

CITY OF SAN BERNARDINO MUNICIPAL WATER DEPARTMENT

AGENDA REGULAR MEETING WATER BOARD

Tuesday, July 8, 2025 – 9:30 a.m.

MARGARET H. CHANDLER WATER RECLAMATION PLANT
399 CHANDLER PLACE
San Bernardino, California

WATER BOARD

TONI CALLICOTT
President

Commissioners

WAYNE HENDRIX, P.E.
DAVID E. MLYNARSKI
RIKKE V. JOHNSON
THOMAS BRICKLEY



MIGUEL J. GUERRERO, P.E.

General Manager

ROBIN L. OHAMA

Deputy General Manager

STEVE R. MILLER

Director of Water Utility

KEVIN T. STEWART, P.E.

Director of Water Reclamation

CYNTHIA J. MOUSER

Director of Finance

JENNIFER L. SHEPARDSON

Director of Environmental &
Regulatory Compliance

“Trusted, Quality Service since 1905”

Welcome to a meeting of the Water Board of the City of San Bernardino

- The City of San Bernardino Municipal Water Department recognizes its obligation to provide equal access to those individuals with disabilities. Please contact the General Manager's Office (909-384-5191) two working days prior to the meeting for any requests for reasonable accommodation, to include interpreters.
- All documents for public review are on file with the Water Department located at 1350 South “E” Street, San Bernardino or may be accessed online at <https://www.sbmwd.org/agendacenter>
- Please turn off or mute your cell phone while the meeting is in session.
- Any member of the public desiring to speak to the Water Board concerning any matter not on the agenda, but which is within the subject matter jurisdiction of the Water Board, may address the body during the period reserved for public comments. Said total period for public comments shall not exceed forty-five (45) minutes unless such time limit is extended by the Water Board. A three-minute limitation shall apply to each member of the public unless such time limit is extended by the Water Board. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public.
- The Water Board may refer any item raised by the public to staff for appropriate action or have the item placed on the next agenda of the Water Board. However, no other action shall be taken nor discussion held by the Water Board on any item which does not appear on the agenda unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.
- Public comments will not be received on any item on the agenda when a public hearing has been conducted and closed.

THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT ENCOURAGES THE PUBLIC TO VIEW THIS WATER BOARD MEETING ONLINE. THE MEETING WILL BE LIVE STREAMED VIA YOUTUBE AT: <https://bit.ly/YouTubeSBWater>

MEMBERS OF THE PUBLIC WHO WISH TO COMMENT ON MATTERS BEFORE THE WATER BOARD MAY PARTICIPATE IN THE FOLLOWING WAYS:

1. IF ATTENDING IN PERSON, MAY PROVIDE COMMENT AT THE APPROPRIATE TIME DICTATED BY THE AGENDA AND WATER BOARD PRESIDENT.
2. COMMENTS AND CONTACT INFORMATION MAY BE E-MAILED TO Comments@sbmwd.org BY 8:30 A.M. THE DAY OF THE SCHEDULED MEETING TO BE INCLUDED IN THE WRITTEN RECORD.

CALL TO ORDER

ROLL CALL

1. ANNOUNCEMENTS BY MEMBERS OF THE WATER BOARD
2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item not listed on the agenda. There is no limit on the number of items that may be discussed within the three-minute time limit. **To be called by the Water Board President, please see special public comments instructions above.**
3. PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA: A three-minute limitation shall apply to each member of the public who wishes to address the Water Board of any item listed on the agenda, excluding public hearings. There is no limit on the number of items that may be discussed within the three-minute time limit. **To be called by the Water Board President, please see special public comment instructions above.**
4. CONSENT CALENDAR

MOTION: That the motions indicated by consent calendar items 4A through 4C be adopted, except for _____.

MOTION: _____ SECONDED: _____

A. PAYROLL

MOTION: Approve the payroll for the pay period beginning June 30, 2025 through July 13, 2025.

B. CONTRACTS AND BILLS

MOTION: Approve the payment of contracts and bills to be presented at this meeting.

C. MINUTES

MOTION: Approve the minutes of June 24, 2025, of the Water Board.

DISCUSSION ITEMS

5. APPROVAL OF SOFTWARE AS A SERVICE AGREEMENT WITH TYLER TECHNOLOGIES, INC. FOR ENTERPRISE RESOURCE PLANNING SYSTEMS CLOUD HOSTED SERVICES: The City of San Bernardino Municipal Water Department (Department) currently utilizes Tyler Technologies, Inc. (Tyler) on premise software as the Department's Enterprise Resource Planning (ERP) system. This software encompasses financial management, purchasing, accounts payable, and people management (Human Resources and Payroll). Continuous updates to hardware, database licensing, and operating systems are essential to keep the system functioning properly.

Tyler recently provided the Department with a quote to transition the ERP applications to a cloud hosted Software as a Service environment. The transition from on-premise to a cloud environment would allow Tyler to manage our application data, free up Department server space, and replace recurring maintenance fees. The goal of the transition is to manage the system while taking advantage of newer technology and reduce manual processes while increasing productivity.

The funding source for this Agreement is the FY 2025/2026 budget in Section 1040 – Information Technology, Account No. 101040-5602 - *Software Maintenance*, which currently has a total of \$1.2 million in unencumbered funds. There are sufficient funds available to fund this Agreement.

MOTION: Approve the License and Service Agreement and Statement of Work with Tyler Technologies, Inc., for an amount not-to-exceed TWO HUNDRED SEVENTY-FOUR THOUSAND SIX HUNDRED THIRTY-FIVE AND 00/100 DOLLARS (\$274,635.00); and authorize the General Manager to negotiate and execute the Agreement.

MOTION:_____ SECONDED:_____

6. 2025 STRATEGIC PLAN UPDATE: In 2019, the Department embarked in a strategic planning effort with the goal to update its mission statement and key value statements and adopt a strategic plan that represents the Water Board's vision for the Department's future direction. On August 13, 2019, the Board adopted the revised Mission and Key Value Statements and the Department's Strategic Plan. The Strategic Plan included 5 Guiding Targets, 14 Goals that fall within the Targets, and an Action Plan with 100 specific actions aimed at meeting the Targets and Goals.

It is best practice to conduct a thorough review and update of a strategic plan every 3-5 years. However, ongoing review/maintenance of an action plan is necessary to ensure it is current and properly executed. On September 22, 2020, the first Strategic Plan update was approved by the Water Board. The focus was on the Action Plan, which resulted in a net 77 actions completed and 6 new actions.

Staff again worked diligently and at the 2021 Strategic Plan update there were 17 actions completed, 12 actions remaining on schedule and 35 “ongoing” actions with meaningful progress made as time progressed. All actions were eventually completed leaving only “ongoing” actions such as continuing recruitment and retention efforts through outreach or ongoing capital project completions.

The foundation had been laid and executed from 2019 through 2024, and the Strategic Plan now needed to reflect a broader perspective to guide policy, set objectives and prioritize investments to ensure efficient operations, ongoing community engagement and integration of sustainable water management practices.

There is no direct fiscal impact. The Department’s typical funding approval practices will apply as necessary.

MOTION: Adopt the Water Department’s Strategic Plan update as presented.

MOTION:_____ SECONDED:_____

7. REPORTS:

- A. Report of the President
- B. Report of the Commissioners
- C. Report of the Directors
- D. Report of the General Manager

8. ADJOURNMENT

The next regular meeting of the Water Board is scheduled for *9:30 a.m., July 22, 2025*, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.



**City of San Bernardino
Municipal Water Department**

399 Chandler Place
San Bernardino, CA 92408
<http://www.sbcitywater.org>

*President Cecilia "Toni"
Callicott*

Commissioners

*Wayne Hendrix
David Mlynarski
Rikke Johnson
Thomas Brickley*

MINUTES

FOR THE
WATER BOARD OF THE CITY OF SAN BERNARDINO

JUNE 24, 2025

CALL TO ORDER

The Regular Meeting of the Water Board of the City of San Bernardino was called to order by President Toni Callicott at 9:30 AM, Tuesday, June 24, 2025, in-person and livestream via YouTube.

ROLL CALL

Attendee Name	Title	Status	Arrived
Cecilia "Toni" Callicott	President	Present	9:30 AM
Wayne Hendrix	Vice President	Absent	9:30 AM
David Mlynarski	Board Member	Present	9:30 AM
Rikke Johnson	Board Member	Present	9:30 AM
Thomas Brickley	Board Member	Present	9:30 AM
Miguel Guerrero	General Manager	Present	9:30 AM

- 1. ANNOUNCEMENTS BY THE BOARD:** None.
- 2. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA:** General Manager Guerrero introduced the graduating seniors from Arroyo Valley High School who were interning with the Department as part of a program that introduces young men and women to various job opportunities throughout the Department.

General Manager Guerrero stated that this was the second annual summer internship that the Department has hosted and the goal was to create additional opportunities and partnerships with other local high schools in San Bernardino.

3. **PUBLIC COMMENTS ON ITEMS LISTED ON THE AGENDA:** None.

4. **CONSENT CALENDAR – ITEMS 4A THROUGH 4H:**

A. **PAYROLL:**

	<u>Water Fund</u>	<u>Sewer Treatment</u>	<u>Total</u>
Claims:3012996- 3013146			
Accounts Payable	\$4,212,455.45	\$1,786,034.55	\$5,998,490.00
Gross Payroll	<u>\$479,934.02</u>	<u>\$447,303.28</u>	<u>\$927,237.30</u>
05/19/25-06/01/25			
TOTALS	<u>\$4,692,389.47</u>	<u>\$2,233,337.83</u>	<u>\$6,925,727.30</u>

Payroll for the pay period beginning June 16, 2025 through June 29, 2025.

B. **CONTRACTS AND BILLS:** Contracts and bills presented at this meeting.

C. **MINUTES:** June 10, 2025.

D. **RESOLUTION APPROVING THE SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO WATER BOARD AND THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS LOCAL #47 DATED JULY 1, 2023, AMENDING ARTICLE III – SALARIES, 3.1 – SALARY SCHEDULE:**
The Memorandum of Understanding (MOU) between the City of San Bernardino Water Board and the International Brotherhood of Electrical Workers Local #47 dated July 1, 2023, specified that salary ranges applicable to unit members shall be adjusted effective July 1, 2025 to reflect the year ending January 2025 Consumer Price Index (CPI), minimum adjustment of 2.5% and maximum adjustment of 4%.

The salary schedule, Exhibit “A-2”, was adjusted by 2.9%.

MOTION: Adopt Resolution No. 2025-008, approving the second amendment to the Memorandum of Understanding Between the City of San Bernardino Water Board and the International Brotherhood of Electrical Workers Local #47 dated July 1, 2023, amending Article III – Salaries, 3.1 – Salary Schedule effective July 1, 2025, and adding Exhibit “A-2”, as submitted.

E. **RESOLUTION APPROVING THE SECOND AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN BERNARDINO WATER BOARD AND THE SAN BERNARDINO ASSOCIATION OF WATER DEPARTMENT MID-MANAGERS DATED JULY 1, 2023, AMENDING ARTICLE III – SALARIES, 3.1 - SALARY SCHEDULE:**
The Memorandum of Understanding (MOU) between the City of San Bernardino Water Board and the San Bernardino Association of Water

Department Mid-Managers dated July 1, 2023 specified that the salary ranges applicable to unit members shall be adjusted effective July 1, 2025 to reflect the year ending January 2024 Consumer Price Index (CPI), minimum adjustment of 2.5% and maximum adjustment of 4%.

The salary schedule, Exhibit “B-2”, was adjusted by 2.9%.

MOTION: Adopt Resolution No. 2025-009, approving the second amendment to the Memorandum of Understanding Between the City of San Bernardino Water Board and the San Bernardino Association of Water Department Mid-Managers dated July 1, 2023, amending Article III – Salaries, 3.1 – Salary Schedule effective July 1, 2025, and adding Exhibit “B-2”, as submitted.

- F. RESOLUTION APPROVING THE SECOND AMENDMENT TO RESOLUTION NO. 2023-016 WITH THE WATER DEPARTMENT CONFIDENTIAL EMPLOYEES DATED JULY 1, 2023, AMENDING SECTION 2 – SALARY SCHEDULES, AND ADDING EXHIBIT 1-B:** Resolution No. 2023-016 establishing a compensation and benefits plan for the Water Department Confidential employees dated July 1, 2023 specified that the salary ranges for Confidential employees shall be adjusted, and Confidential employees would receive a pay adjustment, effective July 1, 2025 to reflect the year ending January 2025 Consumer Price Index (CPI), minimum adjustment of 2.5% and maximum adjustment of 4%.

The salary schedule, Exhibit “1-B”, was adjusted by 2.9% for Confidential employees.

MOTION: Adopt Resolution No. 2025-010, approving the first amendment to Resolution No. 2023-016 with the Water Department Confidential Employees dated July 1, 2023, amending Section 2 – Salary Schedules, adding Exhibit 1-B, effective July 1, 2025, as submitted.

- G. RESOLUTION APPROVING THE SECOND AMENDMENT TO RESOLUTION NO. 2023-018 FOR THE WATER DEPARTMENT REGULAR PART-TIME EMPLOYEES COMPENSATION AND BENEFITS PLAN DATED JULY 1, 2023, AMENDING SECTION 2 – SALARIES, A – SALARY SCHEDULES AND B – GENERAL PROVISIONS AND ADDING EXHIBIT 1-B – HOURLY SALARY SCHEDULE:** Regular part-time employees of the Water Department were provided certain limited benefits pursuant to a Water Board Resolution. Traditionally, regular part-time employees received salary adjustments equivalent to those given to regular full-time employees in the General Unit.

On May 8, 2018, the Board approved the Memorandum of Understanding (MOU) Between the City of San Bernardino Water Board and the International Brotherhood of Electrical Workers Local #47 effective July 1, 2023, through June 30, 2028. The MOU included a range increase effective July 1, 2025, based on the Consumer Price Index (CPI) for the 12 months ending January

2025 with a minimum of 2.5% and maximum of 4%. The attached Resolution would amend Resolution No. 2023-018 by providing a salary increase of 2.9% effective July 1, 2025.

MOTION: Adopt Resolution No. 2025-011, approving the second amendment to Resolution No. 2023-018 with the Water Department Regular Part-Time Employees dated July 1, 2023, amending Section 2 – Salaries, A - Salary Schedules and B – General Provisions and adding Exhibit 1-B, effective July 1, 2025, as submitted.

- H. NEW JOB DESCRIPTIONS FOR WELDER II AND INFORMATION SECURITY ANALYST; REACTIVATION OF THE WATER RECLAMATION FACILITIES MAINTENANCE SUPERVISOR JOB DESCRIPTION; REVISED JOB DESCRIPTION FOR WELDER/PIPEFITTER WITH TITLE CHANGE TO WELDER I AND RECLASSIFICATION OF INCUMBENT; REVISED JOB DESCRIPTION FOR GIS MANAGER WITH TITLE CHANGE TO EGIS MANAGER WITH RANGE CHANGE; REVISED JOB DESCRIPTION FOR PAYROLL SPECIALIST WITH RANGE CHANGE; REVISED JOB DESCRIPTIONS FOR WATER QUALITY CONTROL SPECIALIST, WATER QUALITY LEAD WORKER, AND WATER QUALITY CONTROL OFFICER; RECLASSIFICATION OF ONE VACANT OFFICE ASSISTANT POSITION TO SENIOR OFFICE ASSISTANT; RECLASSIFICATION OF ONE ACCOUNTING TECHNICIAN I POSITION AND INCUMBENT TO ACCOUNTING TECHNICIAN II:** On June 10, 2025, the Water Board approved the 2025/2026 fiscal year budget including the classification/job description changes listed in the motion.

Human Resources conducted studies and recommended the classifications, job descriptions, and/or salary range changes to become effective July 1, 2025.

The Salary Schedule Exhibit was updated to reflect the appropriate changes.

The changes were included in the approved 2025/2026 fiscal year budget.

MOTION: Approve the new job description for Welder II (1291), Section 3043, General unit, FLSA Non-Exempt, Range 152 (\$40.4582/hour to \$51.7900/hour); and

Approve the new job description for Information Security Analyst (2109), Section 1040, Mid-Management unit, FLSA Exempt, Range 262 (\$55.3752/hour to \$70.6744/hour); and

Approve the reactivated job description for Water Reclamation Facilities Maintenance Supervisor (2174), Section 4060, Mid-Management unit, FLSA Exempt, Range 256 (\$47.7499/hour to \$60.9243/hour); and

Approve the revised job description Welder I (1290) with title change from Welder/Pipefitter, Section 3023, and reclassification of current incumbent with no change in salary range (148); and

Approve the revised job description for Enterprise Geographic Information Systems (EGIS) Manager (2100) with title change from GIS Manager, Section 3060, and Range change from 263 (\$56.7596/hour to \$72.4412/hour) to 265 (\$59.6331/hour to \$76.1085/hour) and reclassification of one incumbent; and

Approve the revised job description for Payroll Specialist (1200), Section 1400, with Range change from 144 (\$33.2060/hour to \$42.5064/hour) to 147 (\$35.7592/hour to \$45.7748/hour); and

Approve the revised job description for Water Quality Specialist (1252), Section 2063; and

Approve the revised job description for Water Quality Lead Worker (1250), Section 2063; and

Approve the revised job description for Water Quality Control Officer (2160), Section 2063, as submitted.

RESULT:	APPROVED 4-0 BY ROLL CALL VOTE WITH 1 ABSENT
MOVER:	D. Mlynarski
SECONDER:	R. Johnson
ABSTAINED:	N/A
ABSENT:	W. Hendrix

DISCUSSION ITEMS

5. PUBLIC HEARING

PUBLIC HEARING TO RECEIVE COMMENTS ON DEPARTMENT 2025 PUBLIC HEALTH GOALS REPORT IN COMPLIANCE WITH SECTION 116470 OF THE HEALTH AND SAFETY CODE: The purpose of the 2025 Water Quality Public Health Goals (PHG) Public Hearing was to accept and respond to public comments from water consumers about the PHG Report.

As indicated in the “Report on Water Quality Relative to Public Health Goals,” the drinking water served to the City of San Bernardino residents by the Water Department met all state and federal drinking water standards set to protect public health.

The Water Board President opened the public hearing at 9:36 a.m.

Director Shepardson gave a summary of the “Report on Water Quality Relative to Public Health Goals.”

Receiving no public comment on the matter, President Callicott closed the public hearing at 9:47 a.m.

MOTION: A Public Hearing was opened and, receiving no comments on the Public Health Goals concerning the City's water system, the hearing was closed, and the staff report was accepted with no action at this time.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE WITH 1 ABSENT
MOVER: T. Brickley
SECONDER: R. Johnson
ABSTAINED: N/A
ABSENT: W. Hendrix

6. **APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SAN BERNARDINO MUNICIPAL WATER DEPARTMENT AND CAROLLO ENGINEERS, INC FOR ENGINEERING SERVICES FOR MERIDIAN SEWER LIFT STATION RELOCATION AND REPLACEMENT PROJECT (SPECIFICATION NO. 1857):** The Meridian Lift Station (LS) was constructed in 1983 and was in poor condition, had no source of backup power, and in addition to the minimally sized wet well, most components for the LS have exceeded their expected design life.

Immediately after taking over responsibility for the Sewer Collection System, staff began working on a backup power system for the Meridian LS. The Meridian LS Project was addressed from 2018 through 2020 in the Sewer Collections Master Plan. That Master Plan included a recommendation not just for a backup power source but for a full replacement of the Meridian LS.

In September 2021, a Professional Services Agreement (PSA) was awarded to a second engineering firm, who worked on design development of the full replacement project, and in January 2024, staff performed a comprehensive review of the project to date. After extensive partnership efforts with the consultant to successfully resolve all of the outstanding issues, the second engineering consultant was released from their PSA in September 2024.

The Department met with three (3) qualified consulting firms and released a Request for Proposal to these firms by invitation only, and on March 14, 2025, one (1) proposal was submitted.

The funding source for this project was the FY 2025/2026 Sewer Fund Capital Project titled *Meridian Lift Station Project* (C.O. C1850012), which, upon approval of the FY25/26 Budget, would have sufficient funds to award the PSA after July 1, 2025.

MOTION: Approve the Professional Services Agreement with Carollo Engineers, Inc. for an amount not-to-exceed ONE MILLION ONE HUNDRED NINE THOUSAND SIXTY-THREE AND 00/100 DOLLARS (\$1,109,063.00). The General Manager was authorized to execute the Agreement.

RESULT: APPROVED 4-0 BY ROLL CALL VOTE WITH 1 ABSENT
MOVER: R. Johnson
SECONDER: D. Mlynarski
ABSTAINED: N/A
ABSENT: W. Hendrix

7. REPORTS:

- A. Report of the President – None.**
- B. Report of the Commissioners – None.**
- C. Report of the Directors –** Deputy General Manager Ohama stated that Darian Brown attended the Wildwood Park Neighborhood Association Pancake Breakfast Fundraiser on Saturday, June 14, 2025.
- D. Report of the General Manager –** General Manager Guerrero stated that the City of San Bernardino Chamber of Commerce Leadership Cohort, led by Judy Penman, toured the Water Reclamation Plant on Friday, June 20, 2025.

8. ADJOURNMENT

The next regular meeting of the Water Board was scheduled for *9:30 a.m., July 8, 2025*, at The Margaret H. Chandler Water Reclamation Plant, 399 Chandler Place, San Bernardino, CA 92408.

By: _____
Miguel J. Guerrero
General Manager

CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT
WATER BOARD
STAFF REPORT

Received 07-01-25
SBMWD AS
General Manager

TO: Miguel J. Guerrero, P.E., General Manager 
FROM: Cynthia J. Mouser, Director of Finance
SUBJECT: **APPROVAL OF SOFTWARE AS A SERVICE AGREEMENT WITH TYLER TECHNOLOGIES, INC. FOR ENTERPRISE RESOURCE PLANNING SYSTEMS CLOUD HOSTED SERVICES**
DATE: July 1, 2025
CC: J. Shepardson, D. Andolsen, R. Hosseini

BACKGROUND:

The City of San Bernardino Municipal Water Department (Department) currently utilizes Tyler Technologies, Inc. (Tyler) on premise software as the Department's Enterprise Resource Planning (ERP) system. This software encompasses financial management, purchasing, accounts payable, and people management (Human Resources and Payroll). Continuous updates to hardware, database licensing, and operating systems are essential to keep the system functioning properly. The increased maintenance fees are necessary expenses to keep the functionality and features updated with suitable options to serve the Department's operational needs.

Tyler recently provided the Department with a quote to transition the ERP applications to a cloud hosted Software as a Service environment. The transition from on-premise to a cloud environment would allow Tyler to manage our application data, free up Department server space, and replace recurring maintenance fees. In addition, troubleshooting for the application will now be handled exclusively through Tyler. The goal of the transition is to manage the system while taking advantage of newer technology and reduce manual processes while increasing productivity.

GOALS AND OBJECTIVES:

This Agreement aligns with the Department's Strategic Plan under Target #4: Infrastructure and Efficiencies, Goal #3: Utilize technology to maintain or increase efficiencies. This supports the specific action by utilizing new technology to increase efficiencies.

FISCAL IMPACT:

The funding source for this Agreement is the FY 2025/2026 budget in section 1040 – Information Technology (101040-5602 Software Maintenance) which currently has a total of \$1.2 million in unencumbered funds. There are sufficient funds available to fund this Agreement.

July 1, 2025

SUBJECT: APPROVAL OF SOFTWARE AS A SERVICE AGREEMENT WITH TYLER TECHNOLOGIES, INC. FOR ENTERPRISE RESOURCE PLANNING SYSTEMS CLOUD HOSTED SERVICES

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- Approve the License and Service Agreement and Statement of Work with Tyler Technologies, Inc., for an amount not-to-exceed TWO HUNDRED TWENTY-TWO THOUSAND EIGHT HUNDRED SEVENTEEN AND 00/100 DOLLARS (\$222,817.00); and authorize the General Manager to negotiate and execute the Agreement.

Respectfully submitted,



Cynthia J. Mouser
Director of Finance

Attachment – Software as a Service Agreement



SOFTWARE AS A SERVICE AGREEMENT

This Software as a Service Agreement is made between Tyler Technologies, Inc. and Client.

WHEREAS, Client selected Tyler to provide certain products and services set forth in the Investment Summary, including providing Client with access to Tyler's proprietary software products, and Tyler desires to provide such products and services under the terms of this Agreement;

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and promises set forth in this Agreement, Tyler and Client agree as follows:

SECTION A – DEFINITIONS

- **"Agreement"** means this Software as a Service Agreement.
- **"Business Travel Policy"** means our business travel policy. A copy of our current Business Travel Policy is attached as Schedule 1 to Exhibit B.
- **"Client"** means the San Bernardino Municipal Water Department.
- **"Data"** means your data necessary to utilize the Tyler Software.
- **"Data Storage Capacity"** means the contracted amount of storage capacity for your Data identified in the Investment Summary.
- **"Defect"** means a failure of the Tyler Software to substantially conform to the functional descriptions set forth in our written proposal to you, or their functional equivalent. Future functionality may be updated, modified, or otherwise enhanced through our maintenance and support services, and the governing functional descriptions for such future functionality will be set forth in our then-current Documentation.
- **"Defined Users"** means the number of users that are authorized to use the SaaS Services. The Defined Users for the Agreement are as identified in the Investment Summary. If Exhibit A contains Enterprise Permitting & Licensing labeled software, defined users mean the maximum number of named users that are authorized to use the Enterprise Permitting & Licensing labeled modules as indicated in the Investment Summary.
- **"Developer"** means a third party who owns the intellectual property rights to Third Party Software.
- **"Documentation"** means any online or written documentation related to the use or functionality of the Tyler Software that we provide or otherwise make available to you, including instructions, user guides, manuals and other training or self-help documentation.
- **"Effective Date"** means the date by which both your and our authorized representatives have signed the Agreement.
- **"Force Majeure"** means an event beyond the reasonable control of you or us, including, without limitation, governmental action, war, riot or civil commotion, fire, natural disaster, or any other cause that could not with reasonable diligence be foreseen or prevented by you or us.
- **"Investment Summary"** means the agreed upon cost proposal for the products and services attached as Exhibit A.

- **“Invoicing and Payment Policy”** means the invoicing and payment policy. A copy of our current Invoicing and Payment Policy is attached as Exhibit B.
- **“Order Form”** means an ordering document that includes a quote or investment summary and specifying the items to be provided by Tyler to Client, including any addenda and supplements thereto.
- **“SaaS Fees”** means the fees for the SaaS Services identified in the Investment Summary.
- **“SaaS Services”** means software as a service consisting of system administration, system management, and system monitoring activities that Tyler performs for the Tyler Software, and includes the right to access and use the Tyler Software, receive maintenance and support on the Tyler Software, including Downtime resolution under the terms of the SLA, and Data storage and archiving. SaaS Services do not include support of an operating system or hardware, support outside of our normal business hours, or training, consulting or other professional services.
- **“SLA”** means the service level agreement. A copy of our current SLA is attached hereto as Exhibit C.
- **“Support Call Process”** means the support call process applicable to all of our customers who have licensed the Tyler Software. A copy of our current Support Call Process is attached as Schedule 1 to Exhibit C.
- **“Third Party Hardware”** means the third party hardware, if any, identified in the Investment Summary.
- **“Third Party Products”** means the Third Party Software and Third Party Hardware.
- **“Third Party SaaS Services”** means software as a service provided by a third party, if any, identified in the Investment Summary.
- **“Third Party Services”** means the third party services, if any, identified in the Investment Summary.
- **“Third Party Software”** means the third party software, if any, identified in the Investment Summary.
- **“Third Party Terms”** means, if any, the end user license agreement(s) or similar terms for the Third Party Products or other parties’ products or services, as applicable, and attached or indicated at Exhibit D.
- **“Tyler”** means Tyler Technologies, Inc., a Delaware corporation.
- **“Tyler Software”** means our proprietary software, including any integrations, custom modifications, and/or other related interfaces identified in the Investment Summary and licensed by us to you through this Agreement.
- **“we”, “us”, “our”** and similar terms mean Tyler.
- **“you”** and similar terms mean Client.

SECTION B – SAAS SERVICES

1. Rights Granted. We grant to you the non-exclusive, non-assignable limited right to use the SaaS Services solely for your internal business purposes for the number of Defined Users only. The Tyler Software will be made available to you according to the terms of the SLA. You acknowledge that we have no delivery obligations and we will not ship copies of the Tyler Software as part of the SaaS Services. You may use the SaaS Services to access updates and enhancements to the Tyler Software, as further described in Section C(9). The foregoing notwithstanding, to the extent we have sold you perpetual licenses for Tyler Software, if and listed in the Investment Summary, for which you are receiving SaaS Services, your rights to use such Tyler Software are perpetual, subject to the terms

and conditions of this Agreement including, without limitation, Section B(4). We will make any such software available to you for download.

2. SaaS Fees. You agree to pay us the SaaS Fees. Those amounts are payable in accordance with our Invoicing and Payment Policy. The SaaS Fees are based on the number of Defined Users and amount of Data Storage Capacity. You may add additional users or additional data storage capacity on the terms set forth in Section H(1). In the event you regularly and/or meaningfully exceed the Defined Users or Data Storage Capacity, we reserve the right to charge you additional fees commensurate with the overage(s).
3. Ownership.
 - 3.1 We retain all ownership and intellectual property rights to the SaaS Services, the Tyler Software, and anything developed by us under this Agreement. You do not acquire under this Agreement any license to use the Tyler Software in excess of the scope and/or duration of the SaaS Services.
 - 3.2 The Documentation is licensed to you and may be used and copied by your employees for internal, non-commercial reference purposes only.
 - 3.3 You retain all ownership and intellectual property rights to the Data. You expressly recognize that except to the extent necessary to carry out our obligations contained in this Agreement, we do not create or endorse any Data used in connection with the SaaS Services.
4. Restrictions. You may not: (a) make the Tyler Software or Documentation resulting from the SaaS Services available in any manner to any third party for use in the third party's business operations; (b) modify, make derivative works of, disassemble, reverse compile, or reverse engineer any part of the SaaS Services; (c) access or use the SaaS Services in order to build or support, and/or assist a third party in building or supporting, products or services competitive to us; or (d) license, sell, rent, lease, transfer, assign, distribute, display, host, outsource, disclose, permit timesharing or service bureau use, or otherwise commercially exploit or make the SaaS Services, Tyler Software, or Documentation available to any third party other than as expressly permitted by this Agreement.
5. Software Warranty. We warrant that the Tyler Software will perform without Defects during the term of this Agreement. If the Tyler Software does not perform as warranted, we will use all reasonable efforts, consistent with industry standards, to cure the Defect in accordance with the maintenance and support process set forth in Section C(9), below, the SLA and our then current Support Call Process.
6. SaaS Services.
 - 6.1 Our SaaS Services are audited at least yearly in accordance with the AICPA's Statement on Standards for Attestation Engagements ("SSAE") No. 21. We have attained, and will maintain, SOC 1 and SOC 2 compliance, or its equivalent, for so long as you are timely paying for SaaS Services. The scope of audit coverage varies for some Tyler Software solutions. Upon execution of a mutually agreeable Non-Disclosure Agreement ("NDA"), we will provide you with a summary of our compliance report(s) or its equivalent. Every year thereafter, for so long as the NDA is in effect and in which you make a written request, we will provide that same

information. If our SaaS Services are provided using a 3rd party data center, we will provide available compliance reports for that data center.

- 6.2 You will be hosted on shared hardware in a Tyler data center or in a third-party data center. In either event, databases containing your Data will be dedicated to you and inaccessible to our other customers.
- 6.3 Our Tyler data centers have fully-redundant telecommunications access, electrical power, and the required hardware to provide access to the Tyler Software in the event of a disaster or component failure. In the event of a data center failure, we reserve the right to employ our disaster recovery plan for resumption of the SaaS Services. In that event, we commit to a Recovery Point Objective ("RPO") of 24 hours and a Recovery Time Objective ("RTO") of 24 hours. RPO represents the maximum duration of time between the most recent recoverable copy of your hosted Data and subsequent data center failure. RTO represents the maximum duration of time following data center failure within which your access to the Tyler Software must be restored.
- 6.4 We conduct annual penetration testing of either the production network and/or web application to be performed. We will maintain industry standard intrusion detection and prevention systems to monitor malicious activity in the network and to log and block any such activity. We will provide you with a written or electronic record of the actions taken by us in the event that any unauthorized access to your database(s) is detected as a result of our security protocols. We will undertake an additional security audit, on terms and timing to be mutually agreed to by the parties, at your written request. You may not attempt to bypass or subvert security restrictions in the SaaS Services or environments related to the Tyler Software. Unauthorized attempts to access files, passwords or other confidential information, and unauthorized vulnerability and penetration test scanning of our network and systems (hosted or otherwise) is prohibited without the prior written approval of our IT Security Officer.
- 6.5 We test our disaster recovery plan on an annual basis. Our standard test is not client-specific. Should you request a client-specific disaster recovery test, we will work with you to schedule and execute such a test on a mutually agreeable schedule. At your written request, we will provide test results to you within a commercially reasonable timeframe after receipt of the request.
- 6.6 We will be responsible for importing back-up and verifying that you can log-in. You will be responsible for running reports and testing critical processes to verify the returned Data.
- 6.7 We provide secure Data transmission paths between each of your workstations and our servers.
- 6.8 Tyler data centers are accessible only by authorized personnel with a unique key entry. All other visitors to Tyler data centers must be signed in and accompanied by authorized personnel. Entry attempts to the data center are regularly audited by internal staff and external auditors to ensure no unauthorized access.
- 6.9 Where applicable with respect to our applications that take or process card payment data, we are responsible for the security of cardholder data that we possess, including functions relating to storing, processing, and transmitting of the cardholder data and affirm that, as of the

Effective Date, we comply with applicable requirements to be considered PCI DSS compliant and have performed the necessary steps to validate compliance with the PCI DSS. We agree to supply the current status of our PCI DSS compliance program in the form of an official Attestation of Compliance, which can be found at <https://www.tylertech.com/about-us/compliance>, and in the event of any change in our status, will comply with applicable notice requirements.

SECTION C – PROFESSIONAL SERVICES

1. Professional Services. We will provide you the various implementation-related services itemized in the Investment Summary.
2. Professional Services Fees. You agree to pay us the professional services fees in the amounts set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy. You acknowledge that the fees stated in the Investment Summary are good-faith estimates of the amount of time and materials required for your implementation. We will bill you the actual fees incurred based on the in-scope services provided to you. Any discrepancies in the total values set forth in the Investment Summary will be resolved by multiplying the applicable hourly rate by the quoted hours.
3. Additional Services. The Investment Summary contains the scope of services and related costs (including programming and/or interface estimates) required for the project based on our understanding of the specifications you supplied. If additional work is required, or if you use or request additional services, we will provide you with an addendum or change order, as applicable, outlining the costs for the additional work. The price quotes in the addendum or change order will be valid for thirty (30) days from the date of the quote.
4. Cancellation. If you cancel services less than four (4) weeks in advance (other than for Force Majeure or breach by us), you will be liable for all (a) daily fees associated with cancelled professional services if we are unable to reassign our personnel and (b) any non-refundable travel expenses already incurred by us on your behalf. We will make all reasonable efforts to reassign personnel in the event you cancel within four (4) weeks of scheduled commitments.
5. Services Warranty. We will perform the services in a professional, workmanlike manner, consistent with industry standards. In the event we provide services that do not conform to this warranty, we will re-perform such services at no additional cost to you.
6. Site Access and Requirements. At no cost to us, you agree to provide us with full and free access to your personnel, facilities, and equipment as may be reasonably necessary for us to provide implementation services, subject to any reasonable security protocols or other written policies provided to us as of the Effective Date, and thereafter as mutually agreed to by you and us.
7. Background Checks. For at least the past twelve (12) years, all of our employees have undergone criminal background checks prior to hire. All employees sign our confidentiality agreement and security policies.
8. Client Assistance. You acknowledge that the implementation of the Tyler Software is a cooperative process requiring the time and resources of your personnel. You agree to use all reasonable efforts

to cooperate with and assist us as may be reasonably required to meet the agreed upon project deadlines and other milestones for implementation. This cooperation includes at least working with us to schedule the implementation-related services outlined in this Agreement. We will not be liable for failure to meet any deadlines and milestones when such failure is due to Force Majeure or to the failure by your personnel to provide such cooperation and assistance (either through action or omission).

9. Maintenance and Support. For so long as you timely pay applicable fees according to the Invoicing and Payment Policy, then in addition to the terms set forth in the SLA and the Support Call Process, we will:

9.1 perform our maintenance and support obligations in a professional, good, and workmanlike manner, consistent with industry standards, to resolve Defects in the Tyler Software (subject to any applicable release life cycle policy);

9.2 provide support during our established support hours;

9.3 maintain personnel that are sufficiently trained to be familiar with the Tyler Software and Third Party Software, if any, in order to provide maintenance and support services;

9.4 make available to you all releases to the Tyler Software (including updates and enhancements) that we make generally available without additional charge to customers who have a maintenance and support agreement in effect; and

9.5 provide non-Defect resolution support of prior releases of the Tyler Software in accordance with any applicable release life cycle policy.

We will use all reasonable efforts to perform support services remotely. Currently, we use a third-party secure unattended connectivity tool called Bomgar, as well as GotoAssist by Citrix. Therefore, you agree to maintain a high-speed internet connection capable of connecting us to your PCs and server(s). You agree to provide us with a login account and local administrative privileges as we may reasonably require to perform remote services. We will, at our option, use the secure connection to assist with proper diagnosis and resolution, subject to any reasonably applicable security protocols. If we cannot resolve a support issue remotely, we may be required to provide onsite services. In such event, we will be responsible for our travel expenses, unless it is determined that the reason onsite support was required was a reason outside our control. Either way, you agree to provide us with full and free access to the Tyler Software, working space, adequate facilities within a reasonable distance from the equipment, and use of machines, attachments, features, or other equipment reasonably necessary for us to provide the maintenance and support services, all at no charge to us. We strongly recommend that you also maintain your VPN for backup connectivity purposes.

For the avoidance of doubt, SaaS Fees do not include the following services: (a) onsite support (unless Tyler cannot remotely correct a Defect in the Tyler Software, as set forth above); (b) application design; (c) other consulting services; or (d) support outside our normal business hours as listed in our then-current Support Call Process. Requested services such as those outlined in this section will be billed to you on a time and materials basis at our then current rates. You must request those services with at least one (1) week's advance notice.

SECTION D – THIRD PARTY PRODUCTS

1. Third Party Hardware. We will sell, deliver, and install onsite the Third Party Hardware, if you have purchased any, for the price set forth in the Investment Summary. Those amounts are payable in accordance with our Invoicing and Payment Policy.
2. Third Party Software. As part of the SaaS Services, you will receive access to the Third Party Software and related documentation for internal business purposes only. Your rights to the Third Party Software will be governed by the Third Party Terms.
3. Third Party Products Warranties.
 - 3.1 We are authorized by each Developer to grant access to the Third Party Software.
 - 3.2 The Third Party Hardware will be new and unused, and upon payment in full, you will receive free and clear title to the Third Party Hardware.
 - 3.3 You acknowledge that we are not the manufacturer of the Third Party Products. We do not warrant or guarantee the performance of the Third Party Products. However, we grant and pass through to you any warranty that we may receive from the Developer or supplier of the Third Party Products.
4. Third Party Services. If you have purchased Third Party Services, those services will be provided independent of Tyler by such third-party at the rates set forth in the Investment Summary and in accordance with our Invoicing and Payment Policy.

SECTION E - INVOICING AND PAYMENT; INVOICE DISPUTES

1. Invoicing and Payment. We will invoice you the SaaS Fees and fees for other professional services in the Investment Summary per our Invoicing and Payment Policy, subject to Section E(2).
2. Invoice Disputes. If you believe any delivered software or service does not conform to the warranties in this Agreement, you will provide us with written notice within thirty (30) days of your receipt of the applicable invoice. The written notice must contain reasonable detail of the issues you contend are in dispute so that we can confirm the issue and respond to your notice with either a justification of the invoice, an adjustment to the invoice, or a proposal addressing the issues presented in your notice. We will work with you as may be necessary to develop an action plan that outlines reasonable steps to be taken by each of us to resolve any issues presented in your notice. You may withhold payment of the amount(s) actually in dispute, and only those amounts, until we complete the action items outlined in the plan. If we are unable to complete the action items outlined in the action plan because of your failure to complete the items agreed to be done by you, then you will remit full payment of the invoice. We reserve the right to suspend delivery of all SaaS Services, including maintenance and support services, if you fail to pay an invoice not disputed as described above within fifteen (15) days of notice of our intent to do so.

SECTION F – TERM AND TERMINATION

1. Term. The initial term of this Agreement is equal to the number of years indicated for SaaS Services in Exhibit A, commencing on the first day of the first month following the Effective Date, unless earlier terminated as set forth below. If no duration is indicated in Exhibit A, the initial term is one (1) year. Upon expiration of the initial term, this Agreement will renew automatically for additional one (1) year renewal terms at our then-current SaaS Fees unless terminated in writing by either party at least sixty (60) days prior to the end of the then-current renewal term. Your right to access or use the Tyler Software and the SaaS Services will terminate at the end of this Agreement.
2. Termination. This Agreement may be terminated as set forth below. In the event of termination, you will pay us for all undisputed fees and expenses related to the software, products, and/or services you have received, or we have incurred or delivered, prior to the effective date of termination. Disputed fees and expenses in all terminations other than your termination for cause must have been submitted as invoice disputes in accordance with Section E(2).
 - 2.1 Failure to Pay SaaS Fees. You acknowledge that continued access to the SaaS Services is contingent upon your timely payment of SaaS Fees. If you fail to timely pay the SaaS Fees, we may discontinue the SaaS Services and deny your access to the Tyler Software. We may also terminate this Agreement if you don't cure such failure to pay within forty-five (45) days of receiving written notice of our intent to terminate.
 - 2.2 For Cause. If you believe we have materially breached this Agreement, you will invoke the Dispute Resolution clause set forth in Section H(3). You may terminate this Agreement for cause in the event we do not cure, or create a mutually agreeable action plan to address, a material breach of this Agreement within the thirty (30) day window set forth in Section H(3).
 - 2.3 Force Majeure. Either party has the right to terminate this Agreement if a Force Majeure event suspends performance of the SaaS Services for a period of forty-five (45) days or more.
 - 2.4 Lack of Appropriations. If you should not appropriate or otherwise make available funds sufficient to utilize the SaaS Services, you may unilaterally terminate this Agreement upon thirty (30) days written notice to us. You will not be entitled to a refund or offset of previously paid, but unused SaaS Fees. You agree not to use termination for lack of appropriations as a substitute for termination for convenience.

SECTION G – INDEMNIFICATION, LIMITATION OF LIABILITY AND INSURANCE

1. Intellectual Property Infringement Indemnification.
 - 1.1 We will defend you against any third party claim(s) that the Tyler Software or Documentation infringes that third party's patent, copyright, or trademark, or misappropriates its trade secrets, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent). You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.

- 1.2 Our obligations under this Section G(1) will not apply to the extent the claim or adverse final judgment is based on your use of the Tyler Software in contradiction of this Agreement, including with non-licensed third parties, or your willful infringement.
- 1.3 If we receive information concerning an infringement or misappropriation claim related to the Tyler Software, we may, at our expense and without obligation to do so, either: (a) procure for you the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent, in which case you will stop running the allegedly infringing Tyler Software immediately. Alternatively, we may decide to litigate the claim to judgment, in which case you may continue to use the Tyler Software consistent with the terms of this Agreement.
- 1.4 If an infringement or misappropriation claim is fully litigated and your use of the Tyler Software is enjoined by a court of competent jurisdiction, in addition to paying any adverse final judgment (or settlement to which we consent), we will, at our option, either: (a) procure the right to continue its use; (b) modify it to make it non-infringing; or (c) replace it with a functional equivalent. This section provides your exclusive remedy for third party copyright, patent, or trademark infringement and trade secret misappropriation claims.

2. General Indemnification.

- 2.1 We will indemnify and hold harmless you and your agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by our negligence or willful misconduct; or (b) our violation of PCI-DSS requirements or a law applicable to our performance under this Agreement. You must notify us promptly in writing of the claim and give us sole control over its defense or settlement. You agree to provide us with reasonable assistance, cooperation, and information in defending the claim at our expense.
- 2.2 To the extent permitted by applicable law, you will indemnify and hold harmless us and our agents, officials, and employees from and against any and all third-party claims, losses, liabilities, damages, costs, and expenses (including reasonable attorney's fees and costs) for (a) personal injury or property damage to the extent caused by your negligence or willful misconduct; or (b) your violation of a law applicable to your performance under this Agreement. We will notify you promptly in writing of the claim and will give you sole control over its defense or settlement. We agree to provide you with reasonable assistance, cooperation, and information in defending the claim at your expense.

3. **DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED IN THIS AGREEMENT AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, WE HEREBY DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES, DUTIES, OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CLIENT UNDERSTANDS AND AGREES THAT TYLER DISCLAIMS ANY LIABILITY FOR ERRORS THAT RELATE TO USER ERROR.**

4. **LIMITATION OF LIABILITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, OUR LIABILITY FOR DAMAGES ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT OR TORT, INCLUDING NEGLIGENCE AND STRICT LIABILITY, SHALL BE**

LIMITED TO YOUR ACTUAL DIRECT DAMAGES, NOT TO EXCEED (A) DURING THE INITIAL TERM, AS SET FORTH IN SECTION F(1), TOTAL FEES PAID AS OF THE TIME OF THE CLAIM; OR (B) DURING ANY RENEWAL TERM, THE THEN-CURRENT ANNUAL SAAS FEES PAYABLE IN THAT RENEWAL TERM. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PRICES SET FORTH IN THIS AGREEMENT ARE SET IN RELIANCE UPON THIS LIMITATION OF LIABILITY AND TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, THE EXCLUSION OF CERTAIN DAMAGES, AND EACH SHALL APPLY REGARDLESS OF THE FAILURE OF AN ESSENTIAL PURPOSE OF ANY REMEDY. THE FOREGOING LIMITATION OF LIABILITY SHALL NOT APPLY TO CLAIMS THAT ARE SUBJECT TO SECTIONS G(1) AND G(2).

5. **EXCLUSION OF CERTAIN DAMAGES.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL WE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
6. **Insurance.** During the course of performing services under this Agreement, we agree to maintain the following levels of insurance: (a) Commercial General Liability of at least \$1,000,000; (b) Automobile Liability of at least \$1,000,000; (c) Professional Liability of at least \$1,000,000; (d) Workers Compensation complying with applicable statutory requirements; and (e) Excess/Umbrella Liability of at least \$5,000,000. We will add you as an additional insured to our Commercial General Liability and Automobile Liability policies, which will automatically add you as an additional insured to our Excess/Umbrella Liability policy as well. We will provide you with copies of certificates of insurance upon your written request.

SECTION H – GENERAL TERMS AND CONDITIONS

1. **Additional Products and Services.** You may purchase additional products and services at the rates set forth in the Investment Summary for twelve (12) months from the Effective Date by executing a mutually agreed addendum. If no rate is provided in the Investment Summary, or those twelve (12) months have expired, you may purchase additional products and services at our then-current list price, also by executing a mutually agreed addendum. The terms of this Agreement will control any such additional purchase(s), unless otherwise specifically provided in the addendum.
2. **Optional Items.** Pricing for any listed optional products and services in the Investment Summary will be valid for twelve (12) months from the Effective Date.
3. **Dispute Resolution.** You agree to provide us with written notice within thirty (30) days of becoming aware of a dispute. You agree to cooperate with us in trying to reasonably resolve all disputes, including, if requested by either party, appointing a senior representative to meet and engage in good faith negotiations with our appointed senior representative. Senior representatives will convene within thirty (30) days of the written dispute notice, unless otherwise agreed. All meetings and discussions between senior representatives will be deemed confidential settlement discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar applicable state rule. If we fail to resolve the dispute, then the parties shall participate in non-binding mediation in an effort to resolve the dispute. If the dispute remains unresolved after mediation, then either of us may assert our respective rights and remedies in a court of competent jurisdiction. Nothing in this section shall prevent you or us from seeking necessary injunctive relief during the dispute resolution procedures.

4. Taxes. The fees in the Investment Summary do not include any taxes, including, without limitation, sales, use, or excise tax. If you are a tax-exempt entity, you agree to provide us with a tax-exempt certificate. Otherwise, we will pay all applicable taxes to the proper authorities and you will reimburse us for such taxes. If you have a valid direct-pay permit, you agree to provide us with a copy. For clarity, we are responsible for paying our income taxes, both federal and state, as applicable, arising from our performance of this Agreement.
5. Nondiscrimination. We will not discriminate against any person employed or applying for employment concerning the performance of our responsibilities under this Agreement. This discrimination prohibition will apply to all matters of initial employment, tenure, and terms of employment, or otherwise with respect to any matter directly or indirectly relating to employment concerning race, color, religion, national origin, age, sex, sexual orientation, ancestry, disability that is unrelated to the individual's ability to perform the duties of a particular job or position, height, weight, marital status, or political affiliation. We will post, where appropriate, all notices related to nondiscrimination as may be required by applicable law.
6. E-Verify. We have complied, and will comply, with the E-Verify procedures administered by the U.S. Citizenship and Immigration Services Verification Division for all of our employees assigned to your project.
7. Subcontractors. We will not subcontract any services under this Agreement without your prior written consent, not to be unreasonably withheld.
8. Binding Effect; No Assignment. This Agreement shall be binding on, and shall be for the benefit of, either your or our successor(s) or permitted assign(s). Neither party may assign this Agreement without the prior written consent of the other party; provided, however, your consent is not required for an assignment by us as a result of a corporate reorganization, merger, acquisition, or purchase of substantially all of our assets.
9. Force Majeure. Except for your payment obligations, neither party will be liable for delays in performing its obligations under this Agreement to the extent that the delay is caused by Force Majeure; provided, however, that within ten (10) business days of the Force Majeure event, the party whose performance is delayed provides the other party with written notice explaining the cause and extent thereof, as well as a request for a reasonable time extension equal to the estimated duration of the Force Majeure event.
10. No Intended Third Party Beneficiaries. This Agreement is entered into solely for the benefit of you and us. No third party will be deemed a beneficiary of this Agreement, and no third party will have the right to make any claim or assert any right under this Agreement. This provision does not affect the rights of third parties under any Third Party Terms.
11. Entire Agreement; Amendment. This Agreement represents the entire agreement between you and us with respect to the subject matter hereof, and supersedes any prior agreements, understandings, and representations, whether written, oral, expressed, implied, or statutory. Purchase orders submitted by you, if any, are for your internal administrative purposes only, and the terms and conditions contained in those purchase orders will have no force or effect. This Agreement may only be modified by a written amendment signed by an authorized representative of each party.

12. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement will be considered valid and enforceable to the fullest extent permitted by law.
13. No Waiver. In the event that the terms and conditions of this Agreement are not strictly enforced by either party, such non-enforcement will not act as or be deemed to act as a waiver or modification of this Agreement, nor will such non-enforcement prevent such party from enforcing each and every term of this Agreement thereafter.
14. Independent Contractor. We are an independent contractor for all purposes under this Agreement.
15. Notices. All notices or communications required or permitted as a part of this Agreement, such as notice of an alleged material breach for a termination for cause or a dispute that must be submitted to dispute resolution, must be in writing and will be deemed delivered upon the earlier of the following: (a) actual receipt by the receiving party; (b) upon receipt by sender of a certified mail, return receipt signed by an employee or agent of the receiving party; (c) upon receipt by sender of proof of email delivery; or (d) if not actually received, five (5) days after deposit with the United States Postal Service authorized mail center with proper postage (certified mail, return receipt requested) affixed and addressed to the other party at the address set forth on the signature page hereto or such other address as the party may have designated by proper notice. The consequences for the failure to receive a notice due to improper notification by the intended receiving party of a change in address will be borne by the intended receiving party.
16. Client Lists. You agree that we may identify you by name in client lists, marketing presentations, and promotional materials.
17. Confidentiality. Both parties recognize that their respective employees and agents, in the course of performance of this Agreement, may be exposed to confidential information and that disclosure of such information could violate rights to private individuals and entities, including the parties. Confidential information is nonpublic information that a reasonable person would believe to be confidential and includes, without limitation, personal identifying information (*e.g.*, social security numbers) and trade secrets, each as defined by applicable state law. Each party agrees that it will not disclose any confidential information of the other party and further agrees to take all reasonable and appropriate action to prevent such disclosure by its employees or agents. The confidentiality covenants contained herein will survive the termination or cancellation of this Agreement. This obligation of confidentiality will not apply to information that:
 - (a) is in the public domain, either at the time of disclosure or afterwards, except by breach of this Agreement by a party or its employees or agents;
 - (b) a party can establish by reasonable proof was in that party's possession at the time of initial disclosure;
 - (c) a party receives from a third party who has a right to disclose it to the receiving party; or
 - (d) is the subject of a legitimate disclosure request under the open records laws or similar applicable public disclosure laws governing this Agreement; provided, however, that in the event you receive an open records or other similar applicable request, you will give us prompt notice and otherwise perform the functions required by applicable law.

18. Quarantining of Client Data. Some services provided by Tyler require us to be in possession of your Data. In the event we detect malware or other conditions associated with your Data that are reasonably suspected of putting Tyler resources or other Tyler clients' data at risk, we reserve the absolute right to move your Data from its location within a multi-tenancy Tyler hosted environment to an isolated "quarantined" environment without advance notice. Your Data will remain in such quarantine for a period of at least six (6) months during which time we will review the Data, and all traffic associated with the Data, for signs of malware or other similar issues. If no issues are detected through such reviews during the six (6) month period of quarantine, we will coordinate with you the restoration of your Data to a non-quarantined environment. In the event your Data must remain in quarantine beyond this six (6) month period through no fault of Tyler's, we reserve the right to require payment of additional fees for the extended duration of quarantine. We will provide an estimate of what those costs will be upon your request.
19. Business License. In the event a local business license is required for us to perform services hereunder, you will promptly notify us and provide us with the necessary paperwork and/or contact information so that we may timely obtain such license.
20. Governing Law. This Agreement will be governed by and construed in accordance with the laws of your state of domicile, without regard to its rules on conflicts of law.
21. Multiple Originals and Authorized Signatures. This Agreement may be executed in multiple originals, any of which will be independently treated as an original document. Any electronic, faxed, scanned, photocopied, or similarly reproduced signature on this Agreement or any amendment hereto will be deemed an original signature and will be fully enforceable as if an original signature. Each party represents to the other that the signatory set forth below is duly authorized to bind that party to this Agreement.
22. Cooperative Procurement. To the maximum extent permitted by applicable law, we agree that this Agreement may be used as a cooperative procurement vehicle by eligible jurisdictions. We reserve the right to negotiate and customize the terms and conditions set forth herein, including but not limited to pricing, to the scope and circumstances of that cooperative procurement.
23. Data & Insights Solution Terms. Your use of certain Tyler solutions includes Tyler's Data & Insights data platform. Your rights, and the rights of any of your end users, to use Tyler's Data & Insights data platform is subject to the Data & Insights SaaS Services Terms of Service, available at <https://www.tylertech.com/terms/data-insights-saas-services-terms-of-service>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms.
24. Contract Documents. This Agreement includes the following exhibits:
- | | |
|-----------|--|
| Exhibit A | Investment Summary |
| Exhibit B | Invoicing and Payment Policy
Schedule 1: Business Travel Policy |
| Exhibit C | Service Level Agreement
Schedule 1: Support Call Process |
| Exhibit D | Third Party Terms |

IN WITNESS WHEREOF, a duly authorized representative of each party has executed this Agreement as of the date(s) set forth below.

Tyler Technologies, Inc.

San Bernardino Municipal Water Department

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address for Notices:

Tyler Technologies, Inc.
One Tyler Drive
Yarmouth, ME 04096
Attention: Chief Legal Officer

Address for Notices:

San Bernardino Municipal Water Department
444. W. Rialto Ave., Suite D
San Bernardino, CA 92401
Attention: _____



Exhibit A

Investment Summary

The following Investment Summary details the software and services to be delivered by us to you under the Agreement. This Investment Summary is effective as of the Effective Date, despite any expiration date in the Investment Summary that may have lapsed as of the Effective Date.

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Quoted By:	Karen Grosset
Quote Expiration:	04/01/25
Quote Name:	San Bernardino Municipal Water Department - ERP - SaaS
Quote Description:	SaaS Hosting
SaaS Term	1.00

Sales Quotation For:**Shipping Address:**

San Bernardino Municipal Water
Department
444. W. Rialto Ave.
Suite D
San Bernardino CA 92401

Tyler SaaS and Related Services

Description	Qty	Imp. Hours	Annual Fee
Financial Management			
Accounting	1	0	\$ 33,764.00
Accounts Payable	1	0	\$ 10,407.00
Budgeting	1	0	\$ 10,407.00
Capital Assets	1	0	\$ 9,938.00
Cash Management	1	0	\$ 6,984.00
Contract Management	1	0	\$ 4,519.00
eProcurement (Vendor Access and Punch-Out)	1	0	\$ 0.00
eProcurement (Vendor Access and Punch-Out) Migration	1	0	\$ 6,651.00
Inventory	1	0	\$ 9,938.00
Project & Grant Accounting	1	0	\$ 7,473.00
Purchasing	1	0	\$ 16,843.00
Human Resources Management			

Human Resources & Talent Management	1	0	\$ 7,629.00
Payroll w Employee Access Migration	1	0	\$ 9,742.00
Payroll with Employee Access	1	0	\$ 0.00
Time & Attendance - Up to 250 Employees	1	0	\$ 11,437.00
Time & Attendance Mobile Access	1	0	\$ 2,437.00
Revenue Management			
Accounts Receivable	1	0	\$ 8,607.00
General Billing	1	0	\$ 4,891.00
Content Management			
Content Manager Core includes Onboarding	1	0	\$ 11,737.00
Data Insights			
Enterprise Analytics and Reporting	1	0	\$ 10,516.00
Additional			
ACFR Statement Builder	1	0	\$ 8,655.00
Enterprise Forms Processing (including Common Form Set)	1	0	\$ 6,521.00
Integrations			
General Ledger API Toolkit	1	0	\$ 4,359.00
Inventory API Toolkit	1	0	\$ 4,649.00
Recurring Services			
Data Access Services	1	0	\$ 3,000.00
TOTAL		0	\$ 211,104.00

Tyler Annual Services

Description	QTY	Imp. Hours	Annual Fee
Recurring Services			
Annual Payroll Tax Table Updates	1	0	\$ 1,103.00
TOTAL:		0	\$ 1,103.00

Professional Services

Description	Quantity	Unit Price	Ext Discount	Extended Price	Maintenance
Project Planning Services	1	\$ 10,610.00	\$ 0.00	\$ 10,610.00	\$ 0.00
TOTAL				\$ 10,610.00	\$ 0.00

Summary	One Time Fees	Recurring Fees
Total Tyler License Fees	\$ 0.00	\$ 0.00
Total SaaS	\$ 0.00	\$ 211,104.00
Total Tyler Services	\$ 10,610.00	\$ 1,103.00
Total Third-Party Hardware, Software, Services	\$ 0.00	\$ 0.00
Summary Total	\$ 10,610.00	\$ 212,207.00
Contract Total	\$ 222,817.00	

Unless otherwise indicated in the contract or amendment thereto, pricing for optional items will be held
For six (6) months from the Quote date or the Effective Date of the Contract, whichever is later.

Customer Approval: _____ Date: _____

Print Name: _____ P.O.#: _____

All Primary values quoted in US Dollars

Comments

Tyler's quote contains estimates of the amount of services needed, based on our preliminary understanding of the scope, level of engagement, and timeline as defined in the Statement of Work (SOW) for your project. The actual amount of services required may vary, based on these factors.

Tyler's pricing is based on the scope of proposed products and services contracted from Tyler. Should portions of the scope of products or services be altered by the Client, Tyler reserves the right to adjust prices for the remaining scope accordingly.

Unless otherwise noted, prices submitted in the quote do not include travel expenses incurred in accordance with Tyler's then-current Business Travel Policy.

Tyler's prices do not include applicable local, city or federal sales, use excise, personal property or other similar taxes or duties, which you are responsible for determining and remitting. Installations are completed remotely but can be done onsite upon request at an additional cost.

In the event Client cancels services less than four (4) weeks in advance, Client is liable to Tyler for (i) all non-refundable expenses incurred by Tyler on Client's behalf; and (ii) daily fees associated with the cancelled services if Tyler is unable to re-assign its personnel.

The Implementation Hours included in this quote assume a work split effort of 70% Client and 30% Tyler.

Implementation Hours are scheduled and delivered in four (4) or eight (8) hour increments.

Tyler provides onsite training for a maximum of 12 people per class. In the event that more than 12 users wish to participate in a training class or more than one occurrence of a class is needed, Tyler will either provide additional days at then-current rates for training or Tyler will utilize a Train-the-Trainer approach whereby the client designated attendees of the initial training can thereafter train the remaining users.

Content Manager Core includes up to 1TB of storage. Should additional storage be needed it may be purchased as needed at an annual fee of \$5,000 per TB.

Financial library includes: standard A/P check, standard EFT/ACH, standard Purchase order, standard Contract, 1099M, 1099INT, 1099S, 1099NEC and 1099G.

General Billing library includes: standard invoice, standard statement, standard general billing receipt and standard miscellaneous receipt.

Personnel Actions Forms Library includes: standard Personnel Action form - New and standard Personnel Action Form - Change.

Each API Toolkit or Connector comes with 8 free hours of API Development Consulting hours. Each API Bundle comes with 16 free API Development Consulting hours. Additional hours can be purchased beyond this standard offering.

Project Management includes project planning, kickoff meeting, status calls, task monitoring, verification and transition to support.

Tyler's form library prices are based on the actual form quantities listed, and assume the forms will be provided according to the standard Enterprise ERP form template. Any forms in addition to the quoted amounts and types, including custom forms or forms that otherwise require custom programming, are subject to an additional fee. Please also note that use of the Tyler Forms functionality requires the use of approved printers as well. You may contact Tyler's support team for the most current list of approved printers. Any forms included in this quote are based on the standard form templates provided. Custom forms, additional forms and any custom programming are subject to additional fees not included in this quote. The additional fees would be quoted at the time of request, generally during the implementation of the forms. Please note that the form solution provided requires the use of approved printers. You may contact Tyler's support team for the most current list of approved printers.

Payroll library includes: standard PR check, standard direct deposit, standard vendor from payroll check, standard vendor from payroll direct deposit, W2, W2c, ACA 1095B, ACA 1095C and 1099 R.

In the event Client acquires from Tyler any edition of Content Manager software other than Enterprise Edition, the license for Content Manager is restricted to use with Tyler applications only. If Client wishes to use Content Manager software with non-Tyler applications, Client must purchase or upgrade to Content Manager Enterprise Edition.

Your rights, and the rights of any of your end users, to use Tyler's Access applications are subject to the Terms of Services, available at <https://www.tylertech.com/terms/tyler-access-applications-migration-terms>. By signing this sales quotation, or accessing, installing, or using any of the Tyler solutions listed at the linked terms, you certify that you have reviewed, understand, and agree to said terms.



Exhibit B

Invoicing and Payment Policy

We will provide you with the software and services set forth in the Investment Summary of the Agreement. Capitalized terms not otherwise defined will have the meaning assigned to such terms in the Agreement.

Invoicing: We will invoice you for the applicable software and services in the Investment Summary as set forth below. Your rights to dispute any invoice are set forth in the Agreement.

1. SaaS Fees. SaaS Fees are invoiced on an annual basis, beginning on the commencement of the initial term as set forth in Section F (1) of this Agreement. Your annual SaaS fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual SaaS fees will be at our then-current rates.
2. Other Tyler Software and Services.
 - 2.1 *Implementation and Other Professional Services (including training):* Implementation and other professional services (including training) are billed and invoiced as delivered, at the rates set forth in the Investment Summary.
 - 2.2 *Consulting Services:* If you have purchased any Business Process Consulting services, if they have been quoted as fixed-fee services, they will be invoiced 50% upon your acceptance of the Best Practice Recommendations, by module, and 50% upon your acceptance of custom desktop procedures, by module. If you have purchased any Business Process Consulting services and they are quoted as an estimate, then we will bill you the actual services delivered on a time and materials basis.
 - 2.3 *Conversions:* Fixed-fee conversions are invoiced 50% upon initial delivery of the converted Data, by conversion option, and 50% upon Client acceptance to load the converted Data into Live/Production environment, by conversion option. Where conversions are quoted as estimated, we will bill you the actual services delivered on a time and materials basis.
 - 2.4 *Requested Modifications to the Tyler Software:* Requested modifications to the Tyler Software are invoiced 50% upon delivery of specifications and 50% upon delivery of the applicable modification. You must report any failure of the modification to conform to the specifications within thirty (30) days of delivery; otherwise, the modification will be deemed to be in compliance with the specifications after the 30-day window has passed. You may still report Defects to us as set forth in this Agreement.
 - 2.5 *Other Fixed Price Services:* Other fixed price services are invoiced as delivered, at the rates set forth in the Investment Summary. For the avoidance of doubt, where "Project Planning Services" are provided, payment will be due upon delivery of the Implementation Planning document. Dedicated Project Management services, if any, will be billed monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
 - 2.6 *Other Fixed Price Services:* Other fixed price services are invoiced as delivered, at the rates set forth in the Investment Summary. For the avoidance of doubt, where "Project Planning Services" are provided, payment will be due upon delivery of the Implementation Planning

- document. Dedicated Project Management services, if any, will be billed monthly in arrears, beginning on the first day of the month immediately following initiation of project planning.
- 2.7 *Web Services*: Annual fees for web services are payable in advance, commencing upon the availability of the service. Your annual fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual fees will be at our then-current rates.
- 2.8 *Annual Services*: Unless otherwise indicated in this Exhibit B, fees for annual services are due annually, in advance, commencing on the availability of the service. Your annual fees for the initial term are set forth in the Investment Summary. Upon expiration of the initial term, your annual fees will be at our then-current rates.
3. Third Party Products and Hardware.
- 3.1 *Third Party Software License Fees*: License fees for Third Party Software, if any, are invoiced when we make it available to you for downloading.
- 3.2 *Third Party Software Maintenance*: The first year maintenance fee for the Third Party Software is invoiced when we make it available to you for downloading. Subsequent annual maintenance fees for Third Party Software are invoiced annually, in advance, at then-current rates, upon each anniversary thereof.
- 3.3 *Hardware*: Third Party Hardware costs, if any, are invoiced upon delivery.
- 3.4 *Hardware Maintenance*: The first year maintenance fee for Hardware is invoiced upon delivery of the hardware. Subsequent annual maintenance fees for hardware are invoiced annually, in advance, at then-current rates, upon each anniversary thereof.
- 3.5 *Third Party Services*: Fees for Third Party Services, if any, are invoiced as delivered, along with applicable expenses, at the rates set forth in the Investment Summary.
- 3.6 *Third Party SaaS*: Third Party SaaS Services fees, if any, are invoiced annually, in advance, commencing with availability of the respective Third Party SaaS Services. Pricing for the first year of Third Party SaaS Services is indicated in the Investment Summary. Pricing for subsequent years will be at the respective third party's then-current rates.
4. Transaction Fees. Unless paid directly by an end user at the time of transaction, per transaction (call, message, etc.) fees are invoiced on a quarterly basis. Fees are indicated in the Investment Summary and may be increased by Tyler upon notice of no less than thirty (30) days.
5. Expenses. The service rates in the Investment Summary do not include travel expenses. Expenses for Tyler delivered services will be billed as incurred and only in accordance with our then-current Business Travel Policy, plus a 10% travel agency processing fee. Our current Business Travel Policy is attached to this Exhibit B as Schedule 1. Copies of receipts will be provided upon request; we reserve the right to charge you an administrative fee depending on the extent of your requests. Receipts for miscellaneous items less than twenty-five dollars and mileage logs are not available.
6. Credit for Prepaid Maintenance and Support Fees for Tyler Software. Client will receive a credit for the maintenance and support fees prepaid for the Tyler Software for the time period commencing on the first day of the SaaS Term.

Payment. Payment for undisputed invoices is due within forty-five (45) days of the invoice date. We prefer to receive payments electronically. Our electronic payment information is available by contacting AR@tylertech.com.



Exhibit B
Schedule 1
Business Travel Policy

1. Air Travel

A. Reservations & Tickets

The Travel Management Company (TMC) used by Tyler will provide an employee with a direct flight within two hours before or after the requested departure time, assuming that flight does not add more than three hours to the employee's total trip duration and the fare is within \$100 (each way) of the lowest logical fare. If a net savings of \$200 or more (each way) is possible through a connecting flight that is within two hours before or after the requested departure time and that does not add more than three hours to the employee's total trip duration, the connecting flight should be accepted.

Employees are encouraged to make advanced reservations to take full advantage of discount opportunities. Employees should use all reasonable efforts to make travel arrangements at least two (2) weeks in advance of commitments. A seven (7) day advance booking requirement is mandatory. When booking less than seven (7) days in advance, management approval will be required.

Except in the case of international travel where a segment of continuous air travel is six (6) or more consecutive hours in length, only economy or coach class seating is reimbursable. Employees shall not be reimbursed for "Basic Economy Fares" because these fares are non-refundable and have many restrictions that outweigh the cost-savings.

B. Baggage Fees

Reimbursement of personal baggage charges are based on trip duration as follows:

- Up to five (5) days = one (1) checked bag
- Six (6) or more days = two (2) checked bags

Baggage fees for sports equipment are not reimbursable.

2. Ground Transportation

A. Private Automobile

Mileage Allowance – Business use of an employee's private automobile will be reimbursed at the current IRS allowable rate, plus out of pocket costs for tolls and parking. Mileage will be calculated by using the employee's office as the starting and ending point, in compliance with IRS regulations. Employees who have been designated a home office should calculate miles from their home.

B. Rental Car

Employees are authorized to rent cars only in conjunction with air travel when cost, convenience, and the specific situation reasonably require their use. When renting a car for Tyler business, employees should select a "mid-size" or "intermediate" car. "Full" size cars may be rented when three or more employees are traveling together. Tyler carries leased vehicle coverage for business car rentals; except for employees traveling to Alaska and internationally (excluding Canada), additional insurance on the rental agreement should be declined.

C. Public Transportation

Taxi or airport limousine services may be considered when traveling in and around cities or to and from airports when less expensive means of transportation are unavailable or impractical. The actual fare plus a reasonable tip (15-18%) are reimbursable. In the case of a free hotel shuttle to the airport, tips are included in the per diem rates and will not be reimbursed separately.

D. Parking & Tolls

When parking at the airport, employees must use longer term parking areas that are measured in days as opposed to hours. Park and fly options located near some airports may also be used. For extended trips that would result in excessive parking charges, public transportation to/from the airport should be considered. Tolls will be reimbursed when receipts are presented.

3. Lodging

Tyler's TMC will select hotel chains that are well established, reasonable in price, and conveniently located in relation to the traveler's work assignment. Typical hotel chains include Courtyard, Fairfield Inn, Hampton Inn, and Holiday Inn Express. If the employee has a discount rate with a local hotel, the hotel reservation should note that discount and the employee should confirm the lower rate with the hotel upon arrival. Employee memberships in travel clubs such as AAA should be noted in their travel profiles so that the employee can take advantage of any lower club rates.

"No shows" or cancellation fees are not reimbursable if the employee does not comply with the hotel's cancellation policy.

Tips for maids and other hotel staff are included in the per diem rate and are not reimbursed separately.

Employees are not authorized to reserve non-traditional short-term lodging, such as Airbnb, VRBO, and HomeAway. Employees who elect to make such reservations shall not be reimbursed.

4. Meals and Incidental Expenses

Employee meals and incidental expenses while on travel status within the continental U.S. are in accordance with the federal per diem rates published by the General Services Administration. Incidental expenses include tips to maids, hotel staff, and shuttle drivers and other minor travel expenses. Per diem rates are available at www.gsa.gov/perdiem.

Per diem for Alaska, Hawaii, U.S. protectorates and international destinations are provided separately by the Department of State and will be determined as required.

A. Overnight Travel

For each full day of travel, all three meals are reimbursable. Per diems on the first and last day of a trip are governed as set forth below.

Departure Day

Depart before 12:00 noon	Lunch and dinner
Depart after 12:00 noon	Dinner

Return Day

Return before 12:00 noon	Breakfast
Return between 12:00 noon & 7:00 p.m.	Breakfast and lunch
Return after 7:00 p.m.*	Breakfast, lunch and dinner

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

The reimbursement rates for individual meals are calculated as a percentage of the full day per diem as follows:

Breakfast	15%
Lunch	25%
Dinner	60%

B. Same Day Travel

Employees traveling at least 100 miles to a site and returning in the same day are eligible to claim lunch on an expense report. Employees on same day travel status are eligible to claim dinner in the event they return home after 7:00 p.m.*

*7:00 p.m. is defined as direct travel time and does not include time taken to stop for dinner.

5. Internet Access – Hotels and Airports

Employees who travel may need to access their e-mail at night. Many hotels provide free high speed internet access and Tyler employees are encouraged to use such hotels whenever possible. If an employee's hotel charges for internet access it is reimbursable up to \$10.00 per day. Charges for internet access at airports are not reimbursable.

6. International Travel

All international flights with the exception of flights between the U.S. and Canada should be reserved through TMC using the "lowest practical coach fare" with the exception of flights that are six (6) or more consecutive hours in length. In such event, the next available seating class above coach shall be reimbursed.

When required to travel internationally for business, employees shall be reimbursed for photo fees, application fees, and execution fees when obtaining a new passport book, but fees related to passport renewals are not reimbursable. Visa application and legal fees, entry taxes and departure taxes are reimbursable.

The cost of vaccinations that are either required for travel to specific countries or suggested by the U.S. Department of Health & Human Services for travel to specific countries, is reimbursable.

Section 4, Meals & Incidental Expenses, and Section 2.b., Rental Car, shall apply to this section.



Exhibit C

SERVICE LEVEL AGREEMENT

I. Agreement Overview

This SLA operates in conjunction with, and does not supersede or replace any part of, the Agreement. It outlines the information technology service levels that we will provide to you to ensure the availability of the application services that you have requested us to provide. All other support services are documented in the Support Call Process. This SLA does not apply to any Third Party SaaS Services. All other support services are documented in the Support Call Process.

II. Definitions. Except as defined below, all defined terms have the meaning set forth in the Agreement.

Actual Attainment: The percentage of time the Tyler Software is available during a calendar month, calculated as follows: $(\text{Service Availability} - \text{Downtime}) \div \text{Service Availability}$.

Client Error Incident: Any service unavailability resulting from your applications, content or equipment, or the acts or omissions of any of your service users or third-party providers over whom we exercise no control.

Downtime: Those minutes during Service Availability, as defined below, when all users cannot launch, login, search or save primary data in the Tyler Software. Downtime does not include those instances in which only a Defect is present.

Emergency Maintenance Window: (1) maintenance that is required to patch a critical security vulnerability; (2) maintenance that is required to prevent an imminent outage of Service Availability; or (3) maintenance that is mutually agreed upon in writing by Tyler and the Client.

Planned Downtime: Downtime that occurs during a Standard or Emergency Maintenance window.

Service Availability: The total number of minutes in a calendar month that the Tyler Software is capable of receiving, processing, and responding to requests, excluding Planned Downtime, Client Error Incidents, denial of service attacks and Force Majeure. Service Availability only applies to Tyler Software being used in the live production environment.

Standard Maintenance: Routine maintenance to the Tyler Software and infrastructure. Standard Maintenance is limited to five (5) hours per week.

III. **Service Availability**

a. Your Responsibilities

Whenever you experience Downtime, you must make a support call according to the procedures outlined in the Support Call Process. You will receive a support case number.

b. Our Responsibilities

When our support team receives a call from you that Downtime has occurred or is occurring, we will work with you to identify the cause of the Downtime (including whether it may be the result of Planned Downtime, a Client Error Incident, denial of service attack or Force Majeure). We will also work with you to resume normal operations.

c. Client Relief

Our targeted Attainment Goal is 100%. You may be entitled to credits as indicated in the Client Relief Schedule found below. Your relief credit is calculated as a percentage of the SaaS Fees paid for the calendar month.

In order to receive relief credits, you must submit a request through one of the channels listed in our Support Call Process within fifteen days (15) of the end of the applicable month. We will respond to your relief request within thirty (30) day(s) of receipt.

The total credits confirmed by us will be applied to the SaaS Fee for the next billing cycle. Issuing of such credit does not relieve us of our obligations under the Agreement to correct the problem which created the service interruption.

Credits are only payable when Actual Attainment results in eligibility for credits in consecutive months and only for such consecutive months.

Client Relief Schedule	
Actual Attainment	Client Relief
99.99% - 98.00%	Remedial action will be taken
97.99% - 95.00%	4%
Below 95.00%	5%

IV. **Maintenance Notifications**

We perform Standard Maintenance during limited windows that are historically known to be reliably low-traffic times. If and when maintenance is predicted to occur during periods of higher traffic, we will provide advance notice of those windows and will coordinate to the greatest extent possible with you.

Not all maintenance activities will cause application unavailability. However, if Tyler anticipates that activities during a Standard or Emergency Maintenance window may make the Tyler Software unavailable, we will provide advance notice, as reasonably practicable, that the Tyler Software will be unavailable during the maintenance window.



Exhibit C Schedule 1 Support Call Process

Support Channels

Tyler Technologies, Inc. provides the following channels of software support for authorized users*:

- (1) On-line submission (portal) – for less urgent and functionality-based questions, users may create support incidents through the Tyler Customer Portal available at the Tyler Technologies website. A built-in Answer Panel provides users with resolutions to most “how-to” and configuration-based questions through a simplified search interface with machine learning, potentially eliminating the need to submit the support case.
- (2) Email – for less urgent situations, users may submit emails directly to the software support group.
- (3) Telephone – for urgent or complex questions, users receive toll-free, telephone software support.

** Channel availability may be limited for certain applications.*

Support Resources

A number of additional resources are available to provide a comprehensive and complete support experience:

- (1) Tyler Website – www.tyler tech.com – for accessing client tools, documentation, and other information including support contact information.
- (2) Tyler Search -a knowledge based search engine that lets you search multiple sources simultaneously to find the answers you need, 24x7.
- (3) Tyler Community –provides a venue for all Tyler clients with current maintenance agreements to collaborate with one another, share best practices and resources, and access documentation.
- (4) Tyler University – online training courses on Tyler products.

Support Availability

Tyler Technologies support is available during the local business hours of 8 AM to 5 PM (Monday – Friday) across four US time zones (Pacific, Mountain, Central and Eastern). Tyler’s holiday schedule is outlined below. There will be no support coverage on these days.

New Year’s Day	Labor Day
Martin Luther King, Jr. Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

For support teams that provide after-hours service, we will provide you with procedures for contacting support staff after normal business hours for reporting Priority Level 1 Defects only. Upon receipt of



such a Defect notification, we will use commercially reasonable efforts to meet the resolution targets set forth below.

We will also make commercially reasonable efforts to be available for one pre-scheduled Saturday of each month to assist your IT staff with applying patches and release upgrades, as well as consulting with them on server maintenance and configuration of the Tyler Software environment.

Incident Handling

Incident Tracking

Every support incident is logged into Tyler's Customer Relationship Management System and given a unique case number. This system tracks the history of each incident. The case number is used to track and reference open issues when clients contact support. Clients may track incidents, using the case number, through Tyler's Customer Portal or by calling software support directly.

Incident Priority

Each incident is assigned a priority level, which corresponds to the Client's needs. Tyler and the Client will reasonably set the priority of the incident per the chart below. This chart is not intended to address every type of support incident, and certain "characteristics" may or may not apply depending on whether the Tyler software has been deployed on customer infrastructure or the Tyler cloud. The goal is to help guide the Client towards clearly understanding and communicating the importance of the issue and to describe generally expected response and resolution targets in the production environment only.

References to a "confirmed support incident" mean that Tyler and the Client have successfully validated the reported Defect/support incident.

Priority Level	Characteristics of Support Incident	Resolution Targets*
1 Critical	Support incident that causes (a) complete application failure or application unavailability; (b) application failure or unavailability in one or more of the client's remote location; or (c) systemic loss of multiple essential system functions.	Tyler shall provide an initial response to Priority Level 1 incidents within one (1) business hour of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within one (1) business day. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.

Priority Level	Characteristics of Support Incident	Resolution Targets*
2 High	Support incident that causes (a) repeated, consistent failure of essential functionality affecting more than one user or (b) loss or corruption of data.	Tyler shall provide an initial response to Priority Level 2 incidents within four (4) business hours of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents or provide a circumvention procedure within ten (10) business days. For non-hosted customers, Tyler's responsibility for loss or corrupted data is limited to assisting the Client in restoring its last available database.
3 Medium	Priority Level 1 incident with an existing circumvention procedure, or a Priority Level 2 incident that affects only one user or for which there is an existing circumvention procedure.	Tyler shall provide an initial response to Priority Level 3 incidents within one (1) business day of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents without the need for a circumvention procedure with the next published maintenance update or service pack, which shall occur at least quarterly. For non-hosted customers, Tyler's responsibility for lost or corrupted data is limited to assisting the Client in restoring its last available database.
4 Non-critical	Support incident that causes failure of non-essential functionality or a cosmetic or other issue that does not qualify as any other Priority Level.	Tyler shall provide an initial response to Priority Level 4 incidents within two (2) business days of receipt of the incident. Once the incident has been confirmed, Tyler shall use commercially reasonable efforts to resolve such support incidents, as well as cosmetic issues, with a future version release.

**Response and Resolution Targets may differ by product or business need*

Incident Escalation

If Tyler is unable to resolve any priority level 1 or 2 defect as listed above or the priority of an issue has elevated since initiation, you may escalate the incident to the appropriate resource, as outlined by each product support team. The corresponding resource will meet with you and any Tyler staff to establish a mutually agreeable plan for addressing the defect.

Remote Support Tool

Some support calls may require further analysis of the Client's database, processes or setup to diagnose a problem or to assist with a question. Tyler will, at its discretion, use an industry-standard remote support tool. Tyler's support team must have the ability to quickly connect to the Client's system and view the site's setup, diagnose problems, or assist with screen navigation. More information about the remote support tool Tyler uses is available upon request.



Exhibit D

Third Party Terms

DocOrigin Terms. Your use of Tyler Forms software and forms is subject to the DocOrigin End User License Agreement available for download here: <https://eclipsecorp.us/eula/>. By signing a Tyler Agreement or Order Form including Tyler forms software or forms, or accessing, installing, or using Tyler Forms software or forms, you agree that you have read, understood, and agree to such terms.

ThinPrint Terms. Your use of Tyler Forms software and forms is subject to the End User License Agreement terms for ThinPrint Engine, ThinPrint License Server, and Connected Gateway found here: <https://www.thinprint.com/en/legal-notes/eula/>. By signing a Tyler Agreement or Order Form, or accessing, installing, or using Tyler Forms software or forms, you agree that you have read, understood, and agree to such terms.

**CITY OF SAN BERNARDINO
MUNICIPAL WATER DEPARTMENT**

Received 06-30-25
SBMWD AS
General Manager

**WATER BOARD
STAFF REPORT**

TO: Water Board Commissioners
FROM: Miguel J. Guerrero, P.E., General Manager
SUBJECT: 2025 STRATEGIC PLAN UPDATE
DATE: June 30, 2025

BACKGROUND/DISCUSSION:

In 2019, the Department embarked on a strategic planning effort with the goal to update the mission statement, key value statements and adopt a strategic plan that represents the Water Board's assessment of the Department's current state and the Board's vision for the Department's future direction. The process was facilitated by HR Dynamics and Performance Management (HRD), and involved multiple interviews and meetings with the Board and staff, all leading up to a strategic planning workshop held at the Rezek Centre. Following the workshop, the Board adopted the revised Mission and Key Value Statements and the Department's Strategic Plan which included 5 Guiding Targets, 14 Goals that fell within the Targets, and an Action Plan with 100 specific actions aimed at meeting the Targets and Goals.

It is best practice to conduct a thorough review and update of a strategic plan every 3-5 years; however, ongoing review/maintenance of an action plan is necessary to ensure it is current and properly executed. On September 22, 2020, the first Strategic Plan update was approved by the Water Board. The focus was on the Action Plan, which resulted in a net 77 actions completed and 6 new actions.

Staff again worked diligently and at the 2021 Strategic Plan update there were 17 actions completed, 12 actions remaining on schedule and 35 "ongoing" actions with meaningful progress made as time progressed. All actions were eventually completed leaving only "ongoing" actions such as continuing recruitment and retention efforts through outreach or ongoing capital project completions.

The foundation had been laid and executed from 2019 through 2024, and the Strategic Plan now needed to reflect a broader perspective to guide policy, set objectives and prioritize investments to ensure efficient operations, ongoing community engagement and integration of sustainable water management practices.

A Request for Proposals was therefore conducted in the spring of 2024 and Water Systems Consulting, Inc. (WSC) was selected as the most responsive, responsible bidder. A Board workshop was held at the Rezek Center in the fall where the Board and the management team gave meaningful feedback and direction. WSC also facilitated meetings with key stakeholders in Water Utility, Water Reclamation, Environmental and Regulatory Compliance, Finance and Administrative Services.

Water Board Commissioners

Page 2

June 30, 2025

SUBJECT: 2025 SBMWD STRATEGIC PLAN UPDATE

Finally, a comprehensive employee survey was conducted by WSC in December 2024 focusing specifically on how to improve or better support the newly updated vision, mission, values and goals. The results were positive with a majority of respondents feeling somewhat to very connected to the new vision and seeing the Department moving in the right direction regarding water management, innovation and partnerships. More than two thirds of respondents indicated that the mission mostly or completely applied to their role. Over 80% of respondents felt that integrity and collaboration particularly in the field were key values. A strong majority felt either satisfied or very satisfied overall with the updated statements.

This comprehensive outreach to the Board, management team and employee stakeholders resulted in the incorporation of important feedback to this Strategic Plan Update with a renewed perspective for the future.

FISCAL IMPACT:

There is no direct fiscal impact. The Department's typical funding approval practices will apply as necessary.

RECOMMENDATION:

It is recommended that the Water Board make the following motion:

- Adopt the Water Department's Strategic Plan update as presented in the attached "Strategic Plan Update 2025."

Respectfully submitted,



Miguel J. Guerrero, P.E.
General Manager

Attachments: Strategic Plan 2025 Update
Strategic Plan 2025 Update Presentation

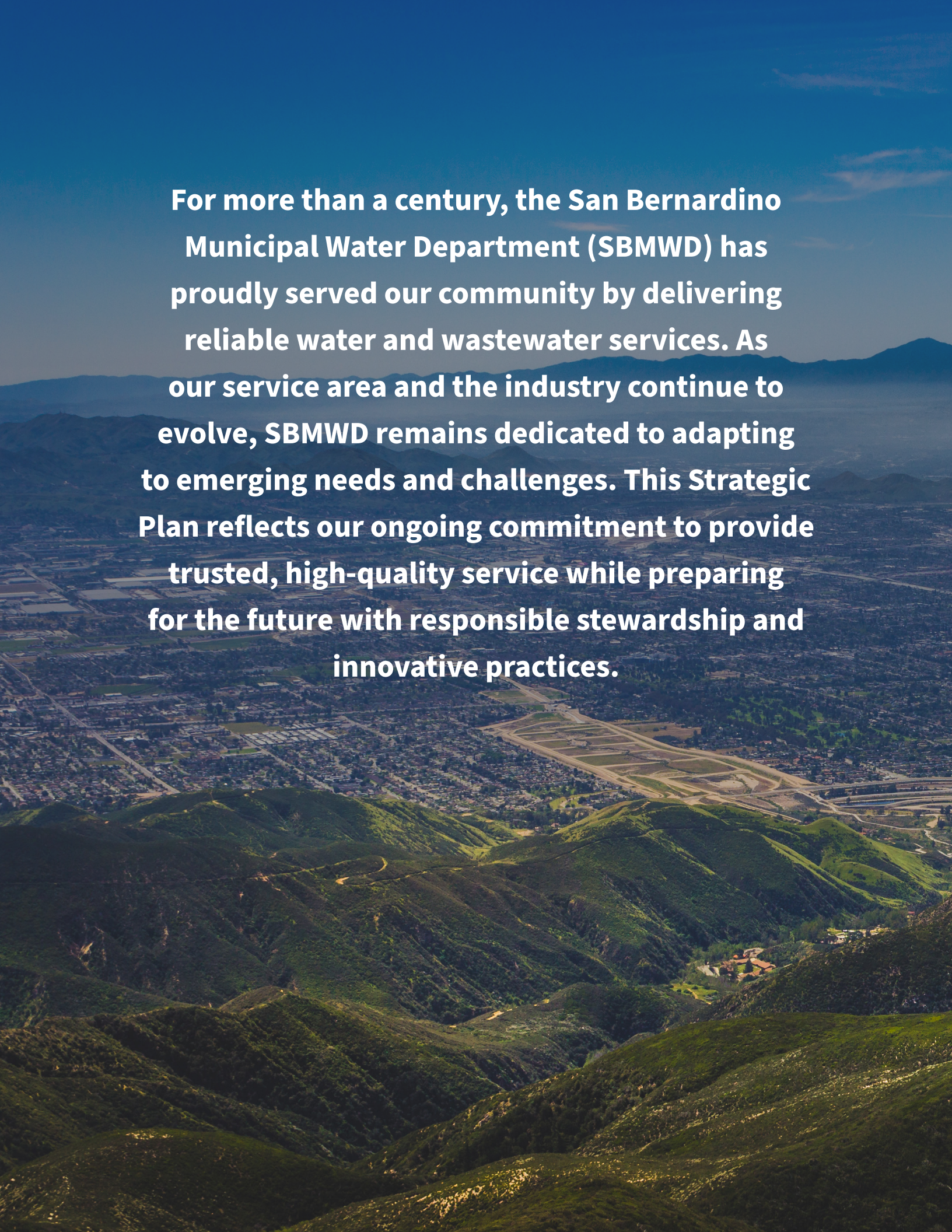


STRATEGIC PLAN UPDATE

San Bernardino Municipal Water Department

2025



An aerial photograph of a city valley, likely San Bernardino, with green hills in the foreground and mountains in the background. The text is overlaid on the image.

For more than a century, the San Bernardino Municipal Water Department (SBMWD) has proudly served our community by delivering reliable water and wastewater services. As our service area and the industry continue to evolve, SBMWD remains dedicated to adapting to emerging needs and challenges. This Strategic Plan reflects our ongoing commitment to provide trusted, high-quality service while preparing for the future with responsible stewardship and innovative practices.



BACKGROUND

Over the years, SBMWD has periodically evaluated and updated its strategic goals, ensuring alignment with changing demands, regulatory requirements, and community expectations. This updated Strategic Plan builds upon our past efforts and captures key priorities identified by the Water Board, staff, and stakeholders. By focusing on clarity and relevance, the Plan continues SBMWD's tradition of operational excellence and community engagement.

PURPOSE OF THE PLAN

The Strategic Plan is designed to guide SBMWD's decisions and initiatives in a consistent, transparent manner. It provides a clear roadmap for the Department, outlining where we want to go, how we intend to get there, and the core values that shape our work. By articulating a unified vision, mission, values, and goals, we align our day-to-day operations with the broader aspirations of our organization and the needs of our community.



VISION, MISSION, VALUES AND GOALS

Vision

Leading the transformation of water management to ensure a resilient future for our community and department through innovation and partnerships.

Mission

To meet the needs of the community by providing sustainable, high-quality water and wastewater services in a transparent, environmentally responsible, and efficient manner.

Values

- Innovation
- Community Engagement
- Environmental Stewardship
- Integrity
- Collaboration

Goals

1. Team Development and Training
2. Modernize & Secure Critical Infrastructure
3. Elevate Customer Experience & Public Trust
4. Build Strategic Partnerships
5. Ensure Financial Health & Transparency
6. Champion Environmental Compliance & Sustainability

VISION

Leading the transformation of water management to ensure a resilient future for our community and department through innovation and partnerships.

A vision statement describes the desired long-term impact and direction of an organization. It is an aspirational look at our future, where we aspire to be, and how we intend to lead within our industry and community.

MISSION

To meet the needs of the community by providing sustainable, high-quality water and wastewater services in a transparent, environmentally responsible, and efficient manner.

A mission statement explains the fundamental purpose of an organization, why it exists and what it does. While a vision looks ahead, the mission focuses on the present responsibilities and ongoing commitment to our customers, community, and environment.

VALUES



Values are the principles and standards that shape an organization's culture and helps guide decisions and interactions with stakeholders.



Innovation

Applying practical and effective technologies and methods to enhance service delivery and operational efficiency.



Community Engagement

Delivering reliable, responsive services while fostering trust and collaboration with our diverse community.



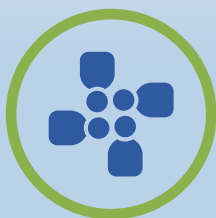
Environmental Stewardship

Protecting our natural resources and proactively adapting to future challenges.



Integrity

Ensuring all actions are conducted with transparency, accountability, and ethical standards.



Collaboration

Nurturing strong partnerships with local, regional, and state organizations to address industry challenges and achieve common goals.

GOALS

Goals are the measurable and actionable targets that translate our vision and mission into practical steps. They ensure that all members of the Department can understand and contribute to our strategic priorities.



GOAL 1

Team Development & Training

Enhance organizational capacity through continuous learning and professional development opportunities for all staff members.

GOAL 2

Modernize & Secure Critical Infrastructure

Identify and resolve critical vulnerabilities and modernize infrastructure to increase efficiencies and optimize operational performance, ensuring reliability and sustainability of water and wastewater services.

GOAL 3

Elevate Customer Experience & Public Trust

Maintain high customer service satisfaction levels and enhance public-relations efforts for community engagement.

GOAL 4

Build Strategic Partnerships

Strengthen relationships and strategic partnerships with local, regional, and state stakeholders to leverage resources and expertise.

GOAL 5

Ensure Financial Health & Transparency

Support service reliability and affordability through prudent financial management practices, including cost-effective operations, budget transparency, and long-term financial planning.

GOAL 6

Champion Environmental Compliance & Sustainability

Advance environmental stewardship, safety, and regulatory excellence by strengthening compliance systems, promoting sustainable practices, and supporting resilient operations across all facilities and functions.

GOAL 1

Team Development & Training

Enhance organizational capacity through continuous learning and professional development opportunities for all staff members.

- 1.1 Develop a Department-wide Training & Development Framework** that standardizes mandatory and job-specific training across every division, using on-line modules, shadowing, and certification pathways.
- 1.2 Increase Recruitment, Retention, and Succession Programs** incorporating internship pipelines from local high schools, community colleges, and universities and internal cross training opportunities as available.
- 1.3 Embed Staff Voices in Decision-Making** through quarterly employee organization meetings and various committees and inviting representatives to project-scoping meetings.
- 1.4 Enhance Cyber Security & Safety Training** with regular phishing simulations and online learning, incident-report drills, and updated safety-specific field and tabletop exercises.
- 1.5 Celebrate Excellence** through service recognition programs on the intranet, newsletters, and Board presentations.

GOAL 2

Modernize & Secure Critical Infrastructure

Identify and resolve critical vulnerabilities and modernize infrastructure to increase efficiencies and optimize operational performance, ensuring reliability and sustainability of water and wastewater services.

- 2.1 Implement a Comprehensive Asset-Management Program** that unifies water, wastewater, electrical, fleet, and IT assets with risk-based prioritization.
- 2.2 Complete, Update, and Effectively Communicate Master Plans** for Sewer Collection, WRP, RIX, SCADA, Electrical, and Water Supply on timely five-year refresh cycles.
- 2.3 Deliver Priority Capital Projects**—annual water and sewer main replacements, Digester B Phases I-III, East Influent Siphon Phase III, micro-grid and power-resiliency upgrades, Water Utility Relocation, increase water supply capacity, and backup-power installs at critical sites.
- 2.4 Transition Legacy Systems to the Cloud** and deploy high-availability architecture with disaster-recovery fail-over for all business-critical applications.
- 2.5 Expand Advanced Metering Infrastructure (AMI)** and implement a Developer Portal to increase efficiency, promote transparency, and provide real-time data exchange.

GOAL 3

Elevate Customer Experience & Public Trust

Maintain high customer service satisfaction levels and enhance public-relations efforts for community engagement.

- 3.1 Deploy Real-Time Customer Notifications** for outages, repairs, and personalized water-use insights via web, SMS, and mobile app.
- 3.2 Introduce Text-to-Pay & Automated Delinquency Alerts** to offer convenient, self-service payment options.
- 3.3 Provide Front-Line Training** to ensure consistent, concise, and complete responses to common inquiries.
- 3.4 Publish User-Friendly Dashboards & Infographics** to effectively communicate Department business and promote transparency.
- 3.5 Expand Education & Outreach Campaigns** actively engaging with our community as partners to promote the Department's public health and environmental protection successes, guided by a refreshed Strategic Communications Plan and branding guide.
- 3.6 Continue 24-Hour Inquiry Response** and track customer feedback to drive continuous improvement.

GOAL 4

Build Strategic Partnerships

Strengthen relationships and strategic partnerships with local, regional, and state stakeholders to leverage resources and expertise.

- 4.1 Actively Participate in Regional Task Forces & Industry Associations** to share best practices and influence policy.
- 4.2 Host Inter-Agency Coordination Meetings** with neighboring water and wastewater providers, regulators, and academic partners.
- 4.3 Maintain Frequent, Consistent Communication** with city officials including city administration, Mayor, and City Council to provide Water Department updates.
- 4.4 Establish Cost-Share & Grant Coalitions** for shovel-ready projects in conservation, resiliency, and infrastructure renewal.
- 4.5 Strengthen Regulatory Relationships** through proactive compliance consultations and timely feedback loops.
- 4.6 Partner with Local Schools & Colleges** to expand talent pipelines and community visibility.

GOAL 5

Ensure Financial Health & Transparency

Support service reliability and affordability through prudent financial management practices, including cost-effective operations, budget transparency, and long-term financial planning.

- 5.1 Adopt a Five-Year Financial Plan** aligned with the master portfolio of capital projects and asset-management priorities.
- 5.2 Enhance Budgeting** by integrating improved forecasting tools and interactive financial models into the rate-setting and budget processes.
- 5.3 Diversify Revenue** via targeted grant pursuits, federal/state programs, and public-private partnerships.
- 5.4 Optimize Debt & Reserves** through scheduled refinancing reviews and reserve-fund policies that strengthen the Department's financial health.
- 5.5 Streamline Procurement & Billing** using ERP vendor portals, automated invoice workflows, and digital bill-presentment.

GOAL 6

Champion Environmental Compliance & Sustainability

Advance environmental stewardship, safety, and regulatory excellence by strengthening compliance systems, promoting sustainable practices, and supporting resilient operations across all facilities and functions.

- 6.1 Achieve 100 % Regulatory Compliance** by digitizing permit tracking, automating reports, and conducting quarterly audits.
- 6.2 Lead a Regional Biosolids Strategy** to secure long-term, resilient disposal and beneficial-use solutions.
- 6.3 Reduce System Water Loss** through expanded leak-detection, meter calibration, and pressure-management programs.
- 6.4 Implement Renewable & Efficient Energy Solutions**—micro-grids, solar arrays, and high-efficiency pumps—to cut greenhouse-gas emissions.
- 6.5 Transition Fleet to Low- or Zero-Emission Vehicles** in accordance with evolving regulations and total-cost-of-ownership analyses.
- 6.6 Institutionalize Risk-Mitigation & Safety Programs** aiming for a 20 % reduction in accidents and liability claims.
- 6.7 Safeguard Water Sources & Watershed** through strengthened partnerships and best-management practices.

SBMWD's Strategic Plan continues our legacy of service, innovation, and community partnership. By clearly articulating our vision, mission, values, and goals, we ensure each department initiative serves the best interests of our customers and upholds the standards that have guided SBMWD for over a century.



This living document will be revisited regularly so that we can evolve alongside our growing community and respond effectively to changing industry demands. Ultimately, our aim is to foster a resilient and vibrant future, delivering on our promise to provide exceptional water and wastewater services for all.





Customer Service: (909) 384-5095

Main Line: (909) 384-5141

SBMWD.org | @SBCityWater



Strategic Plan Update

July 8, 2025

Agenda



Strategic Plan History



Efforts to Date



Staff Survey Takeaways



Vision, Mission Values



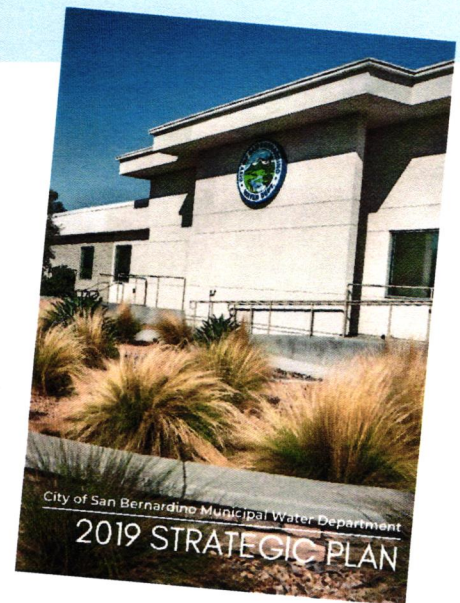
Goals



Objectives and Activities

Why Update Now?

- The Water Department's current Strategic Plan was **adopted in 2019**.
- Common practice is updating a plan **every three to five years**.
- The Water Department has **completed** many of the tasks outlined in current plan.
- Goals must be updated as **priorities and circumstances change**.
- **Bring in staff** as part of the development process.



Strategic Plan Update Process

Over the past year, we have engaged in a collaborative process to update SBMWD's strategic direction. In addition to regular check-ins and email collaboration, the process included the following:

- **Management Team Workshop:** Strategic plan update process and vision, mission, and values review workshop with Management Team.
- **Vision, Mission, Values Review:** Reviewed draft of updated vision, mission, and values with Management Team.
- **Board Workshop:** Review and live-edit vision, mission, and values drafts. Begin discussion and first drafts of values.
- **Staff Survey:** Collected employee feedback on updated vision, mission, and values.
- **Goals Sessions with Division Leaders and Staff Members:** Gathered insights and perspectives from all division agencies.
- **Review and Edit Document:** Refined all elements, supporting content and document design.
- **Water Board Review/Adoption (Today):** Reviewing the strategic plan together.

Staff Survey Key Takeaways

110 Total Responses!

- **68%** of respondents **Completely** or **Mostly** believe the Mission directly applies to their role.
 - *"Since it is almost top tier in my eyes, it pushes me to succeed more."*
- When asked which of the goals they practice daily, 4 (out of 5) Values were selected by 50% or more respondents.
 - Integrity: 84%
 - Collaboration: 69%
 - Innovation: 54%
 - Community Engagement: 54%
 - Environmental Stewardship: 49%
- **63%** of respondents were **Very Satisfied** or **Satisfied** with the updated Vision, Mission, and Values.

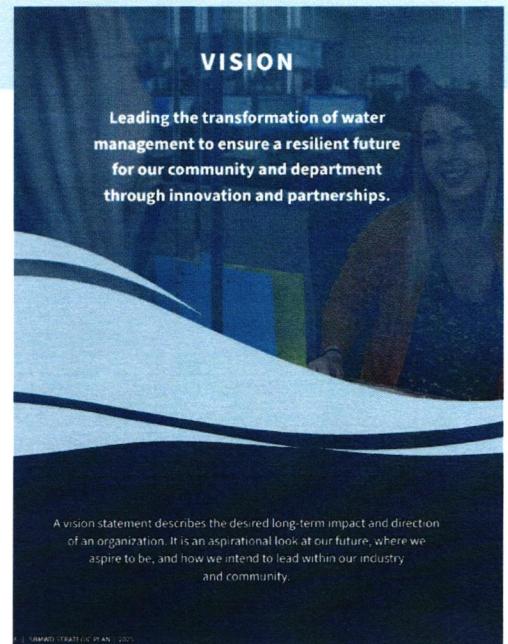
Strategic Plan Elements

A well-structured strategic plan includes five key components:

- **Vision:** A long-term aspiration that defines desired future.
- **Mission:** A clear statement of purpose and core responsibilities.
- **Values:** The guiding principles that shape decision-making and actions.
- **Goals:** Broad outcomes that the Water Department aims to achieve.
- **Objectives:** Specific, measurable steps to accomplish each goal.

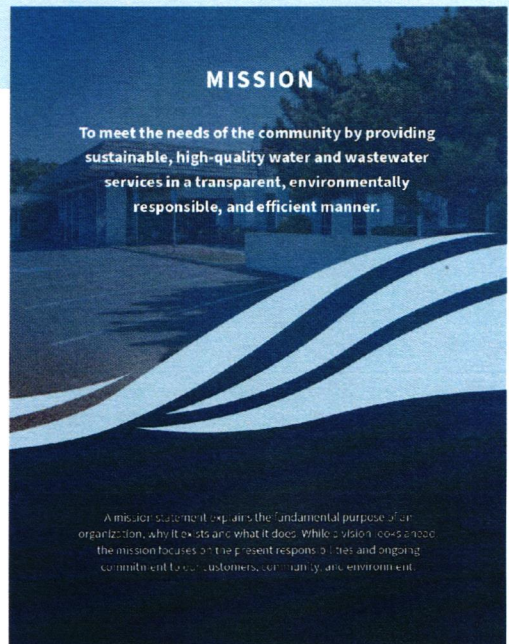
Vision Statement

Proposed: Leading the transformation of water management to ensure a resilient future for our community and department through innovation and partnerships.



Mission Statement

Proposed: To meet the needs of the community by providing sustainable, high-quality water and wastewater services in a transparent, environmentally responsible, and efficient manner.



Values

Proposed

- Innovation
- Community Engagement
- Environmental Stewardship
- Integrity
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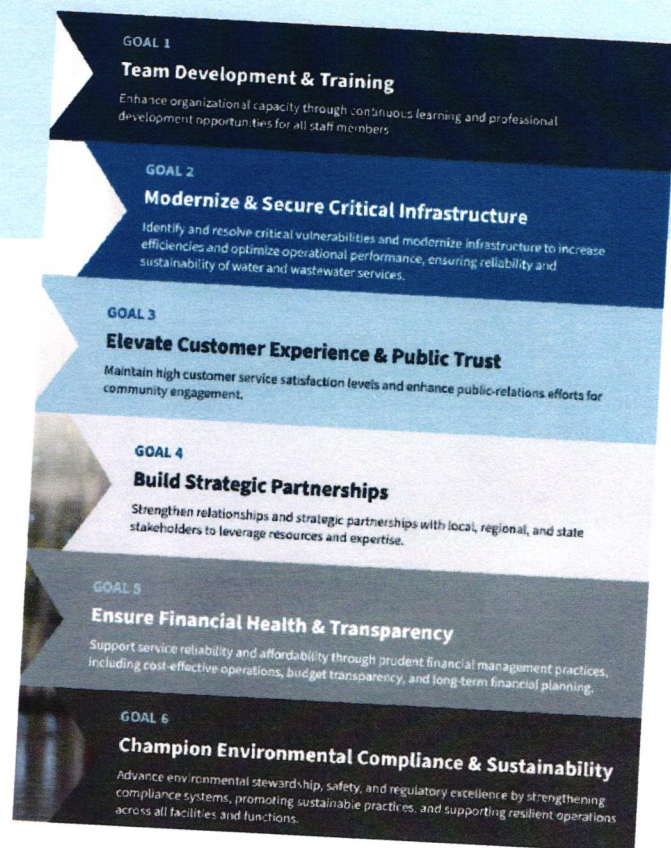
Collaboration

Nurturing strong partnerships with local, regional, and state organizations to address industry challenges and achieve common goals.

Goals

Proposed

1. Team Development & Training
2. Modernize & Secure Critical Infrastructure
3. Elevate Customer Experience & Public Trust
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Objectives and Activities

Goal 1: Team Development & Training

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Objectives and Activities

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Objectives and Activities

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Questions & Discussion