QUARTZ HILL WATER DISTRICT

AGENDA
FOR REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS

Time: 5:30pm
Date: November 19, 2026
Location: Quartz Hill Water District 5034 W Avenue L Quartz Hill, CA 93536
Agenda Posted: November 16, 2026

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PLEDGE OF ALLEGIANCE**

4. **ADOPTION OF AGENDA**
Members of the public shall have an opportunity to comment on each agenda item as the Board is considering it, prior to action being taken.

5. **PUBLIC COMMENT**

6. **DISCUSSION ITEM:**

7. **ACTION ITEMS**
Matters listed under the consent calendar are considered routine and non-controversial and will be acted upon in one motion in the order listed below. There will be no separate discussion on these matters unless requested by a Member of the Board or the public prior to the time the Board approves the items.

7.1 Consent Calendar

1. Consideration and possible approval of October 15, 2026, minutes of the regular meeting of the board of directors.

2. Consideration and possible approval of the October check register.

7.2 Action Calendar

1. Consideration and possible action to adopt Appendix O Artificial Intelligence (AI) Appropriate Use Policy.

2. Consideration and possible action to the purchase of arsenic removal media for the Well 6a treatment facility.

8. INFORMATION ITEMS (Written Reports Included)

8.1 Staff Report

1. Report by Administrative Supervisor
2. Report by Assistant General Manager Brach Smith
3. Report by General Manager Brent Byrne

8.2 Director's Report

8.3 Attorney's Report

9. DIRECTOR REQUEST FOR FUTURE AGENDA ITEMS

10. CLOSED SESSION : None at this time.

11. ADJOURNMENT

ACCESIBILITY AND ACCOMMODATIONS

In accordance with the Americans with Disabilities Act (ADA) of 1990, this agenda will be made available in an appropriate alternative format upon request. Individuals who require disability-related modifications or accommodations to participate in this meeting, including auxiliary aids or services, are requested to contact the Board Secretary at (661) 943-3170, visit the Quartz Hill Water District office, or email slopez@qhwd.org at least 48 hours prior to the meeting, if possible.

Minutes of the Regular Meeting and Public Hearing of the Board of Directors

Quartz Hill Water District

DATE: Thursday, October 15, 2026

TIME: 5:30 p.m.

LOCATION: Quartz Hill Water District, 5034 W Avenue L, Quartz Hill, CA. 93536

1. CALL TO ORDER

Vice President Holtz called the meeting to order at 5:30 p.m.

2. ROLL CALL

Board Members:

- President: Sheldon Carter (Absent)
- Vice President: Rod Holtz (Present)
- Director: Allen G. Flick, SR. (Present)
- Director: Dan Massari (Present)
- Director: Lance Pierson (Present)

District Staff Present:

- Brent Byrne, General Manager
- Brach Smith, Assistant General Manager
- Mrs. Lopez, Administrative Services Supervisor

Others Present:

- Brad Weeks, Attorney, Charlton Weeks LLP
- M. Ranches, Ardurra
- Jonathan Abadesco, CJ Brown and Associates (via Zoom)

Members of the Public: None

3. PLEDGE OF ALLEGIANCE

- Led by Director Flick.

4. ADOPTION OF AGENDA

Action: The agenda was adopted by unanimous assent.

5. PUBLIC COMMENT

- No public comment.

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6. Discussion Items

- Verbal presentation by Jonathan Abadesco with CJ Brown and Associates for the Fiscal Year 2026 audit**.**

7. ADJOURN TO PUBLIC HEARING

7.1 Vice President Holtz adjourned to the public hearing for the 2025 Urban Water Management Plan and Water Shortage Contingency Plan at 5:50 PM.

7.2 Verbal presentation of 2025 Urban Management Plan and Water Shortage Contingency Plan Presented by M. Ranches with Ardurra**.**

Vice President Holtz stated that notice of this public hearing was published in the newspaper on August 4,2026 and August 11, 2026 in accordance with the District's public notice procedures.

7.3 Assistant General Manager Brach Smith stated at this time the district has received zero protest.

7.4 Assistant General Manager Brach Smith stated before closing the public hearing this is the final opportunity to submit protest.

7.5 Vice President Holtz stated the final number of protests received by the District is zero.

7.6 Vice President Holtz concluded the public hearing on the 2025 Urban Water Management Plan and Water Shortage Contingency plan at 6:15 PM.

8. Vice President Holtz reconvened to the regular meeting at 6:16 PM

9. ACTION ITEMS

9.1 Consent Calendar

1. Approval of September 17, 2026, minutes of the regular board meeting minutes.
2. Approval of the September check register.

9.2 Action Calendar

1. Consideration and possible action to approve and adopt Resolution 26-1015A.

Action: Approved to adopt Resolution 26-1015A. Motion made by Director Flick, seconded by Director Pierson and unanimously approved by all board members present.

2. Consideration and possible action to approve and adopt Resolution 26-1015B.

Action: Approved to adopt Resolution 26-1015B. Motion made by Director Flick, seconded by Director Pierson and unanimously approved by all board members present.

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3. Consideration and possible action to accept the 2026 audit.

Action: Approved to accept the 2026 audit. Motion made by Director Massari, seconded by Director Pierson and unanimously approved by all board members present.

10. INFORMATION ITEMS

10.1 Staff Reports

1. Administrative Services Supervisor provided a verbal summary of written report.
2. Assistant General Manager Brach Smith provided a verbal summary of written report.
3. General Manager Brent Byrne provided a verbal summary of written report.

10.2 Report by Directors

- Director Holtz and Director Pierson provided verbal summary on the finance committee meeting held October 13, 2026.
- Director Flick provided verbal summary on the AVEK meeting.

10.3 Report by Attorney

- Brad Weeks provided verbal update on water purchase agreement.

11. DIRECTOR REQUESTS FOR FUTURE AGENDA ITEMS

- None

Vice President Holtz adjourned the meeting at 6:45 p.m.

Attest:

_____

Rod Holtz, Vice President

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Quartz Hill Water District

Check/Voucher Register - CHECK REGISTER

From 10/1/2026 Through 10/31/2026

Document Date	Check Number	Payee	Check Amount	Spoiled
10/8/2026	14724	AFSCME LOCAL 1902	682.26	No
10/8/2026	14725	ATS COMMUNICATIONS	2,295.00	No
10/8/2026	14726	Antelope Valley East Kern Water Agency	209,533.52	No
10/8/2026	14727	Antelope Valley East Kern Water Agency	118,300.46	No
10/8/2026	14728	Coverall North America, Inc.	693.00	No
10/8/2026	14728	Coverall North America, Inc.	693.00	No
10/8/2026	14729	RBC Inc	2,001.20	No
10/8/2026	14729	RBC Inc	4,227.53	No
10/8/2026	14730	WEST YOST	834.00	No
Report Total			339,259.97	

Quartz Hill Water District

Check/Voucher Register

From 10/1/2026 Through 10/31/2026

Document Date	Document Number	Payee	Document Amount
10/7/2026	3820	SETH COVERSTONE	260.00
10/7/2026	3821	OSCAR GONZALEZ	51.56
10/7/2026	3822	DORMAN HARRISON	190.00
10/7/2026	3823	Salt Water Ventures, LLC	91.66
10/7/2026	3824	Araksi Tamazyan	17.29
10/7/2026	3825	BRIAN WOODWORTH	33.41
Report Total			643.92

Quartz Hill Water District
Cash Journal - Check Register
From 10/1/2026 Through 10/31/2026

1030 - California Bank & Trust

Document Number	Effective Date	Transaction Description	Journal Vouchers	Type
01	10/1/2026	AGRO-TECH LANDSCAPING (OCT 2026 SERVICES) OP CNTR	$945.00	JV
02	10/2/2026	ECRYPT previously BANKCARD USA-1015(Sept 2026 services)	$182.99	JV
03	10/2/2026	ECRYPT previously BANKCARD USA-General (Sept 2026 services)	$8,815.29	JV
04	10/2/2026	AUTHORIZE.NET-GENERAL (Sept 2026 trans-batches)	$408.50	JV
05	10/2/2026	AUTHORIZE.NET-1015 (Sept 2026 trans-batches)	$12.50	JV
06	10/2/2026	SHARP-GIS Migration	$1,225.00	JV
07	10/2/2026	LINCOLN-10.01.26 PAYROLL	$3,132.75	JV
08	10/2/2026	CALPERS-CLASSIC 10.01.26 PAYROLL	$5,993.62	JV
09	10/2/2026	CALPERS-PEPRA 10.01.26 PAYROLL	$4,898.91	JV
10	10/2/2026	COMPUTERSHARE-WELLS FARGO-COP PRINCIPAL	$225,310.00	JV
10	10/2/2026	COMPUTERSHARE-WELLS FARGO-COP INTEREST	$167,575.00	JV
11	10/5/2026	CALPERS-GASB 68 REPORTING SERVICES FEE	$350.00	JV
12	10/6/2026	EDD 10.01.26 SIT PAYROLL TAXES	$2,995.96	JV
12	10/6/2026	EDD 10.01.26 SDI PAYROLL TAXES	$819.31	JV
13	10/7/2026	IRS 10.01.26 FIT PAYABLE-TAXES PAYROLL	$7,261.64	JV
13	10/7/2026	IRS 10.01.26 SOCIAL SECURITY-TAXES PAYROLL	$6,334.10	JV
13	10/7/2026	IRS 10.01.26 MEDICARE-TAXES PAYROLL	$1,935.23	JV
14	10/9/2026	CINTAS (UNIFORM SERVICE) 10.01.26 Invoice	$141.60	JV
15	10/9/2026	ACWA-JPIA EMPL0YEES(MEDICAL,DENTAL,VISION,LIFE,EAP)OCT 2026	$21,980.29	JV
15	10/9/2026	ACWA-JPIA (RETIRED OCT. 2026)	$5,908.50	JV
15	10/9/2026	ACWA-JPIA (DIRECTORS OCT. 2026)	$487.19	JV
15	10/9/2026	ACWA-JPIA-EMPLOYEES SUPPLEMENTAL LIFE OCT. 2026	$51.00	JV
16	10/9/2026	ACWA-JPIA EMPL0YEES(MEDICAL,DENTAL,VISION,LIFE,EAP) NOV 2026	$21,980.29	JV
16	10/9/2026	ACWA-JPIA (RETIRE NOV. 2026)	$5,908.50	JV
16	10/9/2026	ACWA-JPIA (DIRECTORS NOV 2026)	$487.19	JV
16	10/9/2026	ACWA-JPIA-EMPLOYEES SUPPLEMENTAL LIFE NOV 2026	$51.00	JV
17	10/13/2026	SCE Power Well 16 (08.28 TO 09.28.26)	$784.31	JV
18	10/13/2026	SCE Power Multi (well 5A) 08.04 to 09.01.26 SCE	$6,358.47	JV
18	10/13/2026	SCE Power Multi (Well 08) 08.29 to 09.28.26	$4,901.00	JV
18	10/13/2026	SCE Power Multi (Well 06) 08.28 to 09.28.26	$3,795.08	JV
18	10/13/2026	SCE Power Multi (Well 12) 08.28 to 09.28.26	$2,539.68	JV
18	10/13/2026	SCE Power Multi (well 5A) 08.04 to 09.01.26	$2,465.02	JV
18	10/13/2026	SCE Power Multi (Well 17)08.14 to 09.14.26 SCE	$1,739.46	JV
18	10/13/2026	SCE Power Multi (Cal Prop) 08.04 to 09.01.26 SCE	$809.96	JV
18	10/13/2026	SCE Power Multi (Forecast Pump) 08.25 to 09.23.26 SCE	$779.37	JV
18	10/13/2026	SCE Power Multi (Cal Prop) 08.04 to 09.01.26	$648.30	JV
18	10/13/2026	SCE Power Multi (Well 17)08.14 to 09.14.26	$607.20	JV
18	10/13/2026	SCE Power Multi (Tanks on Hill) 08.04 to 09.01.26	$227.41	JV
18	10/13/2026	SCE Power Multi (Ave M Pump) 08.03 to 08.31.26 SCE	$194.62	JV
18	10/13/2026	SCE Power Multi (Ave M Pump) 08.03 to 08.31.26	$57.43	JV
18	10/13/2026	SCE Power Multi (Forecast Pump) 08.25 to 09.23.26	$49.69	JV
18	10/13/2026	SCE Power Multi (turn out 70th) 08.04 to 09.01.26	$40.25	JV
18	10/13/2026	SCE Power Multi (Ave N turnout) 08.04 to 09.01.26 SCE	$28.00	JV
18	10/13/2026	SCE Power Multi (M4 and 50th) 08.04 to 09.01.26n SCE	$17.89	JV
18	10/13/2026	SCE Power Multi (Ave N turnout) 08.04 to 09.01.26	$14.22	JV

Quartz Hill Water District
Cash Journal - Check Register
From 10/1/2026 Through 10/31/2026

1030 - California Bank & Trust

Document Number	Effective Date	Transaction Description	Journal Vouchers	Type
18	10/13/2026	SCE Power Multi (M4 and 50th) 08.04 to 09.01.26n	$4.20	JV
19	10/13/2026	SCE Power Well 7 (08.28 to 09.28.26)	$2,333.50	JV
20	10/14/2026	INFOSEND (09.04.26 POSTAGE-BILLS)	$3,705.89	JV
20	10/14/2026	INFOSEND (09.04.26 BILLING SERVICES)	$908.69	JV
20	10/14/2026	INFOSEND (09.04.26 POSTAGE-LATE NOTICES	$343.41	JV
20	10/14/2026	INFOSEND (09.10.26 LATE NOTICES)	$74.31	JV
21	10/15/2026	SCE Power Well 9 (08.28 TO 09.28.26) SCE	$2,777.84	JV
22	10/15/2026	SCE Power Well 15 (08.31 to 09.29.26) SCE	$1,220.59	JV
23	10/16/2026	WELLS FARGO-BANK SAFEKEEP	$50.00	JV
24	10/16/2026	Culligan (Oct 2026 services) Well-5a water softner	$62.15	JV
25	10/16/2026	Culligan (Oct 2026 services) Well-9 water softner	$62.15	JV
26	10/16/2026	Culligan (Oct 2026 services) Well-7 water softner	$68.71	JV
27	10/16/2026	CALPERS-CLASSIC 10.15.26 PAYROLL	$6,037.60	JV
28	10/16/2026	CALPERS-PEPRA 10.15.26 PAYROLL	$4,852.60	JV
29	10/19/2026	LINCOLN 10.15.26 PAYROLL	$3,121.78	JV
30	10/20/2026	EDD 10.15.26 SIT PAYROLL TAXES	$2,969.68	JV
30	10/20/2026	EDD 10.15.26 SDI PAYROLL TAXES	$814.12	JV
31	10/21/2026	Cal Bank and Trust Analysis (Sept 2026 Bank Fees)	$2,045.79	JV
32	10/21/2026	IRS 10.15.26 FIT PAYABLE-TAXES PAYROLL	$7,191.77	JV
32	10/21/2026	IRS 10.15.26 SOCIAL SECURITY-TAXES PAYROLL	$5,639.22	JV
32	10/21/2026	IRS 10.15.26 MEDICARE-TAXES PAYROLL	$1,923.59	JV
33	10/22/2026	WASTE MANAGEMENT (Sept 2026 SERVICE)10.01.26 INVOICE	$155.47	JV
34	10/22/2026	SO CAL GAS (OPERATIONS CENTER) SEPT 2026 SERVICES	$17.63	JV
35	10/26/2026	CINTAS (10.8 to 10.15.26 UNIFORM SERVICE)	$283.20	JV
36	10/28/2026	SCE Power Well 14 (09.15 to 10.13.26) SCE	$724.55	JV
37	10/28/2026	SCE Power (Opp Center) 9.15 to 10.13.26 SCE	$2,082.77	JV
37	10/28/2026	SCE Power (Opp Center) 9.15 to 10.13.26	$952.59	JV
38	10/30/2026	SHARP-MONTHLY SERVICE OCT. 2026	$2,292.00	JV
39	10/30/2026	CALPERS-CLASSIC 10.29.26 PAYROLL	$6,014.67	JV
40	10/30/2026	CALPERS-PEPRA 10.29.26 PAYROLL	$4,973.59	JV
		Report Total	$584,952.78	

Appendix O
Artificial Intelligence (AI) Appropriate Use Policy

Effective Date:
Approved By:

1. Purpose.

The purpose of this Artificial Intelligence ("AI") Appropriate Use Policy is to use (AI) technology that can create, analyze, summarize, and generate content, including text, images, data, and other work products. AI can be a valuable tool that assists employees with everyday tasks and improves workplace efficiency; however, responsibility for the final work product remains with the employee, not the AI tool.

Quartz Hill Water District recognizes that AI technologies may improve productivity, efficiency, and service delivery. This policy establishes responsible guidelines, ethical, and secure use of AI by District employees while protecting District information, maintaining public trust, and supporting sound decision-making.

AI should be used to assist and support employees in performing their duties, enhance customer service, improve administrative processes and remain an assistive tool. AI is intended to support employees and not replace employees or eliminate positions.

2. Scope.

This policy applies to all District employees who use AI tools, systems, applications, or services for District business purposes to include AI features incorporated into existing District software.

3. Acceptable Use.

Employees may use District-approved AI tools as an assistive tool for legitimate work-related purposes, including but not limited to:

(a) Researching work-related topics and gathering general information;

(b) Drafting, reviewing, editing, and improving correspondence, reports, presentations, policies, procedures, and other business documents;

(c) Brainstorming ideas and developing content outlines;

(d) Assisting with administrative tasks and workflow improvements;

(e) Creating training materials, educational resources, and internal communications; and

(f) Other legitimate District business purposes approved by a supervisor or manager.

(g) All AI-generated content shall be reviewed by the employee for accuracy, completeness, and appropriateness before use or distribution.

4. Unacceptable Use.

Employees shall not:

(a) Enter confidential, sensitive, proprietary, restricted, or non-public District information into any public AI platform unless specifically author;

(b) Enter personally identifiable information, including employee, customer, vendor, or applicant information, into any public AI platform;

(c) Use AI for any unlawful, fraudulent, discriminatory, harassing, harmful, or unethical purpose;

(d) Use AI as the sole basis for personnel actions, hiring decisions, disciplinary actions, procurement decisions, financial decisions, or other decisions requiring human judgment;

(e) Download, purchase, install, connect, activate, or use an AI application or service for District business without prior District approval, including enabling AI features within existing District software or systems.

(f) Use AI in a manner that violates District policies, standards of conduct, cybersecurity requirements, applicable laws, or ethical obligations; or

(g) Present AI-generated information as verified fact without first reviewing and validating its accuracy.

(h) Use Ai-powered workplace surveillance tools to recognize infer or predict employee emotions or collect employee date in violation of California Assembly Bill 1883.

(i) Use workplace surveillance tools to monitor employees in workplace bathrooms in violation of California Assembly Bill 1331.

5. Employee Responsibilities.

Employees using AI tools shall:

(a) Remain accountable for all work produced with assistance from AI technology;

(b) Exercise independent professional judgment and not rely solely upon AI-generated content;

(c) Verify the accuracy and reliability of AI-generated information before relying upon it for District business purposes;

(d) Protect confidential and sensitive information in accordance with District policies and applicable laws;

(e) Follow all District cybersecurity, records management, and data protection requirements; and

(f) Report any suspected misuse, security concern, or inappropriate AI-generated content to their supervisor.

(g) Ensure AI tools, applications, and software features receive appropriate review and approval before implementation.

6. Management Responsibilities.

Managers and supervisors shall:

(a) Provide guidance regarding the appropriate use of AI within their areas of responsibility;

(b) Ensure employees understand and comply with this policy;

(c) Monitor the use of AI tools within their departments; and

(d) Address misuse of AI promptly and appropriately.

(e) Ensure that AI tools, applications, and software features are reviewed and approved by the General Manager before implementation, including consideration of cybersecurity, risks, confidentiality, data protection, and operational needs.

7. Training.

The District may provide training and guidance regarding the safe, effective, and responsible use of AI technologies. Employees are encouraged to familiarize themselves with District-approved AI tools and applicable requirements governing their use.

8. Policy Violations.

Failure to comply with this policy may result in:

(a) Revocation of AI tool access;

(b) Corrective or disciplinary action consistent with District personnel policies; and

(c) Other measures deemed appropriate by the District.

9. General Manager Authority.

The General Manager or designee is expressly authorized to make minor amendments to this Policy, including, but not limited to, imposing additional policies or procedures that are deemed necessary for the efficient and safe functioning of the District, so long as in line with the purpose of this Policy.

10. Applicable Laws and Policies.

The District shall administer and interpret this Policy in accordance with applicable federal, state, and local laws and regulations, as well as existing District policies and procedures. Applicable laws, regulations and guidance include, but are not limited to:

(a) California Assembly Bill 1883 – Workplace Surveillance Tools: Establishes restrictions on the use of artificial intelligence in workplace surveillance, including employee emotion recognition and neural data collection.

Reference: AB 1883 – Legislative Text.

(b) California Assembly Bill 1331 – Workplace Surveillance: Establishes restrictions on workplace surveillance tools used to monitor employees in workplace bathrooms.

Reference: AB 1331 – Legislative Text

(c) District Policies and Procedures: Applicable personnel policies, confidentiality requirements, information security, and records retention polices.

11. Board Approval.

This policy shall become effective upon approval by the Quartz Hill Water District Board of Directors. The General Manager, or designee, is authorized to amend, update and administer this Policy as necessary to address operational needs, technological advancements, cybersecurity concerns and changes in applicable laws and regulations without further Board approval, to the extent permitted by law and District governance requirements.

Quartz Hill Water District

Brach Smith

PROPOSAL FOR THE SUPPLY OF

Bayoxide E33 Arsenic Removal Media

De Nora Proposal P-172583

23 September 2026

DE NORA WATER TECHNOLOGIES, LLC
3000 Advance Lane, Colmar, PA 18915 USA Ph: 1+ 724 218 7000
mail info.dnwt@denora.com **web** www.denora.com

1.0 INTRODUCTION

De Nora Water Technologies, LLC (De Nora) is pleased to offer Quartz Hill Water District this proposal for the supply of ~208 cubic feet of Bayoxide E33 Arsenic Removal Media.

2.0 SCOPE OF WORK

- Media Price $13,600.00 / supersack
- Freight to Lancaster, CA 93536 $875
- Delivery Terms ExWorks – Surprise, AZ
- Lead Time
    - Media is reserved in the order that PO's are received. We are currently expecting more media in our inventory October 31, 2026. Once that media sells out, pricing will need to be re-quoted.

3.0 PRICE AND PAYMENT SCHEDULE

De Nora will supply (4) supersacks of media for a lump sum of **$55,275.00 ExWorks – Origin.** Freight for shipping the media to Lancaster, California is included in the pricing but any applicable taxes are extra. Pricing and acceptance of this proposal is valid for thirty (30) days.

4.0 ACCEPTANCE OF PROPOSAL P-172583

Acceptance of this proposal is based on the incorporation of any referenced documents and attached Standard Terms and Conditions of Sale are incorporated herein and are agreed to be a material part of this Agreement.

AGREED BY: De Nora Water Technologies, LLC	AGREED BY: Quartz Hill Water District
_____ (Name)	_____ (Name)
_____ (Title)	_____ (Title)
_____ (Date)	_____ (Date)

DE NORA WATER TECHNOLOGIES LLC
DE NORA TECH, LLC
DE NORA WATER TECHNOLOGIES INC, ABU DHABI

GENERAL TERMS AND CONDITIONS OF SALE

1. APPLICABLE TERMS

The sale of products, goods, or components (the "**Product(s)**") and/or the provision of services ("**Services**") by any one of the De Nora legal entities listed above (in each case, "**Seller**") to the party from whom Seller is selling the Products or Services ("**Purchaser**", and with Seller, each a "**Party**" and collectively the "**Parties**") is limited to and made expressly conditional on Purchaser's acceptance of these General Terms and Conditions of Sale (these "**General Conditions**") which, along with any and all associated purchase orders, quotations, proposals, special conditions or other contract documents (including any expressly incorporated specifications or drawings) ("**Seller's Documentation**" and, collectively with these General Conditions, the "**Contract**"). These General Conditions shall control over any inconsistent or additional terms or conditions proposed or issued by Purchaser or Seller, including any additional or different terms contained in any purchase order, acknowledgement, proposal or other communication, written or otherwise, unless specifically agreed to in writing by both Parties. These General Conditions shall not be varied and no conditions contained in any quotations, letters, advice notes, invoices or other communications issued by Seller or Purchaser shall annul or vary them, unless expressly agreed by both Parties in writing.
Purchaser's acceptance of delivery or the full or partial payment of the purchase price hereunder shall constitute Purchaser's express and unconditional acceptance of all the General Conditions, notwithstanding any other inconsistent terms, documents, prior dealings, or usage of trade.

2. PRICES AND PAYMENT TERMS

Purchaser shall pay the full purchase price as set forth in Seller's Documentation without any deduction by way of set-off, counterclaim, discount or otherwise in strict accordance with Seller's Documentation. All prices and payments shall be in U.S. currency unless otherwise expressly noted in Seller's Documentation. Unless specifically noted otherwise in Seller's Documentation, prices are exclusive of any and all sales, use, VAT, excise, ad valorem, property or other taxes, duties or levies of any kind due or applicable to this transaction including any governmental imposed duties introduced after the date of the Contract. Purchaser shall pay directly or reimburse Seller immediately upon demand for any and all such taxes. Payment terms are net 30 calendar days from date of invoice.

Where payment is made by letter of credit (to the extent permitted by Seller's Documentation), the applicable instructions as communicated in writing by Seller to Purchaser shall determine the terms of payment thereunder. Where payment on credit terms is expressly approved, payment terms are net thirty (30) calendar days from date of invoice. Any payments delayed beyond thirty (30) days from the specified due date shall be subject to interest on the unpaid balance at the rate of [one and one-half (1-1/2%) percent] per month or the maximum rate permitted by applicable law, whichever is less. If advances, progress payments, or milestone payments are included in the Seller's Documentation, such payments shall be required to be made in strict accordance with the Seller's Documentation. Seller reserves the right, among other remedies, to suspend further deliveries in the event Purchaser fails to pay for any one shipment when payment becomes due. All Contracts are subject to credit approval. Should Purchaser's financial condition become unsatisfactory or insecure, in Seller's discretion, Seller shall have the right, at its option, to require from Purchaser payment in advance, cash payment upon delivery, or satisfactory security.

If Purchaser is required by applicable law to withhold any amounts paid or payable to Seller for tax purposes, *(a)* the amount paid or payable shall be increased by the amount that it would have received had not taxes been withheld and *(b)* Purchaser shall forward proof of such legally required withholding to Seller as soon as reasonably practicable.
Purchaser hereby irrevocably grants Seller a security interest in the Products until such time as Purchaser makes full payment of the purchase price. Purchaser agrees, if requested, to execute a financing statement or such other documentation as may be necessary or advisable to perfect and maintain such security interest including the execution and delivery to Seller of a UCC-1 financing statement.

3. DELIVERY AND RISK OF LOSS

Delivery dates set forth in Seller's Documentation are approximate and Seller will make commercially reasonable efforts to meet same. Timely delivery is subject to prompt and timely receipt from Purchaser of accurate and complete technical and shipping information. Seller reserves the right to make partial shipments, invoices for which shall be due and payable in accordance with the payment terms specified above. Where payment is due in advance or by letter of credit, timely delivery is further subject to timely receipt of such payment or issuance of such letter of credit. All shipping and handling costs are to be paid by Purchaser. Purchaser is liable for compliance with all laws and regulations governing the unloading, storage, importation, handling and use of all Products.

Whether or not installation Services are performed by Seller, risk of loss shall pass to Purchaser in accordance with the stated shipping terms under Incoterms 2020. Unless otherwise agreed and specified in Seller's Documentation, shipping terms are Ex Works Seller's facility. Seller will notify Purchaser when Products are available for shipment. Purchaser must provide Seller with specific written instructions as to Purchaser's preferred method of shipment or common carrier. If Purchaser does not arrange for a freight carrier or freight forwarder to collect the Products within seven (7) calendar days following notification that the Products are available, Seller may, at its own discretion and at Purchaser's cost, arrange for Products to be collected by a freight carrier or freight forwarder for shipment to Purchaser. Alternatively, Seller may choose to store the Products and may charge Purchaser all incurred storage and handling expenses and fees. Unless otherwise agreed in writing, title to the Products shall pass to Purchaser, except for Intellectual Property Rights, which shall remain Seller's exclusive property, on full payment of the purchase price for the Products.

In the event Purchaser requests a postponement of delivery beyond the date specified in Seller's Documentation, Seller may invoice the Purchaser and title and risk of loss shall pass to Purchaser at such time as Products are made available for shipment but in no event earlier than the delivery date specified in Seller's Documentation. If delivery is postponed by Purchaser, Seller shall endeavor but shall not have the obligation to either store the Products or secure a storage location at Purchaser's expense and based upon General Conditions mutually agreed by the Parties in writing.

Prior to installation, Products must be stored by Purchaser in accordance with the storage instructions that may be a part of Seller's instructions or other documentation for Product installation, maintenance, and care. In the absence of specific instructions in the Seller's Documentation, Products must be stored prior to their installation in an enclosed space affording protection from weather, dust and physical damage and providing appropriate temperature, humidity and ventilation conditions to prevent deterioration. Purchaser's failure to follow Seller's storage instructions may cause damage to the Products and will void the warranties provided hereunder. Seller shall have the right to inspect Products stored by Purchaser prior to installation. If Products are stored by Purchaser for a period of 60 days or more, Purchaser shall reimburse Seller for all reasonable costs of such inspection.

4. PERMITS, REGISTRATIONS AND LAWS

Purchaser is responsible for obtaining and maintain all permits and registrations and for compliance with local laws concerning permitting, registration, installation and use of the Products or the provision of Services. Purchaser shall indemnify and hold harmless Seller from any and all costs, damages, fines and penalties resulting from Purchaser's failure to comply with any and all applicable laws, permits and regulations. Purchaser shall strictly comply with and refrain from exporting or re-exporting the Products in violation of all applicable laws, rules, and regulations affecting Seller regarding trade restrictions, import-export compliance, money laundering, anti-bribery protections, and embargoes, as such laws, rules, and regulations may be amended from time to time. Unless otherwise agreed according to the specified Incoterms governing shipment of the Products, Seller shall have no obligation or liability for export clearance, customs clearance or import duties of any kind. Purchaser shall provide to Seller any and all documentation requested by Seller to evidence Purchaser's compliance with such applicable import-export laws and regulations.

Seller may provide reimbursement to Purchaser or Purchaser's representative, either directly or indirectly through intermediaries, for their reasonable and bona fide travel and lodging expenses in connection with Purchaser's purchase of Products or Services hereunder. Any such reimbursement is NOT a payment, gift, offer or promise of anything of value, but is rather provided to Purchaser for the sole purpose of reimbursing Purchaser's reasonable travel and lodging expenses related to the promotion, demonstration or explanation of the Products or Services being offered by Seller to Purchaser.

Purchaser warrants and undertakes to Seller that in connection with this Contract and the performance thereof, it shall comply with:

i. all applicable laws rules and regulation enacted to combat bribery and corruption (including but not limited to U.S. Foreign Corrupt Practices Act ("**FCPA**"), the UK Bribery Act 2010 and the Italian Legislative Decree 231/2001) and shall not directly or indirectly pay, offer, promise or give anything (including service) of value to any party, including an employee or official of a government, government controlled enterprise or company, or political party, while being aware of or having a belief that such money or item of value will be passed to influence any act or decision by such person or by any government body for the purpose of obtaining undue advantages to the Seller or to or any other person or entity related to this Contract;

ii. the Code of Ethics as adopted from time to time by the Seller and available for consultation by the Purchaser on the Seller's website at Codice Etico | De Nora.

The Seller shall have the right to terminate this Contract forthwith upon written notice to the Purchaser at any time if in the Seller's reasonable judgment, the Purchaser is in material breach of any of the above representations or undertakings.

The Purchaser acknowledges and agrees that the Seller, as part of Industrie De Nora Group incorporated in Italy, is required to comply with laws and regulations relating to trade control and international economic sanctions, including but not limited to restrictive measures or prohibitions under applicable European Union (EU), United Nations (UN), United States of America (USA) (collectively, the "**Measures**"). The Purchaser represents and warrants that *(i)* it is not included in any list of natural or legal persons, entities or bodies subject to any Measures, nor owned or controlled by any such person or entity (a "**Designated Party**") *(ii)* it shall comply with all Measures applicable to Seller and/or Purchaser and/or the Products and to such effect shall take all the necessary steps to ensure full compliance thereof and *(iii)* it shall not export, resell, transfer or otherwise make available, directly or indirectly (including without limitation through shippers or forwarders), any Product to any Designated Party.

The Seller shall notify the Purchaser if any Products deliverable by Seller are restricted by any Measure. Seller shall not be liable to Purchaser for any failure or delay in performance of the Contract, if such failure or delay is caused by any of the Measures. Should any Measures be issued at any time preventing Seller from performing this Contract or which, in the reasonable judgment of Seller, represent a risk of liability under the Measures then Seller shall be entitled to terminate with immediate effect the Contract with no liability to Purchaser on written notice to Purchaser. The Purchaser shall indemnify and hold harmless Seller from any liability, damage or detrimental consequence that may arise from any violation of any of the Measures and undertakes to transfer such provisions to its possible customers. Purchaser shall provide to Seller any documentation, including without limitation a duly stamped and signed end user certificate as requested by Seller in a form satisfactory to Seller, to evidence Purchaser's compliance with any applicable import-export laws and/or Measures. Seller shall have the right to terminate the Contract forthwith in the case of Purchaser's failure to comply with its undertakings or on violation or likely violation of the representation and warranties herein provided by Purchaser.

If the Seller's performance is prevented or made unreasonably difficult or commercially uneconomic by the occurrence of one of the following events (each an "**Excusing Event**"):

a) any change in the Measures, including, but not limited to, the adoption of

export control laws and regulations or international economic sanctions of any kind which, in the reasonable judgment of Seller, represent a risk of liability under the Measures that may impact Seller's obligations;

b) any amendment, extension or revision, or any change in the interpretation or in the application, by any court or regulatory authority with competent jurisdiction, of any Measures existing at the time of execution of this Contract;

c) failure to obtain any authorization, permit or license necessary for the efficacy or execution of the sale of the Products and /or Services by any competent authority;

d) any other event, whether or not similar to the ones specified above, outside the control of Seller, which would prevent the execution of the sale on the agreed terms, because of Measures.

The Seller shall then notify the Purchaser in writing of an Excusing Event and consult with the Purchaser in good faith on useful or necessary steps to be taken to ensure the regular execution of the Contract. The fulfillment of the parties' respective obligations will be suspended during a consultation period of 90 days ("**Consultation Period**") from the date of the notification of the Excusing Event. If, after the Consultation Period Seller's obligations cannot be further executed because they have become impossible invalid or unlawful under the applicable law, Seller shall be entitled to terminate the Contract without any right of Purchaser to obtain compensation or any other similar relief. In case Seller's obligations are not impossible unlawful or invalid per se, but they have become more difficult or uneconomic or expose Seller to risks of liability under the Measures, the execution of the sale shall be suspended from the date of the notification of the Excusing Event until the Excusing Event terminates. In this last case, Seller and Purchaser shall each have an obligation to mitigate the prejudice suffered as a result of such suspension. If such suspension lasts for more than 200 days in aggregate, either party shall be entitled to terminate the Contract without any compensation or any other relief to the other party.

To the extent applicable to the Products and / or Services and Purchaser in the context of the Contract in question, the Purchaser covenants, represents and warrants that the Products which are restricted pursuant to Art. 12*g* of Regulation (EU) no. 833/2014 and Art. 8*g* of Regulation (EU) 765/2006 ("**Restricted Products**"), supplied by Seller will not be sold, supplied, transferred or exported, directly or indirectly (including via representatives, agents, distributors or any third parties), to any natural or legal person, entity or body in the Russian Federation or in Belarus and/or re-exported or transferred for intended use in the territory of the Russian Federation or in Belarus. The Purchaser covenants to ensure that a similar provision is inserted in all its contracts with third parties having as their object the Restricted Products and undertakes to promptly notify Seller of all such contracts as well as all breaches of the above covenants, representations, and warranties. The Purchaser acknowledges that the Seller is obliged to notify the competent authorities of any breach of the above covenants, representations, and warranties. In case of breach by the Purchaser at any time of the provisions under this article, the Seller shall be entitled to terminate the Contract executed between the Seller and the Purchaser forthwith by written notice, without prejudice to its right to immediately receive payment of the purchase price for the following items: *(i)* Products or Services which have been supplied and/or performed, as the case may be, or are in process at the date of termination; *(ii)* the portion of the purchase price for all components or products specially ordered or assembled;*(iii)* the amount of any reasonably unavoidable bona fide cancellation charges payable by Seller to sub-suppliers without prejudice to the right of the Seller to claim any damages. The Purchaser shall indemnify and hold harmless the Seller against any liability, losses, damages (including reputational damages) or costs (including any reasonable and documented legal costs) incurred or suffered by Seller as a result of any such breach.

5. PRODUCT ACCEPTANCE

Except for Products that are not assembled at Seller's facility, Purchaser has the right to inspect Products at Seller's facility prior to shipment provided that advance written arrangements are made by Purchaser and are confirmed in writing by Seller. Any and all costs associated with inspection and testing requested by Purchaser at Seller's facility will be paid solely by Purchaser. Purchaser shall inspect the Products within a reasonable period of time following receipt at the point of destination and prior to conducting any Acceptance Test (as defined below) to determine if the Products are damaged, incomplete or do not otherwise conform to Purchaser's express specifications. If Purchaser receives Products with visible or suspected damage or loss, including damages to the packaging, with discrepancies in specification, or with discrepancies in quantities, Purchaser shall make relevant notes in receiving documents and notify Seller in writing immediately (no more than three (3) days unless expressly authorized by Seller). Such notice shall be reasonably detailed and shall specify the damage or discrepancy. Purchaser's failure to inspect the Products and/or give written notice to Seller of any alleged defects or non-conformity within a reasonable period of time after receipt at the point of destination shall waive Purchaser's right to reject the Products and return them to Seller for credit and Purchaser's sole remedy for non-conforming or defective Products shall be warranty claims made in accordance with Article 8 herein.

For purposes of this Article 5, "reasonable period of time" means a period of time that is not immoderate or excessive, in accordance with prevailing industry standards at the time of delay.
If Seller's Documentation expressly provides that the Products are subject to specific acceptance testing (the "**Acceptance Test**") in order to verify Product performance in accordance with specifications set forth in Seller's Documentation, the Products shall be deemed fully accepted when they have satisfied the requirements of the Acceptance Test. Purchaser's remedy for Products that have failed an Acceptance Test or are within the warranty period shall be limited, at Seller's sole discretion, to the repair or replacement of such Products.

Notwithstanding any right conferred upon the Purchaser to inspect or test the Products prior to acceptance, any use, repair, modification, or alteration of the Products by Purchaser, its agents, employees or licensees, for any purpose after delivery thereof, shall constitute Purchaser's irrevocable and unconditional acceptance of the Products. Accordingly, in the event of any discovery by Purchaser of a non-conformity or defect following such acceptance of the Products, Purchaser's sole recourse is a warranty claim pursuant to the warranty provisions stated in Article 8 herein.

6. INSTALLATION AND/OR START UP SERVICES

If Seller's Documentation includes the provision of Services (including installation supervision, on-site assembly, or start-up services), Purchaser will confirm to Seller at least two (2) weeks (or such shorter term set forth in Seller's Documentation) prior to the date Seller's personnel will be required on site to perform such Services that Purchaser has fully completed all work necessary for such Services in accordance with Seller's Documentation. In the event that the completion of such Services is delayed for any reason not the fault of Seller, Purchaser shall pay for any additional costs resulting from the delay. Seller shall not be responsible for the means and methods selected for such Services, or for the manner in which such Services are performed, including the efficiency, adequacy and safety of same. Seller makes no warranty, express or implied, with respect to such Services, except that the Seller shall be responsible for any claims or damages resulting from its own negligence.

7. SUSPENSION AND CANCELLATION

Unless expressly provided for in Seller's Documentation, Purchaser shall have no right to suspend, cancel, or partially cancel a Contract. If the Seller's Documentation expressly grants to Purchaser the right to unilaterally suspend Seller's performance, Seller shall be provided with not less than ten (10) business days prior written notice of such suspension. Thereafter, Seller shall resume performance as soon as commercially reasonable following written notice from Purchaser to resume work. In the event of such suspension, Seller shall be entitled to reimbursement for all additional costs reasonably incurred by Seller in carrying out the suspension, to be paid within 30 days Seller's invoice for such costs.
If the Seller's Documentation expressly grants to Purchaser the right to unilaterally fully or partially cancel a Contract, then in the case of such cancellation or partial cancellation, Purchaser shall within thirty (30) days of any such full or partial cancellation pay Seller: *(i)* the purchase price for those Products or Services which have been performed / delivered or are in process in accordance with the Contract at the date of cancellation; *(ii)* the purchase price for all components or Products specially ordered or assembled but not yet delivered; *(iii)* the amount of any reasonably unavoidable bona fide cancellation charges payable by the Seller to sub-suppliers and *(iv)* any other reasonable costs incurred by Seller as a result of such cancellation including, if applicable, an appropriate restocking fee.

8. LIMITED WARRANTY

Seller warrants Products of its manufacture and Services performed to be free from material defects in workmanship and materials for a period of 12 months after first startup, performance, or installation (whichever is earlier), or 18 months after shipment, whichever occurs first, provided that the Products are operated strictly under normal use and service as defined in the standard Seller documentation supplied with or applicable to the Products (the "**Product Documentation**"). This Limited Warranty applies only to the original Purchaser or authorized end-user for new and unused equipment and not to spare parts, any re-sold or otherwise transferred equipment, or any unauthorized repairs or refurbished equipment, and is contingent upon the original Purchaser not being in default of any payment or other obligation to Seller of any kind or type. This Limited Warranty may be transferred ONLY with the express written permission of Seller. Only Seller's authorized representatives are authorized to conduct warranty-related repairs and any attempted or executed repair or replacement conducted by any party other than a Seller-authorized representative will immediately and irrevocably void any and all warranties related to the applicable Products, including any components or attachments thereon.

Where Products sold hereunder are used with any attachments and/or modifications or is used in any manner or for any purpose which have not been expressly approved by Seller in writing, such use shall not be considered normal and this Warranty shall be immediately and irrevocably void and of no effect.

Seller's liability pursuant to this warranty and for any and all defects related to any and all Products subject to this Limited Warranty is limited to the replacement or repair (at Seller's sole and exclusive discretion) of materially defective parts returned freight prepaid by Buyer to a location to be specified by Seller or repaired or replaced on site by a Seller-authorized representative (provided, however, that all labor and expenses for access to, removal, disassembly, and reinstallation of warranty parts, which shall be at the sole cost and responsibility of the warranty claimant). Repaired parts shall be returned to BUYER F.O.B. shipping point.

When circumstances permit and with no further obligation or duty of Seller, Seller may invoke for the benefit of the Buyer, any Guarantee or Warranty of Seller's vendor for equipment or materials furnished by, but not manufactured by Seller, provided, however, that Seller is not responsible for and makes no representations or guarantees as to the applicability, enforceability, or performance of any such third-party warranty.

This Warranty does not extend to, and Seller assumes no liability for, consequential and/or secondary damages, or loss of any kind sustained directly or indirectly as a result of a defect in any equipment, material or installation. Seller shall in no event be liable in an amount exceeding the purchase price on any equipment and transportation charges thereon.

This Limited Warranty will be voided if the Buyer or end user of Seller-manufactured Products fails to perform the maintenance and/or operational procedures described in the Product Documentation. All relevant maintenance logs/records must be maintained and copies made available to Seller for review upon request for any warranty claim. This Limited Warranty further does not cover, and will be of no effect in relation to any damages caused, in whole or in part by: *(i)* "Acts of God"" or unavoidable natural disasters including but not limited to floods, storms, lightning, power outages, weather, earthquakes, etc.; *(ii)* theft, vandalism, or other damaging acts, whether or not intentional or negligent; *(iii)* abuse, misuse, or neglect, whether or not intentional or negligent; *(iv)* failures or repairs resulting from the failure (whether or not intentional or negligent) to perform preventative maintenance and/or operational procedures in strict accordance with the Documentation; *(v)* damages or defects in any Seller product or component, which were caused by initial start-up, repairs or attempted repairs, improvements or attempted improvements, or any other alterations of any kind performed by anyone other than a Seller-authorized service provider; *(vi)* normal wear

and tear or depreciation; *(vii)* abuse by abnormal system conditions including but not limited to temperature, chemical, or debris, or other conditions in excess of those expressly stated in the Documentation; *(viii)* goods that have not been improperly stored by Buyer, end-user, or their representatives prior to installation and start-up in strict compliance with the storage conditions stated in the Documentation; or *(ix)* equipment/programming which has been revised, or altered, improved, modified, repaired, or otherwise changed in any way by anyone other than a Seller-authorized service provider. Purchaser assumes full responsibility in the event Purchaser uses the Products in combination with other goods or in any manner not stated in Purchaser's written specifications provided prior to sale.

SELLER MAKES NO WARRANTIES REGARDING EQUIPMENT MANUFACTURED BY IT OR OTHERS (INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO MERCHANTABILITY AND FITNESS FOR A PURPOSE), EITHER EXPRESSED OR IMPLIED, EXCEPT AS PROVIDED HEREIN. IT IS THE BUYER'S SOLE RESPONSIBILITY TO DETERMINE SUITABILITY FOR BUYER'S OWN USE OF ANY PRODUCTS OR SERVICES.

THE WARRANTIES SET FORTH HEREIN, IF ANY, ARE MADE EXPRESSLY IN LIEU OF OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AND ANY IMPLIED WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, EVEN IF THAT PURPOSE IS KNOWN TO SELLER, OR INFRINGEMENT OF THIRD-PARTY RIGHTS IS HEREBY EXPRESSLY EXCLUDED.

SELLER'S LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR ANY FAILURE BY SELLER TO SUPPLY PRODUCTS THAT MEET THE FOREGOING WARRANTY IS EXPRESSLY LIMITED TO, AT SELLER'S SOLE OPTION, THE REPAIR OR REPLACEMENT OF THE NON-CONFORMING PRODUCTS.

9. INDEMNIFICATION

Purchaser and Seller shall each defend, indemnify and hold the other harmless from and on account of all bodily injury and property damage claims asserted by third parties as a result of the other's negligent acts or omissions. To the extent that both Purchaser and Seller are determined by a finder of fact to be negligent and the negligence of both is a proximate cause of a claim by a third party against either Purchaser or Seller, then in such event, Purchaser and Seller shall each be responsible for a portion of the liability, including costs and expenses, attributable to its comparative share of the total negligence.

a) Seller agrees to indemnify and hold harmless Purchaser against any third party claim alleging that the Products infringe any such third party's patent which, on the effective date of the Contract, is validly registered in the country where the Products have been delivered to the Purchaser pursuant to the Contract ("Claim"), provided that: (a) Purchaser gives Seller written notice immediately when such Claim is asserted and provides Seller with all information and assistance requested by Seller; (b) Purchaser has adopted reasonable measures to mitigate damages which may derive from the Claim; (c) Purchaser does not admit, confess or acknowledge any infringement, liability or negligence without Seller's prior written approval, nor make any action or omission which may prejudice Seller's rights or position; (d) Purchaser gives Seller sole control of the defense of the Claim as well as the right to settle the Claim, at Seller's costs and expenses; (e) Purchaser allows Seller to modify, replace or recall the Products in order to cease the infringement; (f) to the maximum extent permitted by law, Seller's obligations and total liability in relation to the Claim shall not exceed, in any case, 10% of the purchase price received by Seller for the Products affected by the Claim; (g) the Claim is made no later than 24 months after Seller delivered (pursuant to the relevant Incoterms) to Purchaser the Products affected by the Claim); and (h) if the Claim is rejected by any judicial authority, upon Seller's request Purchaser shall reimburse Seller all amounts paid in relation to the Claim within thirty (30) days following Seller's request, except for any amounts reimbursed by the third party who made the Claim.
Notwithstanding the foregoing, Seller shall have no liability or obligation to Purchaser in the event that the alleged infringement is based on or arises out of any of the following events:compliance with requests, instructions, drawings, plans, specifications or other information provided by or on behalf of Purchaser;

b) use of the Products not in accordance with Seller's instructions or in a manner for which the Products were neither designed nor contemplated

c) reparations, replacements, alterations or modifications to the Products or their components made by anyone except Seller or its authorised representatives;

d) use of the Products in combination with goods or services not provided or recommended in writing by Seller; or

e) the alleged infringement concerns a patent in which the Purchaser or any affiliate or subsidiary of Purchaser has any direct or indirect interest by license or otherwise.

In the event that the Claim is upheld or confirmed by a final decision on the merit issued by the competent judicial authority and prohibiting the Purchaser from using the Products, the Seller may, at its sole discretion and at its own expense: (a) modify or replace the Products to cease the infringement; or (b) obtain a license on commercially reasonable terms for the Purchaser's use of the Products; in each case, provided that, to the maximum extent permitted by law, Seller's obligations and total liability in relation to the Claim shall not exceed the limit set out in this Article 9 above. If Seller is unable to implement any of the remedies referred to above, each Party may terminate the Contract (or any part of the Contract adversely affected by the above final decision on the merit). If the Contract is terminated (in whole or in part) pursuant to this Article, Seller shall reimburse the purchase price paid by Purchaser (or the relevant part thereof, in the event of partial termination) on condition that Purchaser returns to Seller the Products adversely affected by the above final decision on the merit (in the same condition as they were received by Purchaser, except for normal wear and tear due to diligent use). To the maximum extent permitted by law, Seller's obligations and the right to terminate the Contract under this Article 9 shall be Seller's sole obligations and liability, and the Purchaser's sole remedy, in relation to any Claim.

10. LIMITATION OF LIABILITY

Notwithstanding any other provisions of this Contract, Seller's total aggregate liability to Purchaser with respect to any cause of action or claim hereunder including, without limitation, any indemnities hereunder, shall not exceed 10% of the purchase price payable pursuant to the Contract. In no event shall Seller be liable, either directly or as indemnitor of Purchaser, for any special, punitive, indirect or consequential damages, damages for loss of use, loss of income, loss of profit, or any other indirect damages of any kind or type. Notwithstanding the above, this limitation of liability shall not apply to claims arising from Seller's gross negligence or willful misconduct. All of Purchaser's claims or actions of any description whatsoever against the Seller shall be brought not later than one (1) year after the occurrence of the event upon which each such claim or action is based.

11. FORCE MAJEURE; DELAY EVENTS; PRICE CHANGES

Force Majeure shall mean any act, event or condition that is beyond Seller's reasonable control, that materially and adversely affects Seller's ability to perform its obligations hereunder, and that is not the result of Seller's willful neglect, error, omission or failure to exercise reasonable due diligence. For the avoidance of doubt, delays caused by or related to shortages or unavailability of raw materials or component parts to be supplied by Seller or Seller's sub-suppliers, supported by relevant documentary evidence, shall be considered a Force Majeure event.

Seller shall not be liable for any delay in performance or failure to perform any obligation hereunder if, and to the extent that, such failure or delay is caused by an event of Force Majeure. If Seller is unable to perform any of its obligations hereunder as a result of a Force Majeure event, Seller shall be required to resume performance upon termination of the event and shall have reasonable additional time for performance.

In addition, to the extent that a Force Majeure event materially increases Seller's cost of performance hereunder, Seller shall be entitled to an equitable contribution from Purchaser towards such additional costs of performance, excluding any costs that are covered by Seller's insurance.

Each party shall exercise reasonable efforts to resolve any impediment, however, neither Party shall be obligated to incur additional costs of more than 5% of the order value. The party affected should give notice to the other party as soon as practicable of the prevention, restriction, hindrance, delay, or interference with its performance.
Notwithstanding any other provision of these Terms or the Seller's Documentation, unless otherwise expressly stated in the Seller's Documentation, if, at any time during the course of Seller's performance of the sale of the Products or Services, there is an unforeseen and material increase in the price or supply chain of raw materials, materials, labor, or other costs of Seller associated with the Products or Services, Seller shall have the right to reasonably adjust the prices or delivery dates or terms set forth in the Seller's Documentation upon written notice to the Purchaser setting forth the amount of such price adjustment or change in delivery terms and reasonably setting forth the cost changes associated therewith.

12. DEFAULT AND TERMINATION

The substantial failure of either Party to comply with the terms herein shall constitute default hereunder. Upon default by one Party, the other non-defaulting Party shall provide written notice clearly specifying the nature of the default. The defaulting Party shall have thirty (30) days to cure the default. If the default is capable of being cured within thirty (30) days and is not cured within thirty (30) days, this Contract may be terminated. In the case of default that cannot be cured within thirty (30) days, this Contract shall not be terminated so long as the defaulting Party has given written notice of extension to the other Party and the defaulting Party has commenced and is diligently pursuing a cure.

For purposes of this Contract, the failure of Purchaser to pay Seller in accordance with the payment terms hereunder shall be considered a substantial default for which no cure period beyond thirty (30) days shall be allowed. In the event of the Purchaser's default, Seller may, in addition to the right to terminate set forth in this paragraph, elect to suspend work until the default has been cured.

In the event of any full or partial termination of this Contract by Seller in case of Purchaser's default, Seller shall be paid the portion of the purchase price attributable to Products delivered and Services rendered (including components or Products specifically manufactured/assembled or special ordered for the Purchaser that have yet to be supplied) through the date of termination, as well as for any additional damages which have been incurred by Seller in consequence of the default of Purchaser.
No delay or omission on the part of the Seller in exercising any right or remedy hereunder shall constitute a waiver of any such right or remedy on any future occasion.

13. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

All devices, equipment, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller in connection with the Products and/or Services sold hereunder shall remain Seller's exclusive property. Purchaser shall not disclose any such material to third parties without Seller's prior written consent.

Purchaser undertakes not to carry out, directly or through third parties, any of the following activities: (i) analyze, disassemble, deconstruct, decompile or reverse engineer the Products and/or Services; (ii) modify or alter the Products and/or Services; (iii) use the Products and/or Services to design, develop, manufacture or market any product and/or service that competes with the Products and/or Services for three years from the effective date of the Contract; (iv) use the Confidential Information to conceive, create or obtain improvements, know-how, discoveries and/or inventions in relation to the Products and/or Services; (v) file applications for patents or other

intellectual or industrial property rights in relation to the Products and/or Services that may impede or limit the manufacturing, use, distribution, sale or import of the Products and/or Services by Seller or its licensees or assignees anywhere in the world; (vi) use the Products and/or Services in a manner other than as specified in the Seller's instructions, or for a purpose or in a manner for which the Products and/or Services were not designed or marketed; (vii) remove, conceal or alter any trademark or other distinctive signs affixed by Seller on the Products and/or Services. In the event of a breach of the foregoing, Purchaser shall immediately notify Seller in writing: (i) the breach of such undertakings and all information, improvements, know-how, discoveries and inventions resulting from the breach; and (ii) the intellectual property rights (and all similar or equivalent rights or forms of protection) requested/registered by Purchaser in relation to such improvements, know-how, discoveries and inventions. Purchaser also undertakes to transfer to Seller, at Purchaser's expense and free of charge, without delay, the ownership of any intellectual or industrial property rights to such improvements, know-how, discoveries and inventions, and to cooperate and do everything necessary, at its own expense, to ensure the perfection of Seller's exclusive ownership of such rights, without prejudice to any other rights and remedies of the Seller under the law and the Contract.

Seller will retain sole ownership of all discoveries, improvements, inventions, patents, trademarks, copyrights, know-how, trade secrets, or other intellectual property rights associated in any way with the Products and/or Services. The Parties specifically agree that all improvements, inventions, discoveries and copyright in works of authorship, including those in formative stages, made by either Party hereto (either alone or jointly with others) improving upon or related to the Products and/or Services shall from the time of conception or, in the case of works of authorship, from the time of creation, be the sole property of Seller.

Except for the marking of Products as required by applicable law or as requested by Seller, Purchaser shall not use Seller's name, logo, trademarks, trade names, or other intellectual property in any manner, including product literature, advertisements, or marketing materials without the express written permission of Seller.

In entering into this Contract, Purchaser expressly grants to Seller a fully-paid up, royalty-free, worldwide, non-exclusive, perpetual and sublicensable license to use Purchaser's name, trade dress, and logo for the exclusive and limited purpose of identifying Purchaser (and the name or generalized description of Purchaser's project) as a customer of Seller on Seller's website and other marketing materials and for the issuance of press releases or other marketing materials related to the Purchaser or this Contract. Further, by entering into this Contract, Purchaser agrees to, as commercially feasible, to receive reference requests related to the Seller and to coordinate with the Seller following the completion of this Contract on a case study or other post-contract analysis as reasonably requested by Seller.

Purchaser agrees not to disclose to any third party any information that is confidential, proprietary or otherwise not generally available to the public or Intellectual Property Rights on the Product(s) or Service(s) received from Seller (the "**Confidential Information**") and not to take any steps which might affect the confidentiality thereof. Purchaser agrees to: (i) use the Confidential Information only for the purpose of the Contract and to refrain from using it for any other purposes; (ii) adopt adequate security measures in order to protect the Confidential Information from unauthorized access, use or disclosure. Without limitation to the generality of the foregoing, Purchaser agrees that any information regarding the Product(s) and/or the Service(s) and its components, assembly, geometry, or operation, shall not be disclosed to any third party. Purchaser will treat any information connected with the Product(s) and/or the Service(s) as Seller's trade secrets. The foregoing obligations of confidentiality shall not apply to those portions of the information which: (*a)* are or become generally publicly available through no act or failure to act by Purchaser and/or any person acting on behalf of the same; *(b)* have been published with the written consent of Seller; *(c)* are subsequently disclosed to Purchaser by a third party having the right to disclose such information, provided that such information have not been illicitly obtained by any third party in violation of the right of Seller and that such third party is not bound by confidentiality obligations with respect to such information; *(d)* are requested to be disclosed to any governmental authority or agency, court or public entity and any other lawful authority (including any stock exchange) but only to the extent required to comply with the request of such authority or other entity; *(e)* are requested to be disclosed pursuant to any rules, laws, statutes or regulations to which Purchaser is subjected from time to time but only to the extent required by such law, statue or regulation. If regarding information under *(d)* and *(e)*, Purchaser shall promptly notify the Seller of such disclosure, limit the disclosure to the minimum extent required and make its best efforts to maintain the secrecy of the Confidential Information. Upon Seller's request or upon termination of the Contract for any reason, Purchaser undertakes to immediately cease any use of the Confidential Information and to return to Seller (or to destroy it if return is not possible) all Confidential Information in the possession of Purchaser (and of any person acting on behalf of the same) without retaining any copies, providing written proof of such return or destruction no later than 10 (ten) days after the termination of the Contract or, if applicable, of Seller's request. The secrecy obligations set forth hereunder shall remain in force, also after completion or termination of the Contract, until the Confidential Information will become publicly available for reasons other than a breach of such secrecy obligations by the Purchaser and/or any person acting on behalf of the same.

Without prejudice to the above paragraph, either Party may disclose any Confidential Information received from the other party as required by law or regulation, by order of a court or by order of a governmental and any other lawful authority (including any stock exchange); provided, however, that the Party promptly notifies the other Party of such disclosure and disclosure is limited to the minimum to ensure compliance with such order or law. Parties also undertake to cooperate, to the extent necessary, for the purposes of complying with the applicable provisions, including any applicable disclosure obligation, provided by mandatorily applicable laws in each relevant jurisdiction.

14. RELIANCE ON INFORMATION

Purchaser acknowledges that Seller has used and expressly relied upon information provided by the Purchaser, if any, regarding site conditions, specifications and other technical requirements in the design, installation and start‐up of its Product(s) and the provision of Services. Seller shall not be obligated to establish or verify the accuracy of the information furnished by the Purchaser nor shall Seller be responsible for the impact or effect on its Products(s) and any Services provided by Seller hereunder of the information furnished by the Purchaser in the event that such information is in error.

15. DISPUTE RESOLUTION

All matters arising out of or relating to the Contract shall be governed by and construed in accordance with the internal laws of the State of Ohio, USA without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than those of the State of Ohio, USA. Any legal suit, action or proceeding arising out of or relating to this Contract shall be instituted in the courts of the State of Ohio, USA in each case located in Cuyahoga County, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The United Nations Convention on Contracts for the International Sale of Goods ("CISG") shall not apply to this Contract.

16. MISCELLANEOUS PROVISIONS

The Contract constitutes the entire agreement of sale and purchase between Purchaser and Seller and supersede all prior or contemporaneous communications, representations, understandings or agreements, whether written or oral, unless such document states that it intends to modify this Contract and is signed by both Parties. No modification of this Contract (including changes in scope, specifications, price or delivery schedule) shall be of any force or effect unless made pursuant to a writing signed by both Parties. No course of dealing or performance or usage of trade may be used to modify this Contract. Those federal contract clauses required to be expressly incorporated into this Contract are expressly incorporated herein by reference as if originally included herein. The English language shall be the official text of this Contract.

The failure on the part of either Party to enforce its rights as to any provisions herein shall not be construed as a waiver of its rights to enforce such provisions in the future. Should any provision of this Contract for any reason be declared invalid or void, such declaration will not affect the remaining provisions of this Contract, which shall remain in full force and effect.

Purchaser may not assign or permit any other transfer of this Contract without Seller's prior written consent. Purchaser acknowledges that Seller shall be entitled to manufacture the Products at any of its or its affiliates' facilities worldwide, and the Contract may be assigned to such affiliates without the consent of Purchaser. This Contract is entered into solely between, and may be enforced only by, the Purchaser and Seller; and this Contract shall not be deemed to create any rights in third parties, including customers, subcontractors, or affiliates of the Purchaser, or to create any obligations to any such third parties.

Any translation, summary, or description of the terms herein are provided solely as a courtesy and the terms set forth herein, and the English version thereof, shall govern and have full force and effect and be precedent above any such translation, summary, or description.

Sold To/ Bill To: Quartz Hill Water District
Brach Smith
bsmith@qhwd.org
(661) 943-3170

Ship to: Quartz Hill Water District
5034 West Avenue L
Quartz Hill, CA 93536

Project Description: Media Delivery Only

SALES QUOTE

ChartWater, LLC
dba AdEdge Water Technologies
2055 Boggs Road
Duluth, GA 30096
www.chartwater.com

Date: 11/16/26

Quote #: RJC-071026-1

Item	Quantity	Description	Unit Price	Total
A	208 cu/ft	**Media** MM10033 Bayoxide E33 GFO Media *Packaged in (4) 52 cubic foot Supersacks (6,614.5 lbs Total)*	**$64,518.02**	
B	10 cu/ft	GR10018 1/8" x 1/16" Underbedding Gravel *Packaged in (20) 1/2 cubic foot bags (950 lbs Gravel Total)*	**$390.00**	
C	2	**Spare Parts** TG20073 12x16 Manhole Gasket	**$80.50**	
D	0	**Project Supervision** AdEdge project coordination, onsite supervision of media extraction and loading, Media conditioning and Chlorination, backwashing of media, Recommissioning of treatment system, and Replacing all necessary parts	**Not Included - By Others**	
E	0	**Media Extraction and Disposal** Vac Truck removal of exhausted media, containerization, media loading labor and equipment Waste Profile, disposal of media at Non-Haz landfill	**Not Included - By Others**	
F	0	**Required Lab Testing** **RCRA TCLP Metals 8** Testing for Disposal Utility to Provide Sample Collection, Laboratory Testing, and Submit Results for Waste Profile Waste profile completed & approved for disposal before media removal additional costs may incur if waste profile not completed	**Not Included - By Others**	
G	1	**Shipping and Handling** Estimate Included Attn: Brach Smith Shipping Estimate Includes: Deliver Notification	**$2,700.00**	
H	0	**Taxes**	**Not Included**	
		Total:	**$67,688.52**	

Terms and Conditions

*This quotation/offer is conditional upon completion, to our satisfaction, of our customary know-your-customer and compliance procedures (KYC). Final contract terms shall be agreed in writing thereafter.
* If freight is included, cost is estimate only. Additional charges will be applied to final invoice.
* Freight is FOB Duluth, GA
* Quote is valid for 30 days from date of this proposal
* Sales tax will be determined at time of invoicing based on listed products/services, destination/site, and applicable exemptions.
* Payment terms are Net 30
* Purchase Order and Payment milestones are subject to credit approval by Chart Industries
* All orders are subject to the Chart terms and conditions of sale available online at www.chartindustries.com/terms (the "Chart Terms"). Chart accepts all orders conditional upon the Chart Terms solely governing all transactions, and all other terms and conditions are expressly rejected. Customer's acceptance of Chart equipment or services shall constitute agreement to the Chart Terms.

Upon accetpance of the pricing and the terms and conditions of this quotation, please authorize your purchase by entering your Purchase Order Number and signing below. Email accepted quotations/orders to: rj.cavagnaro@chartindustries.com

Purchase Order No: _____ **Authorized Signature:** _____

Date: _____ **Printed Name:** _____

QUARTZ HILL WATER DISTRICT

Administrative Supervisor Report
November 19, 2026

1. Administrative Team

During the past month, the administrative team responded to an increase in customer calls regarding high water usage while continuing daily billing account payable and other administrative responsibilities. Staff continue to demonstrate flexibility in balancing assigned tasks with incoming calls, walk-in customers and other interruptions throughout the workday. I would like to thank the team for their teamwork, flexibility and continued commitment to providing attentive customer service while I was out of the office the first week of November attending the CSDA Board Secretary Conference. Staff adjusted assignments and prioritized responsibilities and worked together to keep daily operations flowing.

2. Door Tags, Shut-Off for Non-Payment and Average Past Due Amount

For water consumption during the month of August, payment was due November 9 before late fees were assessed. Staff issued 483 late notices and 188 shut-off notices. A total of 36 accounts were disconnected for non-payment. The average past due amount was $147.04.

	2026				
Month	Late Notices	Shut Off Notices	Shut Off for Non-Payment	Closed Next Day	Average Past Due
October	483	188	36	2	147.04
Annual Total	3846	1653	305	46	77.60

3. Customer Outreach

Staff continued monitoring accounts for unusually high usage. Customers were contacted when usage patterns triggered a new active leak alarm or a significant increase in consumption. By contacting customers directly, staff hope to identify and address potential issues early, helping to avoid unnecessary water loss and unexpected charges. Over the past few weeks staff continued receiving a high volume of calls regarding increase consumption. Staff provided customers with information regarding their usage patterns and emphasize the importance of conservation.

4. Upcoming Community Events and Customer Notifications

Customers were notified of the District's upcoming holiday office closures through their monthly billing statements. The statements also included information regarding the District's annual holiday toy drive, scheduled for November 30 through December 18, 2026.

Thank you,

Mrs. Lopez
Administrative Services Supervisor

1. **Mainline break**

Last month, the 16" transmission main on 50th street west ruptured causing a water loss of about 300,000 gallons. Staff responded quickly and were able to stop the leak in less than 1 hour. The fast response prevented the interruption of service to our customers and minimized erosion damage from the water flow. After a very long day, staff successfully completed the repair of one of the biggest leaks in the history of Quartz Hill Water district.



2. **Service Line Leaks**

Our dedicated field staff continue to respond quickly and effectively to leaking service lines, ensuring minimal water loss and limited disruption to essential service for our customers. Even after regular business hours, crews have addressed leaks promptly, demonstrating their commitment to reliable service around the clock. 13 service line leaks have been repaired in the last month.



3. Valve Turning and Flushing

As part of the routine annual maintenance of our distribution system, staff conduct valve turning and flushing. Exercising the District's valves prevents corrosion build-up and minimizes the chance of a valve lockup. This program also ensures that water quality standards are maintained. Our crew exceeded expectations this year by completing the annual valve turning program ahead of schedule.



4. Construction Inspections

District staff continue to work closely with the developers building new homes within the District to verify that their work meets our standards. Staff conduct daily inspections of the installation of new water mains, service connections, and fire hydrants to ensure that new infrastructure can be reliably operated and maintained by the District for years to come.



5. **Water Levels**

   Monthly monitoring of the district owned groundwater levels continues. These levels are currently stable and on par with historical averages. Proactive groundwater management is a priority of the District's commitment to preserving long-term reliable sources.

6. **Water Availability**

   Monitoring of State water supply, groundwater supply, conservation cutbacks, and other available water resources continue to be a priority of management. Operational changes are made daily to utilize all available water resources and minimize production costs.

Thank you,

Brach Smith

Assistant General Manager

QUARTZ HILL WATER DISTRICT

General Manager Report
November 19, 2026

Dear Directors,

October was a productive month for the QHWD team. Cooler weather lowered water consumption, with average daily demand of approximately 4.14 million gallons. Field crews addressed seasonal service-line leaks, replaced mainline valves, maintained District facilities, responded to customer service needs, and took part in ongoing training, reflecting the District's commitment to staff development. Administrative staff also conducted proactive outreach to customers whose water use exceeded 150% of their individual monthly average, and several customers expressed appreciation for the personal notification. Additional information on field operations and capital improvement projects is available in Assistant General Manager Brach Smith's report.

Well Site 18

Test drilling at Site 18 has been completed. After reviewing the water quality data and anticipated production rates, we will proceed with developing and completing the well. Materials are expected to be available the first week of December, and the well drillers will most likely complete the well in December, before the holidays.

Site 32

The pilot study team will be onsite the first week of December to conduct the pilot study. The engineers' data requests have been completed to date, and we are available for any further requests.

Water Supply Report

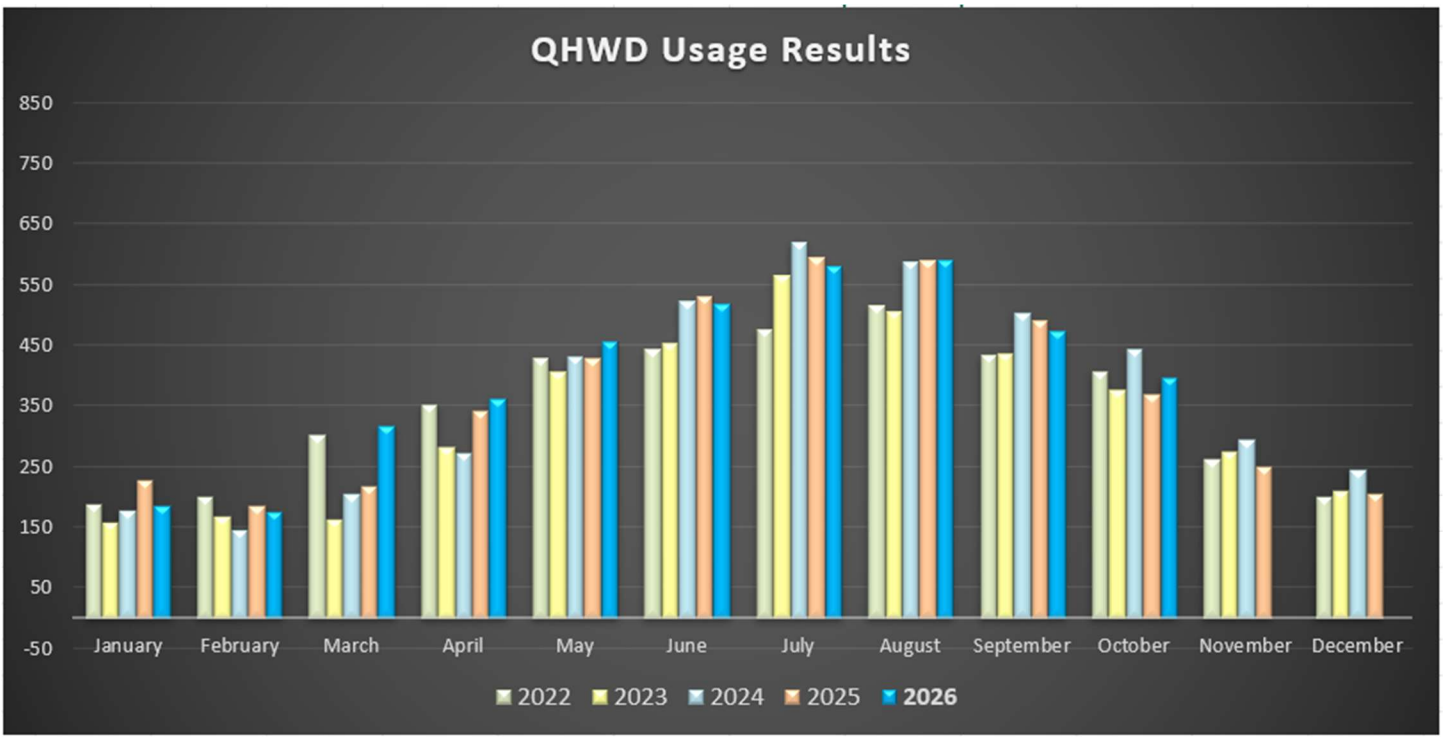
The State has finalized the "Making Conservation a California Way of Life". The District has already adopted several of the key actions in accordance with the regulation and will tailor our outreach messages to further promote the regulation. See the following web link for more information on this matter: https://www.waterboards.ca.gov/conservation/regs/water_efficiency_legislation.html

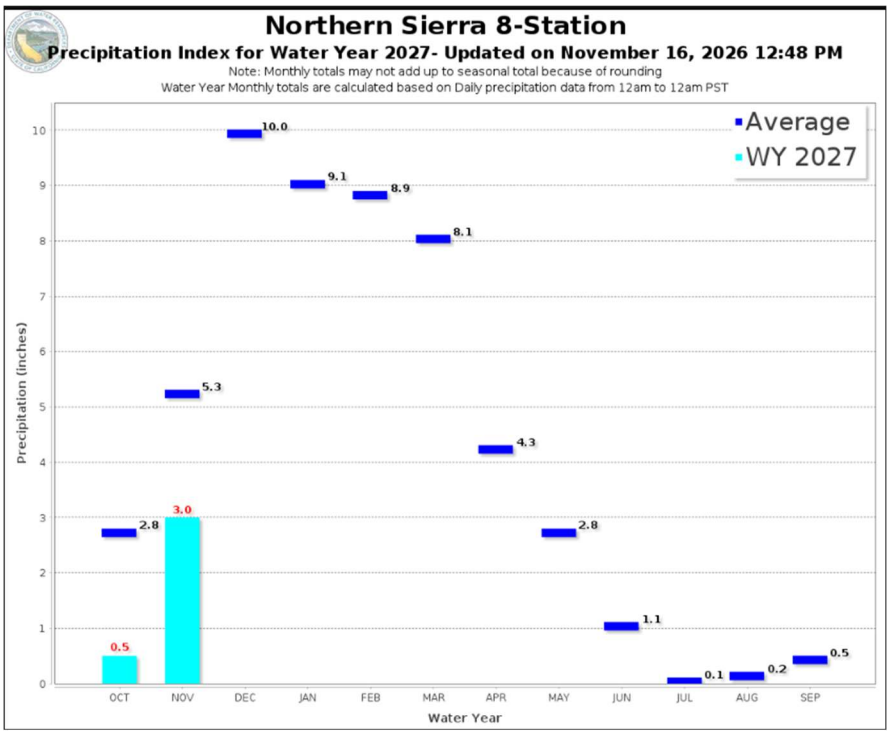
Several reports have come out in which State reservoirs are at above average levels. The state's largest reservoirs, Shasta Lake and Lake Oroville, were measured at a respective 92% and 80% of their historical averages for early November. The Department of Water Resources is releasing water form both reservoirs to make capacity for the anticipated El Nino weather this winter. We will continue to monitor this as well.

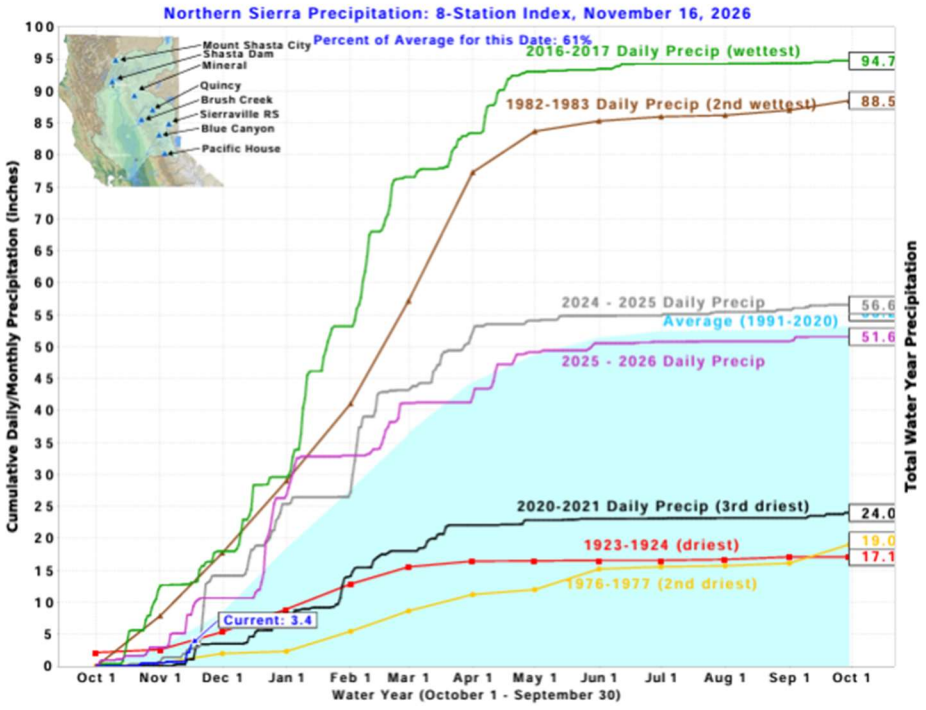
As expected, demand continued to decrease throughout the month of October.

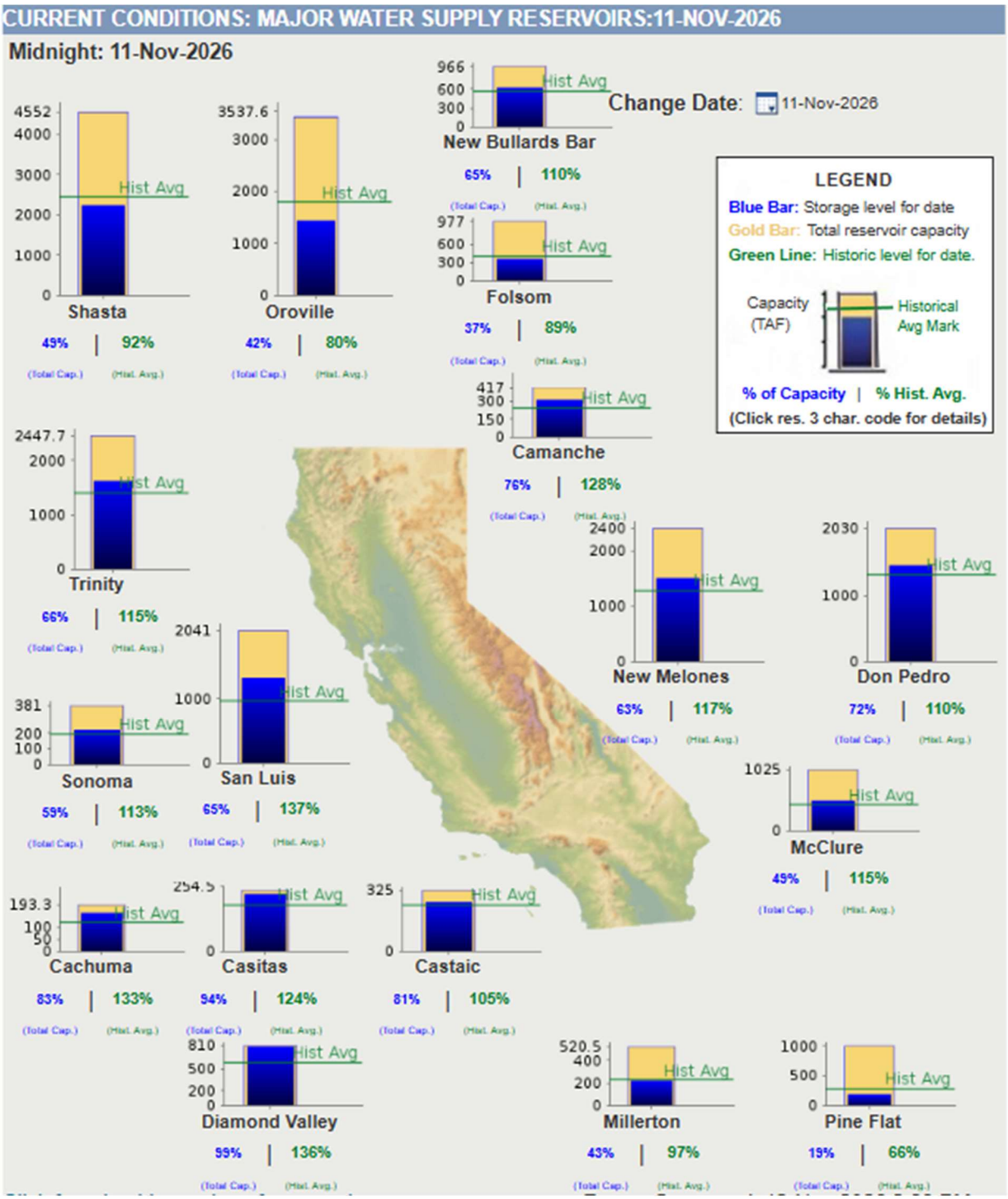
- Total production was 396.77 acre-feet, up 8% from last year, but down 11% from 2020.
- The split was 62% AVEK, 38 % wells.

- Average well runtime was 5.4 hours per day
- Residential per capita was 200.82
- Average daily demand was 4.14 MGD, with highest day being 5.12 MGD on 10/3. The lowest day was 2.86 MGD on 10/30.




Northern Sierra 8-Station
Precipitation Index for Water Year 2027- Updated on November 16, 2026 12:48 PM
Note: Monthly totals may not add up to seasonal total because of rounding
Water Year Monthly totals are calculated based on Daily precipitation data from 12am to 12am PST
Average
WY 2027
Precipitation (inches)
Water Year
OCT 0.5
NOV 3.0
DEC 10.0
JAN 9.1
FEB 8.9
MAR 8.1
APR 4.3
MAY 2.8
JUN 1.1
JUL 0.1
AUG 0.2
SEP 0.5
OCT 2.8
NOV 5.3


Northern Sierra Precipitation: 8-Station Index, November 16, 2026
Percent of Average for this Date: 61%
Mount Shasta City
Shasta Dam
Mineral
Quincy
Brush Creek
Sierraville RS
Blue Canyon
Pacific House
2016-2017 Daily Precip (wettest) 94.7
1982-1983 Daily Precip (2nd wettest) 88.5
2024 - 2025 Daily Precip 56.6
Average (1991-2020) 51.6
2025 - 2026 Daily Precip
2020-2021 Daily Precip (3rd driest) 24.0
1923-1924 (driest) 19.0 17.1
1976-1977 (2nd driest)
Current: 3.4
Cumulative Daily/Monthly Precipitation (inches)
Total Water Year Precipitation
Water Year (October 1 - September 30)
Oct 1 Nov 1 Dec 1 Jan 1 Feb 1 Mar 1 Apr 1 May 1 Jun 1 Jul 1 Aug 1 Sep 1 Oct 1



Daily Reservoir Storage Summary: https://cdec.water.ca.gov/reservoir.html

Budget Outlook

Quartz Hill Water District
Statement of Revenues and Expenditures
From 9/1/2026 Through 9/30/2026

	September 2026 Actual	FY 26-27 YTD Actual	FY 26-27 Budget
Revenues			
Operating Revenues from Rates			
Water Sales - Usage	459,800.80	1,600,049.52	3,892,625.00
Water Service Charges	209,434.90	627,447.68	2,518,631.00
Total Operating Revenues from Rates	669,235.70	2,227,497.20	6,411,256.00
Other Operating Revenues			
Other Operating Revenues	11,674.52	35,373.13	83,143.00
Total Other Operating Revenues	11,674.52	35,373.13	83,143.00
Non-Operating Revenues			
Construction & Development	0.00	4,500.00	22,209.00
Capacity Charges	0.00	127,750.00	100,000.00
Water Replenishment Fees	0.00	46,872.00	0.00
Investment Earnings/(Losses)	(11,727.50)	102,323.68	466,984.00
Taxes & Assessments	0.00	42,554.65	581,402.00
Rents & Leases	6,806.49	63,249.40	111,999.00
Other Non-Operating Revenues	1,270.77	1,917.16	18,775.00
Total Non-Operating Revenues	(3,650.24)	389,166.89	1,301,369.00
Total Revenues	677,259.98	2,652,037.22	7,795,768.00
Expenses			
Water Purchases	327,833.98	918,510.60	2,154,979.00
Salaries & Benefits	176,105.47	646,360.13	2,356,098.00
Operations & Maintenance	50,964.59	232,803.78	1,169,177.00
General & Administrative	77,424.47	218,356.05	923,957.00
OPEB Contribution	0.00	0.00	112,360.00
Total Expenses	632,328.51	2,016,030.56	6,716,571.00
Net Income (Loss) Subtotal	44,931.47	636,006.66	1,079,197.00
Debt Service	0.00	55.00	563,688.00
Capital Outlay (Paygo)	0.00	220,891.00	1,477,900.00
Net Income (Loss) Total	44,931.47	415,060.66	(962,391.00)

Quartz Hill Water District
Capital Outlay
FY 2026-27 - September 2026

CIP Project	FY 26-27 Adopted Budget	YTD Actuals Through 9/30/26	Remaining Budget	YTD% of Budget
Valve Replacements	$ 208,000	-	$ 208,000	0%
Valve & Hydrant Replacement (Ongoing)	42,000	-	42,000	0%
Large Meter Replacement (Ongoing)	26,000	-	26,000	0%
Small Meter Replacement (Ongoing)	208,000	220,891	(12,891)	106%
Meter Box Lid Replacements (Ongoing)	52,000	-	52,000	0%
Well Rehabilitation	156,000	-	156,000	0%
Scada RTU Replacements	83,000	-	83,000	0%
Site 18 Well	702,900	-	702,900	0%
Total	**$ 1,477,900**	**$ 220,891**	**$ 1,257,009**	15%

Revenues and expenses for September were as anticipated.

This concludes my report, and as always please contact me with any questions or concerns at brentb@qhwd.org

Thank you,

Brent Byrne

General Manager