportion to their respective accrued Shortfall Volumes.

3. **Water Rates.** Water User shall pay the District for the water purchased hereunder at the Term M&I rate for the Water User's pressure zone, as such rates and zones are established and modified from time to time by the District's Board of Directors.

4. “**Local Water Available To Water User**” shall include only the following:

(a) As to water intended to be produced, extracted or diverted from Tehachapi Basin or its watershed, as such terms are defined in the judgment, as amended, in *Tehachapi-Cummings County Water District v. City of Tehachapi, a municipal corporation, et al.*, Kern County Superior Court No. 97210 (“**Tehachapi Basin**”), Local Water Available To Water User shall include only the following annual quantities and other rights of which Water User owns or leases, and as such annual quantities and other rights are or shall have been reduced, and thereafter adjusted from time to time, by the Court in allocating the allowable annual production from the Basin, or otherwise reduced in any annual period pursuant to any provisions of the judgment as amended from time to time: (i) Such annual quantity or other right originally adjudicated to said Water User in the judgment as so reduced and adjusted, and (ii) such annual quantity or other right originally adjudicated to another party in the judgment but subsequently acquired or leased by Water User, as so reduced and adjusted, provided that such transfer complied with all conditions and procedures set forth in the judgment.

(b) As to water intended to be produced, extracted or diverted from the Brite Basin or its watershed, as such terms are defined in the judgment in *Tehachapi-Cummings County Water District v. Irving P. Austin, et al.*, Kern County Superior Court No. 97211 (**Brite Basin**), LOCAL WATER AVAILABLE TO WATER USER shall include only extractions by Water User lawfully exercising adjudicated rights until such time as such rights may be curtailed or modified in any future amendment to such judgment.

(c) As to water intended to be produced, extracted or diverted from the Cummings Basin or its watershed, as such terms are defined in the Amended and Restated Judgment and Physical Solution in *Tehachapi-Cummings County Water District v. Frank Armstrong, et al.*, Kern County Superior Court No. 97209 (**Cummings Basin**), local water available to Water User shall only include extractions by Water User lawfully exercising overlying rights pursuant to the Amended and Restated Judgment until such time as such rights may be curtailed or modified in any future amendment to such judgment.

(d) As to water intended to be produced or diverted from any basin other than the Tehachapi, Brite and Cummings Basins, any native water which Water User has a right to divert or pump.

(e) Any SWP Water acquired by the Water User from any entity other than the District and available to Water User in the _____ Basin.

5. **Banked Water Reserve Account**

(a) Minimum BWRA Goal. In addition to its Maximum SWP Allocation, Water User shall purchase from the District and direct the District to spread and store in the _____ Basin for Water User’s account sufficient water to establish and thereafter maintain a Banked Water Reserve Account (“**BWRA**”) with a minimum goal equal to five times the annual average of Water User’s SWP Water demand over the previous five calendar years as set forth in the table entitled “Banked Water Reserve Account Calculation” attached hereto as Exhibit C which the District shall update annually by February 1 (“**BWRA Table**”). Water User shall purchase each year, at a minimum and if made available by District, sufficient water to achieve its BWRA minimum goal as set forth in the BWRA Table within 10 years of the Effective Date. Water User shall not be required in any one year to purchase for its BWRA more than twice its Net SWP Water Demand for such year.

(b) Voluntary BWRA Water. Provided Water User has met its BWRA minimum goal, Water User may purchase from the District, and direct the District to spread and store in the _____ Basin for Water User’s BWRA, additional water, which, when added to Water User’s BWRA minimum goal, shall not exceed a combined total of _____ AF or the BWRA minimum goal in paragraph 5(a), whichever is greater (“**BWRA Cap**”).

(c) Subject to the BWRA Cap, Watermaster approval and other legal requirements, Water User may spread and store water for its BWRA in its own recharge facilities in whole or in part in lieu of directing the District to spread its BWRA water in District spreading facilities.

(d) In years when the District adopts a water shortage ordinance limiting the District from supplying some or all of the Maximum SWP Allocation requested by the Water User, Water User shall pump and draw from its BWRA and the District shall debit the Water User's BWRA to cover the shortfall.

(e) Accounting Method. Water User's extractions from its BWRA shall first be accounted for on a First-In, First-Out ("FIFO") basis. Consequently, water stored in the Water User's BWRA as of December 31, 2025, is _____ AF which shall be deemed to be extracted, used, or transferred first.

(f) Termination/District Right of First Refusal. Upon termination of this agreement, Water User shall own the water in its BWRA and Water User may continue to store, or may pump, or may sell or transfer the water to another water user in the _____ Basin, provided that in the event of sale or transfer the District shall have the first right of refusal to purchase BWRA water stored after December 31, 2025, at the Water User's then current Term M&I rate. Water held in the Water User's BWRA as of December 31, 2025, in the amount of _____ AF shall be subject to a Right of First Refusal in favor of the District, but shall be subject to FIFO accounting.

(g) The District's obligation to supply water under this paragraph 5 is conditioned upon the availability of sufficient SWP Water to enable the District to meet all current year reasonable demands of its customers. In the event the District has insufficient SWP Water available to meet the full reasonable demands of its customers in any year, the District's available SWP Water in that year shall be allocated in accordance with the District's Rules and Regulations, water priority ordinance or other policies adopted by the District from time to time.

(h) Extractions in Excess of Maximum SWP Allocation. If the Water User extracts SWP Water in excess of its Maximum SWP Allocation five or more years in any 10-year period, then in addition to any other remedies available, the District shall have the right to terminate this Agreement on 90-days written notice.

6. Water User Estimate. Prior to each November 1 during the term of this agreement, Water User shall furnish to District a written estimate of its Net SWP M&I Demand for the next calendar year, which shall not exceed the Maximum SWP Allocation for that year. This estimate is for planning purposes and shall not (a) constitute a contractual obligation to take the estimated quantity or (b) alter the provisions of subparagraphs 2 above. Nothing herein shall limit the right of the District to require other and further reports reasonably necessary to implement this agreement.

7. Minimum Purchase. Notwithstanding any other provision of this agreement, Water User agrees to pay District for a minimum quantity the greater of (i) its scheduled BWRA input or (ii) if its BWRA is full, five (5) acre-feet per each annual period or any partial annual period under this agreement, unless failure of Water User to receive that quantity is due to inability of District to deliver all or a portion of such supply. The General Manager shall have discretion to decrease the minimum quantity.

8. Water User Breach. If the Water User should at any time substantially fail to comply with this agreement, and District on account thereof terminates this agreement, or should Water User terminate the same other than for a reason hereinabove set forth, Water User shall be obligated to forthwith pay to District, in addition to any amounts otherwise owing to District, the difference between the amount of money which Water User was obligated to pay to District for water sold and delivered pursuant to this agreement and the amount of money which Water User would have been obligated to pay to District had said water so sold and delivered been originally sold and delivered at the regular M&I rate during the

calendar year of such termination or substantial failure to comply with this agreement. Nothing herein contained is intended to foreclose the District from seeking such damages as it may sustain from any breach, substantial or not, of this agreement by Water User whether such breach leads to District's termination of this agreement.

9. **Annual Period.** The annual period under this agreement shall be the calendar year, and if the first annual period be less than a full calendar year, "Local Water Available To Water User" for that short annual period shall be in such proportion as the number of days under this agreement in that calendar year bears to 365.

10. **Recharge Water.** In lieu of Water User taking direct delivery from District, Water User's Maximum SWP Allocation may be provided in accordance with this paragraph. For purposes of this paragraph, (i) "**Water User's Well[s]**" means those certain well[s] in the _____ Basin as listed in Exhibit D hereto, as such list may be modified from time to time as a result of Water User constructing or acquiring new wells and/or abandonment of then existing wells, provided, however, Water User shall obtain the District's prior written consent to change Water User's extraction wells which shall not be withheld unless the District reasonably determines that such new well or wells will substantially interfere with another well or wells in the vicinity.

(a) **Substitution of Recharge Water.** Water User may pump Recharge Water in lieu of taking surface delivery of SWP Water at the price and subject to the terms and provisions hereinafter set forth.

(b) **Place of Delivery.** Any Recharge Water supplied by the District in lieu of surface deliveries of SWP Water shall be delivered underground in the _____ Basin at the depth of groundwater as it fluctuates in Water User's Well[S]. Water User shall be responsible for all costs, liability and expense of pumping Recharge Water to the surface and transporting same for use within Water User's boundaries.

(c) **Place of Use.** Water User shall use Recharge Water to provide retail water to its customers within Water User's service area and within the District's boundaries and for no other purpose.

(d) **Scheduling.** On or before November 1 of each year for the balance of the term of the agreement, Water User shall notify the District in writing of the proportion of its Net SWP M&I Demand for the following calendar year it wishes to be met with Recharge Water in lieu of surface deliveries of SWP Water. On or before February 28th of each year, the District shall notify Water User of the estimated amount of Recharge Water which is available to be substituted for surface deliveries of SWP Water in such calendar year. Periodically thereafter, the District shall provide updated estimates as SWP delivery allocations are revised.

(e) **Metering.** The Water User shall install a meter of manufacture and model approved by the District at each of Water User's Well[s] at Water User's expense. The meter shall be maintained in good working order and regularly calibrated so as to comply with the standards of the American Water Works Association per their manuals M6, M33 and M36. Water User shall provide the District with proof satisfactory to the District that Water User has obtained the right to exclusively operate Water User's Well[s] for the purposes set forth herein and that the owner of Water User's Well[s] and surrounding lands has conveyed to the District in writing the right to enter such lands to take meter readings at Water User's Well[s].

(f) **Reduction or Termination of Substitute Deliveries.** In the event a third party demonstrates pumping of Recharge Water by Water User as herein provided is causing significant impacts on the third party's production of native groundwater from its existing well or wells, the Water User shall confer with such third party and mitigate such impacts to a level acceptable to such third party, failing which the District in its sole discretion may determine the rate of pumping and quantities of Recharge Water

which Water User may extract in lieu of surface deliveries of SWP Water provided, however, the District shall provide Water User with fifteen (15) days prior written notice of any reduction or termination of allowed pumping of Recharge Water hereunder.

(g) Price. For Recharge Water delivered and metered by the District hereunder, except for water recharged through facilities owned and operated by the Water User, Water User shall pay the District, in addition to the Term M&I rate, a surcharge determined by the District from time to time to recapture the construction, operation and maintenance costs of the District's recharge facilities.

(h) Spreading Loss Factor. For all Recharge Water spread, whether in the District's or the Water User's spreading facilities, a spreading loss factor of 6% will be imposed pursuant to Section 1 of Part B of the District's Rules and Regulations for losses on account of evaporation, phreatophyte consumption and any other losses incurred in the transportation and spreading of Recharge Water.

(i) Disclaimer. Water User acknowledges that the District's right to Recharge Water within the \ _____ Basin has not been fully determined but is a matter within the continuing jurisdiction of the Kern County Superior Court in Case Nos. 97209, 97210 and 97211. Water User acknowledges that the Judgments in such cases generally prohibit the exportation outside of the particular groundwater basin of any native groundwater extracted from such basin.

Water User further acknowledges that paragraph 8 of the Amended and Restated Judgment in Case No. 97209 provides, in part:

“Except as to CDCR, which will be agreed to by contract, the District owns and may hereafter Extract all Imported Water which has entered the Cummings Basin before entry of this Amended Judgment or which may thereafter enter into the Cummings Basin through Artificial Replenishments or as Return Flows following use of Imported Water on the surface in the Cummings Basin Area.”

Water User further acknowledges that paragraph 5 of the Judgments in Case Nos. 97210 and 97211 provides, in part:

“Nothing in this Judgment contained shall be deemed a determination whether the Plaintiff or any other party will or will not have any rights in any return flow from water subsequently imported, which matter shall be within the continuing jurisdiction of the Court.”

While the District has claimed and continues to claim a right to return flow from the use of imported waters in the Cummings, Brite and Tehachapi Basins, including the right to extract and export outside of such basins imported SWP water intentionally percolated by the District in District recharge areas for storage in such basins and subsequent extraction and beneficial use, all consistent with rulings from the California Appellate Courts, the District makes no warranties or representations to Water User as to the validity of the District's position on these issues. Water User has sought its own legal advice concerning the validity of the District's claim to Recharge Water and Water User's right to export Recharge Water for use on lands which do not overlie the groundwater basin from which the Recharge Water will be pumped and has relied upon its own independent legal advice in entering into this agreement and acquiring rights in and improving and repairing Water User's Well[s]. Accordingly, Water User acknowledges that the District shall have no liability to Water User in the event that it is ultimately determined in Case Nos. 97209, 97210 and 97211 or any other proceeding that the District does not have the right to sell Recharge Water in the Cummings, Brite and Tehachapi Basins or Water User may not export Recharge Water for use outside of the basin or basins in which the District had spread Recharge Water.

11. **Term.** This agreement shall have a term ending December 31, 2035; provided, however, that each year on the anniversary date of this agreement, this agreement shall extend one additional year, unless, at least 90 days prior to such anniversary date either party provides notice to the other that it will not consent to such further extension(s) of this agreement and further, provided, however, this agreement shall terminate upon termination of the KCWA Water Supply Contracts which are presently extended to December 31, 2085.

WHEREFORE, the parties have executed this agreement as of the Effective Date.

**TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT**

By: _____
 _____, President

By: _____
 _____, President

By: _____
 _____, Secretary

By: _____
 _____, Secretary

“District”

“Water User”

APPENDIX 2

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Application for Water Service

TO: Tehachapi-Cummings County Water District
P.O. Box 326
22901 Banducci Road
Tehachapi, CA 93561
Telephone: (661) 822-5504

Date: _____

Lock Combination: _____

Acct #: _____

APPLICANT

APN#: _____ Acres: _____

Name: _____

Telephone: _____

Cell Phone: _____

Mailing Address: _____

Email: _____

Property Owner(s) Name(s): _____

Address: _____

Telephone: _____ Email: _____

Address/Location of Premises Upon Which Water Will Be Used: _____

Date Service is to Commence: _____

Estimated Acre Feet To Be Used Per Year: _____

Purpose For Which Water Will Be Used:

Agriculture ☐ Number of Irrigated Acres: _____ Type of Crop(s): _____

Municipal/Industrial ☐ Water Use Description: _____

If use of Water is M&I, is a Term M&I Agreement to be executed? Yes ☐ No ☐

Submitted Herewith Are:

- ☐ Copy of Executed Term M&I Agreement.
- ☐ Connection Fee in the Amount of \$ _____.
- ☐ Deposit (if applicable) in the Amount of \$ _____.
- ☐ Copy of Vesting Deed for premises upon which water will be used.
- ☐ Copy of California State Contractor's License (if applicable).

Applicant has read, understands and agrees that as a part of this service contract, it is subject to Resolutions No. 15-09, 07-26 and 13-26 and of the Tehachapi-Cummings County Water District, as the same may be hereafter amended, and to any successor resolutions thereto as the same may be hereafter amended, and that all rates, charges and other rules and regulations are subject to amendment at any time without prior notice to applicant. Section 4 of Resolution No. 13-26 provides:

The undersigned applicant understands that upon approval of this application, the District will take steps toward installation of the necessary facilities for service. Applicant understands that the District is not liable for any direct or consequential damages of any kind to applicant by reason of delay in the commencement of service. Applicant also understands that as a part of this service contract, it is subject to the Rules and Regulations for the Sale, Use and Distribution of Water as adopted by Resolution No. 13-26 of the Tehachapi-Cummings County Water District (the “Rules and Regulations”), as the same may have been heretofore amended, or as the same may be hereafter amended, and to any successor Rules and Regulations as may be thereafter adopted, and that all rates, charges and other rules and regulations are subject to amendment at any time without prior notice to applicant. Applicant acknowledges receipt of a copy of the Rules and Regulations. If this application results in a Term M&I Agreement, the provisions of said Term M&I Agreement will modify the provisions of this paragraph.

All water sold by District will be untreated water. The District is a water wholesaler and does not provide retail domestic water service. The District expressly disclaims any warranty or representation of suitability of untreated water for human or animal consumption and the water user shall assume full responsibility, therefore. The District makes no warranty or representation concerning any use of delivered water as to content of dissolved or undissolved solids in the water, salts, or absence of impurities or foreign objects in any water delivered, nor as to the long or short-term effect on soils, pipes or fittings of utilization of water delivered. Furthermore, the District does not guarantee water delivery, flow rates, and/or pressure from the distribution system.

The water user represents and warrants that water user shall not use or provide to others District water for human or animal consumption, unless such user shall have treated said water in accordance with all applicable laws, rules and regulations. No water user or other person shall serve water obtained directly or indirectly from the District in a domestic water system without first complying with all applicable laws, rules and regulations.

APPLICANT SIGNATURES REQUIRED:

Property Owner(s) Signature(s) _____

Print Name _____

Tenant(s) Signature(s) _____

Print Name _____

FOR DISTRICT USE ONLY

Turnout from which service is requested? _____

Is new turnout required: Yes _____ No _____

Size of service requested: _____

Special facilities required: _____

Amount of payment required: _____

The above application is approved and accepted this _____ day of _____.

Tehachapi-Cummings County Water District

Signature: _____

Print Name: _____

General Manager

APPENDIX 3

SUPPLEMENTAL WATER PURCHASE AND BANKING AGREEMENT

[Cummings Basin]

This SUPPLEMENTAL WATER PURCHASE AND BANKING AGREEMENT (**Agreement**) entered into by and between TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, a California county water district (**District**) and _____
(**Water User**), is dated _____, 20__, for identification and shall become effective immediately after both Parties have executed this Agreement (**Effective Date**). The District and Water User may be referred to individually as a “Party” and collectively as the “Parties.”

A. Recitals.

(i) The District has a State Water Project (**SWP**) water supply pursuant to water supply contracts between the District and the Kern County Water Agency (**KCWA**) both dated December 16, 1966 (**SWP Water Supply Contracts**). SWP water purchased by the District is “**Imported Water**.” The District owns and operates (i) an Imported Water Delivery System by means of which SWP water is diverted from the Edmund G. Brown Aqueduct at the base of the Tehachapi Mountains and pumped to Jacobsen Reservoir (commonly referred to as Brite Lake) in the Brite Basin, California, for further delivery to lands throughout the District and (ii) recharge facilities in the Tehachapi and Cummings Basins by means of which the District artificially replenishes such basins with Imported Water.

(ii) Water User owns or rents real property in the Cummings Basin consisting of approximately _____ acres more particularly described in **Exhibit A** hereto from which it pumps groundwater for beneficial use as contemplated by Article X, section 2 of the California Constitution (**Beneficial Use**) thereon (**Water User’s Land**) in exercise of rights pursuant to the Amended and Restated Judgment and Physical Solution (**Amended Judgment**) entered in *Tehachapi-Cummings County Water District v. Frank Armstrong, et al.*, Kern County Superior Court Case No. 97209.

(iii) Paragraph 8 of the Amended Judgment provides: “Except as to CDCR [the California Department of Corrections and Rehabilitation], which will be agreed to by contract, the District owns and may hereafter Extract all Imported Water which has entered the Cummings Basin before entry of this Amended Judgment, or which may thereafter enter into the Cummings Basin through Artificial Replenishments or as Return Flows following use of Imported Water on the surface in the Cummings Basin Area.”

(iv) Pursuant to Part K of the District’s Rules and Regulations the District claims all right, title and interest in and to all return flows and direct recharge of Imported Water into any groundwater basin within the District’s boundaries, whether by means of waste, seepage or percolation before or after delivery, use or reuse, or from the District’s intentional recharge of Imported Water in District spreading areas, together with the right to recapture and otherwise utilize same. All such return flows and recharge of Imported Water are hereafter called **Recharge Water**.

(v) To supplement Water User's overlying groundwater rights, Water User desires to purchase Recharge Water annually from the District which Water User will extract from the Cummings Basin for Beneficial Use on Water User's Land. Water User may also desire to purchase from the District additional Recharge Water and Imported Water, which the District will recharge into the Cummings Basin, for later extraction and Beneficial Use on Water User's Land.

(vi) Pursuant to Section 3 of Part Q of the District's Rules and Regulations the District in its discretion may elect to allow users having a Supplemental Water Purchase and Banking Agreement with the District to pump Recharge Water in lieu of taking surface deliveries of Imported Water.

(vii) In accordance with the longstanding holdings of the California Supreme Court (*City of Los Angeles v. City of Glendale* (1943) 23 Cal. 2d 68, 76-77 and *City of Los Angeles v. City of San Fernando* (1975) 14 Cal. 3d 199, 257-261), and of other courts, the District and the Water User have the right to recharge, store and withdraw Imported Water from the Cummings Basin.

B. Agreement.

Now, therefore, it is agreed between the Parties, in consideration of the terms hereof, as follows:

1. Supplemental Water Purchases. On an annual basis for the Term of this Agreement as provided in Section 10 below, Water User will purchase from the District the water required for and used on Water User's Land in excess of the Annual Irrigation Allocation for Water User's Land, as "Annual Irrigation Allocation" is defined and limited in Section 1(a) hereof, (hereinafter referred to as the **Net Supplemental Requirement**) provided, however, the District shall have no obligation to sell to Recharge Water to Water User in any Year.

(a). "**Annual Irrigation Allocation**" shall be the total annual Irrigation allocation for the parcels constituting Water User's Land as determined by the Watermaster pursuant to Paragraph 5(b) of the Amended Judgment.

(b). Place and Purpose of Use. During the term of this Agreement, Water User shall use Recharge Water purchased pursuant to this Section 1 to meet its annual Net Supplemental Requirement within Water User's Land and for no other purpose.

(c). Scheduling. On or before November 1 of each Year during the term of this Agreement, Water User shall furnish to the District a written estimate of its total water needs for Water User's Land for the next Year. This estimate shall not constitute a contractual obligation to take the estimated quantity over the Annual Irrigation Allocation. On or before February 28 of each Year, the District shall notify Water User of the estimated amount of Recharge Water that is available to Water User in such Year. By May 1 of each Year, the District shall invoice Water User for the amount due for the Recharge Water for that Year. The Recharge Water purchased pursuant to this Section 1 each Year shall be deemed delivered to Water User upon payment in full to the District for the invoiced amount.

2. Banked Water Reserve Account. In addition to Recharge Water purchased pursuant to Section 1 above, Water User may purchase Imported Water and Recharge Water pursuant to the terms and conditions in this Section 2 to maintain a Banked Water Reserve Account (BWRA).

(a). Annual Banked Water Purchases. On an annual basis during the term of this Agreement, Water User may purchase from the District Imported Water which the District will artificially recharge into the Cummings Basin for Water User's BWRA. Water User may spread and store water for its BWRA in its own recharge facilities in whole or in part in lieu of directing the District to spread water in the District spreading facilities.

(b). Carryover and Optional Refund for Unused Supplemental Water. Any Recharge Water purchased pursuant to Section 1 hereof that Water User does not use in any given Year shall be credited to Water User's BWRA, except any portion of such credit that would cause the balance of Water User's BWRA to exceed _____ AF, in which circumstance the District will have the right, at its option and in the order of priority specified in Section 9(c), to refund to Water User the amount paid for such unused Recharge Water and, to the extent the District exercises its refund option, the unused Recharge Water will remain the property of the District.

(c). Withdrawal from BWRA. Water User shall pump and draw from its BWRA whenever the District is unable to supply all of the Water User's Net Supplemental Requirement on account of drought, damage to SWP or District facilities, or any other event.

(d). Scheduling and Banking Water Priority. By November 1 of each Year, Water User shall provide the District written notice of the amount desired for banking in the following Year. By May 1, the District shall provide written notice to all water users having placed orders for banking water of the total amount available for purchase and the amount allocated to each purchaser together with an invoice for the water. To the extent Water User has used water in its BWRA in prior Years, Water User shall have an equal opportunity among agricultural water users to banking water that is available for purchase to a quantity of such water sufficient to restore Water User's BWRA to its previous highest balance (a so-called "top off" right). Otherwise, allocations shall be based on the acreage owned by each water user and enrolled by the Agreement or other banking agreement and then based upon the priorities set forth in Section 9 of this Agreement. If payment is not received by June 1, Water User's allocation will be offered to other water users. If payment for the second-offer water is not received by July 1, the District will retain the allocation.

(e). Maximum Quantity in BWRA and Place of Use. Water User may store up to _____ AF of water purchased under this Agreement. During the term of this Agreement, Water User may pump and draw from its BWRA for Beneficial Use on Water User's Land and for no other purpose.

(f). Right of First Refusal. The Water User acknowledges that the District's water rates are subsidized by ad valorem taxes, and, therefore; upon termination of this

Agreement, Water User shall own the exclusive right to use the water in its BWRA, subject to Section 8 hereof, and Water User may continue to store, or may pump, sell, or otherwise dispose of such water, provided the District shall have right of first refusal (**ROFR**) to purchase the Imported Water at historical cost, which is the amount the Water User actually paid including recharge surcharge and spreading loss factor, as applicable. Any time after termination of this Agreement, if Water User agrees to terms with a third party to sell water in its BWRA to the third party, the Water User must provide the District with 60 days advance written notice of the agreed sale prior to completion of such sale specifying the quantity of water offered for sale. If the District declines to purchase the water identified in the written notice or fails to respond prior to the expiration of the 60 days' notice, the District permanently waives its right to reacquire that quantity of water set forth in the written notice and Water User may sell or otherwise dispose of such water as it sees fit, provided such water is sold for Beneficial Use within the Cummings Basin. The Districts' ROFR under this Section 2(g) shall remain in full force and effect for any quantities of water not set forth in Water User's written notice. The District shall exercise good faith and reasonable efforts in cooperating with the Water User on the allocation or transfer of any water under this Agreement.

(g). Annual Watermaster Reporting. The District, as Watermaster for the Basin, shall file an Annual Report on or about April 15 of each Year which includes an accounting of all deposits to and deductions from the BWRA of Water User and other account holders in the Basin.

(h). This Agreement shall not be interpreted to modify, waive or restrict any rights or obligations of either Party under any other water purchase agreement entered into between the Parties.

3. Place of Delivery. Any Imported Water or Recharge Water supplied by the District pursuant to this Agreement shall be delivered underground in the Cummings Basin at the depth of groundwater as it fluctuates in Water User's Well[s]. Water User shall be responsible for all costs, liability and expense of pumping Recharge Water to the surface and transporting the same for use on Water User's Land. "**Water User's Well[s]**" means that [those] certain well[s] in the Cummings Basin as listed in **Exhibit B** hereto, as such list may be modified from time to time as a result of Water User constructing or acquiring new wells and/or abandonment of then existing wells, provided, however, Water User shall obtain the District's prior written consent to change Water User's extraction wells which shall not be withheld unless the District reasonably determines that such new well or wells will substantially interfere with another well or wells in the vicinity. Water User reserves the right to challenge any well interference determination by the District by filing an action in the Kem County Superior Court. The Court's inquiry and scope of review in such action, sitting without a jury, shall be whether the District's interference determination was reasonable, which the Court shall decide *de novo*.

4. Metering. The Water User shall install a meter of manufacture and model approved by the District at Water User's Well[s] and at Water User's expense. The meter shall be maintained in good working order and regularly calibrated so as to comply with the standards of the American Water Works Association per their manuals M6, M33 and M36. Water User shall provide the District with proof satisfactory to the District that Water User has obtained the right to exclusively operate Water User's Well[s] for the purposes set forth herein and that the owner of

Water User's Well[s] and surrounding lands has conveyed to the District in writing the right to enter such lands to take meter readings at Water User's Well[s].

5. Annual Period. The annual period under this Agreement shall be the calendar year (**Year**).

6. Price. Water User shall pay the District for all water purchased under this Agreement at the Agricultural Water rate for the Water User's pressure zone, plus a spreading loss factor, plus the recharge surcharge for the Cummings Basin, as such rates, surcharges and zones are established and modified from time to time by the District's Board of Directors.

7. Spreading Loss Factor. For all water spread, whether in the District's or the Water User's spreading facilities, a spreading loss factor as determined and adjusted by the District from time to time (currently 6%) will be imposed pursuant to Section 1 of Part B of the District's Rules and Regulations for losses on account of evaporation, phreatophyte consumption and any other losses incurred in the transportation and spreading of such water.

8. Disclaimer and Ownership of Return Flows. Any and all return flows of water sold hereunder following beneficial use by Water User or Water User's successor in interest to the water use shall be the property of the District, and Water User hereby disclaims and renounces any claim thereto.

9. Water Priority, Availability, Order of Use, and Reduction or Termination of Substitute Deliveries.

(a). Water User shall not acquire any priority right to Recharge Water or Imported Water by reason of this Agreement.

(b). The District's obligation to supply water hereunder is conditioned upon the availability of either (i) sufficient Imported Water under the SWP Water Supply Contracts to enable the District to meet all of its customers' Imported Water demands and Water User's demand, or (ii) stored Recharge Water in the District's reserves in the Cummings Basin in a quantity equal to five times the average annual M&I demand for Imported Water in the Cummings Basin over the immediately preceding five Years. In the event the District in any Year has insufficient water available to meet the full needs of Water User pursuant to the terms of this Agreement and its other customers, the District's available Imported Water and Recharge Water in that Year shall be allocated in accordance with the District's Rules and Regulations or other policies adopted by the District from time to time, provided that such policies recognize: (i) that Water User's Net Supplemental Requirement shall be met before water is made available for purchases by other agricultural water uses for banking in the same Year, (ii) the principles and priorities regarding District water sales for agricultural water use for food crops grown in greenhouses (also referred to as hothouses in District ordinances) relative to other agricultural water uses, including field crops, specified by the District in its Ordinance 2019-1, and (iii) any priorities mandated by law or recognized under the SWP Water Supply Contracts or KCWA's contract with the State of California referenced therein; provided also that the Water User shall draw upon Water User's BWRA to make up any such shortages.

(c). During the term of this Agreement, Water User shall be deemed to use water that Water User produces from the Cummings Basin for use on Water User's Lands in the following order: (i) first, Water User's Annual Irrigation Allocation, (ii) second, Recharge Water purchased pursuant to Section 1 of this Agreement, and (iii) third, Recharge Water in Water User's BWRA.

(d). If the District is unable to meet Water User's Net Supplemental Requirement in any given Year, to the extent there is capacity within the District's delivery system, the District shall permit Water User to wheel water through the District's facilities on terms and at prices to be negotiated between the District and Water User. Water User shall not produce water from the Cummings Basin except the Annual Irrigation Allocation, water purchased from the District pursuant to this Agreement, water stored in Water User's BWRA, or purchases of third-party water pursuant to all necessary District approvals.

(e). In the event a third party demonstrates that new or increased pumping by Water User of Recharge Water or water drawn from Water User's BWRA account is causing significant impacts on the third party's existing well or wells, the Water User shall confer with such third party and mitigate such impacts to a level acceptable to such third party, failing which the District in its sole discretion may determine the rate of pumping and quantities of Recharge Water or BWRA water which Water User may extract; provided, however, the District shall provide Water User with fifteen (15) days prior written notice of any reduction or termination of allowed pumping of water hereunder and Water User reserves the right to challenge any such determination by the District by filing an action in the Kem County Superior Court. The Court's inquiry and scope of review in such action, sitting without a jury, shall be whether the District's determination was reasonable, which the Court shall decide *de novo*.

10. Term.

(a) This Agreement shall have a term ending December 31, _____ (**Initial Term**); provided that the Initial Term shall be extended automatically by consecutive one-year terms (each, an **Extension Term**) unless, at least 90 days prior to the expiration of the Initial Term, or the Extension Term either Party provides written notice to the other Party that it will not consent to extension of this Agreement, in which case the Agreement shall terminate upon the expiration of the Initial Term, Extension Term or Further Extension Term, as applicable, and, provided further, that (a) this Agreement shall terminate upon the earlier of (i) the termination of the SWP Water Supply Contracts (December 31, 2085), or such later date if the terms of such Contracts are extended), or (ii) December 31, 2045 at the latest.

(b) Subject to the District's ROFR and other applicable provisions of Section 2(g) of this Agreement, upon termination of this Agreement, Water User's rights and interests in its BWRA water shall remain in effect so long as Water User continues to use water for beneficial use within the District. Should Water User cease beneficial use of water within the District for a period of 36 consecutive months, then Water User shall have seven (7) years following the 36-month period of non-use to use or transfer the remaining water in its BWRA in accordance with this Agreement. The seven (7) year period shall be automatically extended for

consecutive one (1)-year terms unless the District provides Water User written notice to terminate Water User's BWRA Account at least ninety (90) days prior to expiration of either the applicable 7-year or one-year period, in which case termination will take effect upon expiration of the current period, at which time Water User shall be deemed to have forfeited to the District all water then remaining in Water User's BWRA Account at no additional cost to the District or payment to Water User.

11. District Rules and Regulations. This Agreement is subject to all provisions of the District's Rules and Regulations, including all future amendments thereof, except to the extent inconsistent with a material term of this Agreement.

12. Successors and Assigns. Upon prior written notice to the District, Water User may assign this Agreement to any successors or assigns of all of Water User's Land or in connection with any security or financing arrangement of Water User or its affiliates that pertains to Water User's Land. Water User may not assign this Agreement to any successor or assign of less than all of Water User's Land unless Water User obtains the District's prior written consent to such assignment, which consent shall not be unreasonably withheld.

13. Breach. If the Water User or the District should at any time substantially breach the terms of this Agreement (**Breaching Party**), the **Non-Breaching Party** shall provide the Breaching Party written notice of such breach and request that the breach be cured. If the Breaching Party does not cure any failure to pay amounts owed under this Agreement within 10 days, or cure any other breach within 30 days of written notice (**Cure Period**), the Non-Breaching Party may elect to terminate this Agreement; provided, however, that where the alleged breach is not capable of being cured within 30 days of the written notice, the Cure Period will be extended to 60 days. If the Water User should at any time substantially fail to comply with this Agreement and fail to cure the breach within the timeframes provided in this Section 13, and District on account thereof terminates this Agreement, or should Water User elect to terminate the Agreement for any reason, Water User shall be obligated to pay to District within 30 days after the termination date any amounts then owed to the District under this Agreement. Nothing herein contained is intended to foreclose the District from seeking such damages as it may sustain from any breach, substantial or not, of this Agreement by the Water User whether or not such breach leads to the District's termination of this Agreement. Additionally, nothing contained herein is intended to foreclose the District or the Water User from seeking injunctive, specific performance or other equitable relief for a breach of this Agreement, or from asserting the claim or defense that the Non-Breaching Party has an adequate remedy at law.

14. Notices. All notices or other communications required or permitted to be given under this Agreement (each, a **Notice**) shall be in writing and delivered to the receiving Party by personal delivery, U.S. Mail, Return Receipt Requested, or nationally recognized overnight courier at the respective addresses for the Parties set forth below. All Notices shall be deemed given when delivered personally, or when deposited with the carrier as follows:

If to the District: Tehachapi-Cummings County Water District
Attn: General Manager
P.O. Box 326
Tehachapi, CA 93581-0326

If to Water User: Attn: \ _____
Name:
Address:
Phone:
Email:

WHEREFORE, the parties have executed this Agreement as of the dates opposite their respective signatures.

Dated:

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

By: _____
President

By: _____
Secretary

(**“District”**)

Dated:

By: _____
[Title]

(**“Water User”**)

EXHIBIT A

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 26, 2026

TOPIC: Approve Director's Attendance at Fall 2026 ACWA Conference and ACWA Region 6 & 7 San Joaquin Valley Water Tour

ITEM FOR: Action

PURPOSE: Authorize expenditure of public funds for Board member education

IMPACT: Fiscal/Budget

SUBMITTED BY: Tom Neisler

EXECUTIVE SUMMARY

Approval of Directors' attendance at these events will enable them to be compensated for days of service and expenses and for the District to pay their registration fees.

BACKGROUND

The Association of California Water Agencies will be holding its Fall 2026 ACWA Conference on December 1-3, 2026 in Anaheim, CA. The conference flyer is included as Attachment "A". The conference will be held at the Anaheim Marriott, which is adjacent to the Convention Center. Ample hotels are available in the area. Additional information will be provided when available. We are requesting early approval of Director attendance so that reservations can be made as soon as possible.

Director Hall is the district's representative to the JPIA Executive Board, which meets immediately prior to the ACWA conference. In that capacity, he has been previously authorized by the Board to attend the JPIA conference, should he so desire. His attendance at the ACWA conference is contingent upon Board approval in the same manner as the other Directors. I am the alternate representative for the District for the JPIA Board. Should Director Hall choose not to attend the JPIA Conference, I will represent the District as the alternate representative. The registration information for the JPIA conference has not yet been provided.

ACWA Regions 6 & 7 are conducting a one-day water tour this year. There will be no water forum this year. The ACWA Region 6 & 7 San Joaquin Valley Water Tour will depart from Harris Ranch in Coalinga, CA on October 9, 2026. The notice is included as Attachment "B". I will attend the tour. There is also a Region Board dinner the night before, so I'll be spending the night at Harris Ranch. I hope to get my regular room, number 168.

California law requires that for an elected official's actual and necessary expenses to be reimbursed for such events, their attendance must be approved by the Board in advance at a duly convened public meeting. Typically, it will cost no more than \$2,300 for one Director to attend the full, live conference, including registration, meals, hotel and transportation. Housing reservations are open, but registration is required to access the hotel portal. The cost to attend the Water Form is estimated at \$600 per Director for registration, one night hotel, mileage reimbursement and a day of service.

FISCAL IMPACT

Approx. cost of \$2,300 per Director for attendance at the Conference and \$600 per Director for the Water Forum.

COMMITTEE RECOMMENDATION

None.

RECOMMENDED MOTIONS

"I move that Directors _____ and _____ be approved to attend the Fall 2026 ACWA Conference."

"I move that Directors _____ and _____ be approved to attend the Region 6 & 7 San Joaquin Valley Water Tour."

ATTACHMENTS

A - Fall 2026 Conference Flyer

B - Water Forum Flyer



ATTACHMENT "A"

ACWA'26

FALL CONFERENCE

Dec 1 - 3 • Anaheim, CA

The **ACWA Conference** brings California's water leaders together to address **today's challenges and shape the future**. Through intentional dialogue, discussion forums and informational sessions spanning state and federal policy, finance, legal issues and more, the conference is the **premier destination for those committed to caring for California's water resources now and for generations to come**.

Register at acwa.com/events/acwaconf-fall26.



Register for ACWA Conference

ADVANTAGE	By Nov. 3	After Nov. 3	STANDARD	By Nov. 3	After Nov. 3
Full Registration <i>Buy 5 and receive 1 free*</i>	\$999	\$1,099	Full Registration <i>Buy 5 and receive 1 free*</i>	\$1,475	\$1,575
One-Day: Tues / Thurs	\$495	\$595	One-Day: Tues / Thurs	\$775	\$875
One-Day: Wed	\$595	\$695	One-Day: Wed	\$885	\$985

For full pricing details, visit the ACWA website. *Cannot combine with other discounted registrations.

Advantage rate - Special pricing for our Public Agency Members, Affiliates & Associates.

Standard rate - Open to all water professionals and interested attendees.

Preliminary Agenda Overview

Day 1 | Dec. 1

 May qualify for continuing education credits.

- 9:30 AM **Committee Meeting & Education Session** 
Groundwater Committee
- 10:45 AM **Committee Meetings**
Energy Committee | Water Management Committee
- 11:45 AM **Networking Lunch**
- 11:45 AM **Taskforce Meetings**
Outreach Taskforce | Headwater Taskforce
- 1:00 PM **Committee Meetings & Education Session** 
Agriculture Committee | Local Government Committee
- 2:15 PM **Committee Meetings**
Communications Committee | Finance Committee | Water Quality Committee
- 3:30 PM **Committee Meetings & Education Session** 
Federal Affairs Committee | Legal Affairs Committee | Membership Committee
- 4:00 PM **New Member Mixer**
- 4:00 PM **Exhibit Hall Opens**
- 5:00 PM **Welcome Reception in the Exhibit Hall**

Day 2 | Dec. 2

- 7:30 AM **Continental Breakfast**
- 8:30 AM **Welcome Keynote & Opening Address**
- 10:30 AM **Program**  & **Spotlight Sessions**
- 11:45 AM **Networking Lunch**
- 1:30 PM **Water Talk at the Main Stage**
- 2:25 PM **Spotlight Sessions**
- 2:30 PM **Program Sessions** 
- 3:45 PM **Region Meetings**
- 5:00 PM **Networking Reception in the Exhibit Hall**

Venue & Hotel Information

Anaheim Marriott
700 W. Convention Way
Anaheim, CA

Room Rate: \$239/night +
taxes & fees

Note: Conference
registration is required to
book at the ACWA group
rate. A reservation link will be
provided in your registration
confirmation email.

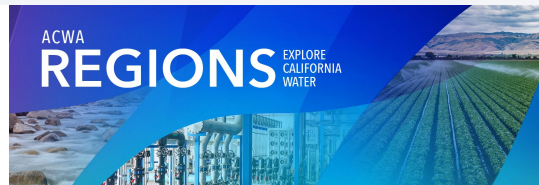
Day 3 | Dec. 3

- 7:30 AM **Continental Breakfast**
- 8:30 AM **Grand Prize Drawing in the Exhibit Hall**
- 9:00 AM **Program Sessions** 
- 10:30 AM **Closing Keynote & Awards Presentation**
- 12:00 PM **Lunch & Learn Program Sessions** 

Visit acwa.com/events/acwaconf-fall26 for full agenda and to register.

From: [ACWA Events](#)
To: [Tom Neisler](#)
Subject: Registration is Open! ACWA Regions 6 & 7 Event
Date: Monday, August 10, 2026 10:01:01 AM

ATTACHMENT "B"



Subsidence, Advanced Irrigation Technology & Large Scale Green Energy Transitions

Friday, October 9, 2026

Tour presented by ACWA Regions 6 & 7 in partnership with
Westlands Water District

Network with colleagues during a full-day tour across western Fresno County on October 9. Observe the effects of subsidence along the California Aqueduct and innovative agriculture solutions of a reverse osmosis agriculture project. Learn about Westlands Water District's initiative to repurpose drainage-impaired agricultural land to a large clean energy solar project, while regional leaders and innovators share insights into cutting edge water management strategies.

Event Highlights:

- **Tour Highlights:** Visit these locations throughout the tour:
 - **Subsidence effects along the California Aqueduct**
 - **Aquifer Storage and Recovery (ASR) Wells**
 - **Solar Energy Project**
 - **Desalination and On-Farm Recycling Pilot Project**
 - **Pleasant Valley Pumping Plant**
- **Networking Opportunities:** Connect with fellow attendees, share ideas, and foster partnerships that could lead to impactful collaborations and solutions.

Program Agenda coming soon!

QUESTIONS: Contact Regional Affairs Representative Matt Overton at MattO@acwa.com or (916) 669-2384.

Sponsorship opportunities available, [click here](#)

REGISTER TODAY!

EVENT SPONSORS



This Event is Presented by the 2026-'27 ACWA Region 6 & 7 Boards.

Region 6 Board

Chair: Sargent Green, Fresno Metropolitan Flood Control District • **Vice Chair:** Deanna Jackson, Tri-County Water Authority

Board Members: Brian Davis, Madera Irrigation District; Ross Franson, Westlands Water District; Jamie Marquez, Dudley Ridge Water District; Anthony Nonini, Kings River Conservation District; Darcy Villere, Firebaugh Canal Water District

Region 7 Board

Chair: Cliff Loeffler, Lindsay-Strathmore Irrigation District • **Vice Chair:** Sheridan Nicholas, Wheeler Ridge-Maricopa Water Storage District

Board Members: Johnny Amaral, Friant Water Authority; Byron Glennan, Rosamond Community Services District; Tom Neisler, Tehachapi-Cummings County Water District; Trenton Taylor, Rosedale-Rio Bravo Water Storage District

MAXIMIZE YOUR MEMBERSHIP

1
Engage In The
Issues

2
Stay Informed,
Take Action

3
Network & Gain
Knowledge

4
Save Money

5
Get Insured

[LEARN MORE](#)

Bringing Water Together



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980 9th St. Ste. 1000, Sacramento, CA 95814

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[Read online](#)

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
AUGUST 26, 2026

TOPIC: Authorize Staff to Circulate Request for Proposals for SCADA Platform Upgrade Project

ITEM FOR: Action

PURPOSE: Board of Directors to Authorize Staff to Circulate Request for Proposals for SCADA Platform Upgrade Project

IMPACT: Capital Improvement/Replacement

SUBMITTED BY: Jon Curry

EXECUTIVE SUMMARY

Staff is requesting the Board of Directors to authorize staff to solicit requests for proposals for the SCADA Platform Upgrade Project that was approved by the Board in the FY 2026-2027 Capital Expenditure Budget.

BACKGROUND

The SCADA Platform Upgrade Project would replace the districts current Rockwell SCADA Platform with the Inductive Automation “Ignition” Platform. Our current Rockwell “Factory Talk” Platform is at least 15 (probably older) years old and has limitations operationally, such as the number of individual pages (we are limited to 100) and programming needed at each site in addition to the Control Room at the office. The “Ignition Platform would have unlimited individual pages. This would be an improvement for more detailed trending and interrogation of groups/individual sensors. This would greatly expand our data collection and controls capabilities. Another advantage would be that once the logic programming is completed in the Control Room; it would not have to be replicated at each site. Staff believe this project is much needed and would like to proceed with RFP circulation.

FISCAL IMPACT

The FY 2026-2027 Capital Expenditure Budget includes \$175,000 for this project.

COMMITTEE RECOMMENDATION

None

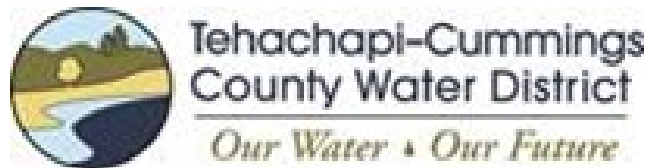
RECOMMENDED MOTION

“I move that the Board Authorize Staff to Solicit Requests for Proposals for the SCADA Platform Upgrade Project.

ATTACHMENTS

- A. Request for Proposals (RFP)

REQUEST FOR PROPOSALS (RFP)
SCADA PLATFORM UPGRADE PROJECT



Responses Due:

September 9, 2026, at 1:00pm

Tehachapi-Cummings County Water District
Operations Department
22901 Banducci Road
Tehachapi, Ca. 93561
(661) 822-5504

REQUEST FOR PROPOSALS

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1.0 INTRODUCTION

1.1 PROJECT DESCRIPTION AND OBJECTIVES

The Tehachapi-Cummings County Water District (TCCWD) is soliciting proposals from qualified firms to provide design, procurement, implementation and integration services for a Supervisory Control and Data Acquisition (SCADA) Platform Upgrade Project.

1.2 BACKGROUND INFORMATION

The Tehachapi-Cummings County Water District was formed in 1965 and is located in the Tehachapi Mountains, east of the Southern San Joaquin Valley and encompasses approximately 266,000 acres. TCCWD provides an imported water supply, water resource management and flood protection to the public in a safe, reliable and environmentally sensitive way. The local groundwater supply is located in three basins, which are the Brite, Cummings and Tehachapi Basins. The district imports State Water Project water from the California Aqueduct. This project is located within the Cummings Basin boundaries.

2.0 SCOPE OF WORK

This project scope includes the design, hardware/software procurement, development, documentation, integration and commissioning of a SCADA platform migration to an Inductive Automation “Ignition” based SCADA platform.

2.1 PROJECT ADMINISTRATION AND COORDINATION

Kick-off Meeting

Upon receipt of a written Notice to Proceed from the Tehachapi-Cummings County Water District, consultants shall conduct a kick-off meeting with the district to review the scope of the project, develop a project schedule, and confirm deliverables. The project schedule shall include each task and subtasks, milestones, critical path designation and a schedule for progress meetings.

Project Milestones/Bi-Weekly Meetings

Consultant shall prepare a project execution schedule with major milestones to TCCWD for approval. Consultant shall prepare regular progress reports for TCCWD staff bi-weekly.

2.2 PRELIMINARY DESIGN (60% DESIGN)

The Consultant shall compile and gather information to prepare preliminary design plans. Preliminary design shall include development plans for the SCADA platform upgrade. TCCWD will require HMI/Operator interface development, PLC/device communications, alarm management, historian / trending, database integration, user/security management, network and server architecture, migration, testing, commissioning, documentation and post-cutover support. After the Preliminary Design is approved by TCCWD, the Consultant shall proceed with the detailed design.

2.3 DETAILED DESIGN (90% DESIGN)

With preliminary design review comments from TCCWD, Consultant shall prepare detailed design and development plans for TCCWD review and approval prior to performing integration and commissioning.

2.4 PLATFORM DEVELOPMENT, INTEGRATION AND COMMISSIONING

Consultant shall provide all necessary professional services and labor to complete the platform development, integration and commissioning of the Inductive Automation “Ignition” SCADA platform. TCCWD will require a functional acceptance test/FAT before field deployment and a site acceptance test after installation. Testing should cover operator screens, commands, setpoints, alarming, trends, historian collection, communications loss / recovery, user permissions, backup restoration and anything that could affect plant operation. TCCWD will own all project files, source code/scripts, Gateway backups, database schematic, graphics, tag databases, credentials and documentation created under the project and will receive administrative access at completion of the commissioning.

2.5 ADDITIONAL SERVICES

Consultant is encouraged in its proposals to identify any additional work that is not specified in this Scope of Work that would be, in its opinion, necessary to complete the project as defined herein. Consultant may propose additional services that in its opinion will improve the efficiency and quality of the project. If identified, the additional work or services must be included in the proposal but separated out in the Consultant’s Fee Schedule.

3.0 CONSULTANT QUALIFICATIONS

3.1 QUALIFICATIONS AND UNDERSTANDING

Each Consultant must provide the following information about their company so TCCWD can evaluate the Consultant’s stability and ability to support the commitments set forth in response to the RFP. It is imperative that the Consultant’s proposal fully address all aspects of the RFP. The proposal must provide TCCWD Staff with clearly expressed information concerning the Proposer’s understanding of TCCWD’s specific requirements which would result in the conduct of this study in a thorough and efficient manner.

The Consultant shall outline their company’s (or team’s) background, including:

- How long the company has been in business, plus a brief description of the company history, size and organization.
- Consultant qualifications to complete the scope of services and a statement of understanding of the work involved to complete this assignment.

3.2 PROJECT TEAM

Each Consultant must provide the following information about their project team.

- Primary point of contact, person responsible for overall corporate commitment (must be a company principal or officer) and project manager. Describe the responsibilities of the individuals and extent of involvement with the project.
- Identify and list key individuals proposed for the project team. Describe the responsibilities of the individuals and extent of involvement with the project.
- All key personnel listed should have current names, titles, telephone numbers, email addresses and be listed on at least one of the supplied client references who are familiar with work performed by the individual in a similar capacity. References will be contacted as part of the selection process.
- Clearly identify project sub consultants, how long the prime and sub have worked together and the reason why they were selected. Consultants are encouraged to support small businesses wherever possible.

3.3 REFERENCES

The Consultant shall supply a minimum of 3 references from agencies with projects of a similar nature. Each reference shall contain:

- Client name and contact information
- Project description
- Role of key project team members

Only references from the prime consultant shall be considered, or references from project teams that have completed at least 3 projects together. The Consultant shall also list projects completed for other agencies.

3.4 SCHEDULE

The consultant shall provide a project schedule indicating key project milestones and project activities. The schedule shall reflect a tentative start date of September 21, 2026 and a project completion date of January 22, 2027.

4.0 PROPOSAL SUBMISSION

4.1 RFP TIME SCHEDULE

- | | |
|---------------------------------|-------------------------------|
| • RFP Available | August 27, 2026 |
| • Inquiry Deadline | September 9, 2026 |
| • Proposals Due | September 10, 2026, at 1:00pm |
| • Board Approval Recommendation | September 11, 2026 |
| • Notice to Proceed | September 21, 2026 |

4.2 NUMBER OF COPIES AND DELIVERY

Two (2) copies of the proposal shall be submitted to the following address:

Tehachapi-Cummings County Water District
Attn: Jon Curry, Assistant General Manager-Operations
22901 Banducci Rd.
Tehachapi, Ca. 93561

The proposal title, consultant's name and deadline information shall be clearly identified on the submission package and cover page. Submission deadline is September 10, 2026 at 1:00 p.m. Proposals submitted after that time shall not be considered. All questions regarding the scope of work shall be submitted to Jon Curry, Assistant General Manager-Operations at the address above or via e-mail at jcurry@tccwd.com

4.3 FORMAT AND CONTENT

Proposals shall be printed on 8 ½" X 11" paper, single sided in 11-point font and be limited to 25 pages excluding the cover letter, resumes and any appended information.

Proposals should address the following items in order of appearance:

Cover Letter

A cover letter shall be provided which explains the firm's interest in the project. The letter shall contain the name/address/phone number of the person who will serve as the firm's principal contact person.

Qualifications of Firm/Project Team

Provide names, titles and responsibilities of key personnel who will be responsible for the management of the project. Include qualifications, resumes, experience of each, and length of time with the company.

References

Give at least three (3) references for projects of similar size and scope, including at least three (3) references for projects completed during the past five years. Include the name and organization, a brief summary of the work, the cost of the project and the name and telephone number of a responsible contact person.

Strategy and Implementation Plan

Prepare a list of tasks to address the Scope of Work. Describe the firm's interpretation of the district's objectives regarding this RFP. Describe the proposed strategy and/or plan for achieving the objectives of the RFP. The narrative should include a description of the logical progression of tasks and efforts. Also include an explanation of the type of technology that will be used. This section shall also include a time schedule for the completion of the project.

Proposed quality assurance program (QA/QC)

Explain the firm's quality assurance program and the proposed approach for implementing the plan with this project.

Fee Proposal: One set in a separate sealed envelope

The Fee Schedule in a separate envelope shall be broken down on separate sheets as follows:

- A "Not to Exceed" fee for all services. Hours and billing rates per classification of personnel will be indicated for each task and/or subtask.
- Provide a complete list of costs per task and/or subtask and a total fee for the proposal, including expected reimbursable expenses (non-binding), for completion of the scope of services set forth in the proposal.
- A current hourly Fee Schedule for Fiscal Year 2026/2027 and classification of personnel for the firm, along with the type of work they and any sub consultants will perform, is also required.
- An inventory list of any recurring fees and/or subscriptions for licenses, support plans or necessary agreements that are separate from the initial capital cost.
- All printing and reproduction costs, research, meetings, mileage, telephone usage, general office supplies and overhead, etc., shall be included in the proposal and its "Not to Exceed" Fee schedule. Proposals should be prepared in a straightforward manner.

4.4 PROPOSAL EVALUATION

Proposals will be evaluated based on the following criteria:

- Responsiveness to the RFP.
- Consultant qualifications, project understanding, and overall experience.
- Technical Competency.
- Results of reference checks.
- Project Schedule.
- Proposed QA/QC plan, warranties and customer support
- Fee Proposal

4.5 NEGOTIATIONS

In an effort to manage the resources available for this project, the district may find it necessary to negotiate tasks, including contingencies for additional meetings or workshops, and address other factors identified by the Proposer not contemplated in this document or the district's standard agreement.

5.0 CONTRACT REQUIREMENTS AND SUBMITTALS

5.1 Tehachapi-Cummings County Water District Requirements

The Proposals will be presented to the District's Board of Directors for approval. A Notice to Proceed will not be granted until a Professional Services Contract is signed, and all insurance requirements are satisfied.