

**AGENDA**  
**FINANCE AND AUDIT COMMITTEE MEETING**  
**Monday, April 1, 2024, at 9:00 a.m.**  
**UWCD Headquarters, First Floor, Board Room**  
**1701 N. Lombard Street, Oxnard, CA 93030**

**CALL TO ORDER – OPEN SESSION 9:00 a.m.**

**Committee Members Roll Call**

**1. Public Comment**

The public may address the Finance and Audit Committee on any matter not on the agenda within the jurisdiction of the Committee. All comments are subject to a five-minute time limit.

**2. Approval of Agenda  
Motion**

**3. Approval of Minutes  
Motion**

Review the Minutes from the March 4, 2024, Finance and Audit Committee meeting and approve as submitted or direct staff to revise as necessary to accurately reflect the action(s) taken during the meeting.

**4. UWCD Board of Directors Meeting Agenda Item**

Review and discuss the following agenda item to be considered for approval at the March 13, 2024, Board of Directors meeting. The Committee will formulate a recommendation to the entire Board based on the discussions with staff. The Committee will discuss the following items:

**4.1 Authorization of the General Manager to Approve Check Point Infinity Total Protection Agreement for the District  
Board Motion**

Review and consider recommending to the full Board for approval the authorization of the General Manager to execute the Check Point Infinity Total Protection Agreement for the District.

**4.2 Approve Resolution Authorizing the General Manager or Designee to Execute a Funding Agreement with the California Department of Water Resources  
Board Motion**

Recommend the approval of the motion item to the full Board to consider adopting a resolution authorizing the General Manager or Designee to execute a funding agreement with the California Department of Water Resources (DWR).

**5. Budget Overview  
Information Item**

Receive, review, and discuss a preliminary version of the District's FY 2024-25 Financial Budget.



**6. Monthly Investment Report (February 2024)**

**Information Item**

Receive, review, and discuss the District's investment portfolio and cash position as of February 29, 2024.

**7. Monthly Pipeline Delivery Report (February 2024)**

**Information Item**

Receive, review, and discuss the District's pipeline water activities as of February 29, 2024.

**8. Monthly Administrative Services Department Update**

**Information Item**

Receive and review the monthly report from the Administrative Services team as well as receive a verbal presentation of its highlights.

**9. Future Agenda Items**

The Committee will suggest topics or issues for discussion at future meetings.

**ADJOURNMENT**

**Directors:**

Chair Lynn E. Maulhardt  
Catherine P. Keeling

**Staff:**

Mauricio E. Guardado  
Tracy Oehler  
Brian H. Zahn  
Sara Guzman  
Jackie Lozano

Anthony Emmert  
Josh Perez  
Tony Huynh  
Zachary Plummer

*The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's services, programs or activities because of any disability. If you need special assistance to participate in this meeting, or if you require agenda material in an alternative format, please contact the District Office at (805) 525-4431. Notification of at least 48 hours prior to the meeting will enable the District to make appropriate arrangements.*

Approved:  **FOR MEG**  
Mauricio E. Guardado, Jr., General Manager

Approved:   
Brian H. Zahn, Chief Financial Officer

**Posted: (date)** March 28, 2024

**(time)** 9:50 a.m.

**(attest)** Jackie Lozano

**At:** [www.unitedwater.org](http://www.unitedwater.org)

**Posted: (date)** March 28, 2024

**(time)** 10:00 a.m.

**(attest)** Jackie Lozano

**At:** United Water Conservation District Headquarters, 1701 N. Lombard Street, Oxnard, CA 93030

**MINUTES**

**FINANCE AND AUDIT COMMITTEE MEETING**

**Monday, March 4, 2024, at 9:00 a.m.**

**UWCD Headquarters, First Floor, Board Room  
1701 N. Lombard Street, Oxnard, CA 93030**

**OPEN SESSION**

The meeting was called to order at 9:02 a.m.

**Committee Members Roll Call**

Two Committee members were present (Keeling, Maulhardt). One seat is currently vacant.

**1. Public Comment**

No public speakers.

**2. Approval of Agenda**

**Motion**

Action: M/S/C (Keeling, Maulhardt) to approve the March 4, 2024, agenda.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None

**3. Approval of Minutes**

**Motion**

Action: M/S/C (Keeling, Maulhardt) to approve the February 5, 2024, minutes.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None

**4. UWCD Board of Directors Meeting Agenda Items**

**4.1 Approve Payment Plan for Southside Improvement Company January 2024  
Groundwater Billing**

**Board Motion**

Action: M/S/C (Keeling, Maulhardt) to recommend approval of a payment plan for Southside Improvement Company to the full Board.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None

**4.2 A Resolution of the Board of Directors of United Water Conservation District Ordering  
the Operator of Well No. 03N20W02H05S to Cease Extraction of Groundwater per  
Water Code Section 75637, Subdivision (b).**

**Board Motion**

Action: M/S/C (Keeling, Maulhardt) to recommend approval of a Resolution ordering the operator of well no. 03N20W02H05S to cease extraction of groundwater per Water Code Section 75637, Subdivision (b) to the full Board.

Vote: Ayes: Keeling and Maulhardt; Noes: None; Absent: None



**4.3 A Resolution Establishing Lake Piru Recreation Area Fees, Fee Administration, and Loyalty Rewards Program**

**Board Motion**

No motion. Subject to Recreation Committee review, public notice, and recommendation for approval to the full Board.

Directors proposed a solution or new protocol with motions that overlap the operational side but also have a financial component. The motion would be subject to approval from one Committee before moving forward to the second Committee to ensure it is fully vetted before requesting approval from the full Board. This way the Committees in question are aware of the motion being discussed before making its final recommendation. Chair Maulhardt mentioned that this new protocol may be something the Board needs to discuss.

**5. Second Quarter Fiscal Year 2023-24 Financial Reports**

**Information Item**

Reviewed the District's second quarter fiscal year 2023-24 financial reports and received a presentation from Chief Financial Officer Brian Zahn (presentation attached).

**6. Monthly Investment Report (January 2024)**

**Information Item**

Received and reviewed the District's investment portfolio and cash position as of January 31, 2024.

**7. Monthly Pipeline Delivery Report (January 2024)**

**Information Item**

Received and reviewed the District's pipeline water activities as of January 31, 2024.

**8. Monthly Administrative Services Department Update**

**Information Item**

Received the Finance Department monthly update as well as updates from Human Resources, Risk Management, and Information Technology Departments (presentation attached).

**9. Future Agenda Items**


- With the Committee's support, budget for an analysis of costs associated with regulation and Finance Department staff to bring a plan to the Committee for review.
  - Work with a rate consultant; capture data from the past 10 to 15 years; include all the costs to rate payers; breakout costs so that it represents the financial impact to the District based on regulatory requirements outside of normal day-to-day operational activities. This could help the average rate payer better understand why the rates are the way they are, and the impact these regulatory costs have on their rates such as rate increases.
  - Propose presenting results at the UWCD Water Sustainability Summit so others understand how the regulatory world has consequences that are impacting the District.

**ADJOURNMENT**

The meeting was adjourned at 9:53 a.m.

I certify that the above is a true and correct copy of the minutes of the UWCD Finance and Audit Committee Meeting of March 4, 2024.


ATTEST: \_\_\_\_\_  
Chair Lynn E. Maulhardt



**United Water**  
CONSERVATION DISTRICT

**FINANCE AND AUDIT COMMITTEE MEETING**  
**March 4, 2024**


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**Q2 2022-2023  
Financial Review**

MARCH 4, 2024

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## Highlights

FEMA REIMBURSEMENT AND GRANTS REVENUE DRIVE UNFAVOURABILITY TO BUDGET



### REVENUE

Total operating revenue is \$3.2M or 35% unfavorable to budget

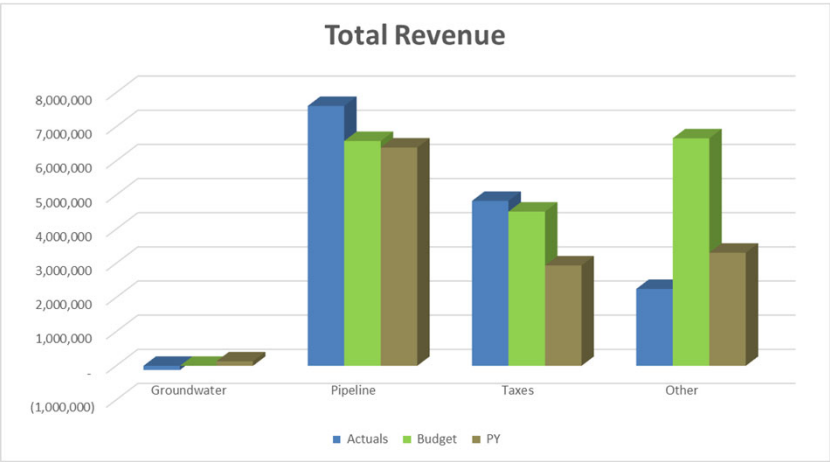
- Pipeline revenue is favorable to budget by \$1.0M or 16%
- Groundwater revenue is flat to budget (first billing in January 2024)
- Taxes are flat to budget by \$0.3M or 7%
- Other Operating Revenue is flat to budget by \$55K or 13%
- Non-Operating Revenue is unfavorable to budget by \$4.4M or 70% primarily due \$2.0M in FEMA reimbursement and \$0.6M in State Grants that did not materialize yet along with \$3.0M due to funding not requested yet from the WIFIA loan which is off-set by positive variances in Interest income.

| in \$000's                | Q2 FY23-24<br>Actual | Q2 FY23-24<br>Budget | Q2 FY22-23<br>Actual |
|---------------------------|----------------------|----------------------|----------------------|
| Taxes                     | 4,830                | 4,517                | 2,940                |
| Water Delivery/Fixed Cost | 7,610                | 6,585                | 6,393                |
| Groundwater               | (120)                | -                    | 132                  |
| Other Operating Revenue   | 382                  | 437                  | 354                  |
| Non-Operating Revenue     | 1,870                | 6,226                | 2,959                |
| <b>Total Revenue</b>      | <b>\$ 14,572</b>     | <b>\$ 17,766</b>     | <b>\$ 12,778</b>     |

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## Total Revenue



- Groundwater revenue starts in January '24
- Pipeline favorable \$1.0M or 16%
- Taxes favorable \$313K or 7%
- Other Revenue unfavorable \$3.0M or 70%

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## Highlights

PROFESSIONAL FEES AND CAPITAL SPEND DRIVE FAVORABILITY TO BUDGET

**EXPENDITURE**

Total expenditures are \$14.3M or 39% favorable to budget

- Professional and legal fees are favorable to budget \$0.6M or 7% due to underspending across all departments
- Operations expenses are below budget \$11.0M or 50% due completely to favorable Capital spend \$11.1M (Design, Construction and CEQA Permits)

| in \$000's               | Q2 FY23-24 Actual | Q2 FY23-24 Budget | Q2 FY22-23 Actual |
|--------------------------|-------------------|-------------------|-------------------|
| Personnel Expense        | 7,150             | 7,723             | 5,937             |
| Professional Fees        | 4,558             | 4,887             | 1,366             |
| Operating Expense*       | 10,874            | 21,849            | 2,989             |
| Allocated Overhead       | 2,604             | 3,554             | 2,318             |
| Debt Service             | 296               | 1,515             | 83                |
| Other                    | 1,466             | 1,690             | 1,020             |
| <b>Total Expenditure</b> | <b>\$ 26,947</b>  | <b>\$ 41,217</b>  | <b>\$ 13,713</b>  |

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## Groundwater Revenue

UPPER BASIN AND COASTAL PLAIN

### Upper Basins

| Category   | Actuals | Budget  | PY      |
|------------|---------|---------|---------|
| AG - Upper | \$3,404 | \$3,404 | \$4,905 |
| M&I Upper  | \$704   | \$687   | \$2,669 |

### Coastal Plain

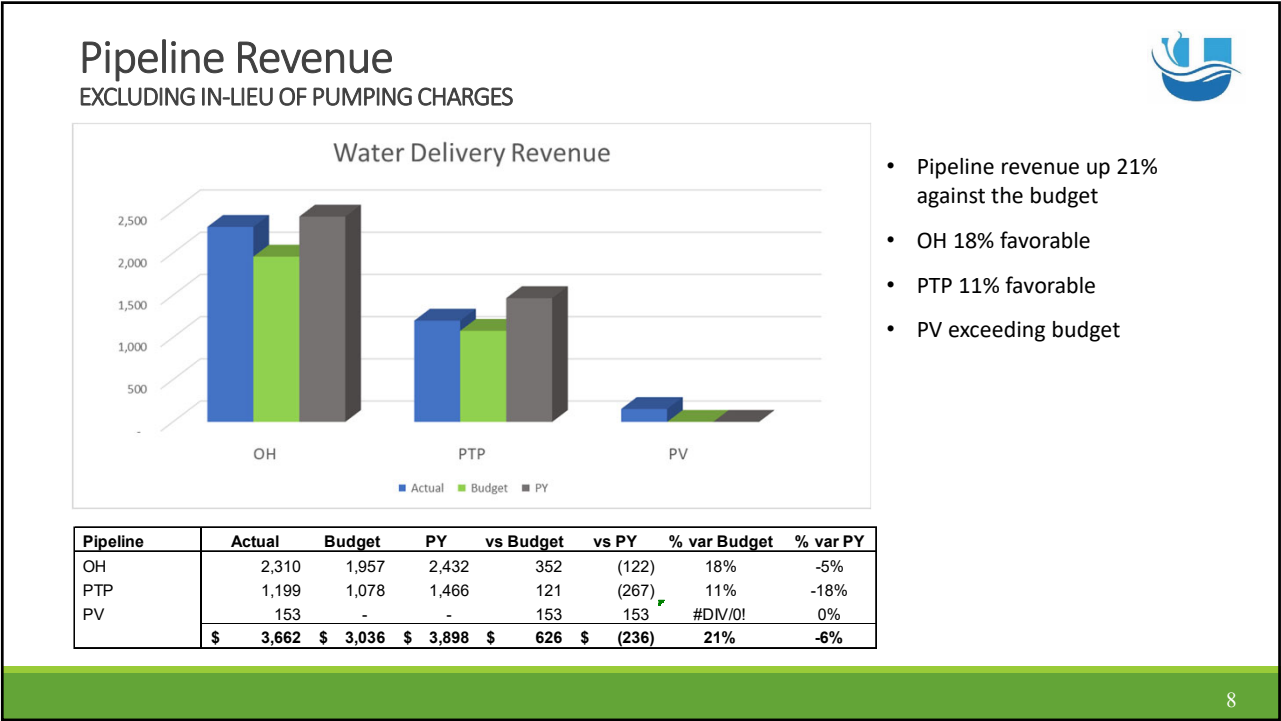
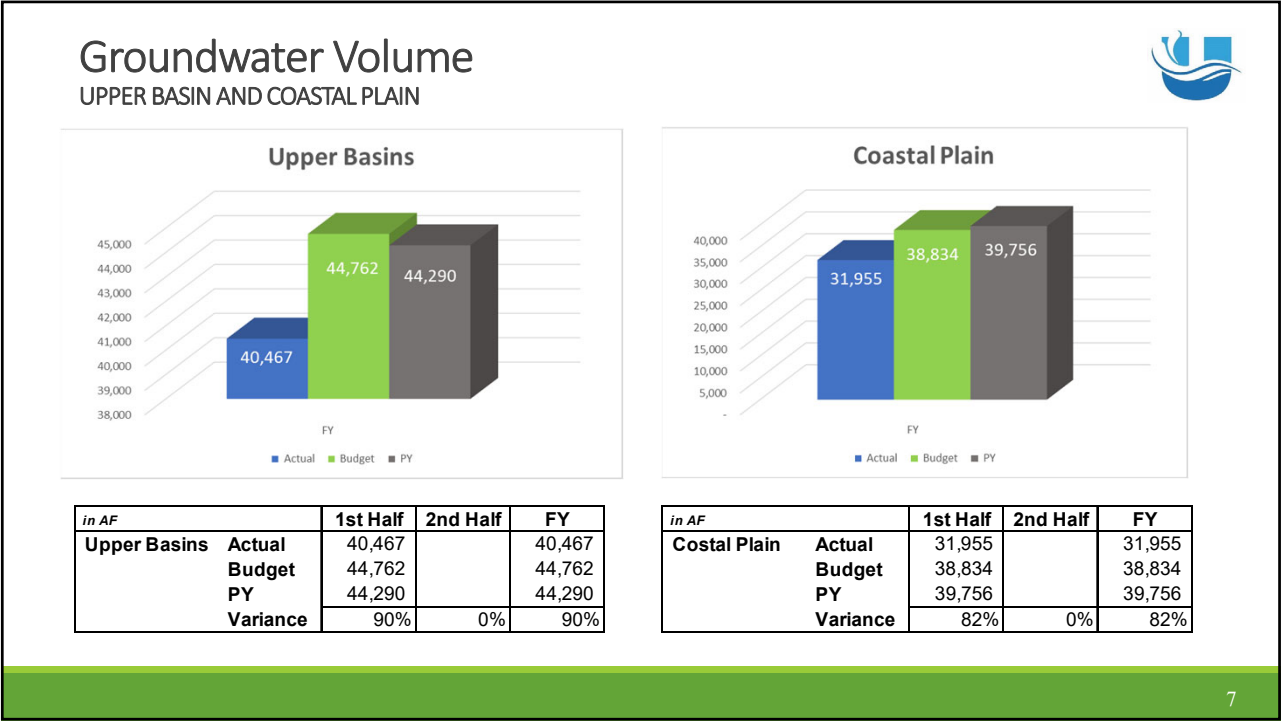
| Category    | Actuals | Budget  | PY      |
|-------------|---------|---------|---------|
| AG - Plain  | \$4,355 | \$5,461 | \$5,622 |
| M&I - Plain | \$2,032 | \$1,571 | \$4,943 |

| In \$000's | Groundwater | Actuals          | Budget           | PY               | vs Budget       | vs PY             | % var Budget | % var PY    |
|------------|-------------|------------------|------------------|------------------|-----------------|-------------------|--------------|-------------|
| Zone A     | AG - Upper  | \$ 3,423         | \$ 3,404         | \$ 4,905         | 19              | (1,482)           | 1%           | -30%        |
|            | M&I Upper   | \$ 704           | \$ 687           | \$ 2,669         | 17              | (1,965)           | 2%           | -74%        |
| Zone B     | AG - Plain  | \$ 4,355         | \$ 5,461         | \$ 5,622         | (1,106)         | (1,267)           | -20%         | -23%        |
|            | M&I - Plain | \$ 2,032         | \$ 1,571         | \$ 4,943         | 461             | (2,911)           | 29%          | -59%        |
|            |             | <b>\$ 10,514</b> | <b>\$ 11,123</b> | <b>\$ 18,139</b> | <b>\$ (609)</b> | <b>\$ (7,625)</b> | <b>-5%</b>   | <b>-42%</b> |

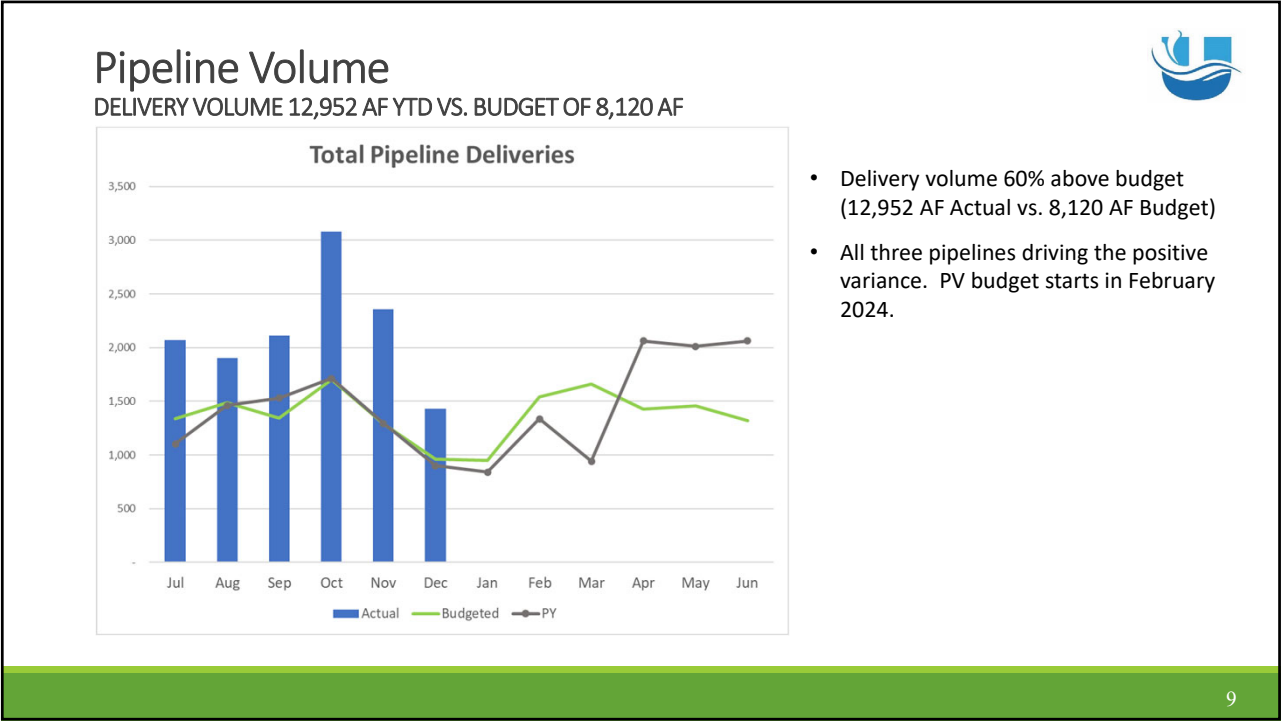
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### Top 10 Groundwater AG Customers

| Customers                 | Total Revenue   | Total AF  |
|---------------------------|-----------------|-----------|
| FARMERS IRRIGATION CO.    | \$ 491,211.90   | 4,924.43  |
| SOUTHLAND SOD FARMS       | \$ 421,272.55   | 2,255.81  |
| REITER BROTHERS INC.      | \$ 407,141.29   | 2,354.49  |
| DUDA FARM FRESH FOODS INC | \$ 383,154.40   | 2,232.82  |
| FILLMORE FISH HATCHERY    | \$ 218,874.44   | 2,194.23  |
| SESPE AGRICULTURAL WATER, | \$ 213,319.37   | 2,138.54  |
| DEL NORTE WATER COMPANY,  | \$ 185,134.62   | 991.35    |
| NAUMANN RANCH             | \$ 180,230.57   | 965.09    |
| RUTLEDGE FARMING CO.      | \$ 154,164.00   | 825.51    |
| MARZ FARMS INC.           | \$ 145,046.86   | 776.69    |
| Grand Total               | \$ 2,799,550.00 | 19,658.96 |

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### Top 10 Groundwater M&I Customers

| Customers                 | Total Revenue          | Total AF         |
|---------------------------|------------------------|------------------|
| OXNARD - WTR DIV, CITY OF | \$ 997,194.26          | 4,190.42         |
| SAN BUENAVENTURA, CITY OF | \$ 931,665.25          | 4,934.40         |
| SANTA PAULA, CITY OF      | \$ 236,982.51          | 2,144.25         |
| FILLMORE, CITY OF         | \$ 133,531.37          | 1,208.21         |
| RIVER RIDGE GOLF COURSE   | \$ 115,129.88          | 483.80           |
| CALIFORNIA AMERICAN WATER | \$ 54,986.52           | 396.70           |
| STERLING HILLS GOLF CLUB, | \$ 36,987.77           | 177.86           |
| BOSKOVICH FARMS INC,      | \$ 29,082.31           | 122.21           |
| VINEYARD AVE ACRES MUTUAL | \$ 22,846.49           | 109.86           |
| CAMARILLO (A/P), CITY OF  | \$ 19,317.40           | 92.89            |
| <b>Grand Total</b>        | <b>\$ 2,577,723.76</b> | <b>13,860.60</b> |

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### Personnel Expenses

| \$000's                   | Q2 2023-24<br>Actual | Q2 2023-24<br>Budget | PY<br>Actual    | Var to<br>Budget | % Var to<br>Budget | Var to<br>PY    | % Var to<br>PY |
|---------------------------|----------------------|----------------------|-----------------|------------------|--------------------|-----------------|----------------|
| Regular Salary            | 4,309                | 4,537                | 3,451           | 228              | 5%                 | 858             | 25%            |
| Over-time Salary          | 116                  | 129                  | 81              | 12               | 10%                | 35              | 44%            |
| Part-time                 | 229                  | 291                  | 153             | 63               | 21%                | 76              | 50%            |
| <b>Salaries</b>           | <b>\$ 4,654</b>      | <b>\$ 4,957</b>      | <b>\$ 3,685</b> | <b>303</b>       | <b>6%</b>          | <b>\$ 969</b>   | <b>26%</b>     |
| Retirement- Classic       | 1,279                | 960                  | 349             | (319)            | -33%               | 930             | 266%           |
| Retirement - PEPRA        | 174                  | 172                  | 1,096           | (2)              | -1%                | -922            | -84%           |
| Soc Sec/457b Expense      | 242                  | 272                  | 191             | 30               | 11%                | 51              | 27%            |
| Medicare Expense          | 66                   | 70                   | 53              | 4                | 6%                 | 13              | 25%            |
| SUI Expense               | 3                    | 10                   | 1               | 7                | 67%                | 2               | 236%           |
| Medical Ins Exp           | 488                  | 602                  | 381             | 114              | 19%                | 107             | 28%            |
| LTD                       | 13                   | 12                   | 10              | (1)              | -11%               | 3               | 30%            |
| Life Insurance            | 11                   | 15                   | 10              | 4                | 27%                | 1               | 11%            |
| Worker's Comp Expense     | 124                  | 156                  | 93              | 32               | 20%                | 31              | 34%            |
| OPEB                      | 30                   | -                    | 31              | (30)             | 0%                 | -1              | -2%            |
| Deferred Comp             | 33                   | 12                   | 38              | (21)             | -175%              | -5              | 0%             |
| Other                     | 31                   | 484                  | -               | 453              | 0%                 | 31              | 0%             |
| <b>Employee Benefits</b>  | <b>\$ 2,495</b>      | <b>\$ 2,766</b>      | <b>\$ 2,253</b> | <b>271</b>       | <b>10%</b>         | <b>\$ 242</b>   | <b>11%</b>     |
| <b>Personnel Expenses</b> | <b>\$ 7,150</b>      | <b>\$ 7,723</b>      | <b>\$ 5,938</b> | <b>574</b>       | <b>7%</b>          | <b>\$ 1,212</b> | <b>20%</b>     |


- Salaries are favorable to budget \$0.3M or 6%
- Employee Benefits are favorable to budget \$0.2M or 10% primarily due to:
  - Medical Insurance Expense

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## Operating Expenses

PROFESSIONAL AND LEGAL FEES DRIVE BUDGET FAVORABILITY




| 000's                             | Q2 2023-24<br>Actual | Q2 2023-24<br>Budget | PY<br>Actual    | Var to<br>Budget  | % Var to<br>Budget | Var to<br>PY    | % Var to<br>PY |
|-----------------------------------|----------------------|----------------------|-----------------|-------------------|--------------------|-----------------|----------------|
| Profess Fees - Engineering        | 47                   | 154                  | 134             | (107)             | -70%               | (87)            | -65%           |
| Prof. Fees - Environmental        | 528                  | 1,270                | 244             | (742)             | -58%               | 284             | 116%           |
| Prof. Fees - IT consulting        | 29                   | 74                   | 10              | (46)              | -62%               | 19              | 185%           |
| Prof. Fees - GW Consulting        | 11                   | 35                   | 8               | (24)              | -69%               | 3               | 36%            |
| Prof. Fees - Other                | 494                  | 1,196                | 252             | (702)             | -59%               | 242             | 96%            |
| <b>Professional Fees</b>          | <b>\$ 1,108</b>      | <b>\$ 2,729</b>      | <b>\$ 648</b>   | <b>\$ (1,622)</b> | <b>-59%</b>        | <b>\$ 460</b>   | <b>71%</b>     |
| <b>Legal Fees</b>                 | <b>\$ 3,450</b>      | <b>\$ 2,157</b>      | <b>\$ 719</b>   | <b>\$ 1,293</b>   | <b>60%</b>         | <b>\$ 2,731</b> | <b>380%</b>    |
| Utilities                         | 904                  | 1,216                | 797             | (312)             | -26%               | 107             | 13%            |
| Maintenance                       | 900                  | 1,225                | 583             | (324)             | -26%               | 317             | 54%            |
| Field Supplies                    | 511                  | 511                  | 23              | 0                 | 0%                 | 488             | 2122%          |
| Insurance                         | 777                  | 498                  | 696             | 279               | 56%                | 81              | 12%            |
| Office Expenses                   | 418                  | 759                  | 84              | (341)             | -45%               | 334             | 397%           |
| Miscellaneous                     | 114                  | 184                  | 516             | (70)              | -38%               | (402)           | -78%           |
| Travel, Trainings and Meetings    | 47                   | 148                  | 35              | (101)             | -68%               | 12              | 35%            |
| Gasoline, Diesel, Fuel            | 91                   | 103                  | 94              | (11)              | -11%               | (3)             | -3%            |
| Fox Canyon GMA                    | 142                  | 269                  | (81)            | (127)             | -47%               | 223             | -276%          |
| Safety, supplies, clothing        | 75                   | 68                   | 73              | 7                 | 11%                | 2               | 100%           |
| Telephone                         | 39                   | 41                   | 33              | (2)               | -5%                | 6               | 19%            |
| <b>General Operating Expenses</b> | <b>\$ 4,019</b>      | <b>\$ 5,020</b>      | <b>\$ 2,853</b> | <b>\$ (1,001)</b> | <b>-20%</b>        | <b>\$ 1,166</b> | <b>41%</b>     |
| <b>State Water Import Costs</b>   | <b>\$ 3,569</b>      | <b>\$ 2,139</b>      | <b>\$ 572</b>   | <b>\$ 1,430</b>   | <b>67%</b>         | <b>\$ 2,997</b> | <b>100%</b>    |
| <b>Total Operating Expenses</b>   | <b>\$ 12,147</b>     | <b>\$ 12,046</b>     | <b>\$ 4,792</b> | <b>\$ 101</b>     | <b>1%</b>          | <b>\$ 7,355</b> | <b>153%</b>    |

- Professional Fees are favorable to budget by \$1.6M
- Legal fees are unfavorable to budget by \$1.2M
- Operating expenses are favorable to budget \$1.0M.  
Key variances include:
  - Office Exp \$341K favorable
  - Maintenance \$324K favorable
  - Utilities \$312K favorable
  - Off-set by unfavorable Insurance \$279K
- State Water cost higher due to state water purchases

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## Top 10 Accounts Payable Vendors



| Vendor                                  | Payment Amount |
|---|----------------|
| CITY OF VENTURA                         | \$ 2,054,686   |
| ATKINSON, ANDELSON, LOYA, RUUD AND ROMO | \$ 1,103,297   |
| GSE CONSTRUCTION COMPANY INC            | \$ 601,057     |
| GEI CONSULTANTS, INC                    | \$ 592,586     |
| BAKERSFIELD WELL & PUMP C               | \$ 584,965     |
| CASITAS MUNICIPAL WATER                 | \$ 543,807     |
| FOX CANYON GW MGMNT AGENC               | \$ 356,734     |
| SO. CALIFORNIA EDISON                   | \$ 294,151     |
| PACIFIC VISTA LANDSCAPE SERVICES, INC.  | \$ 184,892     |
| ASCENT ENVIRONMENTAL INC                | \$ 171,464     |

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| <b><u>SUPPLEMENTAL WATER PURCHASE FUND</u></b> |                                 |
|--|---------------------------------|
| <b>STATUS UPDATE</b>                           |                                 |
|  | <b><u>Revenue (\$000'S)</u></b> |
| <b>Beginning Balance - July 1, 2023</b>        | <b>\$3,582</b>                  |
| <b>Changes in Surcharge</b>                    | <b>\$517</b>                    |
| <b>Other</b>                                   | <b>\$0</b>                      |
| <b>Ending Balance - December 31, 2023</b>      | <b>\$4,099</b>                  |

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**FINANCE AND AUDIT COMMITTEE MEETING**

**Finance and Administrative Services**

**Monthly Update**

March 4, 2024

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# Financial Update

**Brian H. Zahn**  
Chief Financial Officer

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## January Cash Collections

### UWCD

Pipeline: \$ 1.8M

Groundwater: \$ 3M

Rent: \$ 37K

Lake Piru: \$ 34K

Misc.: \$ 988K

**TOTAL: \$ 5.9M**

### Lake Piru

Day Use: \$ 10K

Concessions: -

Boating/Watercraft: \$ 2K


Boat Storage: \$ 1K

Camping: \$ 20K

Miscellaneous: \$1K

Prior Year Total: \$ 17K

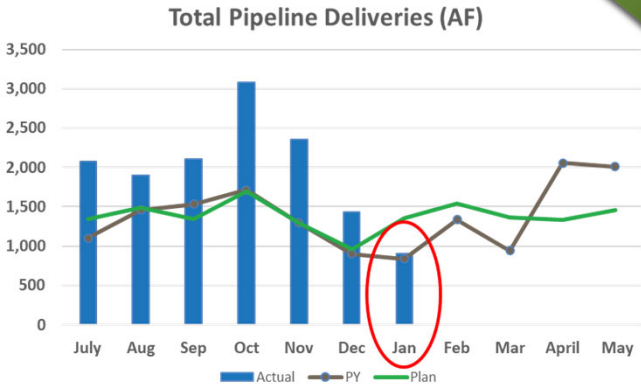
**TOTAL: \$ 34K**

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# January 2024 Pipeline

|    | \$ Billed | Actual AF | Plan AF | Variance |
|----|-----------|-----------|---------|----------|
| OH | \$535K    | 581       | 710     | (129)    |
| PT | \$194K    | 227       | 240     | (13)     |
| PV | \$50K     | 100       | 400     | (300)    |

- Year-to-date January deliveries are 46% above plan and 57% above prior year.




# Board Motions with Fiscal Impact

| Sponsor             | Description/Summary  | Budget Y/N | Funding Source | Cash Impact of Approval        | Other Financial Impact |
|---------------------|--|------------|----------------|--------------------------------|------------------------|
| Eng. and Operations | PCS Agreement with Stantec Consulting Services, Inc. to Develop 30% Design of the Lake Piru Recreation Area Facility Improvement Plan (CIP 8055) | Y          | CIP 8055       | \$407K                         | N/A                    |
| Eng. and Operations | Construction Contract with ABC - Liovin Drilling, Inc. for EBB Phase 1 Monitoring Wells (CIP 8019)   | Y          | CIP 8019       | \$2.75M (incl. 2% contingency) | N/A                    |
| TOTAL               |  |            |                | \$3.2M                         |                        |



## Finance Department

- In-person time keeping training conducted with O&M staff
- Initial FY 2024-25 budget information received by Finance
- GM and AGM budget review the week of March 4th
- Preliminary budget highlights for Finance and Audit Committee April 1st
- Obtaining resale license for Lake Piru store sales



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## Administrative Update

Josh Perez  
Chief Human Resources Officer

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Human Resources

Promotions

- No internal promotions during February

New Hires

- Senior Park Ranger Bernard Riedel started February 12th
- Technology Systems Intern starts March 4th

Other Human Resources Efforts

- Completed all ACA reporting
- Enacted with Lincoln Financial Secure 2.0 Act changes into 457 Plan
- Distributed 2024 Brown Bag Schedule (February 28 presentation on District Technology)
- Finalized rollout of District cell phones to staff
- Assisted in posting of OSHA Forms at all District facilities
- Developed and completed FY24-25 budget for personnel from departments
- Assisted Risk and Safety in reporting damages from storms to SDRMA

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Current Employee Recruitments

Senior Engineer and Associate Engineer

Position closed, interviews scheduled

Engineering Assistant

Position closed, interviews scheduled





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## Risk Management

- Responded to FEMA EHP Request for Information for Public Assistance Grant stemming from January 2023 winter storms (remaining projects are pending FEMA obligation)
- Completed CSDA ChatGPT/A.I. virtual workshop
- Assisted with compiling Lake Piru Recreation Area signage updates as part of reported activities to FERC, and collaborated in virtualizing Historical Properties Management Plan (HPMP) annual training in District's learning management system (TargetSolutions)
- Coordinated electrical safety (NFPA 70E) and aerial lift safety training
- Completed the five-year sprinkler test and inspection for HQ building
- Certified District staff in Adult & Pediatric CPR/AED/First Aid
- Attended legal webinar on new Workplace Violence Prevention Plan requirement under Cal/OSHA on Feb. 27



Fall Protection Training on February 27



Fire Sprinkler Inspection on February 16



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## Technology Systems

- Provided critical departmental support ensuring effective technology integration for essential discussions.
- Offered comprehensive IT assistance to the AWA Board of Directors, the California Avocado Commission, and Ventura County Women for Agriculture, promoting efficient hybrid meeting environments.
- Supported five key workshops and meetings, enabling productive hybrid meeting environments.
- Executed a significant update to our management systems enhancing cloud connectivity and backup protocols.
- Coordinated with external providers for system upgrades which enhanced cybersecurity.



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### Technology Systems (continued)

- Developed and implemented the OT Ticketing System which will optimize management of OT technology.
- Conducted strategic discussions and upgrades for the network and firewall, enhancing security and synchronization across our systems.
- Completed a Threat Detection System upgrade, ensuring comprehensive backup and restoration processes.
- Conducted Technology Systems site surveys at Lake Piru for retail operations, preparing for future store infrastructure.



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## Questions



**United Water**  
CONSERVATION DISTRICT

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### **Staff Report**

**To:** UWCD Finance and Audit Committee Members

**Through:** Mauricio E. Guardado, Jr., General Manager

**From:** Josh Perez, Chief Human Resources Officer  
Zachary Plummer, Information Technology Manager

**Date:** March 25, 2024 (April 1, 2024, meeting)

**Agenda Item:** **4.1 Authorization of the General Manager to Approve Check Point Infinity Total Protection Agreement for the District Board Motion**

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#### **Staff Recommendation:**

The Committee will review and consider recommending to the full Board for approval the authorization of the General Manager to execute the Check Point Infinity Total Protection Agreement for the District.

#### **Discussion:**

The Check Point Infinity Total Protection Agreement delivers a robust security solution tailored to our District's needs. It combines advanced threat prevention technologies with a unified platform, offering top-tier protection and simple procurement at predictable costs. This package includes essential software, hardware, and real-time security services. Importantly, it encompasses comprehensive training for IT staff and all employees, enhancing cybersecurity awareness and skills. With flexible technology utilization, a central management console, and 24x7 Direct Premium PRO support, this agreement significantly strengthens our cybersecurity posture.

#### **Fiscal Impact:**

The execution of the Check Point Infinity Total Protection Agreement will have a fiscal impact on the District's budget. The agreement is structured over a five-year period, with the District being invoiced annually. For the first year of the contract, a sum of approximately \$160,000 has been allocated, reflecting the financial commitment necessary for this agreement. This allocation is in line with our strategic goals for enhancing cybersecurity and is an integral part of our fiscal planning. Future annual costs for the remainder of the contract term should be anticipated and incorporated into the budget for the upcoming fiscal years to ensure the seamless implementation and maintenance of the services provided. The total cost of the five-year contract is approximately \$719,000.

#### **Attachment:**

Check Point Infinity Total Protection Agreement

April 1, 2024

United Water Conservation District (the “Customer”)

**Check Point Infinity Total Protection Agreement – United Water Conservation District****Offering Description**

We are pleased to offer the Customer (through a Check Point certified reseller) the Check Point Infinity Total Protection program detailed below.

The program offers the Customer use of Check Point’s security technologies solutions described herein to protect its networks and workforce via an annual subscription based on the number of enterprise users, for the Customer’s internal needs only.

**Offering Benefits**

Check Point Infinity Total Protection provides the Customer with the following exceptional benefits:

- The most advanced threat prevention technologies and security platforms available in the market.
- Single and simple procurement in predictable pricing.
- Includes software, real-time subscriptions, hardware and services.
- Flexible offering, allowing the Customer to consume technologies and services based on its needs.
- Central managed console, delivering real-time security updates and total prevention across all business environments.
- The security technologies and products provided and/or which are available for purchase using the allowances under this offering are listed in attached Exhibit A.
- 24x7 Direct Premium PRO support and real-time security updates (ThreatCloud), as listed in attached Exhibit B.
- The offering terms and conditions are listed in the attached Exhibit C.

**Infinity Total Protection Program Pricing and Allowances:**

| <b>Pricing:</b>                                      | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> | <b>Total</b>     |
|--|---------------|---------------|---------------|---------------|---------------|------------------|
| <b>Infinity Total Protection Subscription Price*</b> | \$158,370     | \$158,370     | \$134,000     | \$134,000     | \$134,000     | <b>\$718,740</b> |

| <b>Components:</b>   | <b>Year 1</b> | <b>Year 2</b> | <b>Year 3</b> | <b>Year 4</b> | <b>Year 5</b> | <b>Total</b> |
|--|---------------|---------------|---------------|---------------|---------------|--------------|
| Product Allowance**  | \$68,000      | \$150,000     | \$25,000      | -             | -             | \$243,000    |
| Harmony Allowance** (Not to be used for Harmony Remote Access or Internet Access)  | \$6,450       | \$6,450       | \$6,450       | \$6,450       | \$6,450       | \$32,250     |
| <b>Special Benefit:</b> CP-SASE-PA-PRE-T1-Y (Qty. 150)   | \$21,600      | \$21,600      | \$21,600      | \$21,600      | \$21,600      | \$108,000    |
| <b>Special Benefit:</b> Infinity Global Services Allowance**   | \$18,000      | \$18,000      | \$18,000      | \$18,000      | \$18,000      | \$90,000     |
| <b>Special Benefit:</b> SDWAN Blade  | N/A           | N/A           | \$3,000       | \$3,000       | \$3,000       | \$9,000      |
| <b>Special Benefit:</b> SDWAN Blade for 6700 (CPSB-SDWAN-6700-PLUS-1Y)   | N/A           | Included      | Included      | Included      | Included      |              |
| <b>Special Benefit:</b> Quantum SD-WAN Blade for Enterprise (CPSB-SDWAN-6200-PLUS-1Y)  |               |               |               | Included      |               |              |
| <b>Special Benefit:</b> SDWAN Blade for 3800 (CPSB-SDWAN-3800)   |               |               |               | Included      |               |              |
| <b>Special Benefit:</b> Managed Detection & Response (CPTS-3D-MDR-1Y) (Qty. 150)   |               |               |               | Included      |               |              |
| <b>Special Benefit:</b> Horizon NDR, a cloud-based platform that enables SOC/cyber teams to expose, investigate, and shut down attacks on their network faster, and with 99.9% precision. (CPSB-HORIZONNDR-1-1Y) |               |               |               | Included      |               |              |
| <b>Special Benefit:</b> Renewal of NGTX and Direct Premium PRO support for existing User Center 6926311 and 8437524****  |               |               |               | Included      |               |              |
| Unlimited Software Management  |               |               |               | Included      |               |              |
| Data Loss Prevention (DLP)   |               |               |               | Included      |               |              |
| Next Generation Threat Prevention and SandBlast (NGTX) including 24/7 Direct Premium PRO support across the entire Infinity user center***   |               |               |               | Included      |               |              |

\* Pricing does not include shipping, handling, duties and taxes, to be added to the purchase order if and as applicable.  
 \*\* Allowances value is as per Check Point's list price.  
 \*\*\* The Customer's current install base support and services are not included.  
 \*\*\*\* Only for the products listed under the following renewal product breakdown table, and subject to the products End of Support dates specified at <https://www.checkpoint.com/support-services/support-life-cycle-policy/>

| Renewal Product Breakdown Table                |           |           |
|--|-----------|-----------|
| Product and Product Key                        | Year 1    | Years 2-5 |
| <b>CPAC-LOM-B</b>                              | <b>1</b>  | <b>1</b>  |
| 09FD2B1FCF08                                   | 1         | 1         |
| <b>CPAC-RAM8GB-5000</b>                        | <b>1</b>  | <b>1</b>  |
| CEE582A52D1D                                   | 1         | 1         |
| <b>CPAP-SG3100-NGTX</b>                        | <b>1</b>  |           |
| 00:1C:7F:87:C9:5F                              | 1         |           |
| <b>CPAP-SG3600-SNBT</b>                        | <b>1</b>  | <b>1</b>  |
| 00:1C:7F:AB:81:D5                              | 1         | 1         |
| <b>CPAP-SG3800-SNBT</b>                        | <b>1</b>  | <b>1</b>  |
| 00:1C:7F:9F:8D:AC                              | 1         | 1         |
| <b>CPAP-SG5400-NGTX</b>                        | <b>1</b>  | <b>1</b>  |
| 00:1C:7F:8D:09:39                              | 1         | 1         |
| <b>CPEP-SBA-COMPLETE-LICENSE-1Y</b>            | <b>1</b>  | <b>1</b>  |
| BF6AD1C511F6                                   | 1         | 1         |
| <b>CP-HAR-EC-PROTECT-EMAIL-APPS-LICENSE-1Y</b> | <b>1</b>  | <b>1</b>  |
| F24361745842                                   | 1         | 1         |
| <b>CPSB-MOB-50</b>                             | <b>1</b>  | <b>1</b>  |
| F3EFE0D4C70C                                   | 1         | 1         |
| <b>CPSM-NGSM5</b>                              | <b>1</b>  | <b>1</b>  |
| ACFE6C85BB8E                                   | 1         | 1         |
| <b>Grand Total</b>                             | <b>10</b> | <b>9</b>  |

## The Business Terms

- The term for this Infinity Total Protection agreement is 5 years, starting on the date of the last signature below.
- The Infinity Total Protection price to the Customer for the 5-year term is US \$718,740.
- Customer shall have the right to opt-out of this agreement after each year by providing Check Point with prior written notice of its election at least forty-five (45) days before the beginning of the subsequent year.
- The Customer will place a purchase order each year for the yearly Infinity Total Protection price to be invoiced and paid annually upfront. All prices and allowances under this agreement are in USD.
- Purchase orders under this agreement shall be placed through a designated Check Point authorized reseller. The Customer agrees to purchase the above offering from an authorized reseller according to the discounted price set forth above. If the Customer is unable to purchase the Infinity offering for that price (or lower) from an authorized reseller, Check Point will negotiate with its distributor a discount from Check Point's list price so that that Customer may purchase this offering from a reseller at the agreement's discounted price. For the avoidance of doubt, Check Point will not be involved in determining the price of the Infinity Total Protection offering to be sold from the authorized reseller to the Customer and such price will be determined solely by the authorized reseller.
- By signing this agreement, the Customer commits to the full 5-year Infinity Total Protection price specified above.
- Allowances
  - The Customer's allowances are specified in the table above. Such allowances can be used only for acquiring Infinity products and services as specified in the attached Exhibit A. The list price for these will be deducted from the applicable allowance budget until fully used. The list price is defined as the price of the applicable SNBT/NGTX bundle in Check Point's product and service catalog at the time the product or service is ordered.
  - The Customer may utilize the applicable allowance allocated for each year of the term only during that specific year to acquire the applicable products and services per its needs. Unused portion of the annual allowances will not be carried over to subsequent years, except as follows, the Customer may rollover and use up to (i) twenty-five percent (25%) of its year 1 Product Allowance to year 2, and (ii) twenty-five percent (25%) of its year 2 Product Allowance to year 3.
  - Any product and/or services acquired exceeding the applicable annual allowance will be considered outside the scope and coverage of this Infinity Total Protection agreement and will need to be purchased separately.

- The Customer will be entitled to special benefits as stated in the table above.
- All Infinity products and licenses are placed in a dedicated user center. The Customer may not transfer products and licenses from existing user centers to the dedicated Infinity user center and vice versa.
- All shipping, handling, duties and taxes costs associated with the products and services provided herein will be borne by Customer and added to the purchase order if any as applicable.
- The products offered under this Infinity Total Protection agreement are covered with Check Point's Direct Premium PRO Support SLA, as per the attached Exhibit B.
- The Customer agrees to become Check Point's Infinity reference. Check Point may refer to the Customer its potential customers from time to time for reference.
- This agreement will only become effective upon signing thereof by Check Point's authorized personnel.

By signing below the Customer acknowledges and agrees to the terms stated above and in the attached exhibits.

**Check Point Software Technologies Ltd.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

Acknowledged and accepted:

**United Water Conservation District**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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



## Exhibit A – Security Technologies and Products included in Check Point Infinity Total Protection

### **Security Technologies**

The Customer may choose any of the software, subscriptions and hardware offering from the below list according to deployment and architecture plan. Check Point reserves the right to add or remove products from this list, per its most updated product catalog as in effect at the time products are purchased.

#### **Security Software:**

##### Management Software:

- Network Policy Management, Endpoint Policy Management, Logging and Status, Monitoring, SmartWorkflow, SmartProvisioning, User Directory, Management Portal, Global Policy, Virtual Management Domains, SmartEvent, Compliance blade.

##### Additional Software:

- Identity Awareness, Data Leakage Protection, Virtual Systems (VS), and Mobile Access.

##### Security Subscriptions:

- Next Generation Threat Prevention & SandBlast™ Zero Day protection. Includes subscriptions for IPS, DNS, Application Control, URL Filtering, Anti-Virus, Anti-Bot and Anti-Spam as well as SandBlast Zero-day protection.

#### **Harmony Products:**

##### To be selected and acquired through the Harmony Allowance:

- Harmony Endpoint – delivers advanced threat protection for known, unknown and zero-day malwares, Sandbox Emulation and Extraction, enhanced by automated endpoint forensics analysis, access control, Web Protection and data protection capabilities.
- Harmony Mobile – offers comprehensive, enterprise-grade mobile security that protects iOS and Android devices, apps, and the networks they depend on from advanced mobile threats.
- Harmony Browse – defends users against web-based threats, delivering unrivaled protection against zero-day threats without impacting network performance.
- Harmony Email & Collaboration – delivers all the protections you need, with the highest caliber security, for any email solution and Office 365 and G Suite productivity apps in a single, efficient, and cost effective solution.

#### **Hardware Products:**

##### To be selected and acquired through the Product Allowance:

##### Network Security Based on Threat Prevention & SandBlast (SNBT / NGTX) Configurations\*

- Small Business and Branch Offices Appliances
  - 1530, 1535, 1550, 1555, 1570, 1575, 1590, 1595, 1600, 1800, 3600, 3800
- Enterprise Appliances
  - 6200, 6400, 6600, 6700, 6900, 7000
- High End Enterprise and Data Center Appliances
  - 16200, 16000, 16600, 26000, 28000, 28600
- Industrial, IoT and Critical Infrastructure Appliance
  - 1570R
- Maestro Orchestrators (170 series and 140 series)
- Quantum Lightspeed Appliances (250, 450, 650, 800)
- Open Server for security gateways – Supporting a wide range of servers and devices certified by Check Point for security gateway and Threat Prevention & SandBlast Zero Day Protection (SNBT / NGTX) capabilities.

\*Check Point may update the product list from time to time based on catalog updates for new or old appliances.

##### Security Management & Malware Analysis Appliances

- Security Management Appliances
  - Smart-1 600, Smart-1 6000
- Malware Analysis Appliances - SandBlast Zero-Day Prevention on premise
  - TE100X, TE250X, TE1000X, TE2000X

##### Hardware Accessories (as supported per security appliance)

- Networking
  - Check Point Security Appliances support 1 GbE copper, 1 GbE fiber, 10 GbE fiber, 40 GbE or 100/25 GbE network interface cards as well as fail-open network I/O modules of 1 GbE copper and 10 GbE fiber
  - Network Transceivers of 1 GbE, 10 GbE, 25 GbE, 40 GbE, 100 GbE (all with short and long range)

- options)
  - Fiber channel SAN Card
- Storage
  - HDD (320 GB, 500 GB, 1 TB, 2 TB)
  - SSD (240 GB, 480 GB)
- Memory RAM upgrade kits
  - 8 GB, 16 GB, 24 GB, 32 GB, 64 GB, 128 GB, 256 GB
- Lights-Out Management (out of band remote management)
- Power Supplies
  - AC, DC
- Rack Mount Options
  - Sliding Rails and rack kits
  - Shelf rack mount (for half U security appliances)

## Exhibit B – Security Services Offered

**Check Point Infinity Total Protection** includes the security services required to support a mission critical security environment:

- Real Time Security Updates (ThreatCloud)
- Software Updates
- 24x7 Support & Maintenance
- Hardware Maintenance

Support is provided according to Check Point's Direct Premium PRO Support SLA as described here <https://www.checkpoint.com/support-services/support-plans/>

PRO support services are provided only for user centers in which all the products and services are fully covered by PRO support. In case a user center includes any unsupported products and services, in order to maintain the PRO support for the entire user center, Customer shall request Check Point to remove the specific unsupported products and services within 60 days from the expiration of its PRO support term. In case Customer fails to submit such request within the said timeframe, the entire applicable user center may not be covered by PRO support.

## Exhibit C - Terms and Conditions

1. **End User License Agreement** – Installation and use of Check Point products and services are subject to the applicable Check Point license agreement (EULA) as available at Check Point's website.
2. **Software License** – Entitlement to support and services for all software products (e.g: OpenServer licenses), including for software licensed on perpetual basis (if any), is valid only during the applicable license term or until expiration/termination of your Infinity offering, whichever is earlier. Upon their expiration, the software licenses will remain within the Infinity User Center and will be available for renewal, in accordance with Check Point's support life cycle policy.
3. **Fair usage** – Use of the services are subject to Check Point's fair usage restrictions which may limit the service capacity based on the Customer's organizational size, user count and business.
4. **Existing Check Point Customers** – The service and support for existing Customers cover only the products installed as part of the Check Point Infinity Total Protection. Existing install-base will continue to require separate support and services.
5. **Sizing and Quantities of Hardware and Software** – Per Check Point's discretion, hardware quantity and software requirements will be agreed upon based on the Customer's current traffic, needs and projection traffic growth for the term of the agreement.
6. **Auditing** – Check Point reserves the right to audit the Customer's records to verify compliance with the terms of this offering.

**AMENDMENT TO THE  
CHECK POINT INFINITY TOTAL PROTECTION AGREEMENT  
United Water Conservation District**

This Amendment (the “Amendment”) is made effective on the latest date appearing next to the parties’ signatures below, is by and between, **Check Point Software Technologies Ltd.** (“Check Point”) and **United Water Conservation District, a California Special District** (“Customer”).

**WHEREAS**, on the (DATE) the Parties hereto entered into that certain Check Point Infinity Total Protection Agreement (the “Infinity Agreement”); and

**WHEREAS**, the Parties now wish to amend certain terms of the End User License Agreement (“EULA”) in the Infinity Agreement as set forth below;

**NOW THEREFORE**, in consideration of the mutual covenants, representations, promises, obligations and other valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

**1. Amendments.**

- a. Section 3.1. The last sentence of Section 3.1 of the EULA shall be deleted in its entirety and replaced with the following:

“Any purchase of upgrades shall be subject to this Agreement, unless Check Point and You enter into a subsequent agreement.”

- b. Section 5. The second sentence of Section 5 of the EULA shall be deleted in its entirety and replaced with the following:

“Check Point may terminate this Agreement upon Your breach of any of the provisions hereof that is not cured within thirty (30) days after Your receipt of written notice from Check Point.”

- c. Section 6.2. Section 6.2 of the EULA shall be titled “Your Indemnification Obligation.”

- d. Section 10.1. The third and fourth sentence Section 10.1 of the EULA shall be deleted in their entirety and replaced with the following:

“The laws of the State of California shall govern all issues arising under or relating to this Agreement, without giving effect to the conflict of laws principles thereof. All disputes arising under or relating to this Agreement shall be resolved exclusively in the appropriate California court in the County of Ventura.”

- e. Sections 10.4 and 10.5. Check Point’s Privacy Policy and Customer Data Protection Addendum found in Section 10.4 and the Terms of Service in Section 10.5 shall be added to this Amendment as exhibits below to remain static throughout the term of the Infinity Agreement.

- 2. Payments.** This Amendment shall not modify or waive any payment terms of the Infinity Agreement.



3. **Effect of Amendment.** This Amendment is intended only to effect the changes specifically set forth above and all other terms and conditions of the Agreement remain in full force and effect. In the event of any conflict or inconsistency between the terms of this Amendment and the terms of the Infinity Agreement, the terms of this Amendment shall prevail.

**IN WITNESS WHEREOF**, the parties have executed this Amendment by their authorized representatives.

**United Water Conservation District**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Check Point Software Technologies Ltd.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## Privacy Policy

Check Point Software Technologies Ltd, including all of its affiliates worldwide (collectively, “Check Point,” “we,” “us,” or “our”) value the privacy of individuals who use or express interest in the Check Point Websites, Check Point Products, and Check Point Services (as defined below, collectively, our “Services”). This privacy policy (the “Privacy Policy”) explains how we collect, use, and disclose Personal Data.

### 1. GENERAL INFORMATION

- 1.1. “Personal Data” means any data which relates to a living individual who can be identified from that data or from that data and other information which is in the possession of, or is likely to come into the possession of, Check Point (or its representatives or service providers). In addition to factual information, it includes any expression of opinion about an individual and any indication of the intentions of Check Point or any other person in respect of an individual.
- 1.2. Beyond this Privacy Policy, your use of our Services is also subject to applicable End-user License Agreement available at our website.
- 1.3. If you are a California resident, our [California Resident Privacy Notice](#) provides more information about your California privacy rights and explains how you can exercise those rights.
- 1.4. If you are using the Check Point ZoneAlarm services and products, please refer to our [ZoneAlarm Privacy Policy](#).

### 2. THE SOURCES OF THE INFORMATION WE COLLECT

This Privacy Policy concerns the following sources of information that we collect in connection with our Service, which include:

- Our websites (e.g. [www.checkpoint.com](http://www.checkpoint.com)) (“Check Point Websites”), emails, marketing communication;
- Information we received through our business partners and vendors; and
- Information we receive through our products (“Check Point Products”), support, mobile security solutions and/or cloud-based services, including, without limitation, CloudGuard and Harmony (“Check Point Services”).

### 3. THE TYPES OF PERSONAL DATA WE COLLECT

We may collect and receive a variety of information from you or about you or your devices from various sources, as described below. If you do not provide your Personal Data when requested, you may not be able to use our Services if that information is necessary to provide you with our Services or if we are legally required to collect it.

- 3.1. **Information that you provide to Check Point.** This includes Personal Data about you that you provide to us. The nature of the Services you are requesting or using will determine the kind of Personal Data we might ask for, though such information may include (by way of a non-exhaustive list):
  - basic Personal Data (such as first name; family name; position in the company [title]; company name; company email address; business phone number; business address; city; postcode; country);
  - any information that you choose to share through our Services which may be considered Personal Data. (Please note that Check Point does not collate information included on Check Point internet forums together with Personal Data from your User Center account or profile);



**3.2. Information that we collect or generate about you.** This includes (by way of non-exhaustive list):

- File with your contact history to be used for enquiry purposes so that we may ensure that you are satisfied with our Services;
- Through our cloud security services, traffic and security reports that include information on the internet usage of the organization's computer users (e.g. what websites were visited by each user, any documents downloaded, security incidents, prevention measures taken by the gateway, etc.);
- Activity data relating to the use of protected documents, such as altering a document's permissions and information regarding the individual that performed the activity;
- Information about you provided from third parties' sources; and
- Through our cloud Harmony Email & Office service, the files and email correspondence (included the content therein) found in your accounts connected to such service.

**3.3. Cookies.** We and our third-party partners may collect Personal Data using cookies, which are small files of letters and numbers that we store on your browser or the hard drive of your computer. We may also use pixel tags and web beacons on our Services. These are tiny graphic images placed on web pages or in our emails that allow us to determine whether you have performed a specific action. We use cookies, beacons, invisible tags, and similar technologies (collectively "**Cookies**") to collect information about your browsing activities and to distinguish you from other users of our Services. This aids your experience when you use our Services and allows us to improve the functionality of our Services. Cookies can be used for performance management, collecting information on how our Services are being used for analytics purposes. They can also be used for functionality management, enabling us to make your visit more efficient by, for example, remembering language preferences, passwords, and log-in details. For more information on the types of Cookies we and third parties may use in connection with our Services, please see our [Check Point Cookies Notice](#).

**How to Block Cookies.** You can block Cookies by setting your internet browser to block some or all Cookies. However, if you use your browser settings to block all Cookies (including essential Cookies) you may not be able to access all or parts of our Services. By using our Services, you consent to our use of Cookies and our processing of Personal Data collected through such Cookies, in accordance with this Privacy Policy. You can withdraw your consent at any time by deleting placed Cookies and disabling Cookies in your browser, or as explained below. You can change your browser settings to block or notify you when you receive a Cookie, delete Cookies, or browse our Services using your browser's anonymous usage setting. Please refer to your browser instructions or help screen to learn more about how to adjust or modify your browser settings. If you do not agree to our use of Cookies, you should change your browser settings accordingly. You should understand that some features of our Services may not function properly if you do not accept Cookies. Where required by applicable law, you will be asked to consent to certain Cookies before we use or install them on your computer or other device.

**3.4. Anonymized data.** In addition to the categories of Personal Data described above, Check Point may also process further anonymized information or de-identified and aggregated with other data that is not processed by reference to a specific individual.

**3.5. Careers.** In order for us to consider your application for a position with us it will be necessary for us to process certain personal data relating to you. We process personal data in accordance with applicable legislation, while considering and balancing the relevant interests of our applicants, ourselves, and other stakeholders.

#### 4. HOW WE USE YOUR INFORMATION

##### 4.1. We may process your Personal Data for the following purposes:

- for ongoing review and improvement of the information provided on Check Point Websites to ensure they are user friendly and to prevent any potential disruptions or cyberattacks;
- to allow you to use and access the functionality provided by the Check Point Products and the Check Point Services;
- to assess your application for Check Point Products and Check Point Services, where applicable;
- to set up customers to use Check Point Products and Check Point Services;
- to set up users to use the User Center;
- to conduct analysis required to detect malicious data and understand how this may affect your IT system;
- for statistical monitoring and analysis of current attacks on devices and systems and for the on-going adaptation of the solutions provided to secure devices and systems against current attacks;
- to understand feedback on Check Point Products and Check Point Services and to help provide more information on the use of those products and services quickly and easily;
- to communicate with you in order to provide you with: (i) our Services; (ii) information about us and our Services; or (iii) offers and marketing information;
- to send you e-mail updates on the latest cyber security trends, news, upcoming events and other marketing or promotional materials;
- for in-depth threat analysis;
- to understand your needs and interests;
- for the management and administration of our business;
- for improvement of our products and services.
- to comply with and to assess compliance with applicable laws, rules and regulations, and internal policies and procedures;
- for the administration and maintenance of databases storing Personal Data to market Check Point's products and services; or
- for back-up and data loss prevention.

##### 4.2. When we process Personal Data we verify the existence of a lawful ground for such processing activity, including:

- performing our contractual obligations;
- a lawful consent has been obtained;
- compliance with legal or regulatory obligation;
- exercising or defending our rights;
- legitimate business interests, such as:
  - effectively and efficiently manage and administer the operation of our business;
  - maintaining compliance with internal policies and procedures;
  - monitoring the use of our copyrighted materials;

- enabling quick and easy access to information on our Services;
- offering optimal, up-to-date security solutions;
- sending you e-mail updates on our Services, the latest cyber security trends, news, upcoming events and other marketing or promotional materials; and
- obtaining further knowledge of current threats to network security in order to update our security solutions and provide these to the market.

4.3. As part of our Services and/or Products, we may utilize artificial intelligence (AI) technologies to enhance our capabilities and provide you with a better experience.

4.4. We will take steps to ensure that your Personal Data is accessed only by such individuals that have a need to do so for the purposes described in this Privacy Policy.

4.5. We do not retain, use, sell or disclose Personal Data for any purpose other than for the specific purpose of performing our Services or as otherwise strictly permitted under this Privacy Policy.

## 5. DISCLOSURE OF INFORMATION TO THIRD PARTIES

We may share or otherwise disclose the Personal Data we collect from you as described below or otherwise disclosed to you at the time of the collection.

- **Vendors and Service Providers.** We may share any information we receive with vendors and service providers retained in connection with the provision and marketing of our Services or other relevant services.
- **Partners and Affiliates.** We may share any information with our distributors, partners, corporate affiliates, parents, or subsidiaries for any purpose described in this Privacy Policy.
- **As Required by Law and Similar Disclosures.** We may access, preserve, and disclose your Personal Data if we believe doing so is required or appropriate to: (i) comply with law enforcement requests and legal process, such as a court order or subpoena; (ii) respond to your requests; or (iii) protect your, our, or others' rights, property, or safety.
- **Merger, Sale, or Other Asset Transfers.** We may disclose and transfer your Personal Data to service providers, advisors, potential transactional partners, or other third parties in connection with the consideration, negotiation, or completion of a corporate transaction in which we are acquired by or merged with another company, or we sell, liquidate, or transfer all or a portion of our business or assets.
- **Consent.** We may also disclose Personal Data from or about you or your devices with your permission.

## 6. INTERNATIONAL TRANSFERS OF PERSONAL DATA

6.1. Check Point is a global business. Our customers and our operations are spread around the world. As a result, we collect and transfer Personal Data on a global basis. That means that we may transfer your Personal Data to locations outside of your country.

### 6.2. Europe.

Where we transfer your Personal Data to another country outside the European Economic Area ("EEA") or the United Kingdom ("UK"), we will ensure that it is protected and transferred in a manner consistent with legal requirements. In relation to data being transferred outside of Europe or the UK, for example, this may be done in one of the following ways:

- the country that we send the data to, might be approved by the European Commission as offering an adequate level of protection for Personal Data (for example, Israel is an approved country);

- the recipient might have signed a contract based on applicable “model contractual clauses” approved by the European Commission, obliging them to protect your Personal Data; or
- in other circumstances the law may permit us to otherwise transfer your Personal Data outside the EEA or UK.

You can obtain more details of the protection given to your Personal Data when it is transferred outside the EEA or the UK (including a copy of the standard data protection clauses which we have entered into with recipients of your Personal Data) by contacting us as described in paragraph 13 below.

6.3. China. For residents in the mainland of the People’s Republic of China (“Mainland China”), we may transfer, access or store your Personal Data outside of the Mainland China where we are satisfied that adequate levels of protection are in place to protect the integrity and security of your Personal Data or adequate security measures are adopted and in compliance with the applicable laws, such as contractual arrangements. Where required by applicable laws, we will put in place appropriate measures to ensure that all processing of your Personal Data outside of the Mainland China is safeguarded by the equivalent level of data protection in the Mainland China.

## 7. YOUR RIGHTS

7.1. **Marketing Communications**. You can unsubscribe from our promotional emails via the link provided in the emails. Even if you opt out of receiving promotional messages from us, you will continue to receive administrative messages from us.

7.2. **Do Not Track**. There is no accepted standard on how to respond to Do Not Track signals, and we do not respond to such signals.

If you choose not to provide us with the Personal Data we collect, some features of our Services may not work as intended.

7.3. **California Privacy Rights**. If you are a California resident, you can review our [California Resident Privacy Notice](#) for information about your privacy rights and choices under California law.

7.4. **Your European Privacy Rights**. If you are located in the EEA or the UK, you have additional rights described below.

- You may request to access the Personal Data we maintain about you, update and correct inaccuracies in your Personal Data, restrict or object to the processing of your Personal Data, have your Personal Data anonymized or deleted, as appropriate, or exercise your right to data portability to easily transfer your Personal Data to another company. In addition, you also have the right to lodge a complaint with a supervisory authority, including in your country of residence, place of work or where an incident took place.
- You may withdraw any consent you previously provided to us regarding the processing of your Personal Data at any time and free of charge. We will apply your preferences going forward and this will not affect the lawfulness of the processing before you withdrew your consent.

You may exercise these rights by contacting us using the contact details at the end of this Privacy Policy. Before fulfilling your request, we may ask you to provide reasonable information to verify your identity. Please note that there are exceptions and limitations to each of these rights, and that while any changes you make will be reflected in active user databases instantly or within a reasonable period of time, we may retain Personal Data for backups, archiving, prevention of fraud and abuse, analytics, satisfaction of legal obligations, or where we otherwise reasonably believe that we have a legitimate reason to do so.

## 8. HOW WE SAFEGUARD YOUR INFORMATION

8.1. We have extensive controls in place to maintain the security of our information and information systems. Files are protected with safeguards according to the sensitivity of the relevant information. Appropriate controls (such as restricted access) are placed on our computer systems. Physical access to areas where Personal Data is gathered, processed or stored is limited to authorized employees. In addition, our Incident Response Team plays a critical

role in our commitment to safeguard your information, as they are responsible for promptly and effectively responding to data security threats. If you have a suspicion of any data breach, security incident or if you wish to report a vulnerability, please contact our team at [privacy\\_inquiries@checkpoint.com](mailto:privacy_inquiries@checkpoint.com)

- 8.2. As a condition of employment, Check Point employees are required to follow all applicable laws and regulations, including in relation to data protection law. Access to sensitive Personal Data is limited to those employees who need it to perform their roles. Unauthorized use or disclosure of confidential information by a Check Point employee is prohibited and may result in disciplinary measures.
- 8.3. Check Point requires its worldwide employees and contractors that have access to its internal systems to complete annual trainings on data protection and security. Such trainings are aimed to make sure that Check Point's personnel understand and follow Check Point's privacy policies and guidelines when handling Personal Data.
- 8.4. When you contact a Check Point representative, you may be asked for some Personal Data. This type of safeguard is designed to ensure that only you, or someone authorized by you, has access to your file.
- 8.5. For more information on the security measures taken by Check Point in order to protect your Personal Data, please see our [Security Measures Policy](#).

## 9. THIRD PARTIES

Our Services may contain links to other websites, products, or services that we do not own or operate ("Third-Party Services"). We are not responsible for the privacy practices, policies, or other content of these Third-Party Services. Please be aware that this Privacy Policy does not apply to your activities on these Third-Party Services or any information you disclose to these Third-Party Services. If you have any questions about how these other sites use your Personal Data, you should contact them directly. We encourage you to read their privacy policies before providing any information to them.

## 10. HOW LONG WE KEEP YOUR PERSONAL DATA

We take measures to delete your Personal Data or keep it in a form that does not permit identifying you when this information is no longer necessary for the purposes for which we process it unless we are required by law to keep this information for a longer period. When we process Personal Data for our own purposes, we determine the retention period taking into account various criteria, such as the type of services provided to you, the nature and length of our relationship with you, possible re-enrollment with our Services, the impact on our Services we provide to you if we delete some information from or about you, and mandatory retention periods provided by law and the statute of limitations.

## 11. CHILDREN'S PRIVACY

We do not knowingly collect, maintain, or use Personal Data from children under 16 years of age ("**Minors**"), and no parts of our Services are directed at children. If you learn that a Minor has provided us with Personal Data in violation of this Privacy Policy, please alert us at [privacy\\_inquiries@checkpoint.com](mailto:privacy_inquiries@checkpoint.com).

## 12. QUESTIONS, CONCERNS AND UPDATES

If you have any questions or concerns about Check Point's handling of your Personal Data, or about this Policy, please contact our Privacy Officer using the following contact information:

*Address:* Check Point Software Technologies Ltd.,  
5 Shlomo Kaplan Street, Tel Aviv 67897, Israel  
Attention: Legal Department

*Address in the EU:* Check Point Software Technologies GmbH,  
Oskar-Messter-Str. 13,



*Email Address:*      [privacy\\_inquiries@checkpoint.com](mailto:privacy_inquiries@checkpoint.com)

We are typically able to resolve privacy questions or concerns promptly and effectively. If you are not satisfied with the response you receive from our Privacy Officer, you may escalate concerns to the applicable privacy regulator in your jurisdiction. Upon request, Check Point's Data Protection Officer will provide you with the contact information for that regulator.

We will post any adjustments to the Privacy Policy on this page, and the revised version will be effective when it is posted.

You can view our Data Processing Agreement (DPA) online - [Customers](#); [Distributors and Resellers](#). If you need a signed copy of the DPA, you can download it, send a signed copy to [privacy\\_inquiries@checkpoint.com](mailto:privacy_inquiries@checkpoint.com) and we will provide you a countersigned copy.



Exhibit B- Customer Data Protection Addendum

**Data Processing Addendum**

Check Point Software Technologies Ltd, of Shlomo Kaplan, Tel-Aviv, Israel ("**Check Point**") and you and the entity you represent ("**Customer**") agree to the terms set out in this Data Processing Addendum (this "**Addendum**"). This Addendum shall become effective with respect to the Customer upon the effective date of the Agreement (as defined below) (the "**Effective Date**"), provided that this Addendum is incorporated to the Agreement by reference.

**1. Definitions**

- 1.1 **Agreement:** the agreement governing Customer's relations with Check Point; with respect to usage of Check Point's products and services, the applicable end-user license agreement governing the Customer's use of Check Point's products and services.
- 1.2 **Affiliate:** Any entity that directly or indirectly controls, is controlled by, or is under common control with the relevant party.
- 1.3 **Customer Personal Data:** Personal Data provided by the Customer to Check Point or generated by Check Point in connection with the offering or provision of Check Point products and services and which is used solely by Check Point for the Permitted Purposes.
- 1.4 **Data Protection Laws:** All applicable laws and regulations relating to the processing of Personal Data including, the Electronic Communications Data Protection Directive (2002/58/EC) and the EU's General Data Protection Regulation ("**GDPR**") (2016/679/EC), including all law and regulations implementing or made under them and any amendment or re-enactment of them. The terms "**Controller**", "**Personal Data**", "**Process**", "**Processor**" and "**Supervisory Authority**" shall have the meanings given to them in the GDPR;
- 1.5 **EU Standard Contractual Clauses:** means the model clauses incorporated into this Addendum under clause 9 (International Transfers of Data) for the transfer of Personal Data in the EU to third countries where the exporter is a Processor and the importer is a Sub-processor as approved by the European Commission by its Implementing Decision (EU) 2021/914 of June 04, 2021 or any additional replacement model clauses approved by the European Commission from time to time;
- 1.6 **Personal Data Breach:** The accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, Personal Data transmitted, stored or otherwise processed;
- 1.7 **Permitted Purposes:** Permitted Purposes shall mean the purposes for processing Personal Data specified in the Privacy Policy.
- 1.8 **Privacy Policy:** Check Point's Privacy Policy, as available at Check Point's public website (currently at: <https://www.checkpoint.com/privacy/>).
- 1.9 **Sub-processor:** A third party engaged by Check Point or one of its Affiliates to undertake some or all of Check Point's obligations under the Agreement, including but not limited to Processing of Personal Data; and



- 1.10 **UK Standard Contractual Clauses Addendum:** means the International Data Transfer Addendum to the EU Commission Standard Contractual Clauses incorporated into this Addendum under clause 9 (International Transfers of Data) for the transfer of Personal Data in the UK to third countries and where the exporter is a Processor and the importer is a Sub-processor as approved by the UK Government.

## **2. Processing of Personal Data**

- 2.1 Roles of the Parties.** The parties acknowledge and agree that with regard to the Processing of Personal Data, the Customer is the Controller, Check Point is the Processor and that Check Point or Check Point Affiliates may engage Sub-processors pursuant to this Addendum.
- 2.2 Customer's Processing of Personal Data.** The Customer shall, in its use of the Check Point products and services, Process Personal Data in accordance with the requirements of Data Protection Laws.
- 2.3 Check Point Processing of Personal Data:** Check Point shall only Process Customer Personal Data in the following ways:
- (i) Processing for the purposes of provision of the Check Point products and services and/or other Permitted Purposes and otherwise in accordance with the Agreement; (ii) Processing by Customer users in their use of the Check Point products and services; (iii) Processing to comply with other documented reasonable instructions provided by the Customer; and/or (iv) as described in the Privacy Policy. The Customer shall ensure that any instructions to Check Point in relation to the Processing of Customer Personal Data shall comply with Data Protection Laws. In the event of that any of the Processing described in this clause 2.3 conflicts with Data Protection Laws, Check Point shall not be obliged to carry out the data processing affected by the conflict and shall, unless such legal requirement prohibits it from doing so, inform the Customer of the relevant conflict.
- 2.4 Data Protection Impact Assessment:** Upon the Customer's request and at the Customer's expense, Check Point shall provide the Customer with reasonable cooperation and assistance needed to fulfil the Customer's obligation under the GDPR to carry out a data protection impact assessment related to the Customer's use of the Check Point products and services but only to the extent that the Customer does not otherwise have access to the relevant information, and only to the extent that such information is available to Check Point. Check Point shall provide reasonable assistance to the Customer, at the Customer's expense, in relation to consultation with a Supervisory Authority in connection with a data protection impact assessment related to the Check Point products and services.

### **2.5 Details of the Processing:**

- (i) Subject-matter of Processing, the nature and purpose of the Processing: the provision of Check Point products and services to the Customer and/or or other Permitted Purposes.
- (ii) Duration of the Processing: for as long as necessary in connection with the provision of Check Point products and services and/or for the Permitted Purposes
- (iii) Types of Personal Data: the Customer can control the types of data analyzed and collected through the Check Point products and services
- (iv) Categories of Data Subjects: the Customer can control the types of Data Subjects whose Personal Data may be collected through the Check Point products and services

3. **Rights of Data Subjects.** Check Point shall, to the extent legally permitted, promptly notify the Customer if Check Point receives a request from a Data Subject to exercise the Data Subject's right of access, rectification, restriction of Processing, erasure ("right to be forgotten"), data portability, objection to the Processing, or to not be subject to an automated individual decision or automated decision-making in relation to Customer Personal Data (each "Data Subject Requests"). Check Point shall not respond to a Data Subject Request without the Customer's prior written consent (unless required to do so by law) except to confirm that such request relates to the Customer, to which the Customer hereby agrees. In the event that the Customer is not itself able to fully comply with the Data Subject Request, Check Point shall, at the Customer's cost, provide reasonable assistance to the Customer in its fulfilment of the Customer's obligation to respond to a Data Subject Request under Data Protection Laws.
4. **Check Point Personnel**
- 4.1 **Confidentiality:** Check Point shall ensure that its personnel engaged in the Processing of Customer Personal Data are informed of the confidential nature of the Customer Personal Data, have received appropriate training on their responsibilities and are subject to confidentiality undertakings.
- 4.2 **Reliability:** Check Point shall take commercially reasonable steps to ensure the reliability of any Check Point personnel engaged in the Processing of Customer Personal Data.
5. **Sub-Processors.** The Customer acknowledges and agrees that (i) Check Point Affiliates may be used as Sub-processors; and (ii) Check Point and Check Point Affiliates respectively may engage third-party Sub-processors in connection with the provision of the Check Point products and services. Check Point shall appoint and make changes to Sub-processors at Check Point's sole discretion subject to the terms and conditions of this Agreement. The list of Sub-processors is available at Check Point's website (currently at: <https://www.checkpoint.com/sub-processors-list/>)

**Objection Right for New Sub-processors:** The Customer may object to Check Point's (or a Check Point Affiliate's) use of a new Sub-processor by notifying Check Point promptly in writing within ten (10) business days after receipt from Check Point of notice to change its Sub-processor or if Check Point publicly publishes such sub-processor in its website. In the event the Customer objects to a new Sub-processor (limited to reasonable privacy considerations), Check Point will use reasonable efforts to make available to the Customer a change in the services or recommend a commercially reasonable change to the Customer's configuration or use of the services to avoid Processing of Customer Personal Data by the relevant new Sub-processor. In the event that no such change is possible on a reasonable basis, then the Customer may stop the license for the products for which Check Point uses the rejected Sub-processor on written notice to that effect within 7 days from Check Point's notice that no change removing the Sub-processor is possible, in which case the Customer will be entitled to use the prorated value of the remaining subscription term of such product for purchasing another product or service that is not impacted by the rejected sub-processor.

## **6. Security**

- 6.1 **Controls for the Protection of Customer Data:** Check Point shall maintain appropriate technical and organisational measures for protection of the security (including protection against unauthorised or unlawful Processing, and against accidental or unlawful destruction, loss or alteration or damage, unauthorised disclosure of, or access to, Customer Personal Data), confidentiality, and integrity of Customer Personal Data. Specific description of technical and security measures applied to ensure the security of data is available at <https://www.checkpoint.com/privacy/security/> as updated from time to time.

- 6.2 **Third-Party Certifications and Audits:** Upon the Customer's written request at reasonable intervals, and subject to the confidentiality obligations set forth in the Agreement, Check Point shall make available to the Customer (or the Customer's independent, third-party auditor that is not a competitor of Check Point) a summary of Check Point's then most recent third-party certifications and/or security related audits, as applicable; and as may be available in respect of the products and/or services being provided.
- 6.3 **Right of Audit and Inspection:** Check Point shall afford to the Customer access on reasonable notice and at reasonable intervals (except where there has been an actual or reasonably suspected breach of this Addendum by Check Point), to books and records relevant to the Customer Personal Data to enable the Customer to ensure that Check Point is complying with its obligations under this Addendum.
7. **Incident Notification.** Check Point shall notify the Customer, without undue delay, after becoming aware of a Personal Data Breach involving Customer Personal Data. Check Point shall use reasonable efforts to identify the cause of such Personal Data Breach and take those steps as Check Point deems reasonably practicable in order to remediate the cause of such Personal Data Breach.
8. **Return and Deletion of Customer Personal Data.** Check Point shall at the Customer's option, return Customer Personal Data to the Customer and/or, to the extent allowed by applicable law, delete Customer Personal Data within a reasonable period of time after being so requested by the Customer.
9. **International Transfers of Data**
- 9.1 **Transfer mechanisms for data transfers:** The Customer acknowledges that Check Point or any of its sub-processors (as defined above under 1.5) may transfer Customer Personal Data to locations outside the European Economic Area and / or the UK. Where this is the case, and to the extent that the data is transferred to a country which does not ensure an adequate level of data protection within the meaning of Data Protection Law, such transfers shall be subject to the Module Three Transfer (processor to processor) terms in either the EU Standard Contractual Clauses or the UK Standard Contractual Clauses Addendum, as applicable. A template of the Annexes to those EU Standard Contractual Clauses is attached in Annex A of this Addendum.
- 9.2 In the event that there is a conflict between the provisions of this Addendum and the provisions of the UK Standard Contractual Clauses Addendum or EU Standard Contractual Clauses, as applicable, the provisions of the UK Standard Contractual Clauses Addendum or EU Standard Contractual Clauses, as applicable, shall take precedence.
- 9.3 In the event that a relevant Supervisory Authority with jurisdiction over the parties or this Addendum revises, updates or replaces the UK Standard Contractual Clauses Addendum or EU Standard Contractual Clauses, or requires transfers of Personal Data made pursuant to the standard contractual clauses to be suspended, the parties will work in good faith to enter into updated standard contractual clauses or rely on an alternative safeguard under the Data Protection Laws in respect of such transfers.
10. **Agreement.** This Addendum supplements to the Agreement. Except as explicitly amended herein all the other terms of the Agreement shall apply as an integral part hereto.

## Annex A

### A. LIST OF PARTIES

**Data exporter(s):** *Identity and contact details of the data exporter(s) and, where applicable, of its/their data protection officer and/or representative in the European Union / UK*

Name: Check Point Software Technologies Ltd. Address: Shlomo Kaplan 5, Tel-Aviv, Israel

Contact person's name, position and contact details: Amir Haiman, DPO, [amirha@checkpoint.com](mailto:amirha@checkpoint.com).

Activities relevant to the data transferred under these Clauses: The data exporter provides the products and services to the Customer in accordance with the Agreement. In this regard, Customer, as data controller, provides personal data to the data exporter. Customer acknowledges that Israel was determined to have an adequate level of data protection by European Commission's adequacy decision of 31 January 2011 (2011/61/EU), so that the conclusion of SCCs is not necessary for such transfers. When providing the products and services to the Customer in accordance with the Agreement, the data exporter may transfer Customer personal data to the data importer, which acts as a sub-processor. For this purpose, data exporter and data importer have concluded EU SCCs. Role (controller/processor): Processor

**Data importer(s):** *[Identity and contact details of the data importer(s), including any contact person with responsibility for data protection]*

Name: All Check Point subsidiaries or any other sub-processor

Activities relevant to the data transferred under these Clauses: The data importer provides sub-services to the data exporter which are necessary for the data exporter to perform the Agreement.

Role (controller/processor): (Sub-)Processor

### B DESCRIPTION OF TRANSFER

*Categories of data subjects whose personal data is transferred:*

Customer may provide Check Point through Check Point's products, services and support data related to individuals, which might include, but not limited to, Personal Data of the Customer's employees, agents, customers, users and vendors, provided that Customer shall obtain all necessary authorizations, approvals, consents and permits per the Data Protection Laws for providing such data to Check Point for processing in accordance with this Addendum.

*Categories of personal data transferred:*

Data related to individuals provided to Check Point by Customer (including via its users) through Check Point's products, services and support.

*Sensitive data transferred (if applicable) and applied restrictions or safeguards that fully take into consideration the nature of the data and the risks involved, such as for instance strict purpose limitation, access restrictions (including access only for staff having followed specialised training), keeping a record of access to the data, restrictions for onward transfers or additional security measures.*

Customer is requested not to share any sensitive data.

*The frequency of the transfer:*

Continuous basis during the term of the Agreement depending on the use of the Check Point's products, services by Customer.

*Nature of the processing:*

The nature of the processing is the performance of Check Point's obligations to provide products and services pursuant to the Agreement. *Purpose(s) of the data transfer and further processing:*

To provide Check Point's products and services to the Customer and/or for other Permitted Purposes.

*The period for which the personal data will be retained, or, if that is not possible, the criteria used to determine that period:*

The term of the Agreement in which Check Point provides services and products to Customer plus the period thereafter until deletion of all Customer Personal Data by Check Point in accordance with Clause 8 of this Addendum. *For transfers to (sub-) processors, also specify subject matter, nature and duration of the processing:*

The purpose, nature and duration of processing mentioned above.

#### **C. COMPETENT SUPERVISORY AUTHORITY**

*Identify the competent supervisory authority/ies in accordance with Clause 13 of the EU SCCs:*

#### **D. TECHNICAL AND ORGANISATIONAL MEASURES INCLUDING TECHNICAL AND ORGANISATIONAL MEASURES TO ENSURE THE SECURITY OF THE DATA**

Description of the technical and organisational measures implemented by the data importer (including any relevant certifications) to ensure an appropriate level of security, taking into account the nature, scope, context and purpose of the processing, and the risks for the rights and freedoms of natural persons.

- i. Check Point takes extensive measures to ensure that all Customer Personal Data is secured.
- ii. Check Point employs a wide range of security tools and methodologies to manage security threats, including vulnerability scanning, penetration testing, security event management and advanced threat protection. Check Point strives to keep patch levels up to date for all systems holding the data of Check Point's customers.
- iii. Check Point uses many of its own products in securing its network and services, such as the latest firewalls and IPS solutions used for protecting and monitoring Check Point's systems from unauthorized access, WAF and API protection, endpoint gateways and mobile devices protection, software blades used for managing access to applications, anti-malware and encryption technology.
- iv. Access rights to Personal Data are restricted on a least privileged access principal basis, only as required for providing security and product functionality and limited to dedicated personnel for debugging and troubleshooting.
- v. Rigorous security reviews are performed as part of a defined protocol.

Specific description of technical and organizational measures applied to ensure the security of data is available at <https://www.checkpoint.com/privacy/security/> as updated from time to time.

#### **E. LIST OF SUB-PROCESSORS**

Check Point shall be permitted to engage further Check Point Affiliates and third-party Sub-processors at Check Point's sole discretion in connection with the provision of the Check Point products and services, subject to the terms and conditions of this Agreement.

**Terms of Service – Cloud Services; Infinity Portal**

**Cloud End-user License Agreement**

THE TERMS OF SERVICE SET FORTH BELOW (THESE "TERMS") GOVERN YOUR USE OF CHECK POINT'S SERVICES (AS DEFINED BELOW) AND ARE A LEGAL AGREEMENT BETWEEN THE INDIVIDUAL USING THE SERVICES AND ANY LEGAL ENTITY ON WHOSE BEHALF SUCH INDIVIDUAL IS ACTING ("YOU" OR "YOUR") AND CHECK POINT SOFTWARE TECHNOLOGIES LTD. ("CHECK POINT"). PLEASE READ THESE TERMS CAREFULLY BEFORE USING THE SERVICES.

BY YOUR USE OF SERVICE PROVIDED OR YOUR CLICKING TO ACCEPT OR AGREE THESE TERMS, YOU AGREE TO BE BOUND BY THESE TERMS. IF YOU DO NOT AGREE WITH ANY OF THESE TERMS, DO NOT ACCESS OR OTHERWISE USE ANY INFORMATION CONTAINED IN THE SERVICE. YOUR CONTINUED USE OF SERVICE PROVIDED SHALL BE DEEMED TO BE YOUR CONTINUED AGREEMENT TO ABIDE BY EACH OF THE TERMS SET FORTH BELOW.

**1. SERVICES**

"Services" shall mean: (i) the products and services in the Check Point CloudGuard, Harmony, Horizon, Harmony SASE and Quantum Smart-1 families and brands; (ii) any cloud or SaaS products and services available through Check Point's Infinity Portal; and (iii) any other Check Point products and services provided to You in association with these Terms, including any management, dashboard and/or ancillary tool or service provided by Check Point in connection with the Services, except for any hardware. Check Point may update the list of Services from time to time.

**2. RIGHT TO USE AND RESTRICTIONS**

2.1 Right to Use the Services. If You purchased a valid subscription license to a Service, subject to these Terms and the terms specified in Your order for Services (including from a Check Point authorized reseller or distributor), as approved by Check Point, at its sole discretion ("Service Order"), and payment of the applicable fees, Check Point hereby grants only to You, a non-exclusive, non-sublicensable, non-transferable license for the service term specified in your Service Order ("Service Term") to access and use the Services in accordance with the relevant documentation provided by Check Point. Except as otherwise specified herein or as agreed in writing, during the Service Term, the subscription license and payment of the applicable fees shall be non-cancellable and non-refundable.

2.2 Restrictions.

2.2.1 You may use the Services only as described in Your Service Order and the Service description in Check Point's product catalogue and the accompanying documentation and subject to the permitted scope and fair usage as to be defined by Check Point from time to time, including, without limitation, maximum authorized users, applications, devices, gateways, cores, virtual machines (VMs), assets, data traffic, bandwidth, throughput, logs and Service capacity (collectively, "Permitted Scope"). Check Point may use technical tools to measure Your Service consumption and verify Your compliance with the Permitted Scope and these Terms.

Without derogating from the above, with respect to each of the Harmony Connect Remote Access and the Harmony Connect Internet Access Services, the Permitted Scope per licensed unit covers a maximum of 12GB of traffic sent through the Harmony Connect cloud per month during the applicable subscription term.



2.2.2 You may not copy the Services, the underlying technology and any documentation provided in connection therewith, in whole or in part (collectively, “Technology”). You agree not to allow others to use the Services and You will not use the Services for the benefit of third parties. You acknowledge that the source code underlying the Technology, and any other underlying ideas or concepts, are valuable intellectual property of Check Point and You agree not to attempt to (or permit others to) decipher, reverse translate, decompile, disassemble or otherwise reverse engineer or attempt to reconstruct or discover any source code or underlying ideas or algorithms or file formats or programming or interoperability interfaces of any portion of the Technology by any means whatsoever. You will not develop methods to enable unauthorized parties to use the Technology, or to develop any other product and/or service containing any of the concepts and ideas contained in the Technology not independently developed by You. You will not (and will not direct any third party to) modify the Technology or incorporate any portion of the Technology into any software and/or service or create a derivative work of any portion of the Technology. You shall not use the Services to conduct any activity which is fraudulent and/or which violates any applicable law or regulation, infringes rights of any party or breaches these Terms and the terms of use of any third party **SaaS (software as-a-service) application** linked or connected to the Service (“Third Party Application”). No Service, nor any portion thereof, may be used by or on behalf of, accessed by, re-sold to, rented to, or distributed to any other party.

2.3 Managed Service Provider. Notwithstanding Section 2.2 of these Terms, if it is indicated in Your Service Order that You provide the Services to Your Customers as a managed service provider or if you are a party to a managed service provider agreement with Check Point (including via an authorized Check Point distributor) (“Managed Service Provider”), the Services are licensed to You only for the operations of Your customers. You are responsible for (i) the compliance with these Terms by Your customers (ii) obtaining the consent of each of Your customers to these Terms as a condition to use by each such customer of the Service; and (iii) maintaining an evidence of such consent.

2.4 Trial or Evaluation License. If You use the Services for an initial trial or evaluation period, the right to use the Services is valid only for the designated period determined by Check Point, at its sole discretion, and is designed to allow You to evaluate the Services during such period. Check Point may, in its sole discretion, at any time prior to or during such period, discontinue provision of the Services and terminate the right to use the Services with immediate effect. Upon expiration or termination of such period, Your rights under these Terms with respect to such terminated or expired Services shall terminate.

2.5 Third Party Applications. Certain Services are linked and connected to **Third Party Applications**. You agree that Check Point has no control over the Third Party Applications nor the content or information posted therein. Check Point shall have no responsibility or liability whatsoever in connection with any Third Party Application. Third Party Applications may have terms of use and privacy policies that are different from those herein. You are responsible to review such terms and policies at the third parties’ websites’ respective privacy notices and terms of service.

2.6 Excess Usage. Without derogating from Section 2.2 above and from any other remedy available to Check Point, if Your usage of the Services exceeds the Permitted Scope, Check Point shall be entitled to: (i) charge You per its list price, as amended from time to time (including through its authorized resellers and distributors), for such additional Service subscription licenses as required to cover the excess usage; and (ii) upon notice, limit, suspend or terminate Your license to use the Service.

### 3. MAINTENANCE AND SUPPORT

3.1 Support Terms. Subject to Your purchase of support and maintenance as described in Your Service Order and to payment of the applicable fees, You shall be provided with support and maintenance per the applicable service level indicated in your Service Order and for the covered Services thereto (the “Support Services”) The purchase of Support Services shall be governed by the terms of the applicable support program and service level agreement

available at <https://www.checkpoint.com/support-services/support-plans/> or at any successor webpage. Unless otherwise stated in Your Service Order or Your agreement with Check Point, the purchasing of a valid subscription license to a Service does not cover the payment for the corresponding Support Service.

**3.2 Collaborative Support.** If You purchase Support Service per one of Check Point's Collaborative Support Programs, Check Point shall not be responsible for the actions or omissions of Your support partner.

#### 4. SERVICE LEVEL

**4.1 Service Availability.** Check Point will use commercial reasonable efforts that each of the Services listed in the table below (except for Beta Service, as defined below) will be available for such time of each calendar month, as specified opposite to the name of such Service ("Monthly Service Availability").

| Services   | Monthly Service Availability |
|--|------------------------------|
| Harmony Connect, Harmony SASE*, Perimeter 81*  | 99.999%                      |
| Infinity Portal, Horizon XDR/XPR, Horizon Events, Horizon SOC, Quantum Smart-1 Cloud, Harmony Email & Collaboration, CloudGuard Posture Management, CloudGuard Workload, CloudGuard AppSec | 99.9%                        |

\*Under the following configuration: (i) deploy network in at least two availability zones within the same region; (ii) set up two gateways per availability zone; (iii) connect tunnels to gateways on 2 different regions; (iv) whitelist all gateways' IP addresses if you are deploying through gateways instead of using tunnels.

The Monthly Service Availability shall be calculated as follows:

$$\text{Monthly Service Availability (\%)} = A / B \times 100$$

- A = total number of minutes in the relevant calendar month, excluding any Outage Minutes (as defined below).
- B = total number of minutes in the relevant calendar month.

"Outage Minutes" shall mean minutes in which the applicable Service is completely unavailable and inactive while Your systems and internet connection are working properly, other than unavailability due to: (i) Your acts, omissions or requests; (ii) Service adjustments performed per Your request; (iii) error or malfunction of an ancillary tool of the Service which is deployed and/or managed by You, including, without limitation, the Service's application connector; (iv) an event beyond the reasonable control of Check Point, including, without limitation, the performance or availability of Third Party Applications, webpages or internet or other services controlled by third parties, an act of God, war (declared or undeclared), revolution, rebellion or civil strife, terrorist acts, riots, acts of public enemies, labor strikes or shortages, earthquakes, fires, floods, storms, explosions and governmental and regulatory actions (together, sub-sections (i)-(iv), the "Excluded Time").

**4.2 Service Latency.** Check Point will use commercial reasonable efforts that average monthly latency of the Harmony Connect Services during each calendar month will be of 50millisecond or less ("Monthly Service Latency"). The latency shall be measured from the time the Harmony Connect enforcement node receives a data packet to the time the Harmony Connect enforcement node attempts to deliver the same data packet to the internet, except for delay in connection with any Excluded Time. The average Monthly Service Latency will be measured only for the 95% of the traffic transferred through the Harmony Connect Service during a calendar month with the lowest latency rate.

**4.3 Service Credits.** If notwithstanding Sections 4.1 and 4.2 of these Terms, the Monthly Service Availability or the Monthly Service Latency of the applicable Service during a calendar month is below the thresholds specified therein, You may request Check Point to extend Your current Service Term by additional days (“Service Credits”) at no extra charge as follows, subject to a maximum of 1 month of Service Credits per year of Service:

| Monthly Service Availability  | Service Credits |
|---|-----------------|
| Equal to or above 99% and below the applicable threshold in Section 4.1 above | 3 days          |
| Below 99%   | 10 days         |

| Monthly Service Latency                                    | Service Credits |
|--|-----------------|
| Equal to or above 50 millisecond and below 100 millisecond | 3 days          |
| Above 100 millisecond                                      | 10 days         |

You agree that grant of Service Credits in accordance with this Section 4.3 is Your sole remedy in connection with the availability and latency of the Services or a failure by Check Point to comply with Section 4 of these Terms. If you have any claims for Service Credits, You may provide Check Point a notice of such claims only within ten (10) business days of the end of the applicable calendar month. For the avoidance of doubt, Service Credits are non-refundable and may be exercised only by extension of the current Service Term.

## 5. PRIVACY

**5.1 Privacy Policy.** You acknowledge and agree that use of Services (and any other Check Point’s products and services) is subject to the processing of information (which might contain personal information) pursuant to Check Point’s Privacy Policy, which is available at <https://www.checkpoint.com/privacy/> and which is incorporated herein by reference (“Privacy Policy”).

**5.2 Authorizations.** You are responsible to obtain all necessary authorizations, approvals, consents and permits per the applicable law (if any) for: (i) providing the data You share with Check Point in connection with the Services and/or Your communication with Check Point; and (ii) Check Point’s processing and storing of such data in accordance with the Privacy Policy.

**5.3 DPA.** Check Point’s Customers Data Protection Addendum (DPA), which is available at <https://www.checkpoint.com/customersdpa/> forms an integral part of these Terms and is incorporated herein by reference.

## 6. TITLE AND INTELLECTUAL PROPERTY

All right, title, and interest in and to the Services, including, without limitation, any technologies, products, services and intellectual property rights in connection with the Services, and any improvement or derivative work in connection therewith shall remain with Check Point and its licensors. The Services are protected under international copyright, trademark and trade secret and patent laws. The license granted herein does not constitute a sale of the Services or any portion thereof.

## 7. TERM AND TERMINATION

These Terms are effective for the Service Term. Check Point may terminate these Terms upon Your breach of any of the provisions hereof that is not cured within thirty (30) days. These Terms will terminate immediately without notice from Check Point if (i) You fail to comply with any material provision of these Terms, or (ii) Your rights to use

the Services are expired or terminated for any reason. Upon termination of Your right to use the Services under these Terms, You agree to cease all use of the Services, and so certify to Check Point. Except for Your rights to use Services and for maintenance and support and as expressly provided herein, the Terms hereunder shall survive any termination or expiration.

## 8. INDEMNIFICATION

8.1 Check Point shall pay all costs, liabilities, damages and other amounts finally awarded against You from an action, to the extent based on a third-party claim that Your use of the Services (excluding any Third Party Applications) in accordance with these Terms and within the Permitted Scope, directly infringes any US or EU patent or trademark issued as of the date of Your Service Order or any copyright or trade secret, provided that (i) You promptly notify Check Point of any and all threats, claims or proceedings potentially implicating the indemnity obligations set forth in this Section 8.1 and prior to taking any action which could adversely impact the defense; and (ii) Check Point is given reasonable assistance and the opportunity to assume sole control over the defense of the claims and/or allegations for which indemnity is sought under this Section 8.1 as well as sole control over all negotiations for a settlement or compromise of those claims. Check Point will not be responsible for any settlement it does not approve in writing in advance and/or for any allegation of trade-secret misappropriation, other than one based on an allegedly wrongful act of misappropriation by a Check Point employee or agent.

If a Service is, or in Check Point's opinion is likely to become, the subject of a claim, suit, or proceedings of infringement, Check Point may in its sole discretion: (i) procure, at no cost to You, the right to continue using such Service; (ii) replace or modify the Service, at no cost to You, to make it non-infringing (even if that modification materially impacts the value or utility of the Service), or (iii) terminate the license for the infringing Service and grant a refund credit thereon as depreciated on a monthly basis and reflecting the remaining Service subscription term.

THE FOREGOING PROVISIONS STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF CHECK POINT WITH RESPECT TO ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS BY THE SERVICES AND IS IN LIEU OF ANY WARRANTIES OF NONINFRINGEMENT.

The foregoing indemnity obligation of Check Point does not apply with respect to a Service or portions or components thereof: (i) not provided by Check Point, (ii) made in whole or in part in accordance Your specifications, (iii) which are modified by anyone other than Check Point, if the alleged infringement relates to such modification, (iv) combined with other products, services, processes or materials where the alleged infringement relates to such combination, (v) where Check Point could not be held liable for inducing or contributing to infringement of Your asserted claims; (vi) with respect to which a claim or allegation of infringement was first made prior to the date of Your Service Order; (vii) where the claim arises because of Your decision to offer indemnity to a third party that is greater in scope than the indemnity offered herein; or (viii) where You continue allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement. Check Point also shall have no indemnity obligation for legal fees, costs or expenses You incurred prior to the time You provide Check Point both (a) notice of the claim and (b) materials from which Check Point could reasonably determine that indemnity is owed. You will indemnify Check Point and its officers, directors, agents and employees from all damages, settlements, attorneys' fees and expenses related to a claim of infringement or misappropriation excluded from Check Point's indemnity obligation by this Section 8.1.

8.2 You agree to defend, indemnify and hold harmless Check Point, its vendors, officers, directors, employees, affiliates, subsidiaries, licensors, agents and suppliers from and against any and all claims, damages, obligations, losses, liabilities, costs, debts, and expenses (including but not limited to attorney's fees) arising from: (i) Your unauthorized use of the Services; (ii) Your violation of any applicable laws, regulations or third party rights, including, without limitation, any intellectual property rights or privacy rights, in connection with Your use of the Services; and (iii) Your violation of any of these Terms or the applicable terms of a **Third Party Application**.

## **9. LIMITED WARRANTY, WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY**

9.1 Limited Warranty. TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, THE SERVICES ARE PROVIDED “AS IS” WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED. CHECK POINT DOES NOT WARRANT THAT THE SERVICES WILL MEET YOUR REQUIREMENTS OR THAT THEIR OPERATION OR USE WILL BE UNINTERRUPTED OR ERROR FREE. CHECK POINT DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT.

9.2 Limitation of Liability. You are solely responsible for adequate protection and backup of the data and equipment used in connection with the Services. Check Point does not guarantee that the information accessed by the Services will be accurate or complete. You acknowledge that performance of the Services may be affected by any number of factors, including without limitation, technical failure of the Services, the acts or omissions of third parties and other causes reasonably beyond the control of Check Point. Certain features of a Service may not be forward-compatible with future versions of such Service, and use of such features with future versions of such Service may require to purchase the applicable future version of the Service. TO THE FULLEST EXTENT ALLOWED UNDER APPLICABLE LAW, IN NO EVENT WILL CHECK POINT BE LIABLE TO YOU OR ANY THIRD PARTY FOR ANY DAMAGES ARISING OUT OF THE SUBJECT MATTER OF THESE TERMS AND THE SERVICES UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY, FOR: (I) ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), OR FOR LOSS OF OR CORRUPTION OF DATA, OR FOR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR TECHNOLOGY, IRRESPECTIVE OF WHETHER CHECK POINT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (II) THE THIRD PARTY APPLICATIONS AND YOUR SYSTEMS, INCLUDING, WITHOUT LIMITATIONS THE PERFORMANCE OF THE THIRD PARTY APPLICATIONS AND YOUR SYSTEMS AND ANY CONTENT THEREIN. CHECK POINT’S MAXIMUM LIABILITY FOR DAMAGES SHALL BE LIMITED TO THE LICENSE FEE RECEIVED BY CHECK POINT FOR THE PARTICULAR SERVICE SUBSCRIPTION LICENSE WHICH CAUSED THE DAMAGES.

## **10. PRE-RELEASE VERSIONS**

10.1 License Grant. With respect to any pre-release version of a Service, including a beta, evaluation or an early availability product, service or feature (all collectively referred to herein as a “Beta Services”) that may be provided to You by Check Point from time to time, at its sole discretion, Check Point grants You a non-transferable and non-exclusive license to use the Beta Services for evaluation purposes only. The license is designed to provide You with early operational experience with the Beta Services and to provide Check Point with specified information regarding Your experiences with the use and operation of the Beta Services. The license shall be in effect for a limited period as determined by Check Point and certain other restrictions may apply. You may be asked to sign a separate agreement pertaining to the Beta Services.

10.2 No Obligations. Notwithstanding anything herein to the contrary, Check Point has no obligation to provide support, maintenance, upgrades, modifications, or new releases for a Beta Products and Services. Owing to the experimental nature of the Beta Services, You are advised not to rely exclusively on the Beta Services for any reason. IN NO EVENT WILL CHECK POINT BE LIABLE TO YOU OR ANY OTHER PERSON FOR DAMAGES, DIRECT OR INDIRECT, OF ANY NATURE OR EXPENSES INCURRED BY YOU IN CONNECTION WITH THE BETA SERVICES. YOUR SOLE AND EXCLUSIVE REMEDY FOR ANY DAMAGES IN CONNECTION WITH THE BETA SERVICES SHALL BE TO TERMINATE THE BETA TEST BY WRITTEN NOTICE TO CHECK POINT.

## **11. COMPLIANCE WITH LAW**

You agree to use the Services only as permitted by and in compliance with any applicable law and regulation in any relevant jurisdiction, including, without limitation, laws and regulations regarding export and privacy. You warrant and agree that You are not: (i) located in, under the control of, or a national or resident of Cuba, North Korea, Iran,

Syria, Lebanon, Sudan, the Crimea, the Luhansk People's Republic (LNR), or the Donetsk People's Republic (DNR) regions of Ukraine, or any other country or region to which the United States and/or the State of Israel have prohibited export transactions, or (ii) on the U.S Treasury Department list of Specially Designated Nationals or the U.S. Commerce Department's Table of Deny Orders.

## 12. GENERAL

12.1 Miscellaneous. You may not assign Your rights or obligations under these Terms without the prior written consent of Check Point. If any provision of these Terms is held to be invalid or unenforceable by a court of competent jurisdiction, that provision of the Agreement will be enforced to the maximum extent permissible so as to affect the intent of the Agreement, and the remainder of the provisions of these Terms shall remain in full force and effect. The laws of the State of Israel shall govern all issues arising under or relating to these Terms, without giving effect to the conflict of laws principles thereof. All disputes arising under or relating to these Terms shall be resolved exclusively in the appropriate Israeli court sitting in Tel Aviv-Yafo district, Israel. These Terms will not be governed by the United Nations Convention on Contracts for the International Sales of Goods, the application of which is expressly excluded. These Terms sets forth the entire understanding and agreement between You and Check Point and may be amended only in writing signed by both parties. Notwithstanding the above, in case Check Point approves your Service Order through any of its subsidiaries or billed You via such subsidiaries, these Terms shall apply between You and such applicable subsidiary.

12.2 Third Party Technology. Certain software programs and services provided by third parties ("Third Party Technology") may be provided for use as part of the Services, subject to the licenses of their respective proprietors. The provisions of these Terms shall apply to all Third Party Technology and to such third parties that have the right to grant licenses for the use of the Third Party Technology ("Third Party Technology Providers") as if they were the Services and Check Point, respectively, unless they are specifically listed and addressed at <https://www.checkpoint.com/about-us/third-party-trademarks-and-copyrights/>, in which case, such Third Party Technology Provider's licenses terms will apply with respect to those specific Third Party Technology.

12.3 Additional Products and Services. You accept and agree that the use and installation of any software of Check Point which is not a Service and/or any hardware product of Check Point (collectively, "Products"), including, without limitation, those Products connected to or managed through the Infinity Portal shall be governed by Check Point's End-user License Agreement available at <https://www.checkpoint.com/support-services/software-license-agreement-limited-hardware-warranty/>, which is incorporated herein by reference. You accept and agree that once You connect a Product to Your network, device and/or Infinity Portal account, such Product may automatically download and upload certain data, traffic and updates, to be used for the installation, operation and configuration of the Product.

12.4 Government Restricted Rights. This provision applies to Services acquired directly or indirectly by or on behalf of any government. The Services are commercial services, licensed on the open market at market prices. Any use modification, reproduction, release, performance, display, or disclosure of the Services by any government shall be governed solely by these Terms and shall be prohibited except to the extent expressly permitted by of these Terms, and no license to the Services is granted to any government requiring different terms.

12.5 Feedback. You may provide Check Point feedback or suggestions regarding the Services. Check Point will be free to use such feedback and suggestions without any restriction or obligation.

12.6 Modifications. You agree that Check Point may revise these Terms at any time. In the event Check Point revises these Terms, Check Point will publish a notice containing a link to the revised Terms or upload them to its public website. You agree that Your continued use of the Service after such revisions have been made will constitute your acceptance of such revised Terms.

**12.7 Questions?** Should You have any questions concerning these Terms, contact Check Point Software Technologies Ltd., 5 Shlomo Kaplan Street, Tel Aviv, 67897 Israel.

# I. Software License Agreement & Hardware Warranty

## II. End-user License Agreement

### PART I – LICENSE AGREEMENT

This License Agreement (the “Agreement”) is an agreement between you (both the individual installing and/or using the Product and any legal entity on whose behalf such individual is acting) (hereinafter “You” or “Your”) and Check Point Software Technologies Ltd. (hereinafter “Check Point”).

TAKING ANY STEP TO SET-UP, USE OR INSTALL THE PRODUCT CONSTITUTES YOUR ASSENT TO AND ACCEPTANCE OF THIS AGREEMENT. WRITTEN APPROVAL IS NOT A PREREQUISITE TO THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT AND NO SOLICITATION OF ANY SUCH WRITTEN APPROVAL BY OR ON BEHALF OF YOU SHALL BE CONSTRUED AS AN INFERENCE TO THE CONTRARY. IF YOU HAVE ORDERED THIS PRODUCT SUCH ORDER IS CONSIDERED AN OFFER BY YOU, CHECK POINT’S ACCEPTANCE OF YOUR OFFER IS EXPRESSLY CONDITIONAL ON YOUR ASSENT TO THE TERMS OF THIS AGREEMENT, TO THE EXCLUSION OF ALL OTHER TERMS. THIS AGREEMENT SUPERSEDES ANY PREVIOUS VERSIONS. IF YOU DO NOT AGREE WITH ALL THE TERMS OF THIS AGREEMENT, NOT INSTALL NOR USE THE PRODUCT.

### 1. DEFINITIONS

“**Affiliate**” means any legal entity (i) directly or indirectly owning or controlling You; (ii) under the same direct or indirect ownership or control as You; or (iii) directly or indirectly controlled by You. Ownership or control shall exist through direct or indirect ownership of more than fifty percent (50%) of the nominal value of the issued equity share capital or of more than fifty percent (50%) of the voting rights.

“**Licensed Configuration**” means to the extent applicable, as indicated on the License Key, the choice of features and the maximum number of users, devices or nodes (an internal computing device with an IP address) on the trusted side of the network or that



is trying to traverse the firewall, and the numbers of cores, or the maximum throughput capacity stated, or the code generated from the master installation, or any other hardware or software specifications, as declared by You in Your purchase order, or request for License Key, and upon which the licensing fee was based. If the Product purchased by You does not come with a License Key then the Licensed Configuration shall be the minimum configuration allowed for the Product by Check Point upon which the licensing fee was based.

**“Licensed-server”** means the server or appliance (defined by the host ID identified by You to Check Point when obtaining the License Key) which enables the Product to operate in accordance with the Licensed Configuration.

**“License Key”** means the code provided to You by Check Point, which enables the Product to operate on the Licensed-server or appliance for the specified Licensed Configuration.

**“Product”** means the object code copy of the software program, including Third Party Software, provided to You in association with this Agreement, together with the associated original electronic media and/or associated hardware devices (“Hardware Products”) and all accompanying manuals and other documentation, if available, and together with all enhancements, upgrades, and extensions thereto that may be provided by Check Point to You from time to time.

**“Managed Service Provider”** means (a) You are in the regular business of managing the functionality of the Product for a fee, to entities that are not Your Affiliates (each a “Service Customer”); or if You are a company that provides such managed services to Standard Users that are a part of your corporation or of your Affiliates or (b) You indicated in Your purchase order or in requesting the License Key, that You intend to use the Products on behalf of Service Customers, and (c) You purchased the managed service provider package, if applicable.

**“Services”** shall mean: (i) the products and services in the Check Point CloudGuard, Harmony, Infinity Vision and Quantum Smart-1 families and brands products and services; (ii) any cloud or SaaS products and services available through Check Point’s Infinity Portal; and (iii) any management, dashboard and/or ancillary tool or service provided by Check Point in connection with such Services, except for any hardware. Check Point may update the list of Services from time to time.

**“Standard User”** means You indicated in Your purchase order or in requesting the License Key that You intend to use the Products on Your own behalf, or You obtained the products from a Managed Service Provider, reseller, vendor or any other intermediate supplier.

**“Third Party Software”** means any software programs provided by third parties contained in the Product.

**“Third Party Software Provider”** means the third party that has the right to provide and grant licenses for the use of Third Party Software.

## **2. LICENSE AND RESTRICTIONS**

2.1 License. Subject to the terms and conditions of this Agreement, and payment of the applicable Product fees, Check Point hereby grants only to You, a non-exclusive, nonsublicensable, non-transferable perpetual license (with the exception of (i) the license shall not be perpetual if the Product is designated for a limited time period only, in which case the license shall terminate at the expiration of the applicable period; and (ii) with regards to any Hardware Product, the license shall be valid only as part of and for the life of the originally designated Hardware Product) to install and use the copy of the Product in accordance with the relevant end user documentation provided by Check Point only on the Licensed-server and only for the Licensed Configuration. You have no right to receive, use or examine any source code or design documentation relating to the Product. Except as otherwise specified herein, the Product license and payment of the applicable fees shall be non-cancellable and non-refundable during the applicable license term.

2.2 Standard User Restrictions. If You are a Standard User, the Products are licensed to You solely for use by You to provide policy management for Your own operations. To the extent applicable, You may reproduce the downloaded or installed Product for the purpose of connecting only with a duly licensed Check Point product, in accordance with the functionality, as described in the accompanying documentation for which You have paid the applicable fees to Check Point, and only within the designated limits of Your Product license for which You have purchased and provided to users, according to the restricted, maximum, authorized number of users, computer instances (means a computing unit individuated by an instance of an operation system), or copies of the Product (as the case may be) that can be used and installed at any given time. No Product, nor any portion thereof, may be used by or on behalf of, accessed by, re-sold to, rented to, or distributed to any other party. Except as otherwise specified herein, the

Product license and payment of the applicable fees shall be non-cancellable and non-refundable during the applicable license term.

2.3 Managed Service Provider Restrictions. If You are a Managed Service Provider, the Products are licensed to You for use by You to manage the functionality of the Product only for the operations of Your Service Customers. You are responsible for the compliance with the applicable terms and conditions set forth in this Agreement by your Service Customers. No Product, nor any portion thereof, may be used by or on behalf of, accessed by, re-sold to, rented to, or distributed to multiple customers, or to any other party, except for the management of Your Service Customers who have made a valid purchase of the Product.

2.4 General Restrictions. Except for copies solely for back-up or disaster recovery purposes or as may be permitted by applicable law, You may not copy the Product, in whole or in part. You must reproduce and include the copyright notice and any other notices that appear on the original Product on any back up copy. You agree not to allow others to use the Product and You will not use the Product for the benefit of third parties. You acknowledge that the source code of the Product, and the underlying ideas or concepts, are valuable intellectual property of Check Point and You agree not to, except as expressly authorized and only to the extent established by applicable statutory law, attempt to (or permit others to) decipher, reverse translate, decompile, disassemble or otherwise reverse engineer or attempt to reconstruct or discover any source code or underlying ideas or algorithms or file formats or programming or interoperability interfaces of the Products by any means whatsoever. You will not develop methods to enable unauthorized parties to use the Product, or to develop any other product containing any of the concepts and ideas contained in the Product not independently developed by You. You will not (and will not direct any third party to) modify Product or incorporate any portion of Product into any other software or create a derivative work of any portion of the Product. You will not (and will not direct any third party to) remove any copyright or other proprietary notices from the Product. Your use of the Product may require the purchase of separate licenses to use particular features, functionalities, operations, or capabilities.

2.5 Specific Restrictions. The Product is licensed to You based on the applicable Licensed Configuration purchased, as set forth in the Licensed Configuration definition in Section 1. The License permits the use of the Product only in accordance with the Product specifications as declared by You in Your purchase order, or request for License Key, and upon which the licensing fee was based. It is a violation of this License Agreement

to create, set-up or design any hardware, software or system which alters the number of readable IP addresses, users, number of cores or exceeds the maximum throughput capacity presented to the Product with the intent, or resulting effect, of circumventing the Licensed Configuration.

2.6 Evaluation License. This Section shall only apply if You are licensing the Product for an initial evaluation period. The license is valid only for the designated evaluation period and is designed to allow You to evaluate the Product during such period. In the event that You wish to enter into a longer-term license agreement with Check Point, You may request a License Key from Check Point which if provided to You will allow You to use the Product after such evaluation period, but only subject to all of the terms and conditions of this Agreement. In the event that You determine not to enter into a licensing transaction with Check Point at the end of such evaluation period, or in the event that Check Point advises You that discussions with respect to a licensing transaction have terminated, then Your rights under this Agreement shall terminate and You shall promptly return to Check Point or destroy all copies of the Product.

2.7 Disabled License-server. The License Key You obtain from Check Point enables the Licensed-server which enables You to use the Licensed Configuration of the Product. If your Licensed-server is disabled for any reason, Check Point may, at its sole discretion, issue You another License Key which will enable You to operate this Product on a substitute Licensed-server. In this event, You agree not to use the Product on the original Licensed-server nor its License Key.

2.8 Customization for Product with VPN Functionality. For a Product with VPN functionality, customization is permitted to allow the inclusion of a bitmap on the left side of the authentication challenge/response dialog, and the insertion of text in the authentication success and authentication failure dialog boxes; provided, however, that the Product is used to communicate with a Check Point VPN-1 gateway licensed to the entity using the Product and the customization may not contain any reference to a competitive gateway or to Check Point products or services without Check Point's prior written approval.

2.9 Check Point Media Encryption Blade, DLP-1 Product Family and Check Point Capsule Docs Product Family. If you are using any of these products, in many countries you may be required to advise users that their data, actions taken on the data, and web traffic may be inspected. Please consult the Check Point user guide and local laws as applicable.

2.10 Third Party Violation. In purchasing a Product, You are acknowledging that Check Point may need to make a determination for You on the potential effect the identified programs may have on Your system. You agree that the Product may automatically delete and/or restrict access to certain programs and/or provide to You the customized ability to delete and/or restrict access to certain programs. The deletion and/or restriction of access to any of these programs may be in violation with other license agreements that You have knowingly or unknowingly agreed to. The deletion and/or restriction of these programs and the potential violation of a third party license is Your responsibility. Check Point has no ability to verify what, if any, third party agreements You may have agreed to.

2.11 Inspecting Encrypted Traffic. Certain Check Point products and/or features may enable the inspection of encrypted traffic. The ability to define the inspection rules is provided to You and You may define it based on your organizational needs. However, it shall be your sole responsibility to comply with all applicable laws and regulations in defining Your inspection rules and privacy regulations. You understand that this feature enables decrypting the traffic at the gateway in order to inspect it, after which it is re-encrypted before it is sent to the server.

2.12 Initial Installation. You accept and agree that once You connect a Product to Your network, device and/or Infinity Portal account, such Product may automatically download and upload certain data, traffic and updates, to be used for the installation, operation and configuration of the Product.

### **3. MAINTENANCE AND SUPPORT**

3.1 Support Terms. Check Point has no obligation to provide You with any service (such as, but not limited to, technical support, maintenance, upgrades, modifications, or new releases) under this Agreement. The purchase of services, if applicable, shall be governed by the applicable Service Level Agreement available at [www.checkpoint.com/support-services/support-plans/](http://www.checkpoint.com/support-services/support-plans/) or at any successor webpage. Any purchase of upgrades shall be subject to this Agreement, unless otherwise indicated by Check Point.

3.2 Support Terms. If You purchase support services per one of Check Point's Collaborative Support Programs, Check Point shall not be responsible for the actions or omissions of Your support partner.

#### **4. TITLE AND INTELLECTUAL PROPERTY**

All right, title, and interest in and to the Products, including, without limitation, any technologies, products, services and intellectual property rights in connection with the Products, and any improvement or derivative work in connection therewith, shall remain with Check Point and its licensors. The Products is are protected under international copyright, trademark and trade secret and patent laws. The license granted herein does not constitute a sale of the Product or any portion or copy of it.

#### **5. TERM AND TERMINATION**

This Agreement is effective until terminated. Check Point may terminate this Agreement upon Your breach of any of the provisions hereof that is not cured within thirty (30) days. This Agreement will terminate immediately without notice from Check Point if You (i) fail to comply with any material provision of this Agreement, or (ii) if the license of the Product is terminated for any reason. Upon termination of this Agreement, You agree to cease all use of the Product and to return to Check Point or destroy the Product and all documentation and related materials in your possession, and so certify to Check Point. Except for the license granted herein and as expressly provided herein, the terms of this Agreement shall survive termination.

#### **6. INDEMNIFICATION**

6.1 Check Point shall pay all costs, liabilities, damages and other amounts finally awarded against You from an action, to the extent based on a third-party claim that Your use of the Products in accordance with this Agreement and within the permitted scope of the license provided by Check Point, directly infringes any US or EU patent or trademark issued as of the date of Your Purchase Order or any copyright or trade secret, provided that (i) You promptly notify Check Point of any and all threats, claims or proceedings potentially implicating the indemnity obligations set forth in this Section 6.1 and prior to taking any action which could adversely impact the defense; and (ii) Check Point is given reasonable assistance and the opportunity to assume sole control over the defense of the claims and/or allegations for which indemnity is sought under this Section 8.1 as well as sole control over all negotiations for a settlement or compromise of those claims. Check Point will not be responsible for any settlement it does not approve in writing in advance and/or for any allegation of trade-secret misappropriation, other than one based on an allegedly wrongful act of misappropriation by a Check Point employee or agent.

If a Product is, or in Check Point's opinion is likely to become, the subject of a claim, suit, or proceedings of infringement, Check Point may in its sole discretion: (i) procure, at no cost to You, the right to continue using such Product; (ii) replace or modify the Product, at no cost to You, to make it non-infringing (even if that modification materially impacts the value or utility of the Product), or (iii) terminate the license for the infringing Product and grant a refund credit thereon as depreciated on a basis of the shorter of: (a) 36 months; or (ii) Your Product license term.

THE FOREGOING PROVISIONS STATE THE ENTIRE LIABILITY AND OBLIGATIONS OF CHECK POINT WITH RESPECT TO ANY ACTUAL OR ALLEGED INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS BY THE PRODUCTS AND IS IN LIEU OF ANY WARRANTIES OF NONINFRINGEMENT.

The foregoing indemnity obligation of Check Point does not apply with respect to a Product or portions or components thereof: (i) not provided by Check Point, (ii) made in whole or in part in accordance Your specifications, (iii) which are modified by anyone other than Check Point, if the alleged infringement relates to such modification, (iv) combined with other products, services, processes or materials where the alleged infringement relates to such combination, (v) where Check Point could not be held liable for inducing or contributing to infringement of Your asserted claims; (vi) with respect to which a claim or allegation of infringement was first made prior to the date of the applicable Purchase Order; (viii) where the claim arises because of Your decision to offer indemnity to a third party that is greater in scope than the indemnity offered herein; or (viii) where You continue allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement. Check Point also shall have no indemnity obligation for legal fees, costs or expenses You incurred prior to the time You provide Check Point both (a) notice of the claim and (b) materials from which Check Point could reasonably determine that indemnity is owed. You will indemnify Check Point and its officers, directors, agents and employees from all damages, settlements, attorneys' fees and expenses related to a claim of infringement or misappropriation excluded from Check Point's indemnity obligation by this Section 6.1.

6.2 You agree to defend, indemnify and hold harmless Check Point, its vendors, officers, directors, employees, affiliates, subsidiaries, licensors, agents and suppliers from and against any and all claims, damages, obligations, losses, liabilities, costs, debts, and expenses (including but not limited to attorney's fees) arising from: (i) Your unauthorized use of the Products; (ii) Your violation of any applicable laws, regulations or third party

rights, including, without limitation, any intellectual property rights or privacy rights, in connection with Your use of the Products; and (iii) Your violation of any of the terms of this Agreement.

## **7. LIMITED WARRANTY, WARRANTY DISCLAIMERS AND LIMITATION OF LIABILITY**

**7.1 Limited Software Warranty.** Check Point warrants to You that the encoding of the software program on the media on which the Product is furnished will be free from defects in material and workmanship, and that the Product shall substantially conform to its user manual, as it exists at the date of delivery, for a period of ninety (90) days. Check Point's entire liability and Your exclusive remedy under this warranty shall be, at Check Point's option, either: (i) return of the price paid to Check Point for the Product, resulting in the termination of this Agreement, or (ii) repair or replacement of the Product or media that does not meet this limited warranty. EXCEPT FOR THE LIMITED WARRANTIES SET FORTH IN THIS SECTION 7.1, THE PRODUCT AND ANY SERVICES ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED. CHECK POINT DOES NOT WARRANT THAT THE PRODUCT WILL MEET YOUR REQUIREMENTS OR THAT ITS OPERATION WILL BE UNINTERRUPTED OR ERROR FREE. CHECK POINT DISCLAIMS ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. Some jurisdictions do not allow the exclusion of implied warranties or limitations on how long an implied warranty may last, so the above limitations may not apply to You. This warranty gives You specific legal rights. You may have other rights that vary from state to state.

**7.2 Limited Hardware Warranty.** Check Point's warranty for Hardware products is described in the Limited Hardware Warranty page attached to this Agreement.

**7.3 Limitation of Liability.** You are solely responsible for adequate protection and backup of the data and equipment used in connection with the Product. Check Point does not guarantee that use of the Product will be uninterrupted or error-free. Check Point does not guarantee that the information accessed by the Product will be accurate or complete. You acknowledge that performance of the Product may be affected by any number of factors, including without limitation, technical failure of the Product, the acts or omissions of third parties and other causes reasonably beyond the control of Check Point. Certain features of the Product may not be forward-compatible with future versions of the Product and use of such features with future versions of the Product may require purchase of the applicable future version of the Product. EXCEPT FOR BODILY INJURY OF A PERSON,



IN NO EVENT WILL CHECK POINT BE LIABLE TO YOU OR ANY THIRD PARTY FOR ANY DAMAGES ARISING OUT OF THE SUBJECT MATTER OF THIS AGREEMENT, THE PRODUCT OR ANY SERVICES UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY, FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), OR FOR LOSS OF OR CORRUPTION OF DATA, OR FOR COST OF PROCUREMENT OF SUBSTITUTE GOODS OR TECHNOLOGY, IRRESPECTIVE OF WHETHER CHECK POINT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CHECK POINT'S MAXIMUM LIABILITY FOR DAMAGES SHALL BE LIMITED TO THE LICENSE FEES RECEIVED BY CHECK POINT UNDER THIS LICENSE FOR THE PARTICULAR PRODUCT(S) WHICH CAUSED THE DAMAGES. Some jurisdictions do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to You.

## **8. PRE-RELEASE VERSIONS**

8.1 License Grant. With respect to any pre-release version of a Check Point product, including a Beta or an Early Availability product (all collectively referred to herein as a "Beta Product") that may be provided to You by Check Point from time to time, at its sole discretion, Check Point grants You a non-transferable and non-exclusive license to use the Beta Product for evaluation purposes only. The license is designed to provide You with early operational experience with the Beta Product and to provide Check Point with specified information regarding Your experiences with the installation and operation of the Beta Product. The license shall be in effect for a limited period as determined by Check Point and certain other restrictions may apply. You may be asked to sign a separate agreement pertaining to the Beta Product.

8.2 No Obligations. Check Point has no obligation to provide support, maintenance, upgrades, modifications, or new releases for a Beta Product. Owing to the experimental nature of the Beta Product, You are advised not to rely exclusively on the Beta Product for any reason. NOTWITHSTANDING THE AFOREMENTIONED IN THIS AGREEMENT, YOU AGREE THAT THE BETA PRODUCT AND RELATED DOCUMENTATION ARE BEING DELIVERED "AS IS" WITHOUT WARRANTIES OF ANY KIND, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT WILL CHECK POINT BE LIABLE TO YOU OR ANY OTHER PERSON FOR DAMAGES, DIRECT OR INDIRECT, OF ANY NATURE OR EXPENSES INCURRED BY YOU IN CONNECTION WITH THE

BETA TESTING. YOUR SOLE AND EXCLUSIVE REMEDY SHALL BE TO TERMINATE THE BETA TEST AND THIS LICENSE BY WRITTEN NOTICE TO CHECK POINT.

## **9. GOVERNMENT REGULATION AND EXPORT CONTROL**

9.1 Government Regulations. You agree that the Product will not be shipped, transferred, or exported into any country or used in any manner prohibited by law.

9.2 Export. You acknowledge that the Product contains cryptographic features and is subject to international and local country laws governing import, export, distribution and use. The Product is subject to export control laws of the State of Israel and the United States and/or may be subject to additional export control laws applicable to You or in Your jurisdiction, including, without limitation, the United States. If the Product contains any encryption device You must contact Check Point's export regulation information page ([checkpoint.com](http://checkpoint.com)) for specific information. You agree that You will not ship, transfer, or export the Product into any country, or make available or use the Product in any manner, prohibited by law.

9.3 You understand and acknowledge that upon entry of the Product into the United States, it becomes subject to regulation by agencies of the U.S. government, including the U.S. Department of Commerce, which prohibit export or diversion of certain products and technology to certain countries. Any and all of Your obligations with respect to the Product shall be subject in all respects to such United States laws and regulations as shall from time to time govern the license and delivery of technology and products abroad by persons subject to the jurisdiction of the United States, including the Export Administration Act of 1979, as amended, any successor legislation, and the Export Administration Regulations ("EAR") issued by the Department of Commerce, International Trade Administration, and Bureau of Export Administration. You warrant that You will comply in all respects with the export and reexport restrictions applicable to the Product and will otherwise comply with the EAR or other United States laws and regulations in effect from time to time.

9.4 You warrant and agree that You are not: (i) located in, under the control of, or a national or resident of Cuba, North Korea, Iran, Syria, Lebanon, Sudan the Crimea, the Luhansk People's Republic (LNR), or the Donetsk People's Republic (DNR) regions of Ukraine, or any other country or region to which the United States and/or Israel have prohibited export transactions, or (ii) on the U.S Treasury Department list of Specially Designated Nationals or the U.S. Commerce Department's Table of Deny Orders.

## 10. GENERAL

10.1 Miscellaneous. You may not assign your rights or obligations under this Agreement without the prior written consent of Check Point. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, that provision of the Agreement will be enforced to the maximum extent permissible so as to affect the intent of the Agreement, and the remainder of the provisions of this Agreement shall remain in full force and effect. The laws of the State of Israel shall govern all issues arising under or relating to this Agreement, without giving effect to the conflict of laws principles thereof. All disputes arising under or relating to this Agreement shall be resolved exclusively in the appropriate Israeli court sitting in Tel Aviv, Israel. This Agreement will not be governed by the United Nations Convention on Contracts for the International Sales of Goods, the application of which is expressly excluded. This Agreement sets forth the entire understanding and agreement between You and Check Point and may be amended only in writing signed by both parties.

10.2 Third Party Software. Certain Third Party Software may be provided with the Product for use in connection with the Product subject to the licenses of their respective proprietors. The provisions of this Agreement shall apply to all Third Party Software Providers and to Third Party Software as if they were Check Point and the Product, respectively, unless they are specifically listed and addressed at </about-us/third-party-trademarks-and-copyrights/>, in which case, such Third Party Software Provider's licenses terms will apply with respect to those specific Third Party Software products.

10.3 Government Restricted Rights. This provision applies to Products acquired directly or indirectly by or on behalf of any Government. The Product is a commercial product, licensed on the open market at market prices. Any use modification, reproduction, release, performance, display, or disclosure of the Product by any Government shall be governed solely by the terms of this Agreement and shall be prohibited except to the extent expressly permitted by the terms of this Agreement, and no license to the Product is granted to any government requiring different terms.

10.4 Privacy Policy. You acknowledge and agree that the use of Check Point's products and services is subject to the processing of information (which might contain personal information) pursuant to Check Point's Privacy Policy, as available at [www.checkpoint.com/privacy](http://www.checkpoint.com/privacy), and which is incorporated herein by reference.

Check Point's Customers Data Protection Addendum (DPA), which is available at [www.checkpoint.com/customersdpa](http://www.checkpoint.com/customersdpa), forms an integral part of this Agreement and is incorporated herein by reference

10.5 Cloud Services; Infinity Portal. You accept and agree that the use of any Service shall be governed by the Terms of Service available at </about-us/cloud-terms/>, which are incorporated herein by reference.

10.6 Feedback. You may provide Check Point feedback or suggestions regarding the Products. Check Point will be free to use such feedback and suggestions without any restriction or obligation.

10.7 Modifications. You agree that Check Point may revise this Agreement at any time. In the event Check Point revises this Agreement, Check Point will publish a notice containing a link to the revised terms or upload them to its public website. You agree that Your continued use of the Product after such revisions have been made will constitute your acceptance of such revised Terms.

10.8 Questions? Should you have any questions concerning this Agreement contact the manufacturer at Check Point Software Technologies Ltd., 5 Shlomo Kaplan Street, Tel Aviv, 67897 Israel.

## **PART II – LIMITED HARDWARE WARRANTY**

The warranties provided by Check Point in this Limited Hardware Warranty apply only to Hardware Products you purchase for your use, and not for resale. The term "Hardware Product" means a computing device with a specific function and limited configuration ability. The Hardware Product is sold by Check Point for the purpose of executing the specific Check Point Software supplied with it. NOTHING IN THIS STATEMENT OF LIMITED WARRANTY AFFECTS ANY STATUTORY RIGHTS OF CONSUMERS THAT CANNOT BE WAIVED OR LIMITED BY CONTRACT.

### **1. LIMITED HARDWARE WARRANTY**

Check Point warrants that the hardware components of its Hardware Product shall be free from material defects in design, materials, and workmanship and will function, under normal use and circumstances, in accordance with the documentation provided, for a period of one (1) year from the date of activation of the Hardware Product. If the Hardware Product has not been activated, the warranty will be valid for fifteen (15) months from the date of Check Point's shipment of the Hardware Product ("Warranty Period").

After the Warranty Period, certain return material authorization (“RMA”) services, as provided by Check Point (which are not covered under this warranty), are available for all Hardware Products pursuant to a purchased and active Check Point support agreement.

Your sole and exclusive remedy, and Check Point’s sole and exclusive liability for defective hardware components, shall be that Check Point, subject to the terms and conditions of this Section 1, and solely upon confirmation of a defect or failure of a hardware component to perform as warranted, shall at its sole option, either repair or replace the nonconforming hardware component or return of the price paid for the Hardware Product. All replacement parts furnished to you under this warranty shall be refurbished and equivalent to new, and shall be warranted as new for the remainder of the original warranty period. If a hardware failure occurs in the first 30 days from the product’s software activation, Check Point will replace it with new part or full unit as may be needed. All defective parts, which have been replaced, shall become the property of Check Point. All defective parts that have been repaired shall remain Your property. This warranty gives You specific legal rights. You may have other rights that vary from state to state.

You are permitted to use third-party transceivers with the Quantum Force Product line. However, in the event that you choose to utilize a third-party transceiver or any other third-party component in such Check Point Product, and Check Point determines that Product issues arise as a result of this usage, Check Point reserves the right to withhold support and warranty for such Product. If, upon investigation, Check Point finds that the Product issues are unrelated to the use of third-party transceivers or components, support and warranty will resume in accordance with Check Point’s standard terms.

For the avoidance of doubt, Check Point does not provide hardware RMA support for third-party transceivers or components. In instances where hardware replacement is necessary, and the Product issues are attributed by Check Point to the installation of a third-party transceiver or component, extra fees may be charged for the provided service. Check Point shall have no liability for any third-party transceiver or other third-party component used in connection with a Product.”

## **2. EXCLUSIONS**

The foregoing warranties and remedies shall be void as to any Hardware Products damaged or rendered unserviceable by one or more of the following: (1) improper or inadequate maintenance by anyone other than Check Point or Check Point’s authorized agents, (2) software or interfacing supplied by anyone other than Check Point, (3)

modifications, alterations or additions to the Hardware Products by personnel not certified by Check Point or Check Point's authorized agents to perform such acts, or other unauthorized repair, installation or opening or other causes beyond Check Point's control, (4) unreasonable refusal to agree with engineering change notice programs, (5) negligence by any person other than Check Point or Check Point's authorized agents, (6) misuse, abuse, accident, electrical irregularity, theft, vandalism, fire, water or other peril, (7) damage caused by containment and/or operation outside the environmental specifications for the Hardware Products, (8) alteration or connection of the Hardware Products to other systems, equipment or devices (other than those specifically approved by Check Point) without the prior approval of Check Point, or (9) any use that is inconsistent with the user manual supplied with the Hardware Product. The warranty period is not extended if Check Point repairs or replaces a warranted product or any parts. Check Point may change the availability of limited hardware warranties, at its discretion, but any changes will not be retroactive.

### **3. HARDWARE RETURN PROCEDURES**

If a Hardware Product or one of its component parts does not function as warranted during the warranty period, and such nonconformance can be verified by Check Point, Check Point, at its election, will provide either return and replacement service or replacement with a refurbished part/unit for the Hardware Product under the type of warranty service Check Point designates for that Hardware Product. A defective Hardware Product or one of its component parts may only be returned to Check Point upon Check Point's prior written approval. Any such approval shall reference an RMA number issued by an authorized Check Point service representative. To request an RMA number, you or your local Check Point Certified Solution Provider ("CCSP/CSP/ACSP") must contact Check Point's Technical Assistance Center ("TAC") and open a Service Request. You should always register the Hardware Product in your Check Point User Center account. If you do not register the Hardware Product with Check Point, you may be required to present proof of purchase as evidence of your entitlement to warranty service. The Hardware Product's identification number will be required for all RMA cases.

Transportation costs, if any, incurred in connection with the return of a defective Hardware Product to Check Point shall be borne by You. Any transportation costs incurred in connection with the redelivery of a repaired or replacement item to You by Check Point shall be borne by Check Point; provided, however, that if Check Point determines, in its sole discretion, that the allegedly defective item is not covered by the terms and conditions

of the warranty or that a warranty claim is made after the warranty period, the cost of the repair by Check Point, including all shipping expenses, shall be reimbursed by You.

#### **4. HARDWARE REPLACEMENT PROCEDURES**

Check Point will attempt to diagnose and resolve your problem over the phone or web. Upon determination of the hardware issue is related to a malfunction of one of the Hardware Product components, an RMA process will be initiated by Check Point's TAC. Check Point's TAC will either issue a replacement of the faulty part (like Power Supply, Fan, Hard Disk, etc.) or a full Unit Replacement.

For Warranty Replacement service, it is required that you deliver the faulty unit to a location Check Point designates, and provide courier name and tracking number to Check Point's TAC. After the Faulty unit is returned to Check Point, Check Point will use commercially reasonable efforts to ship the replacement hardware within seven (7) business days. Actual delivery times may vary depending on Your location. Check Point's TAC will send the required hardware to the Hardware Product's physical location, as it appears in your User Center and as verified with You when opening the Support Service Request.

For Hardware Advanced Replacement, support options Standard, Standard Onsite, Premium, and Premium Onsite are available for customers who have purchased the Hardware Product support plan with Check Point. More information on the Check Point support programs is specified on Check Point's website.

#### **5. DEAD ON ARRIVAL (DOA)**

If a defective Hardware Product covered under warranty fails to operate within thirty (30) days from its activation, but no more than one hundred and twenty (120) days from the date of Check Point's shipment of the Hardware Product, Check Point will provide expedited replacement of a new unit within two (2) business days from Check Point fulfillment hub, following confirmation of any such failure. Customers outside of the fulfillment hub region should allow for additional transit time due to international customs clearance.

#### **6. ADDITIONAL RESPONSIBILITIES**

You agree:

6.1. Before Check Point or its partner exchanges a Hardware Product or part, to remove all features, parts, options, alterations, data and attachments not under warranty service

and ensure that the Hardware Product is free of any legal obligations or restrictions that prevent its exchange.

6.2. To obtain authorization from the owner to have Check Point or its partner service a Hardware Product that you do not own.

6.3. Where applicable, before service is provided:

- a. Follow the service request procedures that Check Point or its partner provides;
- b. Backup and secure all programs and data in the Hardware Product;
- c. Inform Check Point or its partner of changes in the Hardware Product physical location.

6.4. To provide Check Point or its partner with sufficient and safe access to your facilities to permit Check Point to fulfill its obligations.

6.5. To ship back the faulty Hardware Product (or replaceable unit) suitably packaged according to the guidelines as Check Point specified in the letter shipped with the RMA, to the Check Point designated location.

6.6. You shall ship the faulty Hardware Product once TAC approves the RMA and provide the courier name and tracking number to TAC before Check Point processes the RMA.

6.7. If you are a customer who has purchased the support plan with Check Point covering **Advanced Replacement** Service, You will ship the faulty Hardware Product within five (5) business days of the arrival of the RMA, or pay the standard Check Point list price of replacement Hardware Product.

6.8. To securely erase from any Hardware Product you return to Check Point for any reason all programs and data not provided by Check Point with the Hardware Product. You acknowledge that in order to perform its responsibilities under this Limited Hardware Warranty, Check Point may ship all or part of the Hardware Product or its software to third party locations around the world, and you authorize Check Point to do so.

## 7. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING ELSE IN THIS AGREEMENT OR OTHERWISE, NEITHER CHECK POINT NOR ITS SUPPLIERS WILL BE LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY, REGARDLESS OF WHETHER CHECK POINT OR ITS SUPPLIERS WERE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, FOR: (i) ANY PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR LOST DATA OR LOST PROFITS; OR (ii) FOR



COSTS OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES; OR (iii) FOR ANY CLAIMS BASED ON ANY ERROR, DEFECT OR NONCONFORMITY IN THE PRODUCTS OR SERVICE, FOR ANY AMOUNT IN EXCESS OF THE PRICE PAID TO CHECK POINT FOR SUCH DEFECTIVE PRODUCT(S) OR SERVICE; OR (IV) FOR ALL OTHER CLAIMS NOT RELATED TO AN ERROR, DEFECT OR NONCONFORMITY IN THE HARDWARE PRODUCTS, ANY AMOUNTS IN EXCESS IN THE AGGREGATE OF THE AMOUNT PAID TO CHECK POINT HEREUNDER DURING THE THREE (3) MONTHS PRECEDING THE DATE THE CAUSE OF ACTION AROSE.

## **8. GOVERNMENT REGULATION AND EXPORT CONTROL**

8.1 In the course of receiving Limited Hardware Warranty services, You agree that you will not ship, transfer, or export the Hardware Product into any country, or make available or use the Hardware Product in any manner, prohibited by law.

8.2 The Hardware Product is subject to export control laws of the United States of America and/or other countries and/or may be subject to additional export control laws applicable to You or in your jurisdiction.

8.3 You understand and acknowledge that upon entry of the Hardware Product into the United States, it becomes subject to regulation by agencies of the U.S. government, including the U.S. Department of Commerce, which prohibit export or diversion of certain products and technology to certain countries. Any and all of Your obligations with respect to the Hardware Product shall be subject in all respects to such United States laws and regulations as shall from time to time govern the license and delivery of technology and products abroad by persons subject to the jurisdiction of the United States, including the Export Administration Act of 1979, as amended, any successor legislation, and the Export Administration Regulations ("EAR") issued by the Department of Commerce, International Trade Administration, and Bureau of Export Administration. You warrant that You will comply in all respects with the export and reexport restrictions applicable to the Hardware Product and will otherwise comply with the EAR or other United States laws and regulations in effect from time to time.

8.4 You warrant and agree that You are not: (i) located in, under the control of, or a national or resident of Cuba, North Korea, Iran, Syria, Lebanon or Sudan, or (ii) on the U.S Treasury Department list of Specially Designated Nationals or the U.S. Commerce Department's Table of Deny Orders.

THESE WARRANTIES GIVE YOU SPECIFIC LEGAL RIGHTS AND YOU MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE OR JURISDICTION TO JURISDICTION.

WARRANTY DISCLAIMER. EXCEPT AS STATED HEREIN, CHECK POINT MAKES NO WARRANTIES WITH RESPECT TO ANY HARDWARE PRODUCT, LICENSE OR SERVICE AND DISCLAIMS ALL STATUTORY OR IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE AND ANY WARRANTIES OF NONINFRINGEMENT. CHECK POINT DOES NOT WARRANT THAT THE CHECK POINT HARDWARE PRODUCT(S) WILL MEET ANY REQUIREMENTS OR THAT THE OPERATION OF CHECK POINT HARDWARE PRODUCTS WILL BE UNINTERRUPTED OR ERROR FREE.

## **9. TECHNICAL SUPPORT CONTACT INFORMATION**

You may contact Check Point technical support by web request at:

URL: [usercenter.checkpoint.com](https://usercenter.checkpoint.com). For the United States, Canada, Latin America, European Union and Asia Pacific countries, to reach Check Point by phone, please refer to the technical support phone numbers listed at Check Point's website for the number covering your region.



### **Staff Report**

**To:** UWCD Finance and Audit Committee Members

**Through:** Mauricio E. Guardado, Jr., General Manager

**From:** Maryam Bral, Chief Engineer  
Craig Morgan, Chief Operations Officer  
Nathaniel Summerville, Senior Engineer  
Bram Sercu, Senior Hydrologist

**Date:** March 26, 2024 (April 1, 2024, meeting)

**Agenda Item:** **4.2 Approve Resolution Authorizing the General Manager or Designee to Execute a Funding Agreement with the California Department of Water Resources**  
**Board Motion**

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#### **Staff Recommendation:**

The Committee will consider recommending approval of the motion item to the full Board to consider adopting a resolution authorizing the General Manager or Designee to execute a funding agreement with the California Department of Water Resources (DWR).

#### **Discussion:**

The DWR has funding available under the Flood Diversion and Recharge Enhancement (FDRE) program. Staff met with DWR and identified two projects eligible to receive funding. One project involves purchasing or leasing a trailer-mounted diesel pump with an estimated cost of \$130,000. The pumps will be used to rapidly lower water levels in the basins that are in need of maintenance. The estimated yield of an 8-inch pump, with a rated capacity of 4,600 gallons per minute (gpm), during a wet year with 2023 hydrological conditions is 1,000 acre-feet of water that otherwise could not be diverted. The other project involves renting two trailer-mounted diesel pumps rated at 11,000 gpm that will be used to bypass water from upstream to downstream during construction of the Inverted Siphon Replacement project in the summer of 2024. Bypassing water around the structure during construction would allow continued diversions from Santa Clara River and maintaining an estimated yield of 4,000 acre-feet. The estimated cost for this bypass is \$350,000.

#### **Mission Goal:**

Meets mission-related Goal A (Water Supply) and Goal B (Water System Reliability).

#### **Fiscal Impact:**

The funding agreement will authorize reimbursement of eligible expenses up to \$480,000 dollars.

#### **Attachment:**

Resolution

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## RESOLUTION NO. 2024-\_\_

A RESOLUTION OF THE BOARD OF DIRECTORS OF  
UNITED WATER CONSERVATION DISTRICT

**WHEREAS**, the United Water Conservation District (the “District”) is a water conservation district formed in 1950 under the Water Conservation Act of 1931 contained in the California Water Code; and

**WHEREAS**, the State of California, Department of Water Resources has created the Flood Diversion Recharge Enhancement (“FDRE”) Initiative to reduce flooding in California by increasing the diversion of flood water and recharge; and

**WHEREAS**, as a public agency, the District is eligible to receive and expend said funding for eligible private and public projects, including construction or modification of facilities that increase water diversions from waterways, canals, and ditches and in the utilization of pumps, pipelines and equipment; and

**WHEREAS**, the funding opportunity offered by the Department of Water Resources will provide funding without the obligation for local cost share for the installation, reconfiguration, or operation of facilities associated with the diversion of water from waterways, canals, and ditches within the District; and

**WHEREAS**, the Board of Directors for the District (“Board”) supports such projects for its local and statewide benefit; and

**WHEREAS**, the Board believes and hereby determines it to be in the best interest of the District to authorize the General Manager, or designee, to complete negotiations and execute or amend the funding agreement and any subsequent amendments referred to herein consistent with the intent of this Resolution, and further complete the negotiation and execution of such other documents and agreement(s) that may be necessary to receive said funding for the project(s) contemplated thereby.

**NOW, THEREFORE BE IT RESOLVED THAT:**

1. The recitals set forth hereinabove are true and correct and are incorporated herein.
2. The General Manager, or designee, is hereby authorized to complete, execute and file an agreement and subsequent amendments to an existing agreement for funding consistent with the intent of this Resolution, and further complete the negotiation and execution of such other documents and agreement(s) that may be necessary to receive said funding for the project(s) contemplated thereby, and further to take such other actions and execute such documents

as such officers shall deem necessary or appropriate to carry out and implement the intent of this Resolution, said execution to provide conclusive evidence of the Board's approval.

PASSED AND ADOPTED THIS 10th day of April 2024.

ATTEST: \_\_\_\_\_  
Sheldon Berger, President

ATTEST: \_\_\_\_\_  
Catherine Keeling, Secretary/Treasurer



**Staff Report**

**To:** UWCD Finance and Audit Committee Members

**Through:** Mauricio E. Guardado, Jr., General Manager  
Anthony A. Emmert, Assistant General Manager

**From:** Brian H. Zahn, Chief Financial Officer  
Sara Guzman, Senior Accountant

**Date:** March 27, 2024 (April 1, 2024, meeting)

**Agenda Item:** 6. **Monthly Investment Report (February 29, 2024)**  
**Information Item**

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**Staff Recommendation:**

The Committee will review and discuss the most current investment report for February 29, 2024, that is attached.

**Discussion:**

Based on the information included in the attached reports, staff will present a summary and discuss key information as an overview.

**Fiscal Impact:**

As shown.

**Attachment:**


Combined Monthly Investment Report

**United Water Conservation District**  
**Monthly Investment Report**  
**February 29, 2024**

| <b>Investment Recap</b>                            | <b>G/L Balance</b> | <b>Weighted Avg<br/>Days to<br/>Maturity</b> | <b>Diversification<br/>Percentage<br/>of Total</b> |
|--|--------------------|--|--|
| Citizens Business Bank                             | 1,933,064          | 1  | 5.30%  |
| Petty Cash   | 4,400              | 1  | 0.01%  |
| County Treasury                                    | 1,884              | 1  | 0.01%  |
| LAIF Investments                                   | 34,556,987         | 1  | 94.68%   |
| <b>Total Cash, Cash Equivalents and Securities</b> | <b>36,496,336</b>  |  | <b>100.00%</b>                                     |
| <b>Investment Portfolio w/o Trustee Held Funds</b> | <b>36,496,336</b>  |  |  |
| <b>Trustee Held Funds</b>                          | <b>-</b>           |  |  |
| <b>Total Funds</b>                                 | <b>36,496,336</b>  |  |  |

| <b>Local Agency Investment Fund (LAIF)</b> | <b>Beginning Balance</b>       | <b>Deposits (Disbursements)</b>  | <b>Ending Balance</b> |
|--|--------------------------------|----------------------------------|-----------------------|
|  | 34,556,987                     | -                                | 34,556,987            |
|  | <b>Interest<br/>Earned YTD</b> | <b>Interest<br/>Received YTD</b> | <b>Qtrly Yield</b>    |
|  | 547,025                        | 798,674                          | 4.00%                 |

All District investments are shown above and conform to the District's Investment Policy. All investment transactions during this period are included in this report. Based on budgeted cash flows the District appears to have the ability to meet its expenditure requirements for the next six months.

DocuSigned by:  
  
 70D59ECF0D8D46E...  
**Mauricio E. Guardado, Jr., General Manager**

On behalf of  
 Mauricio  
 Guardado, Jr.

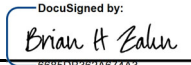
3/25/2024

**Date Certified**

DocuSigned by:  
  
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**Anthony Emmert, Assistant General Manager**

3/25/2024

**Date Certified**

DocuSigned by:  
  
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**Brian H. Zahn, Chief Financial Officer**

3/25/2024

**Date Certified**

| <b><i>United Water Conservation District</i></b> |                   |                    |  |
|--|-------------------|--------------------|--|
| <b><i>Cash Position</i></b>                      |                   |                    |  |
| <b>February 29, 2024</b>                         |                   |                    |  |
| <b>Fund</b>                                      | <b>Total</b>      | <b>Composition</b> | <b>Restrictions/Designations</b>   |
| <b>General/Water Conservation Fund:</b>          |                   |                    | <b>Revenue collected for district operations</b>                             |
| General/Water Conservation                       | 9,351,217         | (2,527,374)        | Includes General, Rec & Ranger, Water Conservation                           |
|  |                   | 4,962,000          | Reserved for legal expenditures  |
|  |                   | 1,886,171          | Designated for replacement, capital improvements, and environmental projects |
|  |                   | 5,030,419          | Supplemental Water Purchase Fund   |
| General CIP Funds                                | 13,252,181        | 13,252,181         | Appropriated for capital projects  |
|  | 5,729,880         | 5,729,880          | Reserved for CIP Projects  |
| <b>Special Revenue Funds:</b>                    |                   |                    | <b>Revenue collected for a special purpose</b>                               |
| State Water Project Funds                        | 2,299,104         | 2,299,104          | Procurement of water/rights from state water project                         |
| <b>Enterprise Funds:</b>                         |                   |                    | <b>Restricted to fund usage</b>  |
| Freeman Fund                                     | (2,152,454)       | (2,152,454)        | Operations, Debt Service and Capital Projects                                |
|  |                   | -                  | Designated for replacement and capital improvements                          |
|  |                   | -                  | Reserved for legal expenditures  |
| Freeman CIP Fund                                 | 4,722,907         | 4,722,907          | Appropriated for capital projects  |
| OH Pipeline Fund                                 | (2,503,273)       | (2,503,273)        | Delivery of water to OH customers  |
| OH CIP Fund                                      | 2,252,513         | 2,252,513          | Appropriated for capital projects  |
| OH Pipeline Well Replacement Fund                | (115,608)         | (115,608)          | Well replacement fund  |
| PV Pipeline Fund                                 | 1,045,092         | 1,045,092          | Delivery of water to PV customers  |
| PV CIP Fund                                      | 244,231           | 244,231            | Appropriated for capital projects  |
| PT Pipeline Fund                                 | 1,108,707         | 1,108,707          | Delivery of water to PTP customers   |
| PT CIP Fund                                      | 1,261,838         | 1,261,838          | Appropriated for capital projects  |
| <b>Total District Cash &amp; Investments</b>     | <b>36,496,336</b> | <b>36,496,336</b>  |  |





**Staff Report**

**To:** UWCD Finance and Audit Committee Members

**Through:** Mauricio E. Guardado, Jr., General Manager  
Anthony A. Emmert, Assistant General Manager

**From:** Brian H. Zahn, Chief Financial Officer  
Sara Guzman, Finance Supervisor

**Date:** March 25, 2024 (April 1, 2024, meeting)

**Agenda Item:** 7. **Monthly Pipeline Delivery Report (February 29, 2024)**  
**Information Item**

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**Staff Recommendation:**

The Committee will review and discuss the most current pipeline delivery report for February 29, 2024, that is enclosed.

**Fiscal Impact:**

As shown.

**Discussion:**

Based on the information included in the attached reports, staff will present a summary and discuss key information as an overview.

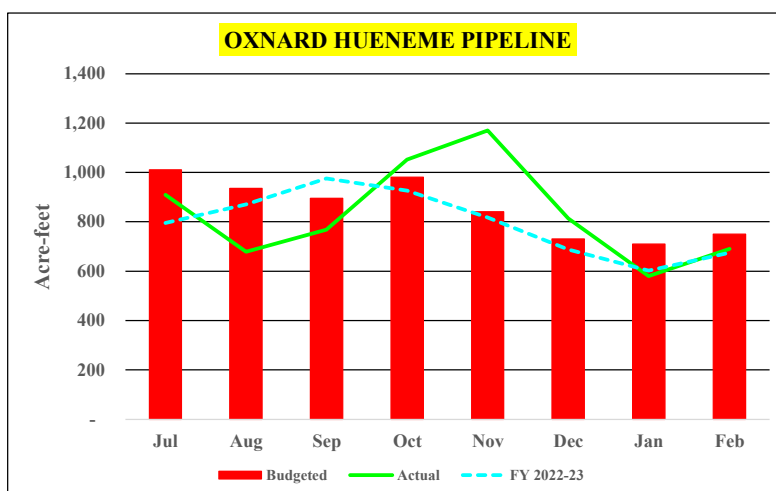
**Attachment:**

Pipeline Delivery Report

**United Water Conservation District  
Pipeline Water Deliveries (Acre-feet)  
FY 2023-24 data thru February 29, 2024**

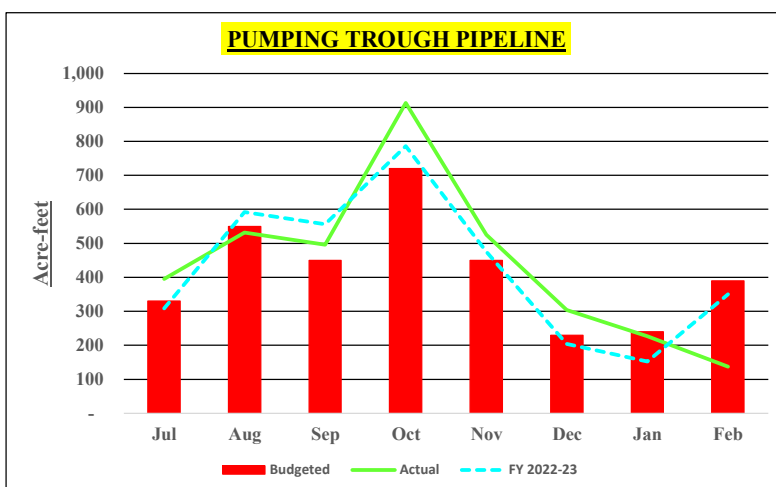
| OH Pipeline 2023-24 |            |        |            |
|---------------------|------------|--------|------------|
|                     | Projection | Actual | Difference |
| Jul                 | 1,010      | 909    | (101)      |
| Aug                 | 935        | 678    | (257)      |
| Sep                 | 895        | 768    | (127)      |
| Oct                 | 980        | 1,052  | 72         |
| Nov                 | 840        | 1,171  | 331        |
| Dec                 | 730        | 814    | 84         |
| Jan                 | 710        | 581    | (129)      |
| Feb                 | 750        | 690    | (60)       |
| Mar                 | 850        |        |            |
| Apr                 | 850        |        |            |
| May                 | 960        |        |            |
| Jun                 | 870        |        |            |
| Totals              | 10,380     | 6,663  | (187)      |
| YTD                 | 6,850      | 6,663  | (187)      |

**YTD Actual to Budget: -2.7%**



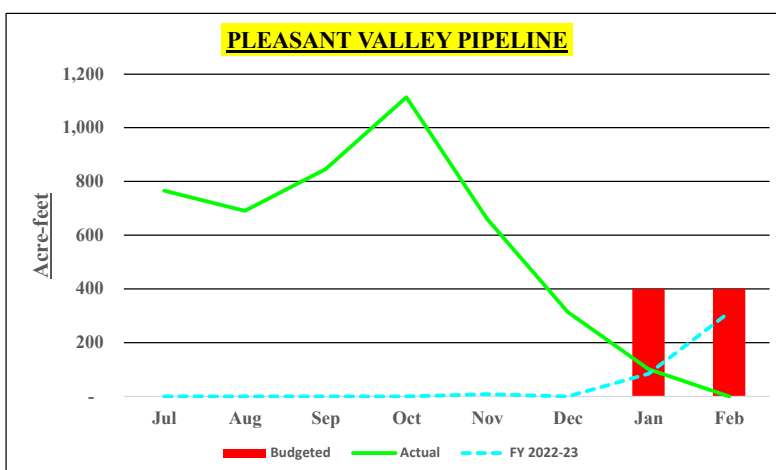
| PT Pipeline 2023-24 |            |        |            |
|---------------------|------------|--------|------------|
|                     | Projection | Actual | Difference |
| Jul                 | 330        | 396    | 66         |
| Aug                 | 550        | 532    | (18)       |
| Sep                 | 450        | 496    | 46         |
| Oct                 | 720        | 913    | 193        |
| Nov                 | 450        | 525    | 75         |
| Dec                 | 230        | 304    | 74         |
| Jan                 | 240        | 227    | (13)       |
| Feb                 | 390        | 138    | (252)      |
| Mar                 | 410        |        |            |
| Apr                 | 480        |        |            |
| May                 | 500        |        |            |
| Jun                 | 450        |        |            |
| Totals              | 5,200      | 3,531  | 171        |
| YTD                 | 3,360      | 3,531  | 171        |

**YTD Actual to Budget: 5.1%**



| PV Pipeline 2023-24 |            |        |            |
|---------------------|------------|--------|------------|
|                     | Projection | Actual | Difference |
| Jul                 | -          | 766    | 766        |
| Aug                 | -          | 691    | 691        |
| Sep                 | -          | 846    | 846        |
| Oct                 | -          | 1,114  | 1,114      |
| Nov                 | -          | 661    | 661        |
| Dec                 | -          | 314    | 314        |
| Jan                 | 400        | 100    | (300)      |
| Feb                 | 400        | -      | (400)      |
| Mar                 | 100        |        |            |
| Apr                 | -          |        |            |
| May                 | -          |        |            |
| Jun                 | -          |        |            |
| Totals              | 900        | 4,493  | 3,693      |
| YTD                 | 800        | 4,493  | 3,693      |

**YTD Actual to Budget: 461.6%**





### **Staff Report**

**To:** UWCD Finance and Audit Committee Members

**Through:** Mauricio E. Guardado, Jr., General Manager  
Anthony A. Emmert, Assistant General Manager

**From:** Josh Perez, Chief Human Resources Officer  
Brian H. Zahn, Chief Financial Officer  
Tony Huynh, Risk and Safety Manager  
Zachary Plummer, Technology Systems Manager  
Tracy Oehler, Executive Assistant/Clerk of the Board

**Date:** March 27, 2024 (April 1, 2024, meeting)

**Agenda Item:** 8. **Administrative Services Department Monthly Report**  
**Information Item**

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#### **Staff Recommendation:**

The Committee will receive this staff report and presentation from the Administrative Services Department about its activities for March 2024.

#### **Discussion:**

##### **Finance**

- Departmental, AGM, and GM budget reviews completed.
- Preliminary budget with rates has been prepared.
- 2022-23 audit is concluding and ACFR is being prepared.
- Applying for state and local tax permits required for Lake Piru store.

##### **Administrative Services**

- Provided administrative assistance for drafting, finalizing, distributing/posting materials, and room set up for the following Committee meetings: Executive (Mar. 4 and 20), Finance and Audit (Mar. 4), Water Resources (Mar. 5) Engineering and Operations (Mar. 7), as well as the regular Board of Directors meeting (Mar. 13); and additionally, Fillmore and Piru Basins Groundwater Sustainability Agency meeting (Mar. 21) held at the City of Fillmore.
  - Coordinated logistical support with room and beverage setup for the following outside agency meetings: AWA VC Board of Directors (Mar. 7), USDA Natural Resource Conservation Service (Mar. 15), AWA Water Issues Committee (Mar. 19), and AWA Waterwise Breakfast (Mar. 21).
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## **8. Administrative Services Department Monthly Report Information Item**

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### **Human Resources**

- Pending Recruitments:
  - Technology Systems Intern – position will close March 24; initial interviews scheduled for March 28.
  - Seasonal Park Ranger Assistants – multiple interviews held, anticipate hiring of five to seven assistants for busy season of operations.
  - Associate Engineer – initial interviews held; follow-up tours scheduled for March 27 and April 9.
  - Associate Environmental Scientist – position posted on March 19 and will close on April 14.
- New Hire:
  - Engineering Assistant selection pending background completion.
- Created and distributed Total Compensation Reports for all full-time employees.
- Conducted an employee survey for interest in wellness platform.
- Attended UCSB Internship Mixer for recruiting and college outreach.
- Met with Lincoln to review 2023 457 plan data and performance.
- Attended a demo for a learning management system to potentially enhance employee staff training.
- Assisted Operations and Maintenance staff member Genaro Rios in preparing retirement paperwork.

### **Safety and Risk Management**

- Conducted test of dam siren with new radios programmed by County IT alongside SFD Operations and Rangers team.
- Conducted monthly safety meeting at HQ, with the emphasis on Electrical Safety in partnership with Control Systems team.
- Coordinated the FERC Security Branch Spring Webinar internal participation and registered the District for the Dams Sector Information Sharing Drill in May (focusing on physical and cyber security).
- Attended SDRMA Workshop Going Beyond Managing Safety, Manage Risk covering both foundational and advanced risk management techniques.
- Attended SDRMA Education Day and re-earned the safety specialist certificate, which provide more than \$22,000 in cost-savings to annual insurance premiums.
- Visited Lake Piru alongside Chief Operations Officer in order collect additional data in response to FEMA's Request for Information (RFI) from their Environmental and Historic Preservation review team on the January 2023 Winter Storm disaster recovery effort.

### **Technology Systems**

- At the outset of the month, we welcomed two tech interns into our department, a move that not only signifies our commitment to fostering new talent but also enhances our team's capacity to address the district's technological needs. Our unwavering dedication to orchestrating workshops and committee meetings underscores our integral role in realizing the district's strategic objectives. Through these efforts, we continue to demonstrate our pivotal contribution to the district's ongoing success and operational advancements.

## 8. **Administrative Services Department Monthly Report** **Information Item**

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The following is a quick summary of the month's efforts:

- **Committee and Workshop Support:**
  - The Technology Systems Department has provided unparalleled IT support to UWCD committees, crucial for the facilitation of strategic initiatives.
- **System Enhancements and Cybersecurity:**
  - The department has undertaken system upgrades to strengthen our network and security system, enhancing our cybersecurity landscape to minimize the risk of a sophisticated cybersecurity threat.
  - A disaster recovery simulated exercise is being planned by a UWCD staff committee composed of various departments, serving as a crucial exercise to test and affirm the resilience of our business continuity strategies in real-world scenarios.
  - Advancements in the Lake Piru store retrofit is underway, including the procurement of essential computer monitors and coordination for the establishment of comprehensive networking services, projected for completion in April.
  - A new system for distributing e-newsletters via the unitedwater.org domain has been established, in line with requests from the district marketing and media team.
  - Aligning with the General Manager's strategic vision, our department has initiated the CalNet ISP program, with preliminary site surveys completed and detailed project discussions set to commence in the next month.
- **Service Desk Operations and Collaboration:**
  - The service desk's performance this month has been exemplary in terms of efficiency and collaborative effort.
  - There are 58 tickets in various stages of resolution. Only 12 were new requests.
  - None of the tickets are high-priority tickets, indicating that all critically important matters have been rapidly addressed throughout the month.