



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
AGENDA  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, January 8<sup>th</sup>, 2014  
Regular Session 7:00 p.m.**

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**Call to Order, President Woll**

**Pledge of Allegiance, Director Ball**

**Invocation, Director Ross**

**Roll Call**

**Public Comment**

**PUBLIC COMMENT:** At this time, any person may address the Board of Directors on matters within its jurisdiction which are not on the agenda. However, any non-agenda matters that require action will be referred to Staff for a report and possible action at a subsequent meeting. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the Board meeting. Please limit your comments to three minutes. Sharing or passing time to another speaker is not permitted.

**ACTION ITEMS**

- 1. Adoption of the Agenda** (pages 1-3)
- 2. Consent Calendar:** All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the Board considers the motion unless members of the Board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar.
  - a. November 2013 Budget Variance Report Review\*\* (pages 4-9)
  - b. November 30<sup>th</sup>, 2013 Cash/Investment Balance Report\*\* (page 10)
  - c. December 2013 Check Register Review\*\* (pages 11-25)
  - d. December 2013 Invoices Pending Approval\*\* (pages 26-28)
  - e. Minutes of the Regular Meeting December 11<sup>th</sup>, 2013\*\* (pages 29-32)
  - f. Minutes of the Special Meeting December 18<sup>th</sup>, 2013\*\* (pages 33-34)
  - g. Report of Settlement of Case Litigation BCVWD vs. Performance Meter, Inc.\*\* (pages 35-52)
  - h. Consideration of Resolution 2014-01: A Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District establishing the District's Investment Policy\*\* (pages 53-61)
  - i. Consideration of the Beaumont-Cherry Valley Water District Identity Theft Prevention Policy \*\* (pages 62-66)
- 3. Consideration of Request for Water Services for 695 E. 6<sup>th</sup> Street O'Reilly Automotive Stores, Inc. (APN 418-103-001/418-103-002/418-103-003)\*\*** (pages 67-74)

**4. Consideration of Authorization of General Manager to Execute An Agreement with Infosend for Print & Mail Services for District Water Bills\*\* (pages 75-150)**

**5. Reports For Discussion**

- a. Ad Hoc Committees
- b. General Manager
- c. Directors Reports
- d. Legal Counsel Report

**6. Announcements**

- District Offices will be closed January 20<sup>th</sup>, 2014 in observance of Martin Luther King Jr. Day
- Beaumont Basin Watermaster meeting, February 5<sup>th</sup>, 2014 at 10:00 a.m.
- Finance & Audit Committee meeting, February 6<sup>th</sup>, 2014 at 3:00 p.m.
- Regular Board meeting, February 12<sup>th</sup>, 2014 at 7:00 p.m.

**7. Action List for Future Meetings**

- Schedule a workshop to discuss the landscape for the Noble Creek Recharge Phase II Project with the public
- Discussion on the use of solar panels

**8. Recess to Closed Session**

- a. Conference with Labor Negotiators pursuant to Government Code 54957.6:  
Agency Negotiator: Eric Fraser  
Represented Employees: BCVWD Employee Association

**9. Adjournment**

\*\* Information included in the agenda packet

**AVAILABILITY OF AGENDA MATERIALS** - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, at 560 Magnolia Avenue, Beaumont, California ("District Office") If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District's Board Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during the meeting, they can be made available from the District's Board Secretary in the Board Room of the District's Office.

**REVISIONS TO THE AGENDA** -In accordance with §54954.2(a) of the Government Code (Brown Act), revisions to this Agenda may be made up to 72 hours before the Board Meeting, if necessary, after mailings are completed. Interested persons wishing to receive a copy of the set Agenda may pick one up at the District's Main Office, located at 560 Magnolia Avenue, Beaumont, California, up to 72 hours prior to the Board Meeting.

**REQUIREMENTS RE: DISABLED ACCESS** - In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the Board Secretary, Dawn Jorge, at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Ms. Jorge may be contacted by telephone at (951) 845-9581, Ext. 21, email at [dawn.jorge@bcvwd.org](mailto:dawn.jorge@bcvwd.org) or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

General Ledger  
Budget Variance Revenue

User: dawn  
Printed: 12/26/13 09:46:29  
Period 11 - 11  
Fiscal Year 2013

**Beaumont-Cherry Valley Water District**  
560 Magnolia Avenue  
Beaumont CA 92223  
(951) 845-9581  
www.bcvwd.org



Account Number	Description	Budget	Period Amt	End Bal	Variance	% Avail/ Uncollect
<b>50</b>	<b>GENERAL</b>					
01-50-510-419051	Grant Revenue	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00	100.00%
	<b>Grant Revenue</b>	<b>\$ 75,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,000.00</b>	<b>100.00%</b>
01-50-510-419061	Miscellaneous Income	\$ 7,500.00	\$ 75.66	\$ 1,922.66	\$ 5,577.34	74.36%
01-50-510-490001	Interest Income - Bonita Vista	\$ 3,600.00	\$ -	\$ 2,866.59	\$ 733.41	20.37%
01-50-510-490011	Interest Income-Fairway Canyon	\$ 86,000.00	\$ -	\$ 86,582.82	\$ (582.82)	-0.68%
01-50-510-490021	Interest Income - General	\$ 29,000.00	\$ 17.58	\$ 9,430.83	\$ 19,569.17	67.48%
	<b>Miscellaneous Income</b>	<b>\$ 126,100.00</b>	<b>\$ 93.24</b>	<b>\$ 100,802.90</b>	<b>\$ 25,297.10</b>	<b>20.06%</b>
01-50-510-481001	Fac Fees-Wells	\$ 5,000.00	\$ 1,936.00	\$ 130,344.12	\$ (125,344.12)	-2506.88%
01-50-510-481006	Fac Fees-Water Rights (SWP)	\$ 3,300.00	\$ 1,225.00	\$ 82,185.63	\$ (78,885.63)	-2390.47%
01-50-510-481012	Fac Fees-Water Treatment Plant	\$ 2,400.00	\$ 921.00	\$ 61,917.53	\$ (59,517.53)	-2479.90%
01-50-510-481018	Fac Fees-Local Water Resources	\$ 1,200.00	\$ 485.00	\$ 32,622.56	\$ (31,422.56)	-2618.55%
01-50-510-481024	Fac Fees-Recycld Wtr Facilities	\$ 3,700.00	\$ 1,402.00	\$ 105,959.81	\$ (102,259.81)	-2763.78%
01-50-510-481030	Fac Fees-Transmission (16")	\$ 4,000.00	\$ 1,568.00	\$ 105,541.52	\$ (101,541.52)	-2538.54%
01-50-510-481036	Fac Fees-Storage	\$ 5,400.00	\$ 2,008.00	\$ 135,170.89	\$ (129,770.89)	-2403.16%
01-50-510-481042	Fac Fees-Booster	\$ 300.00	\$ 139.00	\$ 9,313.97	\$ (9,013.97)	-3004.66%
01-50-510-481048	Fac Fees-Pressure Reducng Stns	\$ 200.00	\$ 71.00	\$ 4,790.23	\$ (4,590.23)	-2295.12%
01-50-510-481054	Fac Fees-Misc Projects	\$ 200.00	\$ 62.00	\$ 4,179.04	\$ (3,979.04)	-1989.52%
01-50-510-481060	Fac Fees-Financing Costs	\$ 1,000.00	\$ 305.00	\$ 19,941.73	\$ (18,941.73)	-1894.17%
01-50-510-485001	Front Footage Fees	\$ -	\$ 1,681.50	\$ 13,196.50	\$ (13,196.50)	0.00%
	<b>Non-Operating Revenue</b>	<b>\$ 26,700.00</b>	<b>\$ 11,803.50</b>	<b>\$ 705,163.53</b>	<b>\$ (678,463.53)</b>	<b>-2541.06%</b>
01-50-510-410100	SALES	\$ 4,935,480.00	\$ 501,485.27	\$ 4,577,069.34	\$ 358,410.66	7.26%
01-50-510-410151	Agricultural Irrigation Sales	\$ 30,000.00	\$ 4,727.69	\$ 29,844.22	\$ 155.78	0.52%
01-50-510-410171	Construction Sales	\$ 38,000.00	\$ 2,199.95	\$ 85,374.91	\$ (47,374.91)	-124.67%
01-50-510-413001	Backflow Admin Charges	\$ 24,000.00	\$ 2,082.51	\$ 23,534.21	\$ 465.79	1.94%
01-50-510-413011	Fixed Meter Charges	\$ 2,279,345.00	\$ 200,179.52	\$ 2,286,995.06	\$ (7,650.06)	-0.34%
01-50-510-413021	Meter Fees	\$ 75,000.00	\$ 2,692.00	\$ 138,026.00	\$ (63,026.00)	-84.03%
01-50-510-415001	SGPWA Importation Charges	\$ 2,176,000.00	\$ 229,751.14	\$ 2,155,635.02	\$ 20,364.98	0.94%
01-50-510-415011	SCE Power Charges	\$ 1,600,000.00	\$ 164,821.47	\$ 1,566,433.47	\$ 33,566.53	2.10%
01-50-510-417001	2nd Notice Penalties	\$ 100,000.00	\$ 8,035.00	\$ 93,530.00	\$ 6,470.00	6.47%
01-50-510-417011	3rd Notice Charges	\$ 45,000.00	\$ 2,550.00	\$ 31,420.00	\$ 13,580.00	30.18%
01-50-510-417021	Account Reinstatement Fees	\$ 65,000.00	\$ 7,450.00	\$ 82,610.00	\$ (17,610.00)	-27.09%
01-50-510-417031	Lien Processing Fees	\$ -	\$ 200.00	\$ 5,800.00	\$ (5,800.00)	0.00%
01-50-510-417041	Credit Check Processing Fees	\$ 5,500.00	\$ 730.00	\$ 8,350.00	\$ (2,850.00)	-51.82%
01-50-510-417051	Returned Check Fees	\$ 2,000.00	\$ 380.00	\$ 3,230.00	\$ (1,230.00)	-61.50%
01-50-510-417061	Custmr Damages/Upgrade Charges	\$ 7,500.00	\$ -	\$ 24,913.71	\$ (17,413.71)	-232.18%
01-50-510-417071	After Hours Call Out Charges	\$ 600.00	\$ -	\$ 600.00	\$ -	0.00%
01-50-510-417081	Bench Test Fees	\$ 360.00	\$ 30.00	\$ 300.00	\$ 60.00	16.67%
01-50-510-417091	Credit Card Processing Fees	\$ 18,000.00	\$ 1,993.25	\$ 21,777.00	\$ (3,777.00)	-20.98%
01-50-510-419011	Development Income	\$ 60,875.00	\$ -	\$ 58,608.53	\$ 2,266.47	3.72%
01-50-510-419021	Recharge Income	\$ 67,254.00	\$ 6,114.00	\$ 67,254.00	\$ -	0.00%
	<b>Operating Revenue</b>	<b>\$ 11,529,914.00</b>	<b>\$ 1,135,421.80</b>	<b>\$ 11,261,305.47</b>	<b>\$ 268,608.53</b>	<b>2.33%</b>
01-50-510-471001	Rent - 12303 Oak Glen	\$ 2,400.00	\$ 200.00	\$ 2,400.00	\$ -	0.00%
01-50-510-471011	Rent - 13695 Oak Glen	\$ 2,400.00	\$ 200.00	\$ 2,400.00	\$ -	0.00%
01-50-510-471021	Rent - 13697 Oak Glen	\$ 2,400.00	\$ 200.00	\$ 2,400.00	\$ -	0.00%
01-50-510-471031	Rent - 9781 Avenida Miravilla	\$ 2,400.00	\$ -	\$ -	\$ 2,400.00	100.00%
01-50-510-471101	Util - 12303 Oak Glen	\$ 2,823.00	\$ 260.87	\$ 3,019.23	\$ (196.23)	-6.95%
01-50-510-471111	Util - 13695 Oak Glen	\$ 2,628.00	\$ 133.33	\$ 2,173.13	\$ 454.87	17.31%
01-50-510-471121	Util - 13697 Oak Glen	\$ 3,912.00	\$ 167.08	\$ 3,313.84	\$ 598.16	15.29%
01-50-510-471131	Util - 9781 Avenida Miravilla	\$ 2,719.00	\$ -	\$ 11.33	\$ 2,707.67	99.58%
	<b>Rent/Utilities</b>	<b>\$ 21,682.00</b>	<b>\$ 1,161.28</b>	<b>\$ 15,717.53</b>	<b>\$ 5,964.47</b>	<b>27.51%</b>
<b>Revenue Total</b>		<b>\$ 11,779,396.00</b>	<b>\$ 1,148,479.82</b>	<b>\$ 12,082,989.43</b>	<b>\$ (303,593.43)</b>	<b>-3.00%</b>



General Ledger  
Budget Variance Expense

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Fiscal Year 2013

Beaumont-Cherry Valley Water District

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Account Number	Description	Budget	Budget Adjustments	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
<b>10</b>	<b>BOARD OF DIRECTORS</b>							
01-10-110-500101	Board of Directors Fees	\$ 30,800.00	\$ -	\$ 1,500.00	\$ 22,430.38	\$ 8,369.62	\$ -	27.17%
01-10-110-500115	Social Security	\$ 3,100.00	\$ -	\$ 93.00	\$ 1,480.25	\$ 1,619.75	\$ -	52.25%
01-10-110-500120	Medicare	\$ 700.00	\$ -	\$ 21.75	\$ 346.19	\$ 353.81	\$ -	50.54%
01-10-110-500145	Workers' Compensation	\$ 400.00	\$ -	\$ 25.28	\$ 368.50	\$ 31.50	\$ -	7.88%
01-10-110-500175	Seminar & Travel Expenses	\$ 5,000.00	\$ -	\$ -	\$ 935.00	\$ 4,065.00	\$ -	81.30%
	<b>Board of Directors Personnel</b>	<b>\$ 40,000.00</b>	<b>\$ -</b>	<b>\$ 1,640.03</b>	<b>\$ 25,560.32</b>	<b>\$ 14,439.68</b>	<b>\$ -</b>	<b>36.10%</b>
<b>Expense Total</b>	<b>BOARD OF DIRECTORS</b>	<b>\$ 40,000.00</b>	<b>\$ -</b>	<b>\$ 1,640.03</b>	<b>\$ 25,560.32</b>	<b>\$ 14,439.68</b>	<b>\$ -</b>	<b>36.00%</b>
<b>20</b>	<b>ENGINEERING</b>							
01-20-210-500105	Labor	\$ 159,457.00	\$ -	\$ 10,384.00	\$ 118,654.37	\$ 40,802.63	\$ -	25.59%
01-20-210-500115	Social Security	\$ 10,490.00	\$ 600.00	\$ 233.36	\$ 10,016.09	\$ 473.91	\$ -	4.52%
01-20-210-500120	Medicare	\$ 2,920.00	\$ 600.00	\$ 205.24	\$ 2,501.75	\$ 418.25	\$ -	14.32%
01-20-210-500125	Health Insurance	\$ 20,100.00	\$ -	\$ 1,674.22	\$ 17,553.10	\$ 2,546.90	\$ -	12.67%
01-20-210-500140	Life Insurance	\$ 920.00	\$ 200.00	\$ 62.92	\$ 755.04	\$ 164.96	\$ -	17.93%
01-20-210-500145	Workers' Compensation	\$ 3,510.00	\$ 2,000.00	\$ 274.46	\$ 2,867.00	\$ 643.00	\$ -	18.32%
01-20-210-500155	Retirement/CalPERS	\$ 51,830.00	\$ 11,600.00	\$ 4,430.80	\$ 42,931.59	\$ 8,898.41	\$ -	17.17%
01-20-210-500165	Uniforms & Employee Benefits	\$ 50.00	\$ -	\$ -	\$ -	\$ 50.00	\$ -	100.00%
01-20-210-500170	Education Expenses	\$ 2,500.00	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	100.00%
01-20-210-500175	Seminar & Travel Expenses	\$ 500.00	\$ -	\$ -	\$ 249.59	\$ 250.41	\$ -	50.08%
01-20-210-500195	CIP Related Labor	\$ (47,809.00)	\$ -	\$ 3,763.80	\$ 32,472.64	\$ (80,281.64)	\$ -	167.92%
	<b>Engineering Personnel</b>	<b>\$ 204,468.00</b>	<b>\$ 15,000.00</b>	<b>\$ 21,028.80</b>	<b>\$ 228,001.17</b>	<b>\$ (23,533.17)</b>	<b>\$ -</b>	<b>-11.51%</b>
01-20-210-540048	Permits, Fees & Licensing	\$ 4,000.00	\$ -	\$ -	\$ -	\$ 4,000.00	\$ -	100.00%
	<b>Engineering Materials &amp; Supplies</b>	<b>\$ 4,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,000.00</b>	<b>\$ -</b>	<b>100.00%</b>
01-20-210-540012	Dev Reimbursable Engineering	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 10,000.00	\$ -	100.00%
01-20-210-550068	Software Maintenance	\$ 15,000.00	\$ 4,000.00	\$ -	\$ 15,000.00	\$ -	\$ -	0.00%
01-20-210-580031	Outside Engineering	\$ 31,000.00	\$ (19,000.00)	\$ -	\$ 390.00	\$ 30,610.00	\$ -	98.74%
01-20-210-580032	CIP Related Outside Engineering	\$ (25,000.00)	\$ -	\$ -	\$ -	\$ (25,000.00)	\$ -	100.00%
	<b>Engineering Services</b>	<b>\$ 31,000.00</b>	<b>\$ (15,000.00)</b>	<b>\$ -</b>	<b>\$ 15,390.00</b>	<b>\$ 15,610.00</b>	<b>\$ -</b>	<b>50.35%</b>
<b>Expense Total</b>	<b>ENGINEERING</b>	<b>\$ 239,468.00</b>	<b>\$ -</b>	<b>\$ 21,028.80</b>	<b>\$ 243,391.17</b>	<b>\$ (3,923.17)</b>	<b>\$ -</b>	<b>-2.00%</b>

Account Number	Description	Budget	Budget		Period Amt	End Bal	Variance	% Avail/	
			Adjustments					Encumbered	Uncollect
<b>30</b>	<b>FINANCE &amp; ADMIN SERVICES</b>								
01-30-310-500105	Labor	\$ 871,300.00	\$ (92,100.00)	\$ 62,416.07	\$ 717,001.42	\$ 154,298.58	\$ -	17.71%	
01-30-310-500110	Overtime	\$ 3,000.00	\$ -	\$ -	\$ 2,566.40	\$ 433.60	\$ -	14.45%	
01-30-310-500115	Social Security	\$ 59,800.00	\$ -	\$ 2,822.93	\$ 42,674.50	\$ 17,125.50	\$ -	28.64%	
01-30-310-500120	Medicare	\$ 13,969.00	\$ -	\$ 889.71	\$ 10,506.00	\$ 3,463.00	\$ -	24.79%	
01-30-310-500125	Health Insurance	\$ 190,000.00	\$ -	\$ 10,722.41	\$ 111,601.96	\$ 78,398.04	\$ -	41.26%	
01-30-310-500130	CalPERS Health Admin Costs	\$ 1,800.00	\$ -	\$ -	\$ 381.56	\$ 1,418.44	\$ -	78.80%	
01-30-310-500140	Life Insurance	\$ 5,600.00	\$ -	\$ 399.05	\$ 4,770.81	\$ 829.19	\$ -	14.81%	
01-30-310-500145	Workers' Compensation	\$ 14,520.00	\$ -	\$ 1,101.82	\$ 11,989.21	\$ 2,530.79	\$ -	17.43%	
01-30-310-500150	Unemployment Insurance	\$ 32,760.00	\$ -	\$ 4,603.00	\$ 17,666.63	\$ 15,093.37	\$ -	46.07%	
01-30-310-500155	Retirement/CalPERS	\$ 285,800.00	\$ -	\$ 18,526.47	\$ 212,541.70	\$ 73,258.30	\$ -	25.63%	
01-30-310-500160	Post-Employment Health Expenses	\$ 7,000.00	\$ -	\$ -	\$ 2,654.40	\$ 4,345.60	\$ -	62.08%	
01-30-310-500165	Uniforms & Employee Benefits	\$ 1,000.00	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	100.00%	
01-30-310-500170	Education Expenses	\$ 500.00	\$ -	\$ -	\$ 172.50	\$ 327.50	\$ -	65.50%	
01-30-310-500175	Seminar & Travel Expenses	\$ 10,000.00	\$ -	\$ -	\$ 4,631.97	\$ 5,368.03	\$ -	53.68%	
01-30-310-500195	CIP Related Labor	\$ (114,916.00)	\$ -	\$ -	\$ (40,391.40)	\$ (74,524.60)	\$ -	64.85%	
01-30-310-500196	CIP Related Overtime	\$ (3,000.00)	\$ -	\$ -	\$ 606.06	\$ (3,606.06)	\$ -	120.20%	
01-30-310-550024	Employment Testing	\$ 300.00	\$ -	\$ -	\$ 55.00	\$ 245.00	\$ -	81.67%	
	<b>Finance &amp; Admin Services Personnel</b>	<b>\$ 1,379,433.00</b>	<b>\$ (92,100.00)</b>	<b>\$ 101,481.46</b>	<b>\$ 1,099,428.72</b>	<b>\$ 280,004.28</b>	<b>\$ -</b>	<b>20.30%</b>	
01-30-310-520001	Maint & Rpr-Office Equipment	\$ 3,100.00	\$ 300.00	\$ -	\$ 3,053.58	\$ 46.42	\$ 39.99	0.21%	
01-30-310-550006	Cashiering Shortages/Overages	\$ 50.00	\$ -	\$ (1.30)	\$ 6.10	\$ 43.90	\$ -	87.80%	
01-30-310-550018	Employee Medical/First Aid	\$ 500.00	\$ -	\$ -	\$ 80.00	\$ 420.00	\$ -	84.00%	
01-30-310-550042	Office Supplies	\$ 38,000.00	\$ -	\$ 1,076.35	\$ 35,689.81	\$ 2,310.19	\$ -	6.08%	
01-30-310-550046	Office Equipment	\$ 82,000.00	\$ -	\$ 1,241.56	\$ 58,821.58	\$ 23,178.42	\$ 989.00	27.06%	
01-30-310-550048	Postage	\$ 49,000.00	\$ -	\$ 8.21	\$ 42,536.60	\$ 6,463.40	\$ -	13.19%	
01-30-310-550066	Subscriptions	\$ 9,000.00	\$ 4,000.00	\$ 467.40	\$ 8,875.37	\$ 124.63	\$ -	1.38%	
01-30-310-550078	Bad Debt Expenses	\$ -	\$ -	\$ -	\$ (277.22)	\$ 277.22	\$ -	0.00%	
01-30-310-550084	Depreciation	\$ 2,100,000.00	\$ -	\$ 166,281.45	\$ 2,001,770.73	\$ 98,229.27	\$ -	4.68%	
	<b>Finance &amp; Admin Svcs Materials &amp; Suppl</b>	<b>\$ 2,281,650.00</b>	<b>\$ 4,300.00</b>	<b>\$ 169,073.67</b>	<b>\$ 2,150,556.55</b>	<b>\$ 131,093.45</b>	<b>\$ 1,028.99</b>	<b>5.70%</b>	
01-30-310-500190	Temporary Labor	\$ 105,300.00	\$ 85,300.00	\$ 8,147.71	\$ 99,503.75	\$ 5,796.25	\$ -	5.50%	
01-30-310-550001	Bank Charges	\$ 30,000.00	\$ -	\$ 1,586.74	\$ 24,578.27	\$ 5,421.73	\$ -	18.07%	
01-30-310-550030	Membership Dues	\$ 28,500.00	\$ -	\$ 332.50	\$ 21,449.98	\$ 7,050.02	\$ -	24.74%	
01-30-310-550036	Notary & Lien Fees	\$ 4,500.00	\$ 2,500.00	\$ -	\$ 3,908.50	\$ 591.50	\$ -	13.14%	
01-30-310-550054	Property, Auto& Gen Liab Insur	\$ 95,000.00	\$ -	\$ -	\$ 63,428.19	\$ 31,571.81	\$ -	33.23%	
01-30-310-550090	Principal Repayment	\$ 2,100,000.00	\$ 1,085,000.00	\$ -	\$ 2,100,000.00	\$ -	\$ -	0.00%	
01-30-310-580001	Accounting & Audit	\$ 28,000.00	\$ -	\$ -	\$ 21,500.00	\$ 6,500.00	\$ -	23.21%	
01-30-310-580011	General Legal	\$ 150,000.00	\$ -	\$ 9,397.78	\$ 125,315.26	\$ 24,684.74	\$ -	16.46%	
01-30-310-580021	IT/Software Support	\$ 5,000.00	\$ -	\$ -	\$ 1,033.40	\$ 3,966.60	\$ 829.32	62.75%	
01-30-310-590001	Interest Expense	\$ 67,880.00	\$ (20,000.00)	\$ -	\$ 67,713.14	\$ 166.86	\$ -	0.25%	
01-30-310-590011	Cost of Issuance Amortization	\$ 18,322.00	\$ -	\$ -	\$ 9,161.04	\$ 9,160.96	\$ -	50.00%	
	<b>Finance &amp; Admin Services Services</b>	<b>\$ 2,632,502.00</b>	<b>\$ 1,152,800.00</b>	<b>\$ 19,464.73</b>	<b>\$ 2,537,591.53</b>	<b>\$ 94,910.47</b>	<b>\$ 829.32</b>	<b>3.57%</b>	
<b>Expense Total</b>	<b>FINANCE &amp; ADMIN SERVICES</b>	<b>\$ 6,293,585.00</b>	<b>\$ 1,065,000.00</b>	<b>\$ 290,019.86</b>	<b>\$ 5,787,576.80</b>	<b>\$ 506,008.20</b>	<b>\$ 1,858.31</b>	<b>8.00%</b>	

Account Number	Description	Budget	Budget Adjustments	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
<b>40</b>	<b>OPERATIONS</b>							
<b>410</b>	<b>Source of Supply Personnel</b>							
01-40-410-500105	Labor	\$ 213,800.00	\$ -	\$ 13,359.73	\$ 153,063.15	\$ 60,736.85	\$ -	28.41%
01-40-410-500110	Overtime	\$ 15,000.00	\$ -	\$ 839.67	\$ 9,715.40	\$ 5,284.60	\$ -	35.23%
01-40-410-500111	Double time	\$ 100.00	\$ 100.00	\$ 95.16	\$ 95.16	\$ 4.84	\$ -	4.84%
01-40-410-500115	Social Security	\$ 13,300.00	\$ -	\$ 874.06	\$ 10,183.80	\$ 3,116.20	\$ -	23.43%
01-40-410-500120	Medicare	\$ 3,100.00	\$ -	\$ 204.42	\$ 2,381.67	\$ 718.33	\$ -	23.17%
01-40-410-500125	Health Insurance	\$ 69,400.00	\$ -	\$ 5,022.66	\$ 52,479.91	\$ 16,920.09	\$ -	24.38%
01-40-410-500140	Life Insurance	\$ 1,300.00	\$ -	\$ 94.94	\$ 1,136.89	\$ 163.11	\$ -	12.55%
01-40-410-500145	Workers' Compensation	\$ 15,500.00	\$ -	\$ 1,176.03	\$ 13,020.77	\$ 2,479.23	\$ -	16.00%
01-40-410-500155	Retirement/CalPERS	\$ 73,500.00	\$ -	\$ 4,751.38	\$ 53,461.48	\$ 20,038.52	\$ -	27.26%
01-40-410-500165	Uniforms & Employee Benefits	\$ 1,000.00	\$ -	\$ 130.00	\$ 728.57	\$ 271.43	\$ -	27.14%
01-40-410-500170	Education Expenses	\$ 3,400.00	\$ (100.00)	\$ -	\$ 576.33	\$ 2,823.67	\$ -	83.05%
01-40-410-500175	Seminar & Travel Expenses	\$ 500.00	\$ -	\$ -	\$ -	\$ 500.00	\$ -	100.00%
01-40-410-500180	Accrued Sick Leave Expenses	\$ -	\$ -	\$ (436.03)	\$ -	\$ -	\$ -	0.00%
01-40-410-500185	Accrued Vacation Expenses	\$ -	\$ -	\$ 237.90	\$ 1,055.40	\$ (1,055.40)	\$ -	0.00%
01-40-410-550024	Employment Testing	\$ 200.00	\$ -	\$ -	\$ -	\$ 200.00	\$ -	100.00%
<b>440</b>	<b>Transmission &amp; Distribution Personnel</b>							
01-40-440-500105	Labor	\$ 451,200.00	\$ (58,500.00)	\$ 23,735.82	\$ 286,444.52	\$ 164,755.48	\$ -	36.51%
01-40-440-500110	Overtime	\$ 16,900.00	\$ -	\$ 525.62	\$ 7,519.63	\$ 9,380.37	\$ -	55.51%
01-40-440-500111	Double time	\$ 500.00	\$ 500.00	\$ 24.95	\$ 438.21	\$ 61.79	\$ -	12.36%
01-40-440-500115	Social Security	\$ 30,100.00	\$ (1,500.00)	\$ 2,051.17	\$ 23,020.80	\$ 7,079.20	\$ -	23.52%
01-40-440-500120	Medicare	\$ 7,000.00	\$ (400.00)	\$ 479.73	\$ 5,383.60	\$ 1,616.40	\$ -	23.09%
01-40-440-500125	Health Insurance	\$ 183,400.00	\$ (10,500.00)	\$ 14,176.10	\$ 131,721.40	\$ 51,678.60	\$ -	28.18%
01-40-440-500140	Life Insurance	\$ 3,400.00	\$ 900.00	\$ 253.83	\$ 2,835.00	\$ 565.00	\$ -	16.62%
01-40-440-500145	Workers' Compensation	\$ 44,300.00	\$ (2,000.00)	\$ 2,558.99	\$ 26,942.43	\$ 17,357.57	\$ -	39.18%
01-40-440-500155	Retirement/CalPERS	\$ 133,400.00	\$ (7,700.00)	\$ 10,636.94	\$ 115,312.46	\$ 18,087.54	\$ -	13.56%
01-40-440-500165	Uniforms & Employee Benefits	\$ 3,900.00	\$ 900.00	\$ 70.84	\$ 3,709.16	\$ 190.84	\$ -	4.89%
01-40-440-500170	Education Expenses	\$ 1,000.00	\$ -	\$ 418.60	\$ 607.58	\$ 392.42	\$ -	39.24%
01-40-440-500175	Seminar & Travel Expenses	\$ 800.00	\$ -	\$ -	\$ -	\$ 800.00	\$ -	100.00%
01-40-440-500180	Accrued Sick Leave Expenses	\$ -	\$ -	\$ (2,661.00)	\$ -	\$ -	\$ -	0.00%
01-40-440-500185	Accrued Vacation Expenses	\$ -	\$ -	\$ -	\$ 4,081.00	\$ (4,081.00)	\$ -	0.00%
01-40-440-500195	CIP Related Labor	\$ (87,555.00)	\$ -	\$ 13,730.90	\$ 82,416.42	\$ (169,971.42)	\$ -	194.13%
01-40-440-550024	Employment Testing	\$ 200.00	\$ -	\$ -	\$ 80.00	\$ 120.00	\$ -	60.00%
<b>450</b>	<b>Inspections Personnel</b>							
01-40-450-500105	Labor	\$ 21,300.00	\$ (2,100.00)	\$ 1,260.28	\$ 18,263.00	\$ 3,037.00	\$ -	14.26%
01-40-450-500110	Overtime	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 1,731.52	\$ 268.48	\$ -	13.42%
01-40-450-500115	Social Security	\$ 1,500.00	\$ -	\$ 77.86	\$ 1,222.69	\$ 277.31	\$ -	18.49%
01-40-450-500120	Medicare	\$ 300.00	\$ -	\$ 18.21	\$ 285.96	\$ 14.04	\$ -	4.68%
01-40-450-500125	Health Insurance	\$ 7,000.00	\$ -	\$ 338.96	\$ 5,067.45	\$ 1,932.55	\$ -	27.61%
01-40-450-500140	Life Insurance	\$ 200.00	\$ 100.00	\$ 12.01	\$ 149.86	\$ 50.14	\$ -	25.07%
01-40-450-500145	Workers' Compensation	\$ 2,100.00	\$ -	\$ 104.35	\$ 1,560.20	\$ 539.80	\$ -	25.70%
01-40-450-500155	Retirement/CalPERS	\$ 7,000.00	\$ -	\$ 489.05	\$ 6,770.50	\$ 229.50	\$ -	3.28%
01-40-450-500165	Uniforms & Employee Benefits	\$ 300.00	\$ -	\$ -	\$ -	\$ 300.00	\$ -	100.00%
<b>460</b>	<b>Customer Svc &amp; Meter Reading Personnel</b>							
01-40-460-500105	Labor	\$ 138,200.00	\$ -	\$ 9,809.84	\$ 119,486.30	\$ 18,713.70	\$ -	13.54%
01-40-460-500110	Overtime	\$ 3,600.00	\$ (100.00)	\$ 129.56	\$ 2,052.07	\$ 1,547.93	\$ -	43.00%
01-40-460-500111	Double time	\$ 100.00	\$ 100.00	\$ -	\$ 42.68	\$ 57.32	\$ -	57.32%
01-40-460-500115	Social Security	\$ 8,600.00	\$ -	\$ 601.55	\$ 7,451.53	\$ 1,148.47	\$ -	13.35%
01-40-460-500120	Medicare	\$ 2,100.00	\$ -	\$ 140.68	\$ 1,742.65	\$ 357.35	\$ -	17.02%
01-40-460-500125	Health Insurance	\$ 60,300.00	\$ -	\$ 4,497.60	\$ 47,593.07	\$ 12,706.93	\$ -	21.07%
01-40-460-500140	Life Insurance	\$ 900.00	\$ -	\$ 50.71	\$ 889.58	\$ 10.42	\$ -	1.16%
01-40-460-500145	Workers' Compensation	\$ 12,600.00	\$ -	\$ 824.10	\$ 9,553.70	\$ 3,046.30	\$ -	24.18%
01-40-460-500155	Retirement/CalPERS	\$ 46,100.00	\$ -	\$ 3,190.92	\$ 38,914.56	\$ 7,185.44	\$ -	15.59%
01-40-460-500165	Uniforms & Employee Benefits	\$ 750.00	\$ -	\$ -	\$ 607.36	\$ 142.64	\$ -	19.02%
01-40-460-500170	Education Expenses	\$ 400.00	\$ -	\$ -	\$ -	\$ 400.00	\$ -	100.00%
01-40-460-500175	Seminar & Travel Expenses	\$ 300.00	\$ -	\$ -	\$ -	\$ 300.00	\$ -	100.00%
01-40-460-500180	Accrued Sick Leave Expenses	\$ -	\$ -	\$ (266.75)	\$ -	\$ -	\$ -	0.00%
01-40-460-500185	Accrued Vacation Expenses	\$ -	\$ -	\$ 233.60	\$ 1,020.90	\$ (1,020.90)	\$ -	0.00%
01-40-460-550024	Employment Testing	\$ 300.00	\$ -	\$ -	\$ -	\$ 300.00	\$ -	100.00%
<b>470</b>	<b>Maintenance &amp; General Plant Personnel</b>							
01-40-470-500105	Labor	\$ 63,000.00	\$ 56,000.00	\$ 6,148.65	\$ 50,650.77	\$ 12,349.23	\$ -	19.60%
01-40-470-500115	Social Security	\$ 2,000.00	\$ 1,500.00	\$ 104.37	\$ 1,730.01	\$ 269.99	\$ -	13.50%
01-40-470-500120	Medicare	\$ 500.00	\$ 400.00	\$ 24.42	\$ 404.61	\$ 95.39	\$ -	19.08%
01-40-470-500125	Health Insurance	\$ 13,000.00	\$ 10,500.00	\$ 773.26	\$ 11,366.36	\$ 1,633.64	\$ -	12.57%
01-40-470-500140	Life Insurance	\$ 250.00	\$ 200.00	\$ 13.57	\$ 196.30	\$ 53.70	\$ -	21.48%
01-40-470-500145	Workers' Compensation	\$ 2,500.00	\$ 2,000.00	\$ 143.07	\$ 2,226.97	\$ 273.03	\$ -	10.92%
01-40-470-500155	Retirement/CalPERS	\$ 9,900.00	\$ 7,700.00	\$ 544.20	\$ 8,792.10	\$ 1,107.90	\$ -	11.19%
	<b>OPERATIONS Personnel</b>	<b>\$ 1,605,745.00</b>	<b>\$ -</b>	<b>\$ 121,616.48</b>	<b>\$ 1,328,183.44</b>	<b>\$ 277,561.56</b>	<b>\$ -</b>	<b>17.29%</b>

Account Number	Description	Budget	Budget Adjustments	Period Amt	End Bal	Variance	Encumbered	% Avail/ Uncollect
<b>410</b>	<b>Source of Supply Materials &amp; Supplies</b>							
01-40-410-501101	Electricity - Wells	\$ 1,493,500.00	\$ -	\$ 127,303.79	\$ 1,268,012.30	\$ 225,487.70	\$ -	15.10%
01-40-410-501201	Gas - Wells	\$ 200.00	\$ -	\$ 14.79	\$ 134.73	\$ 65.27	\$ -	32.64%
01-40-410-510011	Treatment & Chemicals	\$ 75,000.00	\$ -	\$ -	\$ 69,842.05	\$ 5,157.95	\$ 7,494.21	-3.12%
01-40-410-510021	Lab Testing	\$ 55,000.00	\$ -	\$ 7,315.00	\$ 42,360.00	\$ 12,640.00	\$ -	22.98%
01-40-410-510031	Small Tools, Parts & Maint	\$ 100.00	\$ -	\$ -	\$ 28.05	\$ 71.95	\$ -	71.95%
01-40-410-520021	Maint & Rpr-Telemetry Equip	\$ 5,000.00	\$ (1,000.00)	\$ -	\$ 391.24	\$ 4,608.76	\$ -	92.18%
01-40-410-520031	Maint & Rpr-General Equipment	\$ 100.00	\$ -	\$ -	\$ 18.26	\$ 81.74	\$ -	81.74%
01-40-410-520061	Maint & Rpr-Pumping Equipment	\$ 100,000.00	\$ -	\$ 128.48	\$ 26,341.86	\$ 73,658.14	\$ 2,234.00	71.42%
01-40-410-550066	Subscriptions	\$ 600.00	\$ -	\$ -	\$ 177.00	\$ 423.00	\$ -	70.50%
<b>440</b>	<b>Trans &amp; Distribution Materials &amp; Suppl</b>							
01-40-440-510031	Small Tools, Parts & Maint	\$ 100.00	\$ -	\$ -	\$ 52.89	\$ 47.11	\$ -	47.11%
01-40-440-520071	Maint & Rpr-Pipelines&Hydrants	\$ 85,000.00	\$ -	\$ 191.95	\$ 21,963.56	\$ 63,036.44	\$ 208.00	73.92%
01-40-440-520081	Maint & Rpr-Pressure Regulatrs	\$ 9,000.00	\$ -	\$ -	\$ 164.98	\$ 8,835.02	\$ -	98.17%
01-40-440-540001	Backflow Devices	\$ 2,000.00	\$ 500.00	\$ 103.32	\$ 1,804.36	\$ 195.64	\$ -	9.78%
01-40-440-540024	Inventry Adjustments	\$ 3,000.00	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	100.00%
01-40-440-540026	Inventry Purchase Discounts	\$ (2,200.00)	\$ -	\$ (444.11)	\$ (8,082.99)	\$ 5,882.99	\$ -	-267.41%
01-40-440-540036	Line Locates	\$ 2,500.00	\$ -	\$ 99.00	\$ 2,468.10	\$ 31.90	\$ -	1.28%
01-40-440-540042	Meters Maintenance & Services	\$ 86,542.00	\$ (33,458.00)	\$ 112.29	\$ 37,541.27	\$ 49,000.73	\$ 633.77	55.89%
01-40-440-540078	Reservoirs Maintenance	\$ 12,000.00	\$ -	\$ -	\$ 2,269.32	\$ 9,730.68	\$ 17,923.68	-68.28%
<b>470</b>	<b>Maint &amp; General Plant Materials &amp; Suppl</b>							
01-40-470-501111	Electricity - 560 Magnolia	\$ 21,630.00	\$ -	\$ 1,456.80	\$ 17,511.60	\$ 4,118.40	\$ -	19.04%
01-40-470-501121	Electricity - 12303 Oak Glen	\$ 3,000.00	\$ -	\$ 260.87	\$ 3,019.23	\$ (19.23)	\$ -	-0.64%
01-40-470-501131	Electricity - 13695 Oak Glen	\$ 1,000.00	\$ -	\$ 133.33	\$ 1,056.25	\$ (56.25)	\$ -	-5.63%
01-40-470-501141	Electricity - 13697 Oak Glen	\$ 2,500.00	\$ -	\$ 167.08	\$ 2,141.68	\$ 358.32	\$ -	14.33%
01-40-470-501151	Elec - 9781 Avenida Miravilla	\$ 2,000.00	\$ -	\$ 31.32	\$ 222.48	\$ 1,777.52	\$ -	88.88%
01-40-470-501161	Electricity - 815 E. 12th	\$ 6,695.00	\$ -	\$ -	\$ 4,376.17	\$ 2,318.83	\$ -	34.64%
01-40-470-501321	Propane - 12303 Oak Glen	\$ 100.00	\$ -	\$ -	\$ 52.92	\$ 47.08	\$ -	47.08%
01-40-470-501331	Propane - 13695 Oak Glen	\$ 2,000.00	\$ -	\$ -	\$ 1,116.88	\$ 883.12	\$ -	44.16%
01-40-470-501341	Propane - 13697 Oak Glen	\$ 2,000.00	\$ -	\$ -	\$ 1,172.16	\$ 827.84	\$ -	41.39%
01-40-470-501351	Propane-9781 Avenida Miravilla	\$ 1,200.00	\$ -	\$ -	\$ 52.92	\$ 1,147.08	\$ -	95.59%
01-40-470-501411	Sanitation - 560 Magnolia	\$ 1,800.00	\$ -	\$ 158.67	\$ 1,466.84	\$ 333.16	\$ -	18.51%
01-40-470-501461	Sanitation - 815 E. 12th	\$ 3,000.00	\$ -	\$ 251.10	\$ 2,750.34	\$ 249.66	\$ -	8.32%
01-40-470-501471	Sanitation - 11083 Cherry Ave	\$ 3,200.00	\$ -	\$ 480.24	\$ 2,614.38	\$ 585.62	\$ -	18.30%
01-40-470-501511	Phones - 560 Magnolia	\$ 21,800.00	\$ (3,200.00)	\$ 1,475.90	\$ 16,804.04	\$ 4,995.96	\$ -	22.92%
01-40-470-501561	Phones - 815 E. 12th	\$ 4,200.00	\$ 3,200.00	\$ 304.59	\$ 3,642.00	\$ 558.00	\$ -	13.29%
01-40-470-501600	PROPERTY MAINTENANCE & REPAIRS	\$ 5,000.00	\$ -	\$ -	\$ 387.37	\$ 4,612.63	\$ -	92.25%
01-40-470-501611	Maint & Repair- 560 Magnolia	\$ 15,494.00	\$ -	\$ 2,013.50	\$ 15,412.34	\$ 81.66	\$ 650.00	-3.67%
01-40-470-501621	Maint & Repair- 12303 Oak Glen	\$ 1,200.00	\$ -	\$ -	\$ -	\$ 1,200.00	\$ -	100.00%
01-40-470-501631	Maint & Repair- 13695 Oak Glen	\$ 1,000.00	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	100.00%
01-40-470-501641	Maint & Repair- 13697 Oak Glen	\$ 500.00	\$ -	\$ -	\$ -	\$ 500.00	\$ -	100.00%
01-40-470-501651	Maint & Rpr-9781 Ave Miravilla	\$ 1,500.00	\$ -	\$ 210.20	\$ 238.27	\$ 1,261.73	\$ -	84.12%
01-40-470-501661	Maint & Repair- 815 E. 12th	\$ 5,000.00	\$ -	\$ 445.20	\$ 2,811.46	\$ 2,188.54	\$ -	43.77%
01-40-470-501691	Maint & Rpr- Buidlgs (General)	\$ 14,000.00	\$ -	\$ 48.59	\$ 84.21	\$ 13,915.79	\$ -	99.40%
01-40-470-510001	Auto/Fuel	\$ 96,700.00	\$ (3,300.00)	\$ 5,704.67	\$ 72,217.22	\$ 24,482.78	\$ -	25.32%
01-40-470-510002	CIP Related Fuel	\$ (15,000.00)	\$ -	\$ 3,101.13	\$ 10,877.56	\$ (25,877.56)	\$ -	172.52%
01-40-470-520011	Maint & Rpr-Safety Equipment	\$ 5,500.00	\$ -	\$ 147.84	\$ 3,693.33	\$ 1,806.67	\$ -	32.85%
01-40-470-520031	Maint & Rpr-General Equipment	\$ 27,000.00	\$ (18,000.00)	\$ 2,314.17	\$ 22,251.37	\$ 4,748.63	\$ 4,364.47	1.42%
01-40-470-520041	Maint & Rpr-Fleet	\$ 50,000.00	\$ 23,800.00	\$ 811.93	\$ 47,762.39	\$ 2,237.61	\$ -	4.48%
01-40-470-520091	Maint & Rpr-Communicatn Equip	\$ -	\$ (2,500.00)	\$ -	\$ -	\$ -	\$ -	0.00%
<b>510</b>	<b>General Materials &amp; Supplies</b>							
01-40-510-510031	Small Tools, Parts & Maint	\$ 6,500.00	\$ -	\$ 347.08	\$ 6,423.83	\$ 76.17	\$ -	1.17%
	<b>OPERATIONS Materials &amp; Supplies</b>	<b>\$ 2,217,961.00</b>	<b>\$ (33,958.00)</b>	<b>\$ 154,688.72</b>	<b>\$ 1,705,646.22</b>	<b>\$ 512,314.78</b>	<b>\$ 33,508.13</b>	<b>21.59%</b>
<b>410</b>	<b>Source of Supply Services</b>							
01-40-410-500501	State Project Water Purchases	\$ 2,176,000.00	\$ -	\$ 258,672.00	\$ 2,070,961.00	\$ 105,039.00	\$ -	4.83%
01-40-410-540084	State Mandates & Tariffs	\$ 33,000.00	\$ 1,000.00	\$ 4,155.01	\$ 32,308.26	\$ 691.74	\$ -	2.10%
<b>470</b>	<b>Maintenance &amp; General Plant Services</b>							
01-40-470-540030	Landscape Maintenance	\$ 10,500.00	\$ 8,000.00	\$ 213.91	\$ 9,915.20	\$ 584.80	\$ -	5.57%
01-40-470-540072	Rechrg Facs, Cnyns&Ponds Maint	\$ 27,000.00	\$ (8,000.00)	\$ 2,955.64	\$ 15,455.93	\$ 11,544.07	\$ -	42.76%
	<b>OPERATIONS Services</b>	<b>\$ 2,246,500.00</b>	<b>\$ 1,000.00</b>	<b>\$ 265,996.56</b>	<b>\$ 2,128,640.39</b>	<b>\$ 117,859.61</b>	<b>\$ -</b>	<b>5.25%</b>
<b>Expense Total</b>	<b>OPERATIONS</b>	<b>\$ 6,070,206.00</b>	<b>\$ (32,958.00)</b>	<b>\$ 542,301.76</b>	<b>\$ 5,162,470.05</b>	<b>\$ 907,735.95</b>	<b>\$ 33,508.13</b>	<b>14.00%</b>

Account Number	Description	Budget	Budget		Period Amt	End Bal	Variance	% Avail/	
			Adjustments					Encumbered	Uncollect
<b>50</b>	<b>GENERAL</b>								
01-50-510-540066	Property Damages & Theft	\$ 2,000.00	\$ -	\$ -	\$ 235.58	\$ 1,764.42	\$ -	-	88.22%
01-50-510-550040	General Supplies	\$ 10,200.00	\$ 2,500.00	\$ 836.75	\$ 8,575.47	\$ 1,624.53	\$ -	-	15.93%
01-50-510-550060	Public Education	\$ 7,500.00	\$ (2,500.00)	\$ -	\$ 1,789.31	\$ 5,710.69	\$ -	-	76.14%
01-50-510-550072	Misc Operating Expenses	\$ 4,500.00	\$ -	\$ -	\$ 2,558.97	\$ 1,941.03	\$ -	-	43.13%
	<b>General Materials &amp; Supplies</b>	<b>\$ 24,200.00</b>	<b>\$ -</b>	<b>\$ 836.75</b>	<b>\$ 13,159.33</b>	<b>\$ 11,040.67</b>	<b>\$ -</b>	<b>-</b>	<b>45.62%</b>
01-50-510-550096	Beaumont Basin Watermaster	\$ 119,800.00	\$ 98,800.00	\$ -	\$ 119,700.77	\$ 99.23	\$ -	-	0.08%
	<b>General Services</b>	<b>\$ 119,800.00</b>	<b>\$ 98,800.00</b>	<b>\$ -</b>	<b>\$ 119,700.77</b>	<b>\$ 99.23</b>	<b>\$ -</b>	<b>-</b>	<b>0.08%</b>
<b>Expense Total</b>	<b>GENERAL</b>	<b>\$ 144,000.00</b>	<b>\$ 98,800.00</b>	<b>\$ 836.75</b>	<b>\$ 132,860.10</b>	<b>\$ 11,139.90</b>	<b>\$ -</b>	<b>-</b>	<b>8.00%</b>
<b>Expense Total</b>	<b>ALL</b>	<b>\$ 12,787,259.00</b>	<b>\$ 1,130,842.00</b>	<b>\$ 855,827.20</b>	<b>\$ 11,351,858.44</b>	<b>\$ 1,435,400.56</b>	<b>\$ 35,366.44</b>	<b>11.00%</b>	



**Beaumont-Cherry Valley Water District  
Cash Balance & Investment Report  
As of November 30th, 2013**

Account Name	Account Ending #	Cash Balance Per Account	
		Balance	Prior Month Balance
<b>Bank Of Hemet</b>			
Accounts Payable	8701	\$ 31,038.97	\$ 31,038.72
Customer Refunds	2501	\$ 11,067.42	\$ 11,105.14
Payroll	9101	\$ 17,977.65	\$ 17,977.51
General	9501	\$ 2,366,769.30	\$ 1,979,514.51
<b>Wells Fargo</b>			
General	4152	\$ 2,046,397.09	\$ 1,941,833.68
Savings (closed 11/2013)	9901	\$ -	\$ 252,067.27
<b>Total Cash</b>		<b>\$ 4,473,250.43</b>	<b>\$ 4,233,536.83</b>

**Investment Summary**

Account Name	Market Value	Prior Month Balance	Actual % of		Policy % Limit	Maturity	Par Amount	Rate	Interest to Date
			Total						
Bank of Hemet: Local Agency Money Market Account (closed 09/2013)	\$ -	\$ -	0%		No Limit	Liquid	N/A	0.15	\$ 304.61
Ca. State Treasurer's Office: Local Agency Investment Fund	\$ 4,543,371.52	\$ 4,543,371.52	100%		No Limit	Liquid	N/A	0.26	\$ 8,849.86
<b>Total Investments</b>	<b>\$ 4,543,371.52</b>	<b>\$ 4,543,371.52</b>							<b>\$ 9,154.47</b>
<b>Total Cash &amp; Investments</b>	<b>\$ 9,016,621.95</b>	<b>\$ 8,776,908.35</b>							

The investments above are in accordance with the District's investment policy. *David Luge*

BCVWD will be able to meet its cash flow obligations for the next 6 months. *David Luge*

# Accounts Payable

## Checks by Date - Detail by Check Date

User: dawn  
Printed: 12/26/2013 11:09 AM

### Beaumont-Cherry Valley Water District

560 Magnolia Avenue  
Beaumont CA 92223  
(951) 845-9581  
www.bcvwd.org



Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
1452	UB*00515	Sali Alsop	12/04/2013	
		Refund Check		1,782.99
		Refund Check		2,756.16
		Refund Check		1,320.66
		Refund Check		947.43
		Total for Check Number 1452:		6,807.24
1453	UB*00514	Gary Sturdivan	12/04/2013	
		Refund Check		104.35
		Refund Check		40.53
		Refund Check		19.41
		Refund Check		13.93
		Total for Check Number 1453:		178.22
1454	UB*00513	Jun Zhang	12/04/2013	
		Refund Check		18.84
		Refund Check		22.60
		Refund Check		10.83
		Refund Check		7.77
		Total for Check Number 1454:		60.04
		Total for 12/4/2013:		7,045.50
ACH 10085		Calpers Retirement System	12/05/2013	
		PR Batch 00001.12.2013 CalPERS 1% ER Paid		243.85
		PR Batch 00001.12.2013 CalPERS 7% Deduction		2,013.46
		PR Batch 00001.12.2013 CalPERS 8% EE Paid		2,467.67
		PR Batch 00001.12.2013 CalPERS 8% ER Paid		866.82
		PR Batch 00001.12.2013 CalPERS Employer Paid		20,690.29
		PR Batch 00001.12.2013 CalPERS 6.9%		302.22
		Total for this ACH Check for Vendor 10085:		26,584.31
ACH 10087		Edd State Of California	12/05/2013	
		PR Batch 00001.12.2013 CA SDI		552.69
		PR Batch 00001.12.2013 State Income Tax		4,082.52
		Total for this ACH Check for Vendor 10087:		4,635.21

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
ACH 10094	U.S. Treasury	12/05/2013		
	PR Batch 00001.12.2013 Federal Income Tax			10,504.37
	PR Batch 00001.12.2013 FICA Employee Portion			4,849.71
	PR Batch 00001.12.2013 FICA Employer Portion			4,849.71
	PR Batch 00001.12.2013 Medicare Employee Portion			1,377.61
	PR Batch 00001.12.2013 Medicare Employer Portion			1,377.61
	Total for this ACH Check for Vendor 10094:			22,959.01
ACH 10203	Ing Life Insurance	12/05/2013		
	PR Batch 00001.12.2013 Deferred Comp			435.00
	Total for this ACH Check for Vendor 10203:			435.00
ACH 10264	Calpers Supplemental Income Plans	12/05/2013		
	PR Batch 00001.12.2013 CalPERS 457			1,348.08
	Total for this ACH Check for Vendor 10264:			1,348.08
1016 10141	Ca State Disbursement Unit	12/05/2013		
	PR Batch 00001.12.2013 Garnishment			191.53
	PR Batch 00001.12.2013 Garnishment			360.57
	Total for Check Number 1016:			552.10
1017 10169		12/05/2013		
	PR Batch 00001.12.2013 Garnishment			575.54
	Total for Check Number 1017:			575.54
1018 10205	Levying Officer 2013201274 Riverside County Sheriff	12/05/2013		
	PR Batch 00001.12.2013 Garnishment			281.78
	Total for Check Number 1018:			281.78
1455 10216	Accountemps	12/05/2013		
39214991	Temp Accountant Conversion			3,258.32
	Total for Check Number 1455:			3,258.32
1456 10251	Accounting Principals Inc.	12/05/2013		
6047585	Temporary Accountant w/e 11/24/13			1,599.20
	Total for Check Number 1456:			1,599.20
1457 10001	Action True Value Hardware	12/05/2013		
42194	2 gal water jug, hose bibs			60.45
42194	Corona Prunnens, broom, wire brush, chuck ext, plug, tire gauge			68.61
42194	Concrete			56.86
42194	Chlorine & Spray bottle			11.43
42194	Emitters			97.19
42194	NCR II - Mortar mix, plastic sheeting			66.27
	Total for Check Number 1457:			360.81



Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
1458	10003	All Purpose Rentals LLC	12/05/2013	
	16627	NCR II - Rammer rental		721.60
	16777	Rental of Hedge trimmer for NCR I		49.50
	16861	Rental of Rammer - leak on Cherry Oaks		90.20
Total for Check Number 1458:				861.30
1459	10144	AlSCO Inc.	12/05/2013	
	LYUM801161	Mats for 560 Magnolia w/e 12/2/13		26.25
Total for Check Number 1459:				26.25
1460	10086	American Family Life Assurance Company of Columbus	12/05/2013	
	515162	Dec 2013 Insurance Premium		743.88
Total for Check Number 1460:				743.88
1461	10028	Auto Parts Pros, LLC	12/05/2013	
	837767	tow hitch parts & carb cleaner		39.92
Total for Check Number 1461:				39.92
1462	10272	Babcock Laboratories Inc	12/05/2013	
	BK30908-0034	3 Gross Alpha Radioactivity 10/22/13		150.00
	BK31165-0034	6 Coliforms 11/12/13		240.00
	BK31235-0034	4 Coliforms 11/13/13		160.00
Total for Check Number 1462:				550.00
1463	10283	BCVWD Petty Cash	12/05/2013	
	Nov 2013 exp	Reimburse for notary fees paid		120.00
	Nov 2013 exp	reimburse postage paid to ship springbrook backpack		74.16
Total for Check Number 1463:				194.16
1464	10271	Beaumont Ace Home Center	12/05/2013	
	381029	Hammer		39.41
	381029	Delta parts & super glue		12.48
	381039	long handled roofer spade		53.98
	381135	nuts, bolts, washers, & safty latch for unit #20		7.37
	381135	nuts, bolts, washers, & safty latch for unit #20		24.31
	381159	Flint, Measuring tape, goggles, tip cleaner packing PTFE		62.14
	381324	measuring tapes		66.71
	381333	concrete & post for NCR II		78.99
	381396	Sundance school meter - two inch gate valve		38.33
Total for Check Number 1464:				383.72
1465	10314	California Department of Public Health	12/05/2013	
	J Couch renewal	Distribution Certification Renewal Grade D5 for J Couch		105.00
Total for Check Number 1465:				105.00
1466	10338	California Special Districts Association	12/05/2013	
	2014 membership	2014 Regular Membership Dues		5,294.00
Total for Check Number 1466:				5,294.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
1467	10249	Cdw Government LLC	12/05/2013	
	HF05476	Adobe Acrobat		829.32
		Total for Check Number 1467:		829.32
1468	UB*00518	Nate Chatigny	12/05/2013	
		Refund Check		5.88
		Total for Check Number 1468:		5.88
1469	10015	MAR-LYN Builders, Inc.	12/05/2013	
	231626	Oak View 6" riser Hit		8.10
		Total for Check Number 1469:		8.10
1470	10010	Don Kiker	12/05/2013	
	3511	Tires, valve stems, mount & balance for Unit # 20		825.58
	3559	Flat repair Unit # 15		20.00
		Total for Check Number 1470:		845.58
1471	10244	Fiserv Inc.	12/05/2013	
	1118036482	Reversal - Kevin Bush		147.80
		Total for Check Number 1471:		147.80
1472	UB*00517	G-7 Realty Inc	12/05/2013	
		Refund Check		37.53
		Total for Check Number 1472:		37.53
1473	10052	Home Depot Credit Services	12/05/2013	
	6184 11/27/13	poly sheet, duct & Caution tape, gloves, bit set, mag light, tp		358.66
	6184 11/27/13	wire wheel, grinder wheel, cutting wheel		73.28
	6184 11/27/13	Lumber		956.57
	6184 11/27/13	NCR II pipe insulation, rapid cement, PVC		228.81
		Total for Check Number 1473:		1,617.32
1474	10273	Inland Water Works Supply Co.	12/05/2013	
	258095	Parts for Inventory		622.08
	258095	Discount on Parts for Inventory		-12.44
		Total for Check Number 1474:		609.64
1475	10291	J.R. Freeman Co., Inc.	12/05/2013	
	520433-0	Toner		224.62
		Total for Check Number 1475:		224.62
1476	10296	Johnson Machinery Co.	12/05/2013	
	13008633-0001	Chipper rental 10/22/13-11/19/13 for NCR II		4,146.56
	13008633-0001	Environmental charge-Chipper rental 10/22/13-11/19/13 for NCR II		41.47
	13008633-0001	DELIVERY of Chipper rented 10/22/13-11/19/13 for NCR II		161.55
		Total for Check Number 1476:		4,349.58

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
1477	10014	Donald E. Kiker Jr.	12/05/2013	
	6850	Turn Signal, flasher replacement, Wiper Blades, Oil Filter		183.80
	6879	Oil Change, oil filter, oil, lube & tire rotation		43.59
	6958	Front & Rear Brake jobs, flat repair, lube, oil change & filter		645.65
		Total for Check Number 1477:		873.04
1478	UB*00516	Lowe's #1429	12/05/2013	
		Refund Check		12,392.63
		Refund Check		0.92
		Refund Check		1.98
		Refund Check		0.66
		Total for Check Number 1478:		12,396.19
1479	10267	Merit Oil Co	12/05/2013	
	227573	Fuel Oil for NCR II		3,101.13
		Total for Check Number 1479:		3,101.13
1480	10045	Pacific Alarm Service Inc.	12/05/2013	
	R 98858	Dec 2013 Burglar Alarm , Access Control, Fire Alarm		233.00
		Total for Check Number 1480:		233.00
1481	10312	Pacific Corrugated Pipe Co.	12/05/2013	
	S46832	18" Poly CSP 14ga NCR II		1,933.48
	S46832	18" Poly Annular Ban NCR II		106.46
	S46832	3/8"x10.5"x50' Neoprene NCR II		75.00
		Total for Check Number 1481:		2,114.94
1482	10290	San Gorgonio Pass Water Agency	12/05/2013	
	13-00056	Nov 2013 State Water 860 AF @ \$317		272,620.00
		Total for Check Number 1482:		272,620.00
1483	10042	Southern California Gas Company	12/05/2013	
	3500 0 10/24/13	Gas charges for 9/26/13-10/24/13		13.81
	3500 0 11/25/13	Gas charges 10/24/13-11/25/13		15.78
		Total for Check Number 1483:		29.59
1484	UB*00519	Meghan Staat	12/05/2013	
		Refund Check		224.49
		Total for Check Number 1484:		224.49
1485	10276	Standard Insurance Company	12/05/2013	
	610763 0001 11/18/13	Dec 2013 Life & AD&D Ins premium		1,128.86
		Total for Check Number 1485:		1,128.86
1486	10031	Staples Advantage	12/05/2013	
	8027740086	Copy Paper		79.90
	8027820301	General supplies		109.47
		Total for Check Number 1486:		189.37

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
1487	10202	Guy Thomas	12/05/2013	
	779476	Repair/rebuild front loader bucket		935.00
Total for Check Number 1487:				935.00
1488	10044	Verizon	12/05/2013	
	-955509 11/25/13	951-845-1549 11/25-12/24/13		41.02
	1126235360 11/25/13	Monthly fax line 11/25-12/24/13		132.89
	1144739781 11/25/13	FIOS & IP 11/25-12/24/13		134.99
Total for Check Number 1488:				308.90
1489	10151	Verizon Business	12/05/2013	
	60000661381311	Voice Over IP & Internet 12/1/13-12/31/13		1,075.83
Total for Check Number 1489:				1,075.83
1490	10037	Waste Management Of Inland Empire	12/05/2013	
	1035887-2371-0	Sanitation 3 yd Fel 12/01/13		251.10
	1035888-2371-8	Sanitation 2yd 12/01/13		92.27
Total for Check Number 1490:				343.37
1491	10190	Wienhoff Drug Testing	12/05/2013	
	47132	2014 Consortium Fee for random drug tests of class A drivers		65.00
Total for Check Number 1491:				65.00
Total for 12/5/2013:				375,101.67
ACH	10030	Southern California Edison	12/12/2013	
	4889 11/23/13	Electric Bill 10/22/13 - 11/21/13		242.75
	4889 11/23/13	Electric Bill 10/22/13 - 11/21/13		26.15
	4889 11/23/13	Electric Bill 10/22/13 - 11/21/13		142.07
	4889 11/23/13	Electric Bill 10/22/13 - 11/21/13		161.16
	4889 11/23/13	Electric Bill 9/17/13 - 10/16/13		287.75
	4889 11/23/13	Electric Bill 10/16/13 - 11/18/13		186.40
	4889 11/23/13	Electric Bill 10/22/13 - 11/21/13		1,211.49
	4889 11/23/13	Electric Bill 10/22/13 - 11/21/13		100,996.80
Total for this ACH Check for Vendor 10030:				103,254.57
1492	10000	Ac Propane	12/12/2013	
	204455	Propane for 13697 Oak Glen Rd		463.01
	204456	Propane for 13695 Oak Glen Rd		412.16
Total for Check Number 1492:				875.17
1493	10251	Accounting Principals Inc.	12/12/2013	
	6059520	Temporary Accountant w/e 12/01/13		1,154.45
Total for Check Number 1493:				1,154.45
1494	10144	AlSCO Inc.	12/12/2013	
	LYUM797788	Mats & Towels @ 815 E 12th St. 11/21/13		33.60
Total for Check Number 1494:				33.60

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
1495	10028	Auto Parts Pros, LLC	12/12/2013	
	837879	Wiper Blade Unit # 19		21.58
	839890	Tank Cap Unit # 17		8.63
		Total for Check Number 1495:		30.21
1496	10272	Babcock Laboratories Inc	12/12/2013	
	BK31426-0034	1 Dissolved Solids 11/12/13		20.00
	BK32026-0034	12 Coliforms 11/18/13		480.00
	BK32027-0034	2 Coliforms 11/18/13		80.00
	BK32286-0034	12 Coliforms 11/25/13		480.00
		Total for Check Number 1496:		1,060.00
1497	10287	Bank of the West	12/12/2013	
	11/28/13 Stmt	Staples & 1099 forms		358.25
	11/28/13 Stmt	3 months e-mail service		35.97
	11/28/13 Stmt	Postage		3.43
	11/28/13 Stmt	Utility Exchange Report		370.20
	11/28/13 Stmt	2014 Dues Ca society of Municipal Finance Officers & Class regist		553.00
	11/28/13 Stmt	NCR II Jumping Jack Rental		825.00
		Total for Check Number 1497:		2,145.85
1498	10285	C. T. W. S., LLC	12/12/2013	
	DC10445	Compressed Oxygen & Acetylene Dec 2013		46.80
		Total for Check Number 1498:		46.80
1499	10246	Economic Development Agency	12/12/2013	
	03-27-13 summit	Replace stale dated check from Vadim CK # 43886		200.00
		Total for Check Number 1499:		200.00
1500	UB*00520	Chanda Erickson	12/12/2013	
		Refund Check		4.38
		Refund Check		6.67
		Refund Check		3.19
		Refund Check		2.29
		Total for Check Number 1500:		16.53
1501	UB*00524	Rebecca Hernandez	12/12/2013	
		Refund Check		48.96
		Refund Check		72.07
		Refund Check		34.53
		Refund Check		24.78
		Total for Check Number 1501:		180.34
1502	10273	Inland Water Works Supply Co.	12/12/2013	
	258431	Parts for inventory		37.26
	258431	Discount on Parts for inventory		-0.75
		Total for Check Number 1502:		36.51
1503	10345	Dwan A. Lee Jr.	12/12/2013	
	Boot Allowance	Boot Allowance		130.00
		Total for Check Number 1503:		130.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
1504	10224	Legal Shield	12/12/2013	
	11/15/13 Stmt	Monthly Prepaid Legal for Employees 11/15/13		254.05
		Total for Check Number 1504:		254.05
1505	10255	McPeak Corporation	12/12/2013	
	0224650-IN	Monthly janitorial services 815 E 12th Dec 2013		150.00
	0224651-IN	Monthly janitorial services 560 E Magnolia Dec 2013		845.00
		Total for Check Number 1505:		995.00
1506	10103	Merlin Johnson Construction Inc.	12/12/2013	
	060088	Equipment rental/operation 10/18/13 - 12/2/13		43,960.47
		Total for Check Number 1506:		43,960.47
1507	UB*00148	Melissa Puntalba	12/12/2013	
		Refund Check		46.89
		Total for Check Number 1507:		46.89
1508	10223	Richards, Watson & Gershon	12/12/2013	
	192969	General Counsel Services 11/15/13		2,077.56
	192970	Case # 12788-0002 11/15/13		8,660.95
		Total for Check Number 1508:		10,738.51
1509	10095	Riverside County Waste Management	12/12/2013	
	20625	NCR I Weeds		11.00
	4398977	NCR I Weeds		11.00
	4399042	NCR I Weeds		18.78
	4437375	NCR I Weeds		28.85
	4437421	Lower House Roof		45.47
	4437479	NCR I Weeds		17.90
	4437514	NCR I Weeds		8.00
	4437529	NCR I Weeds		22.44
	4437538	NCR I Weeds		27.94
	4440024	NCR I Weeds		20.05
	4440046	NCR I Weeds		49.76
	4440616	NCR I Weeds		11.00
	4440740	NCR I Weeds		16.11
	4440759	NCR I Weeds		11.00
	4440779	NCR I Weeds		11.00
	4441298	NCR I Trimmings		19.69
	4441303	NCR I Trimmings		31.60
	4441339	NCR I Trimmings		27.94
	4441342	NCR I Trimmings		11.00
	4441378	NCR I Trimmings		36.64
	4441464	NCR I Trimmings		41.68
	4441510	NCR I Trimmings		31.14
	4441535	NCR I Trimmings		24.27
	4441577	NCR I Trimmings		11.00
	4441588	NCR I Trimmings		11.00
	4441614	NCR I Trimmings		21.53
	4441638	NCR I Trimmings		23.82
	4441659	NCR I Trimmings		11.00
	4441675	NCR I Trimmings		28.40
	4442792	NCR I Trimmings		30.69
	4442799	NCR I Trimmings		11.00
		Total for Check Number 1509:		682.70

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
1510	UB*00521	Ricardo Romero	12/12/2013	
		Refund Check		13.35
		Refund Check		11.02
		Refund Check		5.27
		Refund Check		3.79
		Total for Check Number 1510:		33.43
1511	UB*00523	Sendy Rubalcava	12/12/2013	
		Refund Check		9.19
		Refund Check		41.61
		Refund Check		19.08
		Refund Check		13.69
		Total for Check Number 1511:		83.57
1512	UB*00522	Mark Satterfield	12/12/2013	
		Refund Check		73.54
		Refund Check		60.69
		Refund Check		29.09
		Refund Check		20.86
		Total for Check Number 1512:		184.18
1513	10132	South Coast Aqmd	12/12/2013	
	2655185	Annual Operating Fees - ICE (50-500 HP) EM Elec Gen-Nat Gas		317.07
	2656339	Flat fee for last fiscal year emissions		117.87
		Total for Check Number 1513:		434.94
1514	10031	Staples Advantage	12/12/2013	
	8027877027	Office Supplies		317.20
		Total for Check Number 1514:		317.20
1515	10341	State Water Resources Control Board	12/12/2013	
	Bank fee	Annual Permit Fee 7/1/13-6/30/14 Index # 195530		10.00
	WD-0087847	Annual Permit Fee 7/1/13-6/30/14 Index # 195530		2,062.00
		Total for Check Number 1515:		2,072.00
1516	10202	Guy Thomas	12/12/2013	
	779480	NCR II Cut in and weld 24" Valve & Rise Monitoring wells		945.00
		Total for Check Number 1516:		945.00
1517	10275	Tommy Lee Sersaw	12/12/2013	
	w/e 12/09/13	Clean 17 Vehicles 12/8/13 & 12/9/13		272.00
		Total for Check Number 1517:		272.00
1518	10284	Underground Service Alert of Southern California	12/12/2013	
	1120130044	Locate Lines 83 times for Nov 2013		123.00
		Total for Check Number 1518:		123.00
1519	10116	Verizon Wireless Services LLC	12/12/2013	
	9715770032	Wireless Service for 10/29/13 - 11/28/13		111.29
		Total for Check Number 1519:		111.29

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
1520	10293	Western Dental Services Inc.	12/12/2013	
	9876	Dec 2013 Dental Insurance Premium		152.40
		Total for Check Number 1520:		152.40
1521	10057	Xerox Corporation	12/12/2013	
	071415657	Copier/Fax/Scanner Usage 10/21/13 - 11/21/13		987.32
		Total for Check Number 1521:		987.32
1522	UB*00526	Yu Chen	12/12/2013	
		Refund Check		8.79
		Total for Check Number 1522:		8.79
1523	UB*00525	Jamshid Rajabpoor	12/12/2013	
		Refund Check		4.41
		Total for Check Number 1523:		4.41
1524	UB*00529	Peter Sangcap	12/12/2013	
		Refund Check		12.04
		Total for Check Number 1524:		12.04
1525	UB*00527	Harvey Wimer	12/12/2013	
		Refund Check		12.20
		Total for Check Number 1525:		12.20
1526	UB*00528	Reginald E. Winter	12/12/2013	
		Refund Check		2.75
		Total for Check Number 1526:		2.75
		Total for 12/12/2013:		171,598.17
ACH	10085	Calpers Retirement System	12/18/2013	
		PR Batch 00004.03.2013 CalPERS 1% ER Paid		13.54
		PR Batch 00004.03.2013 CalPERS 7% Deduction		94.78
		PR Batch 00004.03.2013 CalPERS Employer Paid		400.93
		PR Batch 00118.01.2013 CalPERS 1% ER Paid		13.70
		PR Batch 00118.01.2013 CalPERS 7% Deduction		95.90
		PR Batch 00118.01.2013 CalPERS Employer Paid		405.65
		PR Batch 00004.12.2013 CalPERS 7% Deduction		43.86
		PR Batch 00004.12.2013 CalPERS 8% EE Paid		-50.13
		PR Batch 00004.12.2013 CalPERS Employer Paid		-981.19
		PR Batch 00004.12.2013 CalPERS 6.9%		216.18
		Total for this ACH Check for Vendor 10085:		253.22
ACH	10087	Edd State Of California	12/18/2013	
		PR Batch 00004.03.2013 CA SDI		14.04
		PR Batch 00004.03.2013 State Income Tax		29.78
		PR Batch 00118.01.2013 CA SDI		13.87
		PR Batch 00118.01.2013 State Income Tax		28.54
		PR Batch 00119.01.2013 CA SDI		2.52
		PR Batch 00119.01.2013 State Income Tax		1.15
		PR Batch 00120.01.2013 CA SDI		3.78
		PR Batch 00120.01.2013 State Income Tax		24.91
		Total for this ACH Check for Vendor 10087:		118.59



Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No		Description	Reference	
ACH 10094		U.S. Treasury	12/18/2013	
		PR Batch 00004.03.2013 Federal Income Tax		142.29
		PR Batch 00004.03.2013 FICA Employee Portion		87.08
		PR Batch 00004.03.2013 FICA Employer Portion		87.08
		PR Batch 00004.03.2013 Medicare Employee Portion		20.36
		PR Batch 00004.03.2013 Medicare Employer Portion		20.36
		PR Batch 00118.01.2013 Federal Income Tax		139.47
		PR Batch 00118.01.2013 FICA Employee Portion		85.98
		PR Batch 00118.01.2013 FICA Employer Portion		85.98
		PR Batch 00118.01.2013 Medicare Employee Portion		20.11
		PR Batch 00118.01.2013 Medicare Employer Portion		20.11
		PR Batch 00119.01.2013 FICA Employee Portion		15.63
		PR Batch 00119.01.2013 FICA Employer Portion		15.63
		PR Batch 00119.01.2013 Medicare Employee Portion		3.66
		PR Batch 00119.01.2013 Medicare Employer Portion		3.66
		PR Batch 00120.01.2013 Federal Income Tax		56.62
		PR Batch 00120.01.2013 FICA Employee Portion		23.40
		PR Batch 00120.01.2013 FICA Employer Portion		23.40
		PR Batch 00120.01.2013 Medicare Employee Portion		5.47
		PR Batch 00120.01.2013 Medicare Employer Portion		5.47
		Total for this ACH Check for Vendor 10094:		861.76
		Total for 12/18/2013:		1,233.57
ACH 10085		Calpers Retirement System	12/19/2013	
		PR Batch 00002.12.2013 CalPERS 1% ER Paid		244.02
		PR Batch 00002.12.2013 CalPERS 7% Deduction		2,014.69
		PR Batch 00002.12.2013 CalPERS 8% EE Paid		2,265.72
		PR Batch 00002.12.2013 CalPERS 8% ER Paid		846.65
		PR Batch 00002.12.2013 CalPERS Employer Paid		19,826.29
		PR Batch 00002.12.2013 CalPERS 6.9%		302.22
		Total for this ACH Check for Vendor 10085:		25,499.59
ACH 10087		Edd State Of California	12/19/2013	
		PR Batch 00002.12.2013 CA SDI		543.75
		PR Batch 00002.12.2013 State Income Tax		2,301.65
		Total for this ACH Check for Vendor 10087:		2,845.40
ACH 10094		U.S. Treasury	12/19/2013	
		PR Batch 00002.12.2013 Federal Income Tax		7,009.04
		PR Batch 00002.12.2013 FICA Employee Portion		3,482.89
		PR Batch 00002.12.2013 FICA Employer Portion		3,482.89
		PR Batch 00002.12.2013 Medicare Employee Portion		1,057.91
		PR Batch 00002.12.2013 Medicare Employer Portion		1,057.91
		Total for this ACH Check for Vendor 10094:		16,090.64
ACH 10203		Ing Life Insurance	12/19/2013	
		PR Batch 00002.12.2013 Deferred Comp		435.00
		Total for this ACH Check for Vendor 10203:		435.00
ACH 10264		Calpers Supplemental Income Plans	12/19/2013	
		PR Batch 00002.12.2013 CalPERS 457		1,348.08
		Total for this ACH Check for Vendor 10264:		1,348.08

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Invoice No	Description	Reference		
ACH 10288	CalPERS Health Fiscal Services Division	12/19/2013		
100000014119143	October 2013 Employee Health Care Contributions			40,121.18
100000014119143	October 2013 Post-Employment Health Care Contributions			663.60
100000014119143	October 2013 Employee Health Care Admin Fees			137.93
100000014139535	November 2013 Post-Employment Health Care Contributions			663.60
100000014139535	November 2013 Employee Health Care Contributions			39,590.43
100000014139535	November 2013 Employee Health Care Admin Fee			135.29
100000014162708	December 2013 Employee Health Care Admin Fee			138.98
100000014162708	December 2013 Employee Health Care Contributions			40,708.33
100000014162708	December 2013 Post-Employment Health Care Contribution			663.60
Total for this ACH Check for Vendor 10288:				122,822.94
1022 10141	Ca State Disbursement Unit	12/19/2013		
	PR Batch 00002.12.2013 Garnishment			191.53
	PR Batch 00002.12.2013 Garnishment			360.57
Total for Check Number 1022:				552.10
1023 10169	[REDACTED]	12/19/2013		
	PR Batch 00002.12.2013 Garnishment			575.54
Total for Check Number 1023:				575.54
1024 10205	Levyng Officer 2013201274 Riverside County Sheriff	12/19/2013		
	PR Batch 00002.12.2013 Garnishment			281.78
Total for Check Number 1024:				281.78
1527 10251	Accounting Principals Inc.	12/19/2013		
6071944	Temporary Accountant w/e 12/09/13			1,248.91
Total for Check Number 1527:				1,248.91
1528 10003	All Purpose Rentals LLC	12/19/2013		
16861	NCR II Rammer Rental			90.20
16907	14" Abrasive metal blades for cut off saw			58.00
Total for Check Number 1528:				148.20
1529 10144	AlSCO Inc.	12/19/2013		
LYUM806219	Mats for 560 Magnolia week ending 12/16/13			26.25
Total for Check Number 1529:				26.25
1530 10028	Auto Parts Pros, LLC	12/19/2013		
839982	Replace stolen Gas Cap Unit # 12			9.71
840243	Toggle for overhead light & tail light for Unit # 22			12.72
Total for Check Number 1530:				22.43
1531 10272	Babcock Laboratories Inc	12/19/2013		
BL30539-0034	4 Nitrate 12/06/13			60.00
BL30561-0034	12 Coliforms 12/2/13			480.00
BL30562-0034	2 Coliforms 12/2/13			80.00
BL30752-0034	16 EPA_218_7&EPA_300_1&EPA_200_8, 16 EPA_200_8, 12 EPA_522&537&			13,440.00
BL30969-0034	1 ea EPA_218_7,_300_1,200_8,_200_8,_522,_537,_524_3			1,000.00
Total for Check Number 1531:				15,060.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
1532	10271	Beaumont Ace Home Center	12/19/2013	
	381631	Tarp & Stretch cord for dumptruck & dumptrailer		42.13
	381733	wood stakes for locating		23.97
Total for Check Number 1532:				66.10
1533	10060	Beaumont Power Equipment Inc.	12/19/2013	
	1129	New Carburetor and service on Mikasa Compactor		135.86
	1130	Repair Echo Hedge Trimmer, flexible shaft, drive		65.96
Total for Check Number 1533:				201.82
1534	UB*00531	Yvonne Chen	12/19/2013	
		Refund Check		57.03
		Refund Check		29.08
		Refund Check		13.93
		Refund Check		10.00
Total for Check Number 1534:				110.04
1535	10286	Jason Craghead	12/19/2013	
	Refund AFLAC	Refund overdeduction from payroll of AFLAC shortage deduction		152.39
Total for Check Number 1535:				152.39
1536	10124	Cutting Edge Supply Co	12/19/2013	
	COLINV041712	Ware blade for JD backhoe		264.60
	COLINV041712	Ware blade bolts for JD backhoe		24.28
Total for Check Number 1536:				288.88
1537	10332	Department of Forestry and Fire Protection	12/19/2013	
	116531	18 Days Crew work on NCR II 10/14/13 - 11/1/13		4,059.72
Total for Check Number 1537:				4,059.72
1538	10010	Don Kiker	12/19/2013	
	3540	Flat repair (right front & right rear outer) on #17		40.00
Total for Check Number 1538:				40.00
1539	UB*00530	Eleven Western Builders	12/19/2013	
		Refund Check		205.38
		Refund Check		352.64
		Refund Check		82.16
		Refund Check		58.93
Total for Check Number 1539:				699.11
1540	UB*00535	Mcdonald Team Estelia Mcdonald - The	12/19/2013	
		Refund Check		53.08
Total for Check Number 1540:				53.08
1541	UB*00536	Mcdonald Team Estelia Mcdonald - The	12/19/2013	
		Refund Check		10.98
Total for Check Number 1541:				10.98
1542	10138	Fleetcor Technologies, Inc.	12/19/2013	
	201 12/11/13	Fuel Purchases for 11/12/13 - 12/11/13		6,889.36
Total for Check Number 1542:				6,889.36

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Check Amount
1543	10273	Inland Water Works Supply Co.	12/19/2013	
	258423	Discount on Parts for Inventory		-5.95
	258423	12" std steel pipe		170.10
	258423	8" std steel pipe		127.44
Total for Check Number 1543:				291.59
1544	10296	Johnson Machinery Co.	12/19/2013	
	13008633-0002	NCR II Rental of Towable Brush Chipper		150.00
Total for Check Number 1544:				150.00
1545	UB*00532	Juliet Jones	12/19/2013	
		Refund Check		179.01
		Refund Check		24.54
		Refund Check		11.76
		Refund Check		8.43
Total for Check Number 1545:				223.74
1546	10224	Legal Shield	12/19/2013	
	1129 12/15/13	Monthly Prepaid Legal for Employees 12/15/13		254.05
Total for Check Number 1546:				254.05
1547	UB*00533	Christopher Mackamul	12/19/2013	
		Refund Check		52.89
		Refund Check		38.04
		Refund Check		18.23
		Refund Check		13.08
Total for Check Number 1547:				122.24
1548	10026	Mccrometer Inc	12/19/2013	
	427438 RI	Part# L0687 -10-k Dummy cover 24" flow meter ser# 13-08644		185.76
	427938 RI	8 " flgd flow meter Egg ranch on CV BLVD part number MW508		2,412.72
Total for Check Number 1548:				2,598.48
1549	10196	National Meter & Automation Inc.	12/19/2013	
	S1049718.001	Parts for Inventory		5,130.00
	S1049718.001	Parts for Inventory		1,879.20
	S1049718.001	Parts for Inventory		2,754.00
Total for Check Number 1549:				9,763.20
1550	10143	Nobel Systems	12/19/2013	
	13115	GIS Data Conversion		10,889.20
Total for Check Number 1550:				10,889.20
1551	10300	Patrick Aaron Roeder	12/19/2013	
	27794	Monthly service at NCR		400.00
Total for Check Number 1551:				400.00
1552	UB*00534	Paz Gaje	12/19/2013	
		Refund Check		2.80
Total for Check Number 1552:				2.80

Check No	Vendor No	Vendor Name	Check Date	Check Amount
	Invoice No	Description	Reference	
1553	10269	Springbrook Software	12/19/2013	
	836	Initial 50% Due on Signing for Online Utility Exchange Interface		150.00
	INV27040	Online Utility Exchange Interface		1,200.00
	INV27041	v7 Inter-Version Upgrade Annual Prepaid Fee		875.00
		Total for Check Number 1553:		2,225.00
1554	10031	Staples Advantage	12/19/2013	
	8027982413	Office Supplies - Tonner		138.20
		Total for Check Number 1554:		138.20
1555	10202	Guy Thomas	12/19/2013	
	779482	Repair dump truck and dump trailer		210.00
	779482	Cut out section of 8" pipes & weld		525.00
		Total for Check Number 1555:		735.00
		Total for 12/19/2013:		227,321.84
		Report Total (125 checks):		782,300.75



**Beaumont-Cherry Valley Water District  
Finance & Audit Committee Meeting  
January 2<sup>nd</sup>, 2014**

**DATE:** December 23<sup>rd</sup>, 2013  
**TO:** Finance & Audit Committee  
**FROM:** Dawn Jorge, Senior Finance & Administrative Analyst  
**SUBJECT:** Approval of Pending Invoices

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**Recommendation**

Staff recommends that the Board of Directors approve the pending invoices totaling \$15,949.08.

**Background**

Staff has reviewed the pending invoices and found the services rendered were acceptable to the District.

**Fiscal Impact**

There is a \$15,949.08 impact to the District.

**Attachments:**

- Richards Watson Gershon Invoice #193556
- Richards Watson Gershon Invoice #193557



RICHARDS | WATSON | GERSHON

ATTORNEYS AT LAW – A PROFESSIONAL CORPORATION

355 South Grand Avenue, 40th Floor, Los Angeles, California 90071-3101

Telephone 213.626.8484 Facsimile 213.626.0078

Fed. I.D. No. 95-3292015

ERIC FRASER  
Beaumont- Cherry Valley Water District  
560 Magnolia Avenue  
Beaumont, CA 92223-2258

December 11, 2013  
Invoice # 193556

Re: 12788-0001 GENERAL COUNSEL SERVICES

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Current Legal Fees .....	\$2,420.00
Current Client Costs Advanced .....	<u>\$70.06</u>
<b>TOTAL CURRENT FEES AND COSTS.....</b>	<b><u>\$2,490.06</u></b>

TERMS: PAYMENT DUE UPON RECEIPT

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Fed. I.D. No. 95-3292015

ERIC FRASER  
Beaumont- Cherry Valley Water District  
560 Magnolia Avenue  
Beaumont, CA 92223-2258

December 11, 2013  
Invoice # 193557

Re: 12788-0002 PERFORMANCE METER, INC.

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Current Legal Fees .....	\$12,900.00
Current Client Costs Advanced .....	<u>\$559.02</u>
<b>TOTAL CURRENT FEES AND COSTS.....</b>	<b><u>\$13,459.02</u></b>

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**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, December 11<sup>th</sup>, 2013**

---

**Call to Order, President Woll**

*President Woll began the meeting at 7:00 p.m.*

**Pledge of Allegiance, Director Slawson**

*Director Slawson led the pledge.*

**Invocation, Director Ball**

*Director Ball led the invocation.*

**Roll Call**

*Present at the meeting were President Woll, Directors Ball, Guldseth, Ross and Slawson. Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, Director of Operations: Anthony Lara, Director of Engineering: Dan Jagggers, and Senior Finance and Administrative Analyst: Dawn Jorge. Public that registered their attendance were: John M. Halliwill, Barbara Voigt, Mike Turner, and Mary Ann Melleby.*

**Reorganization of the Board of Directors (page 4)**

*Director Ball motioned to reaffirm the members of the Board as they were in 2013, with the exception of nominating Director Slawson as Board Secretary in his place. Director Guldseth seconded the motion and it passed 5-0.*

*President Woll reappointed the District's Financial & Administrative Analyst as the Recording Secretary. In addition, President Woll reappointed Directors Guldseth and Ross to the Finance & Audit Committee, Director Ball and himself to the Personnel Committee, Director Guldseth to the City Collaborative meetings, and Director Ball as the liaison to the Pass Water Agency, with Director Slawson as his alternate.*

**Public Comment**

*No public comment was received.*

**ACTION ITEMS**

**1. Adoption of the Agenda (pages 1-3)**

*General Manager Eric Fraser advised the Board that there were no changes to the Agenda, however Mr. Fraser did note that on page 30 there was a typo at the bottom of the page. The dwelling units or EDUs for Village Rec. Center No. 2 should be 10+/- not 106.*

**2. Consent Calendar:** All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the Board considers the motion unless members of the Board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar.

- a. October 2013 Budget Variance Report Review\*\* (pages 5-9)
- b. October 31<sup>st</sup>, 2013 Cash/Investment Balance Report\*\* (page 10)
- c. November 2013 Check Register Review\*\* (pages 11-23)
- d. November 2013 Invoices Pending Approval\*\* (pages 24-26)
- e. Minutes of the Regular Meeting of November 13<sup>th</sup>, 2013\*\* (pages 27-29)
- f. Consideration of Requests for Will Serve Letters for Ongoing Development within K Hovnanian Homes – Four Seasons at Beaumont Development (Tracts 33096-7, Tract 33096-8 and Village Recreation Center No. 2)\*\* (pages 30-52)
- g. Consideration of Requests for Will Serve Letters for Ongoing Development within Argent Management (formerly developed by SunCal Companies-Oak Valley Champions) – Fairway Canyons Development (Tracts 36558, Tract 31462-7, and Tract 31462-8)\*\* (pages 53-60)

*Director Ross motioned to approve items a through d. Director Ball seconded the motion. The motion passed 5-0.*

*Director Slawson requested for item e to be pulled as he was not present at the meeting. Director Ball motioned to approve item e. President Woll seconded the motion. The motion passed 4-0, with Director Slawson abstaining.*

*Director Ross requested to pull items f and g for discussion. General Manager Fraser provided an overview of items f and g. After discussion, Director Ross motioned to approve items f and g. The motion was seconded by Director Guldseth and the motion passed 5-0.*

**3. Consider Authorizing the General Manager to Execute Materials, Equipment, and Services Contracts for the Noble Creek Recharge Facility-Phase II Miscellaneous Project Components\*\* (pages 61-63)**

*General Manager Fraser provided an overview of the request for the Noble Creek Recharge Facility Phase II Project Components. After discussion, Director Ball motioned to approve the authorization for the General Manager. Director Slawson seconded the motion. The motion passed 5-0.*

**4. Reports for Discussion**

- a. Ad Hoc Committees

*No reports were made.*

- b. General Manager

*General Manager Fraser updated the Board on the GIS mapping that has been done to date, along with a status update of the Noble Creek Recharge Phase II Project.*

c. Directors Reports

*Director Ball attended several of the Pass Agency meetings noting that the Agency is working on drafting policies that include the Agency as the source of all supplemental water coming into the area, and a request that was made to add a prioritization of the water to retail agencies in these draft policies. Director Ball also attended the Watermaster meeting noting that the Safe Yield calculation will be completed soon.*

d. Legal Counsel Report

*No report was made.*

**5. Announcements**

- Special Board meeting for the 2014 Budget Workshop, December 18<sup>th</sup>, 2013 at 6:00 p.m.
- District Offices will be closed December 25<sup>th</sup>, 2013 in observance of Christmas Day
- District Offices will be closed January 1<sup>st</sup>, 2014 in observance of New Year's Day
- Finance & Audit Committee meeting, January 2<sup>nd</sup>, 2014 at 3:00 p.m.
- Regular Board meeting, January 8<sup>th</sup>, 2014 at 7:00 p.m.

*President Woll made the announcements above.*

**6. Action List for Future Meetings**

- Schedule a workshop to discuss the landscape for the Noble Creek Recharge Phase II Project with the public
- Discussion of the use of solar panels
- Discussion of District facilities fees
- Discussion of the City response to Staff inquiries regarding the City's plan for dealing with wastewater in response to will serve letters being approved
- Discussion of style guide notes to ensure proper acknowledgement of District owned projects and properties
- Discussion of adding a 1,000 gallon portable water tank for emergency purposes to be located at the 12<sup>th</sup> and Palm location

**7. Recess to Closed Session**

- a. Conference with Labor Negotiators pursuant to Government Code 54957.6:

Agency Negotiator: Eric Fraser

Represented Employees: BCVWD Employee Association

*The Board recessed to closed session at 7:42 p.m. There was no reportable action taken.*

**8. Adjournment**

*President Woll adjourned the meeting at 8:40 p.m.*

Attest:

Director Ryan Woll, President of the  
Board of Directors of the  
Beaumont-Cherry Valley Water District

Director Daniel Slawson, Secretary to the  
Board of Directors of the  
Beaumont-Cherry Valley Water District

\*\* Information included in the agenda packet



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF THE  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, December 18<sup>th</sup>, 2013**

---

**Call to Order, President Woll**

*President Woll began the meeting at 6:04 p.m.*

**Pledge of Allegiance, Director Guldseth**

*Director Guldseth led the pledge.*

**Invocation, President Woll**

*President Woll led the invocation.*

**Roll Call**

*Present at the meeting were President Woll, Directors Ball, Guldseth, Ross, and Slawson. District Staff: General Manager: Eric Fraser, Director of Engineering: Dan Jagers, and Senior Finance and Administrative Analyst: Dawn Jorge. No members of the Public were in attendance.*

**Public Comment**

*No public comment was received.*

**ACTION ITEMS**

**1. Budget Workshop**

Consideration of the 2014 Budget, Resolution and Supporting Documents\*\*

*General Manager Eric Fraser gave a presentation of the 2014 budget.*

*After the presentation, the Board reviewed the proposed budget page by page. President Woll requested that the notation on page 9 of the budget regarding the 2013 Adopted Budget be expanded to reflect that the 2013 original adopted budget had been adopted with a revenue surplus. The 2013 final adopted budget shows a net loss as a result of the Board approving the payoff of the Bank Loan, indicating the Board's intent of using prior years' surpluses of revenue over expenses should current year's actual revenues fall short of its expenses. Due to accounting rules and regulations, the use of funding in this manner results in the budgeted net loss for the current year's revenue over expenses as shown on page 9. Other minor grammatical changes were discussed.*

*Director Guldseth motioned to approve Resolution 2013-05 approving the Budget with minor grammatical changes and expanded notation regarding the 2013 Adopted budget on page 9. The motion was seconded by Director Ross and passed 5-0.*

## 2. Adjournment

*President Woll adjourned the meeting at 7:20 p.m.*

Attest:

---

Director Ryan Woll, President of the  
Board of Directors of the  
Beaumont-Cherry Valley Water District

---

Director Daniel Slawson, Secretary to the  
Board of Directors of the  
Beaumont-Cherry Valley Water District

\*\* Information included in the agenda packet



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
January 8<sup>th</sup>, 2014**

**DATE:** January 2<sup>nd</sup>, 2014

**TO:** Board of Directors

**FROM:** Eric Fraser, General Manager

**SUBJECT:** Report of Settlement of Case Litigation BCVWD vs. Performance Meters Inc.

---

By unanimous vote, the Board of Directors approved the settlement agreement with Performance Meters, Inc. at the December 11<sup>th</sup>, 2013 Regular Board Meeting in closed session. The approval was subject to acceptance by the Court and other parties.

**Fiscal Impact**

BCVWD would receive the sum of \$250,000 on the Effective Date of the confirmed Plan of Liquidation for Performance Meters, Inc., or, in the event that the case is converted to one under Chapter 7, then on the date that distributions are first made to general unsecured creditors.

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4 P.O. Box 1028  
Riverside, CA 92502  
5 Telephone: (951) 686-1450  
Facsimile: (951) 686-3083  
6

7 Attorneys for Debtor and Debtor-in-Possession  
Performance Meter, Inc.  
8

9 UNITED STATES BANKRUPTCY COURT  
10 CENTRAL DISTRICT OF CALIFORNIA  
11 RIVERSIDE DIVISION  
12

13 In re

14 PERFORMANCE METER, INC.,

15 Debtor and  
16 Debtor-in-Possession.  
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Case No. 6:12-bk-23324-MJ

Chapter: 11

MOTION FOR ORDER APPROVING  
COMPROMISE OF CONTROVERSY  
BETWEEN THE DEBTOR AND CREDITOR  
BEAUMONT CHERRY VALLEY WATER  
DISTRICT; MEMORANDUM OF POINTS  
AND AUTHORITIES; DECLARATION OF  
ARTHUR HENDEY, JR., IN SUPPORT  
THEREOF

[No Hearing Unless Requested Pursuant to  
Local Bankruptcy Rule 9013-1(o)]



I.

**MOTION**

Performance Meter, Inc., debtor and debtor-in-possession (the "Debtor"), moves this Court for an Order approving compromise of controversy of which presently exists between the Debtor and Beaumont Cherry Valley Water District (the "BCVWD"). The Debtor and BCVWD shall be jointly referred to herein as the Parties. Arising out of the follow allegations which herein after be referred to as the Background Facts as follows:

**A. Background Facts.**

1. On or about May 31, 2012, the Debtor filed for bankruptcy protection under Chapter 11.
2. On July 24, 2012, the Bankruptcy Court entered an Order approving the sale free and clear of all liens, claims and encumbrances of substantially all of the Debtor's assets (ECF No. 34). Thereafter, the sale was closed with the buyer.
3. On October 24, 2013, the Debtor filed and served its Amended Objection to Claim No. 27 of BCVWD (the "Objection"). Claim No. 27, as amended, sought damages against the Debtor in the amount of \$3,346,877.89 (the "Claim").
4. The Debtor and BCVWD have conducted informal discovery with reference to the Claim and Objection. On November 22, 2013, the Parties participated in voluntary mediation of the Objection, in which mediation counsel for the Official Committee of Creditors ("OCC") participated. The Objection was settled at the mediation before Bankruptcy Judge Houle, subject to the Court approval described herein, and the consent of the OCC.
5. Without admitting liability, the Parties wish to resolve the Objection by entering into a Settlement Agreement.

**B. Terms of the Settlement.**

1. The terms and conditions of the settlement are more fully described in a copy of the fully executed Settlement Agreement, attached hereto marked as Exhibit "1" and incorporated herein by this reference. The essential terms and conditions of the

Settlement Agreement (the "Agreement") are as follows:

- a. BCVWD shall have an allowed general unsecured claim in an amount sufficient that it will receive the sum of \$250,000.00 on the Effective Date of the confirmed Plan of Liquidation ("Plan"), or, in the event that the case is converted to one under Chapter 7, then on the date that distributions are first made to general unsecured creditors.
- b. The allowed claim of BCVWD as described in paragraph 2.1 above shall be fixed and allowed notwithstanding that the Plan of the Debtor is not confirmed or the case is converted to a case under Chapter 7.
- c. Any Chapter 11 plan proposed by the Debtor shall not alter the treatment of BCVWD's claim provided for herein. BCVWD agrees to vote in favor of the Plan, and in the event BCVWD does not vote in favor of the Plan, nevertheless, it shall be deemed to have voted for the Plan.
- d. This Agreement is subject to approval by the Board of Directors of BCVWD, and by the OCC.
- e. This Agreement is also subject to approval by the Bankruptcy Court by way of a Motion for Approval of this Agreement filed by the Debtor pursuant to Federal Rules of Bankruptcy Procedure 9019 ("9019 Motion"). See paragraph 3.1 of the agreement. If the 9019 Motion is not granted, all rights of the Parties are preserved.

**C. Benefits of the Settlement.**

1. The Debtor wishes to enter into this settlement because it is the most expeditious and economical way of securing the highest amount of money for the benefit of the creditors of this estate.

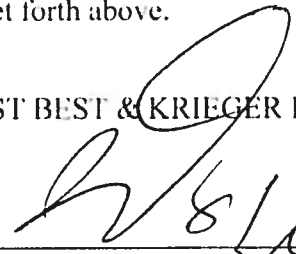
2. When taking into consideration the projected costs of continuing the litigation as well as the potential risks of loss which are always attendant to litigation the The Debtor believes this to be a fair and equitable settlement.

WHEREFORE, the Debtor prays for an order approving the compromise of the within controversy based upon the terms and conditions as set forth above.

Dated: December 20<sup>th</sup>, 2013

BEST BEST & KRIEGER LLP

By:

  
FRANKLIN C. ADAMS  
DENNIS G. BEZANSON  
Attorneys for Debtor and Debtor-in-  
Possession Performance Meter, Inc.

II.

**MEMORANDUM OF POINTS AND AUTHORITIES**

**A. THE DEBTOR HAS THE RIGHTS AND POWERS OF A TRUSTEE**

§ 1107. Rights, powers and duties of debtor in possession

(a) Subject to any limitations on a trustee serving in a case under this chapter [11 USCS §§ 1101 et seq.], and to such limitations or conditions as the court prescribes, a debtor in possession shall have all the rights, other than the right to compensation under section 330 of this title, and powers, and shall perform all the functions and duties, except the duties specified in sections 1106(a) (2), (3), and (4) of this title [11 USCS §§ 1106(a) (2), (3), and (4)], of a trustee serving in a case under this chapter [11 USCS §§ 1101 et seq.]. *11 USCS § 1107*

**B. THE DEBTOR IS AUTHORIZED TO ENTER INTO THIS COMPROMISE**

Federal Rule of Bankruptcy Procedure 9019 authorizes the Trustee (the Debtor) to compromise a controversy upon the filing of a motion to approve the compromise and a hearing on that motion to be held after notice is provided to creditors in accordance with Federal Rule of Bankruptcy Procedure 2002(a)(3). In the instant case, a Notice of Hearing was served upon the United States Trustee and all creditors of the bankruptcy estate and subsequently filed with the Court herein.

**C. CASE LAW SUPPORTS APPROVAL OF THIS COMPROMISE**

In *In re Michael E. Woodson*, 839 F.2d 610 (9th Cir. 1988), the court stated, "the bankruptcy court has great latitude in approving compromise agreements however the court's discretion is not unlimited. The court may approve a compromise only if it is 'fair and equitable' (Id. at 620 [citations omitted].) The court further explained:

[I]n passing on the proposed compromise the court must consider: '(a) the probability of success in the litigation; (b) the difficulties, if any, to be encountered in the matter of collection; (c) the complexity of the litigation involved and the expense, inconvenience and delay necessarily attending it; (d) the paramount interest of the creditors and a proper deference to their reasonable views in the premises.' (Id. at 620, citing, *A & C Properties*, 784 F.2d 1377, 1381 (9th Cir. 1986).)

Based upon the information and analysis set forth above the Debtor can demonstrate that

1 this settlement exceeds the value that he would have received if he expeditiously prosecuted the  
2 litigation to a successful conclusion. As a result, the Debtor believes that the settlement is a fair  
3 and equitable one on behalf of the Estate and its creditors.

4 **D. CONCLUSION**

5 Based upon the forgoing Memorandum of Points and Authorities the Debtor respectfully  
6 requests that this motion be granted and the Debtor be authorized to execute any necessary  
7 documentation to effectuate the settlement as set forth herein.

8 Dated: December 20<sup>th</sup>, 2013

BEST BEST & KRIEGER LLP

By: 

FRANKLIN C. ADAMS  
DENNIS G. BEZANSON  
Attorneys for Debtor and Debtor-in-  
Possession Performance Meter, Inc.

III.

**DECLARATION OF ARTHUR HENDEY, JR.**

I, Arthur Hendey, Jr., declare as follows:

1. I, Arthur Hendey Jr., am the president and authorized person for the Debtor Performance Meter, Inc., in the voluntary Chapter 11 case *In re Performance Meter, Inc.*, Case Number 6:12-bk-23324-MJ filed on May 31, 2012 (the "Bankruptcy Case").

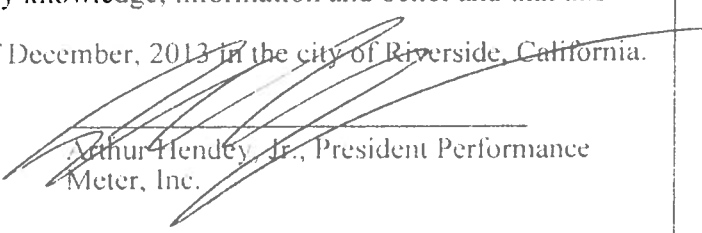
2. The facts stated herein are within my person knowledge and if called upon to testify to such facts, I could and would testify competently thereto.

3. The following facts are given in support of Performance Meter Inc.'s Motion for Approving Compromise Between the Debtor and Beaumont Cherry Valley Water District. (the "Motion").

4. With my attorney's, I have evaluated the costs of litigating this matter. I believe that the possible defenses which could be raised and the costs of litigation mitigate in favor of accepting the offer and therefore believe that it is a good one under the facts and circumstances of this case. As a result of my evaluations, I believe that the settlement fully and fairly compromises the controversy between the parties. I further believe that this is a just, fair and equitable result and will be the course of conduct most likely to inure to the benefit of all parties, including the creditors of this estate. For all the foregoing reasons and in my best business judgment, I believe that the settlement is a good faith settlement under the circumstances.

5. I have reviewed the Motion for Order Approving Compromise of Controversy in this matter. The facts stated therein are true and correct to the best of my knowledge. Based thereon I believe that the compromise is in the best interests of the estate and its creditors.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge, information and belief and that this declaration was executed on this 20 day of December, 2013 in the city of Riverside, California.

  
\_\_\_\_\_  
Arthur Hendey, Jr., President Performance  
Meter, Inc.

# EXHIBIT 1

00000 91335 090666,3

Motion to Approve Compromise -- 000008

## **SETTLEMENT AGREEMENT**

This Settlement Agreement ("Agreement"), is made and entered into by and amongst PERFORMANCE METER, INC., Debtor and Debtor-in-Possession ("Debtor"), in the Chapter 11 case filed by the Debtor and now pending in the United States Bankruptcy Court, Central District of California, Riverside Division case no. 6:12-bk-23324-MJ; and Beaumont Cherry Valley Water District ("BCVWD"). Both of the above are hereinafter sometimes collectively referred to as the Parties. This Settlement Agreement relates to the bankruptcy estate of the Debtor, and specifically resolution of the claim of BCVWD.

### **1. RECITALS**

1.1 On or about May 31, 2012, the Debtor filed for bankruptcy protection under Chapter 11.

1.2 On July 24, 2012, the Bankruptcy Court entered an Order approving the sale free and clear of all liens, claims and encumbrances of substantially all of the Debtor's assets. ECF No. 34. Thereafter, the sale was closed with the buyer.

1.3 On October 24, 2013, the Debtor filed and served its Amended Objection to Claim No. 27 of BCVWD ("Objection"). Claim No. 27 (as amended) sought damages against the Debtor in the amount of \$3,346,877.89 ("Claim").

1.4 The Debtor and BCVWD have conducted informal discovery with reference to the Claim and Objection. On November 22, 2013, the Parties participated in voluntary mediation of the Objection, in which mediation counsel for the Official Committee of Creditors ("OCC") participated. The Objection was settled at the mediation before Bankruptcy Judge Houle, subject to the Court approval described herein, and the consent of the OCC.

1.5 Without admitting liability, the Parties wish to resolve the Objection by entering into this Settlement Agreement as more fully set forth below.

### **2. AGREEMENT**

2.1 BCVWD shall have an allowed general unsecured claim in an amount sufficient that it will receive the sum of \$250,000.00 on the Effective Date of the confirmed Plan of Liquidation ("Plan"), or, in the event that the case is converted to one under Chapter 7, then on the date that distributions are first made to general unsecured creditors.

2.2 The allowed claim of BCVWD as described in paragraph 2.1 above shall be fixed and allowed notwithstanding that the Plan of the Debtor is not confirmed or the case is converted to a case under Chapter 7.



2.3 Any Chapter 11 plan proposed by the Debtor shall not alter the treatment of BCVWD's claim provided for herein. BCVWD agrees to vote in favor of the Plan, and in the event BCVWD does not vote in favor of the Plan, nevertheless, it shall be deemed to have voted for the Plan.

2.4 This Agreement is subject to approval by the Board of Directors of BCVWD, and by the OCC.

2.5 This Agreement is also subject to approval by the Bankruptcy Court by way of a Motion for Approval of this Agreement filed by the Debtor pursuant to Federal Rules of Bankruptcy Procedure 9019 ("9019 Motion"). See paragraph 3.1 below. If the 9019 Motion is not granted, all rights of the Parties are preserved.

2.6 Except as specifically provided herein, upon payment of the \$250,000 described above, each of the Parties hereto hereby releases and forever discharges and covenants not to sue the other and each of its partners, officers, agents, employees, representatives, attorneys, principals, predecessors, successors, beneficiaries, assigns, and each of them, from any and all obligations, liabilities, demands, claims, costs, expenses, debts, controversies, damages, actions, and causes of action known or unknown, which exist on the date of this Agreement. With respect to the release of unknown claims, both Parties expressly waive the provisions of Civil Code § 1542 which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

### 3. MISCELLANEOUS

3.1 APPROVAL OF BANKRUPTCY COURT. This Agreement shall be effective and binding only upon its execution by all of the Parties and upon the entry of a final order of the United States Bankruptcy Court authorizing the Debtor to consummate it. This Agreement may be executed in counterparts, in duplicate originals and on facsimile copies. If executed in counterparts, then upon proof of execution of at least one copy, the Agreement shall be effective from the date of the last signature. If executed in duplicate, each duplicate copy shall be valid as an original copy

3.2 GOOD FAITH PERFORMANCE. The Parties hereto agree to perform their obligations herein in good faith and to cooperate with each other to facilitate the implementation of all terms and covenants in this Agreement.

3.3 AGREEMENT NOT TO BE CONSTRUED AS ADMISSION. This Agreement as entered into by the Parties is solely for the purpose of compromising and settling the matters in dispute. It does not constitute, nor shall it be construed as, an admission by any of the Parties hereto of the truth or validity of any of the claims referenced in this Agreement or otherwise asserted.

3.4 PAYMENT OF COSTS, EXPENSES AND FEES. All costs, expenses and attorneys fees incurred by a Party hereto in completing this Agreement or in relation to the matters settled herein shall be borne by such Party by itself.

3.5 ENTIRE AGREEMENT. This Agreement is the final and entire agreement among the Parties concerning the subject matter of this Agreement. All agreements of the Parties with respect to the subject matter hereof are in writing and supersede all prior written and oral agreements and understandings of the Parties. This Agreement cannot be modified except by a written document signed by the Parties affected by the modification. None of the Parties is relying upon any other negotiations, discussions, representations, warranties (except any warranties by representatives of parties regarding authority to enter into this agreement), promises or agreements in connection with the subject matter of this Agreement. No supplements or modifications or waivers or terminations of this Agreement shall be binding unless executed in writing by the all of the Parties. This is a fully integrated agreement.

3.6 BINDING ON SUCCESSORS. All of the terms and provisions of this Agreement shall be binding upon or shall inure to the benefit of the Parties, their assigns, heirs, trustees, administrators, executors, estates or successors.

3.7 HEADINGS. The headings contained in this Agreement have been inserted for convenience only and in no way define or limit the scope or interpretation of this Agreement.

3.8 WAIVER. Any Party hereto may waive any breach of this Agreement by another Party, but such waiver shall not constitute a continuing waiver of similar or other breaches and shall be effective only against the Party giving the waiver. A waiving Party may at any time, upon notice given in writing to the breaching Party, direct future compliance with the waived term or terms of this Agreement, in which event the breaching Party shall comply as directed from such time forward. All remedies, rights, undertakings, obligations and agreements contained in this Agreement shall be cumulative and not mutually exclusive.

3.9 COUNTERPARTS / FACSIMILE SIGNATURE. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, but all of which taken together shall constitute one agreement. An electronic signature or a copy of an original signature transmitted by facsimile shall be as valid as the original signature.

3.10 NEGOTIATED AGREEMENT. The drafting and negotiation of this Agreement have been participated in by each of the Parties hereto and, for all purposes, this Agreement shall be deemed to have been drafted jointly by the Parties and is not to be construed against any Party drafting it by reason of being drafted by the Party. The language of this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against any of the Parties.

3.11 INDEPENDENT COUNSEL. The Parties do hereby acknowledge and agree that they have been represented by, or have had the opportunity to seek representation by, independent counsel of their own choice throughout all negotiations which preceded the execution of this Agreement.

3.12 GOVERNING LAW. This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California applicable to instruments, persons and transactions having legal contacts and relations solely within the State of California, and, where applicable, by and under the United States Bankruptcy Code.

3.13 INVALID PROVISION. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and, in such instance, this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

3.14 WARRANTY. It is understood and acknowledged that none of the Parties or their agents, has made any promise, representation, or warranty whatsoever, express or implied, except as expressly set forth herein, to induce the other to execute this Agreement. The Parties acknowledge and agree that they have not executed this Agreement in reliance upon any such promises, representation or warranty not expressly set forth in this Agreement.

3.15 FREE WILL. It is understood and acknowledged that each of the Parties hereto enters this Agreement of his own free will, and no threats, coercion, or duress have been employed to induce any of the Parties hereto to execute this Agreement.

3.16 TAX CONSEQUENCES. The Parties agree that the determination of the tax consequences, if any, from this Agreement is the sole responsibility of each respective Party.

3.17 CONTINUING JURISDICTION OF COURT. The Parties stipulate that the United States Bankruptcy Court for the Central District of California shall continue to have exclusive jurisdiction to enforce or declare rights under this Agreement; provided, however, that if for any reason the United States Bankruptcy Court lacks jurisdiction or declines to exercise jurisdiction then the rights under this Agreement may be declared or enforced by another court of competent jurisdiction located in the State of California.

3.18 ATTORNEYS FEES. Should any Party hereto reasonably retain counsel for the purpose of enforcing or preventing the breach of any provision of this Agreement, including but not limited to, instituting or defending any action or proceeding to enforce any provision of this Agreement, or to seek damages by reason of any alleged breach or any provision hereof, for declaration of the Parties rights or obligations hereunder, or for any other judicial remedy, then, if said matter is settled by arbitration or judicial determination, the prevailing Party shall be entitled to be reimbursed by the losing Party for all costs and expenses incurred thereby, including, but not limited to, reasonable attorneys, paralegals, experts and accountants fees.

3.19 SEVERABILITY. If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid, illegal, unconstitutional or unenforceable, such portion shall be deemed severed from this Agreement and the remaining parts shall remain in full force and effect as if no invalid or unenforceable provisions had been part of this Agreement.

3.20 SURVIVABILITY OF COVENANTS. All representations and agreements set forth in this Agreement shall be deemed continuing and shall survive the execution date of this Agreement.

3.21 COVENANT TO TAKE FURTHER NECESSARY ACTIONS. The Parties hereby agree to execute such other documents and to take such other action as may be reasonably necessary to further the purpose of this Agreement with the Parties to bear their own respective costs and attorneys' fees for these additional actions.

3.22 NOTICE Any notices required under the terms of this Agreement shall be given by facsimile transmission, overnight mail by any reputable carrier or United States mail, first class, postage prepaid as follows:

To Debtor, and Debtor's Counsel: Franklin C. Adams, Best Best & Krieger, LLP, 3390 University Avenue Riverside, CA 92501.

To BCVWD and BCVWD Counsel: Patrick K. Bobko, Richards, Watson & Gershon 355 S. Grand Avenue, 40th Floor, Los Angeles, CA 90071-3101.

Service shall be deemed to have occurred upon delivery of the notice to the appropriate carrier or upon successful facsimile transmission. The Parties will notify each other of any change of address within 30 days of such change. Service shall be deemed effective if delivered to the address herein or the last address change for which notice was given.

3.23 WARRANTY OF AUTHORIZATION. Any person executing this Agreement on behalf of any Party does hereby personally represent and warrant to the other Parties that he or she has the authority to execute this Agreement on behalf of, and to fully bind, such Party.

3.24 NO ASSIGNMENT OF CLAIM. The Parties represent and warrant that they have not sold, assigned or transferred, or purported to sell, assign or transfer, and shall not hereafter sell, assign or transfer, any obligations, liabilities, demands, claims, costs, expenses, debts, controversies, damages, rights, actions, or causes of action released pursuant to this Agreement. The Parties also agree to defend, indemnify and hold one another harmless against any obligation, liability, demand, claim, cost, expense (including but not limited to attorneys' fees incurred), debt, controversy, damage, action or cause of action based on, arising out of or in connection with any such sale, transfer or assignment or purported sale, transfer or assignment.

#### 4. EXECUTION

4.1 This Agreement shall not be enforceable unless executed by all Parties.

4.2 IN WITNESS WHEREOF, the Parties have caused this Agreement to be entered into and signed their respective names hereon. THE UNDERSIGNED HAVE READ THIS SETTLEMENT AGREEMENT AND AGREE TO ITS TERMS.

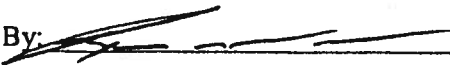
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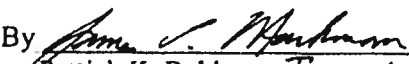
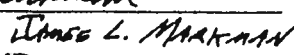
///

4.3 SIGNATORIES Those signing this agreement on behalf of an entity that is not a natural person warrant that they have authority to sign for the entity on whose behalf they sign this Agreement.

4.4 TIME FOR PERFORMANCE Time is of the essence in this Settlement Agreement.

Dated: _____, 2013	PERFORMANCE METER, INC.  By: _____ Arthur T. Henly, Jr. President
Dated: <u>12/11</u> , 2013	BEAUMONT CHERRY VALLEY WATER DISTRICT  By:  Ryan W. W., President

APPROVED AS TO FORM AND CONTENT.

Dated: _____, 2013	Best Best & Krieger LLP  By _____ Franklin C. Adams Attorney for Debtor
Dated: <u>12/11</u> , 2013	Richards Watson Gershon  By  Patrick K. Bobko  Attorney for BCVWD

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
3390 University Avenue, 5th Floor, Riverside, CA 92501

A true and correct copy of the foregoing document entitled: MOTION FOR ORDER APPROVING COMPROMISE OF CONTROVERSY BETWEEN THE DEBTOR AND CREDITOR BEAUMONT CHERRY VALLEY WATER DISTRICT; MEMORANDUM OF MOUNTS AND AUTHORITIES; DECLARATION OF ARTHUR HENDEY, JR. IN SUPPORT THEREOF will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) December 20, 2013, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (date) December 20, 2013, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) December 20, 2013, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

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

12/20/2013  
Date

STEPHANIE RAMOS  
Printed Name

/s/ Stephanie Ramos  
Signature

---

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

December 2012

F 9013-1.2.NO.HEARING.DEC

29421.00001\8419078.1

## SERVICE LIST

In re Performance Meter, Inc.  
6:12-bk-23324-MJ

### No. 1 (NEF)

- Franklin C Adams  
franklin.adams@bbklaw.com,  
arthur.johnston@bbklaw.com;lisa.spencer@bbklaw.com;bknotices@bbklaw.com
- Dennis G Bezanson  
dennis.bezanson@bbklaw.com,  
arthur.johnston@bbklaw.com;lisa.spencer@bbklaw.com
- Abram Feuerstein  
abram.s.feuerstein@usdoj.gov
- Everett L Green  
everett.l.green@usdoj.gov
- Christopher V Hawkins  
Hawkins@sullivanhill.com,  
bkstaff@sullivanhill.com
- Spencer B Kallick  
skallick@rwglaw.com
- Martha E Romero  
Romero@mromerolawfirm.com
- Cathy Ta cathy.ta@bbklaw.com,  
Arthur.Johnston@bbklaw.com;lisa.spencer@bbklaw.com
- United States Trustee (RS)  
ustpregion16.rs.ecf@usdoj.gov
- Daniel H Wu dwu@cbmlaw.com,  
dharrisonwu@yahoo.com

### No. 3 (Personal Delivery)

Hon. Judge Meredith A. Jury  
United States Bankruptcy Court  
Bin Outside RS Courtroom 301

### No. 2 (U. S. Mail)

#### Debtor

#### **Performance Meter, Inc.**

Attn: Arthur Hendey, Jr. President  
PO Box 256  
Banning, CA 92220

#### Attorney for Beaumont Cherry Valley Water District

Patrick K. Bobko  
Richards Watson Gershon  
355 S. Grand Ave., 40th Floor  
Los Angeles, CA 90071-3101

#### Request for Special Notice

Attorney for Citibank, N.A.  
Daniel H. Wu  
Carroll. Burdick & McDonough LLP  
633 West Fifth St., 51st Floor  
Los Angeles, CA 90071

Janet Gillis  
Pioneer Supply  
a Division of Gillis Group, Inc.  
3610 Hampton Court  
Norman, OK 73072

#### Attorney for Creditor Committee

Christopher V. Hawkins  
Sullivan Hill Lewin Rez & Enel  
550 West C Street, Suite 1500  
San Diego, CA 92101

### 20 Largest Unsecured Creditors

#### **Beaumont Cherry Valley Water District**

P.O. Box 2037  
Beaumont, CA 92223

#### **Ningbo Performance Meter**

15/F, Haishu Bldg. 11  
West Zhonghsan Rd.  
Ningbo CHN 315000,

#### **Aisling Industries**

621 East Heil Ave.  
El Centro, CA 92243

**Manuel Topetee**  
5801 Karen Avenue  
Cypress, CA 90630

**Kea Mc Kee**  
PO BOX 226  
Morrow Bay, CA 93443

**Ningbo Water Meter Co. LTD**  
352 Xinh Road  
Ningbo CHN 31500

**State Board Of Equalization**  
Legal Department  
450 N. Street  
Sacramento, CA 92814

**Joseph R Scott, Inc.**  
General Engineering  
P.O. Box 3201  
Banning, CA 92223

**Law Plumbing (Walton)**  
P.O. Box 356  
Yucaipa, CA 92399

**Datamatic LTD**  
3600 K Avenue  
Plano, TX 75074

**Richard M Johnston**  
9891 Juniper Court  
Yucaipa, CA 92399

**XED LIMITED**  
Unit 38 Dixon's Business Centr  
Dixon Road, Brislington  
Bristol BS44 50W UK,

**City Of Desoto Texas**  
211 E. Pleasant Run Rd.  
Desoto, TX 75115

**City of Laurel**  
ATTN: City Clerk  
P.O. Box 647  
Laurel, MS 39441

**Jeff McKee**  
PO Box 226  
Morrow Bay, CA 93443

**State Of California**  
Employment Development Department  
P.O. Box 826880  
Sacramento, CA 94280

**State Fund**  
P.O. Box 997432  
Sacramento, CA 95899

**Buddy Bar Casting Corp**  
PO BOX 2667  
Downey, CA 90242

**Scott, Sullivan Streetman & Fox**  
725 Avignor Drive  
Ridgeland, MS 39157

**City of Corrine**  
PM Settlement  
P.O. Box 18  
Corinne, UT 84307





**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
January 8<sup>th</sup>, 2014**

**DATE:** January 2, 2014

**TO:** Board of Directors

**FROM:** Eric Fraser, General Manager

**SUBJECT:** Consideration of Resolution 2014-01: A Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District establishing the District's Investment Policy

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**Recommendation**

It is recommended the Board of Directors consider and approve the attached Investment Policy and Resolution as presented.

**Background**

In order to best safeguard cash on hand, the District must develop and implement an Investment Policy. State law requires that an investment policy and any material changes in the policy be approved by the Board of Directors annually at a public meeting. Section 53606 of the State of California Government Code limits the authorization of the legislative body to delegate investment authority to a one-year period, renewable annually.

The current investment policy was approved on January 9<sup>th</sup>, 2013 by Resolution 2013-01. There are no revisions being made to the policy as it continues to be in compliance with all applicable sections of the Government Code.

The primary objectives, in priority order, of investment activities shall be safety, liquidity and return.

**Safety:** It is the primary duty and responsibility of the General Manager to protect, preserve and maintain cash and investments of the District. **Liquidity:** Investments should be maintained in liquid short-term securities which can be converted to cash if necessary to meet disbursement requirements. **Return:** Should become a consideration only after the basic requirements of safety and liquidity are met.

**Fiscal Impact**

There is no fiscal impact at this time. The attached policy is in full compliance with all applicable government codes.



## Beaumont-Cherry Valley Water District Policy and Procedure Manual

PPM NUMBER	TITLE	ISSUE DATE	REVISION DATE
III-9	INVESTMENT POLICY	April 28, 2011	December 20, 2012

### PURPOSE

This Investment Policy is set forth by Beaumont-Cherry Valley Water District (hereinafter referred to as "District") for the following purposes:

- To establish a clear understanding for the governing Board, management, responsible employees, citizens and third parties of the objectives, policies and guidelines for the investment of the District's idle and surplus funds;
- To offer guidance to investment staff and any external investment advisers on the investment of District funds; and
- To establish a basis for evaluating investment results.

The District establishes investment policies that meet its current investment goals. The District shall review this policy annually and may change its policies as its investment objectives change.

### SCOPE

This investment policy applies to all financial assets and investment activities of the District with the following exceptions:

- The Deferred Compensation Plan is excluded because it is managed by a third party administrator and invested by individual plan participants; and
- Proceeds of debt issuance shall be invested in accordance with the general investment philosophy of the District as set forth in this policy; however, such proceeds are invested in accordance with permitted investment provisions of their specific bond indentures.

### DELEGATION OF AUTHORITY

Section 53600 et seq. of the Government Code provides legal authorization for the investment or deposit of funds of local agencies. All investments of Beaumont-Cherry Valley Water District shall conform to the restrictions of those laws. In addition, further requirements shall be established taking into consideration prudent investment standards.

Management responsibility for the investment program is hereby delegated to the General Manager, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, PSA repurchase agreements, wire transfer agreements, collateral/depository agreements and banking services contracts, as appropriate. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the General Manager. The General Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provision of California



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Government Code 53600.3, the General Manager is a trustee and a fiduciary subject to the prudent investor standard.

The District may engage the services of an external investment manager to assist in the management of the District's investment portfolio in a manner consistent with the District's objectives. Such external manager may be granted discretion to purchase and sell investment securities in accordance with this Investment Policy. Such manager must be registered under the Investment Advisers Act of 1940.

### PRUDENT INVESTOR STANDARD

The Prudent Investor Standard shall be used by investment officials, and shall be applied in the context of managing an overall portfolio. Investment staff acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported within 30 days and appropriate action is taken to control adverse developments.

The **Prudent Investor Standard**: When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, a trustee is authorized to acquire investments as authorized by law.

### ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

### OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity and return.

#### SAFETY

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

#### LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands



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cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

### RETURN

The investment portfolio shall be designed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account the District's investment risk constraints, the cash flow characteristics of the portfolio and state law.

### AUTHORIZED AND SUITABLE INVESTMENTS

The Beaumont-Cherry Valley Water District is empowered by California Government Code 53601 et seq. to invest in the following:

- A. Bonds issued by the Beaumont-Cherry Valley Water District.
- B. United States Treasury Bills, Notes & Bonds.
- C. Registered state warrants or treasury notes or bonds issued by the State of California.
- D. Bonds, notes, warrants or other evidence of debt issued by a local agency within the State of California, including pooled investment accounts sponsored by the State of California, County Treasurers, other local agencies or Joint Powers Agencies.
- E. Obligations issued by Agencies or Instrumentality of the U.S. Government
- F. Bankers Acceptances with a term not to exceed 270 days. Not more than 40% of surplus funds can be invested in Bankers Acceptances and no more than 30% of surplus funds can be invested in the Bankers Acceptances of any single commercial bank.
- G. Prime Commercial Paper of U.S. Corporations with assets greater than \$500 million with a term not to exceed 180 days and the highest ranking issued by Moody's Investors Service or Standard & Poor's Corp. Commercial Paper cannot exceed 15% of total surplus funds, provided that if the average maturity of all Commercial Paper does not exceed 31 days, up to 30% of surplus funds can be invested in Commercial Paper.
- H. Negotiable Certificates of Deposit issued by Federal or State Chartered banks or associations. Not more than 30% of surplus funds can be invested in certificates of deposit.
- I. Repurchase/Reverse Repurchase Agreements of any securities authorized by this Section. Securities purchased under these agreements shall be no less than 102% of market value (See special limits in CGC 53601.i)



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J. Medium term notes (not to exceed 5 years) of U.S. corporations rated "A" or better by Moody's or S&P. Not more than 30% of surplus funds can be invested in medium term notes.

K. Shares of beneficial interest issued by diversified management companies (Money Market Mutual funds) investing in the securities and obligations authorized by this Section. Such Funds must carry the highest rating of at least two of the three largest national rating agencies. Not more than 15% of surplus funds can be invested in Money Market Mutual Funds.

L. Funds held under the terms of a Trust Indenture or other contract or agreement may be invested according to the provisions of those indentures or agreements.

M. Collateralized bank deposits with a perfected security interest in accordance with the Uniform Commercial Code (VCC) or applicable federal security regulations.

N. Any mortgage pass-through security, collateralized mortgage obligation, mortgage backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond of a maximum maturity of five years. Securities in this category must be rated AA or better by a nationally recognized rating service. Not more than 30% of surplus funds may be invested in this category of securities.

O. Any other investment security authorized under the provision of CGC 5921 and 53601.

Also, see CGC 53601 for detailed summary of the limitations and special conditions that apply to each of the above listed investment securities.

### COLLATERALIZATION

All certificates of deposits must be collateralized by U.S. Treasury Obligations. Collateral must be held by a third party trustee and valued on a monthly basis. The percentage of collateralization on repurchase and reverse repurchase agreements will adhere to the amount required under CGC 53601(iX2).

### PROHIBITED INVESTMENT VEHICLES AND PRACTICES

State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds (other than government money market funds), unregulated and/or unrated investment pools or trusts, and futures and options.

In accordance with Government Code Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.

Investment in any other security that could result in a zero interest accrual if held to maturity is prohibited.

Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.



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Purchasing or selling securities on margin is prohibited.

The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.

The District pursues prudent active management strategies in order to enhance return and reduce risk as market conditions change over time.

### MITIGATING CREDIT RISK IN THE PORTFOLIO

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The District shall mitigate credit risk by adopting the following strategies:

No more than 5% of the total portfolio may be invested in securities of any single bank, bank holding company, or other non-governmental issuer.

The District may elect to sell a security prior to its maturity and record a capital gain or loss in order to improve the quality, liquidity or yield of the portfolio in response to market conditions or the District's risk preferences.

If securities owned by the District are downgraded by either Moody's or S&P to a level below the quality required by this Investment Policy, it shall be the District's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio. If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported quarterly to the governing Board.

The diversification requirements described herein, and in the Table on Page 6 are designed to mitigate credit risk in the portfolio.

### MITIGATING MARKET RISK IN THE PORTFOLIO

Market risk is the risk that the portfolio will decline in value (or will not optimize its value) due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District shall mitigate market risk by providing adequate liquidity for short-term cash needs, and by marking some longer-term investments only with funds that are not needed for current cash flow purposes. The District further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and mitigate its exposure to market risk.

The Board of Directors has approved the purchase of securities with maturities in excess of five years for the Operating Reserve portfolio. Purchases of such securities shall not exceed 30 percent of surplus funds unless prior approval is given by the Board of Directors.



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The maximum stated final maturity of individual securities in the portfolio shall be thirty (30) years, as defined more specifically in this policy;

The duration of each portfolio shall typically be equal to the duration of its market benchmark, plus or minus 10%.

### REPORTING

- a. **Monthly.** The Director of Finance-Treasurer and/or Investment officer shall prepare a monthly investment report for review and approval by the governing Board, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner, which will allow the governing Board to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include the following.
  1. Listing of individual securities held at the end of the reporting period;
  2. Cost and market value of all securities, including realized and unrealized market value gains or losses in accordance with GASB requirements;
  3. Average weighted yield to maturity of portfolio;
  4. Listing of investment by maturity date;
  5. Percentage of the total portfolio, which each type of investment represents;
  2. Statement of compliance with Investment Policy, including an explanation of any compliance exceptions (CGC Section 53646); and
  2. Certification of sufficient liquidity to meet budgeted expenditures over the ensuing six months (CGC Section 53646).
- b. **Quarterly.** On a quarterly basis, the District's investment adviser shall report the total rate of return on each of the District's portfolios to the governing Board.
- c. **Annually.** On an annual basis, the Director of Finance-Treasurer shall present the Investment Policy, together with any proposed amendments, to the Governing Body for its consideration.

As specified in CGC 53646(e), if funds are placed in LAIF, FDIC insured accounts and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the Beaumont Cherry Valley Water District will meet its expenditure obligations for the next six months as required by CGC 53646(b)(2) and (3) respectively. The General Manager shall maintain a complete and timely record of all investment transactions.

### INVESTMENT LIMITATIONS

SUMMARY OF INVESTMENT LIMITATIONS					
Type of Security	% Limit Per Issuer	% Limit Per Type Security	of	Minimu m Quality	Maturity Limit





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U.S. Treasuries	n/a	100%	n/a	30 years
Federal Agencies:		100%	n/a	30 years
GNMA	50			
Farm Credit	30			
FHLB	30			
FHLMC	30			
FNMA	30			
FDIC - Guaranteed	30			
TVA	30			
Other Agencies	30% each			
<i>State of California, LAIF</i>		Allowable Maximum		
California State and Local Agencies obligations	5%*	Allowable Maximum 20%	A/A	30 years
Bankers' Acceptances	5	40	AI/P1	180 days
Commercial Paper	5	25	AI /P1	270 days
Negotiable Certificates of Deposits	5	30	AI /P1	5 years
Corporate Medium Term Notes	5	30	A/A	5 years
Time Certificates of Deposit	5	40	AI /P1	5 years
Government Money Market Mutual Funds (Shares of beneficial interest in money market funds)	5	20	AAA	5 years
Repurchase Agreements	5	10	n/a	1 year
Collateralized Mortgage Obligations (CMOs) and Mortgage-Backed Securities (MBS)	5	20% combined CMOs, MBS' and ABS'	AAA	5 years
Asset-Backed Securities (ABS)	5		AAA	5 years



**RESOLUTION 2014-01**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT  
ACKNOWLEDGING THE REVIEW, RECEIPT AND ACCEPTANCE OF THE  
DISTRICT'S INVESTMENT POLICY**

**WHEREAS**, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern (California Government Code sections 53600.6 and 53630.1); and

**WHEREAS**, the legislative body of a local agency may invest surplus monies not required by the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5920 et seq. and 53601 et seq., and

**WHEREAS**, the General Manager of the Beaumont-Cherry Valley Water District shall annually prepare and submit a statement of investment policy and such policy shall be considered by the Board of Directors at a public meeting (California Government Code 53646(a)), and

**WHEREAS**, the last investment policy was last reviewed and approved by Resolution 2013-01 on January 9<sup>th</sup>, 2013, and

**WHEREAS**, the Board of Director declares the Investment Policy approved and adopted as attached.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Beaumont-Cherry Valley Water District accepts by this Resolution the District's Investment Policy.

**ADOPTED**, This 8th day of January, 2014

ATTEST:

\_\_\_\_\_  
Ryan Woll, President of the  
Board of Directors of the  
Beaumont-Cherry Valley Water District

\_\_\_\_\_  
Daniel Slawson, Secretary to the  
Board of Directors of the  
Beaumont-Cherry Valley Water District



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
January 8<sup>th</sup>, 2014**

**DATE:** December 23<sup>rd</sup>, 2013

**TO:** Board of Directors

**FROM:** Eric Fraser, General Manager

**SUBJECT:** Consideration of the Beaumont-Cherry Valley Water District Identity Theft Prevention Policy

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**Recommendation**

It is recommended the Board of Directors consider and approve the attached Identity Theft Prevention Policy.

**Background**

Recently Assembly Bill No. 1149 (AB1149) and Senate Bill 46 (SB46) were signed into law extending the requirements of the State's information privacy breach notice law to local public agencies and expanding the scope of personal information that prompts a disclosure of a security breach.

California's security breach notification law requires state agencies and businesses to notify residents when the security of their personal information has been breached. The disclosure must be made as quickly as possible and without unreasonable delay. Previous law did not place similar disclosure requirements on local public agencies.

AB 1149, however, expands this disclosure requirement to apply to a breach of computerized data that is owned, licensed, or maintained by any county, city, school district, municipal corporation, special district or other local public agency. Further, SB 46 expands the scope of personal information subject to security breach disclosure requirements to include a user name or e-mail address, in combination with a password or security question and answer that permits access to an online account. Both laws took effect on January 1st.

Local public agencies will now need to establish a protocol in order to timely respond in the event of a data breach.

**Fiscal Impact**

There is no fiscal impact at this time. The attached policy is in full compliance with all applicable government codes.



	TITLE	ISSUE DATE	
	IDENTITY THEFT POLICY	January 8, 2014	

This Identity Theft Policy is set forth by Beaumont-Cherry Valley Water District (hereinafter referred to as "District") in order to comply with Assembly Bill No. 1149 and Senate Bill 46 regulations that require local public agencies to implement written programs that provide for detection of and response to activities that could be related to identity theft.

### Relevant Red Flags

Red flags are defined as warning signs or activities that alert a creditor to potential identity theft. Red flags fall into the five categories listed below:

1. Alerts, notifications, or other warnings received from consumer reporting agencies or service providers
2. Presentation of suspicious documents
3. Presentation of suspicious personal identifying information
4. Unusual use of, or other suspicious activity related to a covered account
5. Notice from customers, victims of identity theft, or law enforcement authorities regarding possible identity theft in connection with customer accounts

### Identification of Applicable Red Flags

The following red flags are applicable to customer accounts, with appropriate responses being the focus of this policy.

1. Suspicious Documents and Activities
  - a. Documents provided for identification appear to have been altered or forged
  - b. The photograph on the identification (if requested) is not consistent with the physical appearance of the customer
  - c. Other information on the identification is not consistent with information provided by the customer
  - d. The customer does not provide required identification documents when attempting to establish a utility account or make a payment
  - e. A customer refuses to provide proof of identity when discussing an established utility account
  - f. A person other than the account holder or co-applicant requests information or asks to make changes to an established utility account
  - g. An employee requests access to customer utility account information, and the request is inconsistent with the District's rules and regulations
2. A customer notifies the District of any of the following activities:
  - a. Utility statements are not being received



	TITLE	ISSUE DATE	
	IDENTITY THEFT POLICY	January 8, 2014	

- b. Unauthorized changes to a utility account
- c. Unauthorized charges on a utility account
- d. Fraudulent activity on the customer's bank account or credit card that is used to pay utility charges

### Detecting and Responding to Red Flags

Red flags may be detected as District employees interact with customers and financial institutions. An employee will be alerted to these red flags during the processes outlined below.

1. Reviewing customer identification in order to establish an account, process a payment, or enroll a customer in a direct payment plan: The Customer Service Representative (CSR) may be presented with documents that appear altered or inconsistent with the information provided by the customer.

Response: Do not establish the utility account or accept payment until the customer's identity has been confirmed.

2. Answering customer inquiries on the phone, via email, and at the counter: Someone other than the account holder or co-applicant may ask for information about a utility account (including Online Bill Pay and District automatic payment plans) or may ask to make changes to the information on the account. A customer may also refuse to verify their identity when asking about an account.

Response: Inform the customer that the account holder or the co-applicant must give permission for anyone to receive information about the utility account. Do not make changes to or provide any information about the account. Exception: if the account has been turned off for non-payment, the CSR may provide the payment amount required to reconnect service.

3. Requests for or access to customer information from District employees: An employee requests customer information that is inconsistent with the requirements of their job responsibilities.

Response: All access to or requests for customer information by employees must be approved as required for completion of their job responsibilities. All other customer information will be disseminated on a "need to know basis" subsequent to review and approval obtained from the appropriate Manager.

4. Receiving notification that there is unauthorized activity associated with a utility account: Customers may call to alert the District about suspected fraudulent activity related to their utility account and/or the bank account or credit card used to make payments on their account.

Response: Verify the customer's identity, and relevant information. Notify the General Manager, Director of Finance and Administrative Services, or designee, immediately. Take appropriate actions to correct any errors on the account, which may include:

- a. Issuing a service order to connect or disconnect service



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Policy and Procedure Manual

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- b. Assisting the customer with modification or deactivation of information relating to their specific payment method
- c. Updating personal information and/or mailing address on the account
- d. Documenting the fraudulent activity in the comments of the account
- e. Notifying and working with law enforcement officials
- f. Contacting the appropriate credit card/banking provider and complying with applicable notification requirements

5. Receiving notification that a utilities account has been established for a person engaged in identity theft.

Response: Notify the General Manager, Director of Finance and Administrative Services, or designee immediately. Investigate claim and take action to resolve the issue, including discontinuing service if appropriate, and advising law enforcement as required.

6. Theft of customer information from the District offices or computer systems.

Response: Notify the General Manager, Director of Finance and Administrative Services, or designee immediately. Work with law enforcement and appropriate credit card or banking institutions affected to ensure compliance with all relevant legal and reporting requirements.

### Administration and Oversight

A. The District's General Manager, or his or her designee, shall implement and administer this policy. The General Manager shall provide periodic reports to the Board of Directors on the effectiveness thereof, and shall ensure that all necessary District employees are properly trained to implement the Program.

B. The General Manager shall annually review this policy with appropriate District staff to determine if any revisions are needed. That review may include changes in identity theft methods and changes in methods to detect, prevent, and mitigate identity theft. The General Manager is authorized and directed to make any changes that are found to be necessary; provided that such changes must be reported to the Board of Directors at the first regular meeting after the change is made.

Additionally, this policy may be updated based on the following events:

1. Experience with identity theft
2. Changes to the types of accounts and/or programs offered
3. Implementation of new systems and/or new vendor contracts



	TITLE	ISSUE DATE	
	IDENTITY THEFT POLICY	January 8, 2014	

- C. The District will work with service providers that receive and process utility billing information to incorporate identity theft protection methodologies.
- D. The District will continue investigating ways to safeguard customer information.



**Beaumont Cherry Valley Water District  
Regular Board Meeting  
January 8, 2014**

**DATE:** December 30, 2013

**TO:** Board of Directors

**FROM:** Eric Fraser, General Manager

**SUBJECT:** Consideration of Request for Water Service for 695 E. 6th Street  
O'Reilly Automotive Stores, Inc.  
(APN 418-103-001/418-103-002/418-103-003)

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**Recommendation:**

Approve domestic water service and fire service which will be required for a proposed O'Reilly Automotive Store to be located at 695 E. 6<sup>th</sup> Street, Beaumont California.

The Applicant will be subject to payment of all District fees and securing all approvals from the District and the City of Beaumont.

**Background:**

The Applicant, O'Reilly Automotive, Inc. submitted a Will Serve Request on December 17, 2013 requesting water service for a proposed 7,927 square foot commercial building (Automotive Parts Store). The proposed O'Reilly Automotive Store location is on 6<sup>th</sup> Street between Maple Street and Orange Street and is proposed to redevelop the easterly parcels of the old Bowie Motors, Inc. business site which was previously served by the District. See the attached O'Reilly Automotive Will Serve Request Form and Onsite Utility Plan, and Water Improvement Plans for specific project information).

The requested service includes: a 1" domestic (potable) water service; a new fire hydrant on Maple Street; and a 6" fire service. The Applicant will need to secure the final project approvals from the District and City of Beaumont prior to construction.

The impact of this development on the District's water supply system is minimal. Based upon existing information for similar automotive parts stores within the District Service Area the expected water use of this facility is equal to or less than 1 Equivalent Dwelling Unit (580 gallons per day) for the domestic water service.

Installation of a new water main extension within Maple Street along the property frontage will be required to provide service for the proposed fire hydrant and fire service. The applicant has indicated a fire flow requirement of 1,500 gallons per minute with a 20 psi minimum residual will be required. District Staff anticipates that fire flow requirements can be met from the existing system and the new water main extension based upon review of modeling prepared by the District for this development.

The District has a 12" potable water pipeline located within 6th Street along the north property frontage.

**Conditions:**

Prior to final project development the following conditions must be met:

1. The Applicant shall enter into a water facilities extension agreement and pay all fees associated with the domestic water services. The Applicant shall also pay all fees related to new fire service facilities including any facilities improvements that may be necessary to meet the fire flow requirements.
2. To minimize the use of potable water, the District requires the applicant conform to the City of Beaumont Landscaping Ordinances and Zoning Requirements and/or County of Riverside Landscaping Ordinances (as applicable) which pertains to water efficient landscape requirements and the following:
  - a. Landscaped areas which have turf, shall have "smart irrigation controllers" which use Evapotranspiration (ET) data to automatically control the watering. Systems shall have an automatic rain sensor to prevent watering during and shortly after rainfall and automatically determine watering schedule based on weather conditions, and not require seasonal monitoring changes. Orchard areas, if any, shall have drip irrigation
  - b. Landscaping in non-turf areas should be drought tolerant consisting of planting materials. Irrigation systems for these areas should be drip or bubbler type.
3. The Applicant shall prepare plans in accordance with Districts Standards showing all required domestic water system improvements. Said plans shall be approved by the District prior to construction.
4. The Applicant shall conform to all District requirements and all City of Beaumont requirements.

**Fiscal Impact:**

There will be no fiscal impact to the District as all fees and deposits will be paid for by the Applicant.

Prepared by Daniel K. Jagers, Director of Engineering





# BEAUMONT CHERRY VALLEY WATER DISTRICT

560 Magnolia Avenue • PO Box 2037

Beaumont, CA 92223-2258

Phone (951) 845-9581

www.bcvwd.org

☒ **Will Serve Request**    ☐ **Water Supply Assessment (SB210)**

<b>Applicant Name:</b> Karen Daniel : O'Reilly Automotive Stores, Inc.		<b>Contact Phone #</b> (417) 829-5877
<b>Mailing Address:</b> P.O. Box 1156		<b>Fax #:</b> (417) 874-7112
<b>City:</b> Springfield		<b>E-mail:</b> kdaniel@oreillyauto.com
<b>State &amp; Zip:</b> MO 65801		
<b>Service Address:</b> 695 E. 6th Street		
<b>Assessor's Parcel Number (APN), Tract Map No. Parcel Map No.:</b> 418-103-001 / 418-103-002 / 418-103-003		
<b>Project Type:</b> <input type="checkbox"/> Single-Family <input type="checkbox"/> Multi-Family <input checked="" type="checkbox"/> Commercial/Industrial <input type="checkbox"/> Minor Subdivision (5 lots or less) <input type="checkbox"/> Major subdivision (8+ lots) <input type="checkbox"/> Other		
<b>Site Map Attached:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

The letter should be delivered to:

<b>Recipient:</b> Karen Daniel : O'Reilly Automotive Stores, Inc. P.O. Box 1156 Springfield, MO 65801
<b>PLEASE CHOOSE ONE:</b> <input checked="" type="checkbox"/> <b>Mail (above address)</b> <input checked="" type="checkbox"/> <b>E-mail</b> <input type="checkbox"/> <b>Fax</b> <input type="checkbox"/> <b>Will pick up</b>

The District reserves the right to impose terms and conditions in Will Serve Letters and/or Water Supply Assessment Reports that take into account water availability issues, conservation issues and the District's existing facilities, all of which impact the District's ability to provide service to the subject property and maintain the District's ability to meet existing water demands.

Karen Daniel, Utility Coordinator  
Applicant's Signature

12-17-13

Date



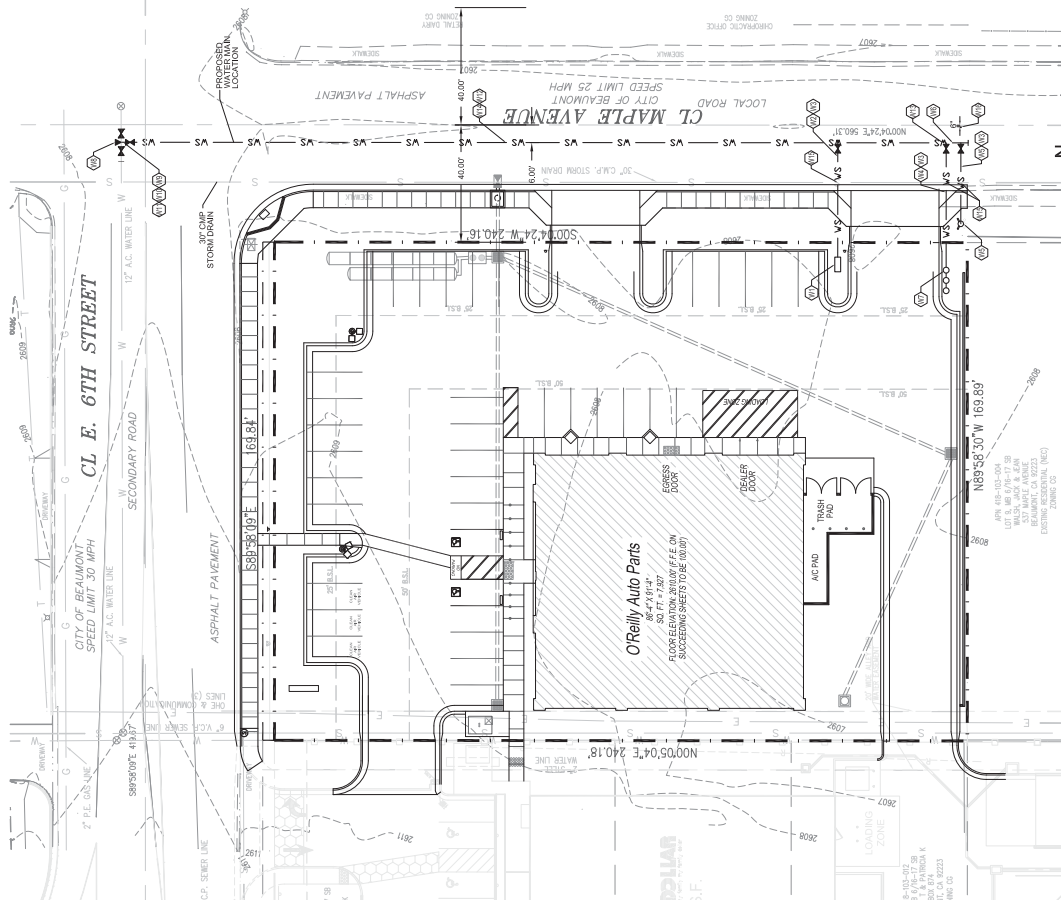




1. ALL WORK SHOWN ON THESE PLANS SHALL BE PERFORMED IN ACCORDANCE WITH THE "DISTRICT STANDARDS FOR THE FURNISHING OF MATERIALS AND THE CONSTRUCTION OF WATER AND RECYCLED WATER FACILITIES", LATEST REVISION, AND THE ADOPTED ADDENDUMS THERETO.
2. WORK SHALL BE PERFORMED BY A CONTRACTOR LICENSED IN THE STATE OF CALIFORNIA, EXPERIENCED IN WATER UTILITY CONSTRUCTION.

- [illegible]

THE PRIVATE ENGINEER SIGNING THESE PLANS IS RESPONSIBLE FOR ASSURING THE ACCURACY AND ACCEPTABILITY OF THE DESIGN HEREON. IN THE EVENT OF DISCREPANCIES ARISING AFTER COUNTY APPROVAL OR DURING CONSTRUCTION, THE PRIVATE ENGINEER SHALL BE RESPONSIBLE FOR DETERMINING AN ACCEPTABLE SOLUTION AND REVISING THE PLANS FOR APPROVED BY THE



100 INSTALL 7" METAL BOX AND METERS PER BEAUMONT CHERRY VALLEY WATER DISTRICT PLATE 2, SEE SHEET 3.

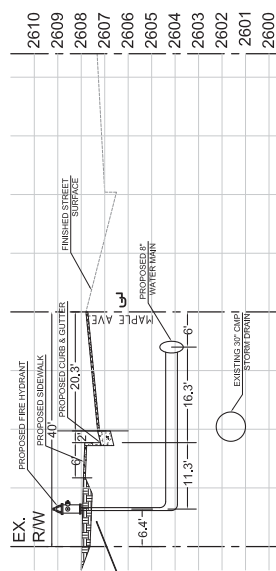
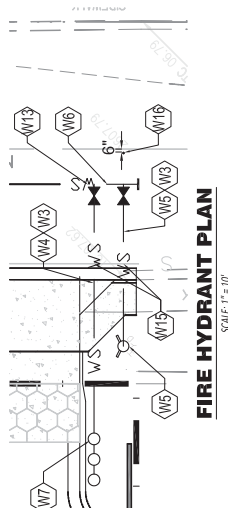
100 INSTALL 7" DOMESTIC WATER SERVICE LINE PER BEAUMONT CHERRY VALLEY WATER DISTRICT PLATE 6-2, 6-4, AND 7, SEE SHEET 3.

100 STREET TRENCH AND REPAIR PER BEAUMONT CHERRY VALLEY WATER DISTRICT PLATE 6-2 AND CITY OF BEAUMONT DEPT. OF PUBLIC

100 INSTALL 6" FIBER OPTIC SERVICE

- [illegible]

- HYDROSTATIC TEST: 225 PSI, AND SHALL MAINTAIN THE PRESSURE WITHOUT LOSS FOR 2 HOURS.
- STEEL CHANNELIZED PIRE SHALL NOT BE USED FOR THE FIRE DEPARTMENT CONNECTION. INSTALL DUCTILE IRON.
- DEPTH OF COVERAGE FOR PIRE UNDER DRIVEWAYS SHALL BE BURED A MINIMUM OF 3 FEET.
- CONTRACTOR TO CALL CITY OF BEAUMONT FIRE DEPARTMENT FOR A FIRE-THRUST BLOCK FOUR FIRE INSPECTION.
- ALL JOINTS SHALL BE WRAPPED IN GLASS AND TAPED WITH 10-MILLIMETER TAPE.
- RODS, NUTS, BOLTS, WASHERS, AND CLAMPS SHALL BE GALVANIZED OR OTHERWISE TREATED TO PREVENT ANY OTHER ACCEPTABLE CORROSION-RETARDING MATERIAL.
- THE UNDERGROUND FIRE LINE SHALL BE THOROUGHLY FLUSHED BEFORE HOODING UP TO THE FIRE DEPARTMENT.



SCALE H: 1" = 10'  
V: 1" = 2.5'

		DIGITAL TOLL FREE (800) 227-2600 Leave Two Working Days Before You Dig		UNIFORMED SERVICES ALLEY OF SOUTHERN CALIFORNIA	
BASIS OF BEARINGS: THE GENERATOR OF 4TH STREET MARKED N89S00W AS SHOWN ON MAP RECORDED IN BOOK 100, PAGE 10, OF THE RECORDS OF THE COUNTY OF CALIFORNIA, STATE OF CALIFORNIA.		BENCHMARK: CITY OF BEAUMONT DESCRIPTION: 4TH STREET MARKED "CITY B.M.", LOCATED AT THE N.E. CORNER 6TH STREET AND BEAUMONT CORNER INTERSECTION, 2 FT. NLY OF B.C.R.		ELEVATION: 2609.008 (1982)	
MO ANDERSON ENGINEERING INC. 15000 WILSON AVENUE, SUITE 200 BEAUMONT, CALIFORNIA 91705 (909) 833-1111		BEAUMONT CHERRY VALLEY WATER DISTRICT Riverside County, California		CITY OF BEAUMONT, CALIFORNIA WATER IMPROVEMENT PLANS WATER/RECYCLED WATER PLAN	
SHEET 2 OF 3 SHEETS		DATE: 12/19/13 APPROVED BY: DANIEL J. JAGGERS DIRECTOR OF WATER		FOR: DANIEL JAGGERS	







**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
January 8<sup>th</sup>, 2014**

**DATE:** December 23<sup>rd</sup>, 2013

**TO:** Board of Directors

**FROM:** Eric Fraser, General Manager

**SUBJECT:** Consideration of Authorization of General Manager to Execute an Agreement with Infosend for Print & Mail Services for District Water Bills

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**Recommendation**

It is recommended the Board of Directors authorize the General Manager to execute an agreement with InfoSend for print and mail services for the charges and fees proposed in an amount not to exceed \$15,000 (excluding postage) annually based on the Request for Proposals (RFP) issued by the City of Healdsburg.

**Background**

The District generates approximately 112,500 pieces of mail annually or approximately 9,375 regular and past due notices monthly. This number excludes diverted mail which are mailed separately to any BCVWD customer that receives 2 or more bills from the District. Currently, District staff is responsible for processing the mail through a software address verification program, printing the bills, running them through a folder/insert machine, sorting them by the appropriate postal code and hand delivering the mail to the post office. The District presently leases the software and folder/insert machine from Hasler Financial Services, LLC. Hasler Financial Services, LLC has installed a new software program which has resulted in several problems for the District; as a result the District has not begun to pay for this software which is \$9,000 to purchase or \$10,065.60 (\$419.40/24 months) to lease.

Staff has identified several deficiencies with the current process that result in significant, unnecessary expenditure of resources. Some of the concerns identified include:

- New software program imports 1 piece of mail per second versus old software program which imported 8-9 pieces per second causing District staff to wait a minimum of 6 hours to even begin printing bills;
- The folder/insert machine regularly breaks down resulting in down-time as the District waits for repair staff. Most months staff work late in order to get the bills out in a timely manner and have on occasion hand stuffed bills;
- Inconsistencies with the way diverted mail is processed through the new software;
- Costly toner for the printing machine which needs to be constantly replaced; and





- Problems with the acceptance of the mail at the local United States Postal Service office.

Based on the issues with the current process, staff researched alternatives in order to improve customer billing timelines, operate more effectively and reduce costs associated with the mailing process.

Several other agencies including the Cities of Antioch, Healdsburg and Soledad have performed requests for proposals and thoroughly evaluated printing and mailing solutions that meet similar needs. Staff evaluated the RFP's and concur with the findings that InfoSend would provide an acceptable solution. Staff contacted several current users of InfoSend including Yucaipa Valley Water District and found that there was a high level of customer satisfaction with the services.

Staff then participated in a tour of the InfoSend facility to observe a live demonstration of the print and mail processes. Staff found the facility had several internal controls which included locked facilities, separate areas for each function, a quality control group in addition to the controls built into each process and the ability to follow a bill from start to finish as it moves through the InfoSend facility.

InfoSend was able to offer best and final pricing at .125 per piece (excluding postage) or approximately \$14,062 annually based on the District's 2013 mailing volume. The fees will be a fixed per item cost and will only fluctuate based on the number of items generated each month. The District will continue to receive the bulk mail permit rate which will be paid in addition to the contract cost. Staff performed an analysis of the cost in-house versus InfoSend to determine the most cost effective method.

<b>BCVWD versus InfoSend</b>				
	<b>BCVWD</b>	<b>InfoSend</b>	<b>Savings</b>	
Postage	\$ 55,124	\$ 55,124	\$	-
Paper/ink/envelopes	\$ 33,507	\$ 14,062	\$	19,444
District Staff	\$ 18,043	\$ -	\$	18,043
Equip. Lease	\$ 17,496	\$ -	\$	17,496
<b>Total 12,498 pieces</b>	<b><u>\$ 124,170</u></b>	<b><u>\$ 69,186</u></b>	<b><u>\$</u></b>	<b><u>54,984</u></b>

This analysis excludes the lease of a small mailing machine that would still be needed to send miscellaneous mail from the District. Hasler Financial Services, LLC has quoted a lease price not to exceed \$300 per month; however, District staff is currently soliciting quotes from other vendors and will go with the lowest priced vendor.

Based on the analysis of the service conducted by others and the demonstration provided by InfoSend, staff concludes that a piggy-back approach using the City of Antioch RFP is in the best interest of the District and recommends the print and mail solution offered by InfoSend. BCVWD will still generate the original and past due bills but a secure electronic file will be sent to InfoSend to be printed and mailed directly from their facility.

Staff recommends the District enter into a contract with InfoSend for a term of three years with the option to extend for another two year period upon a satisfactory review of performance. If approved, the District is hoping to have the process fully implemented within 120 days. The transition to InfoSend should be seamless for the District customers.





### **Fiscal Impact**

Total cost for the printing and mailing service is not expected to exceed \$15,000 annually excluding postage and funds have already been allocated for printing and mailing in the 2014 budget. Annual cost savings are expected to be \$54,984.



Agenda Item No: 8D  
City Council Meeting Date: May 6, 2013

Prepared By:

Katherine Ahlborn  
Katherine Ahlborn, Utility Billing Supervisor

Reviewed By:

Jane Hayes  
Jane Hayes, Administrative Services Director

Approved by:

Margie Pettus  
Margie Pettus, City Manager

## REQUEST FOR CITY COUNCIL ACTION

**SUBJECT:** PROFESSIONAL SERVICES AGREEMENT WITH INFOSEND FOR UTILITY BILL PRINT AND MAIL SERVICES, ELECTRONIC BILL PRESENTMENT, AND ON-LINE BILL PAYMENT PROCESSING

### RECOMMENDED ACTION(S):

1. Adopt resolution approving a Professional Services Agreement between the City and InfoSend, Inc. for the print and mail services, electronic bill presentment, and on-line bill payment of monthly utility bills for a total contract price not to exceed \$220,000 for a period covering 62 months:
2. Authorizing the City Manager to execute said agreement.

### BACKGROUND:

On October 4, 2010 Council adopted a resolution approving a professional service agreement with InfoSend, Inc. for printing and mailing of utility bills and reminder notices. The City's prior practice was to process, print and mail the utility bills in-house. The outsourcing of these services resulted in an approximate saving of \$57,600 per year. The agreement was for a one year period not to exceed \$75,000. Extensions were approved on February 13, 2012, again on November 5, 2012 and on January 16, 2013 for a revised contract end date of March 31, 2013, at which point the original contract amount was estimated to be fully liquidated. An additional amendment to extend the agreement and provide additional funds to cover processing charges for the period between the previous agreement and this proposed agreement is included on the consent calendar this evening.

Staff reviewed other service options currently available which are cost effective and would enhance customer service. Common services currently being offered by other utility providers include electronic bill presentment, on-line bill payment, and additional reoccurring and one-time payment options.

On March 26, 2013 staff issued a Request for Proposal (RFP) for utility bill print and mail, electronic bill presentment and on-line bill payment services. The RFP was sent to three qualified firms (who were selected based on the results of a staff survey of California utility service providers) and posted on the City website.

### DISCUSSION:

Six firms responded to the request for proposal by the deadline. Staff has reviewed the proposals and determined that InfoSend Inc. rated highest based on their qualifications, understanding of the project, and cost. In addition, 80% of the respondents to the survey mentioned above are currently utilizing InfoSend for some or all of these services, and no negative comments about the services they provide were received from any of the responding agencies. Lastly, the City has already successfully implemented outsourced utility bill printing and mailing with InfoSend. Staff is recommending the approval of a new agreement with InfoSend for those services and additional electronic bill presentment and on-line bill payment services.

**FISCAL IMPACT:** The City's obligation to pay shall be as follows:

Period 1 – a fourteen (14) month period beginning upon execution of this agreement through June 30, 2014 in an amount not to exceed \$50,000.

Periods 2 through 5 – the subsequent four (4) one (1) year periods ending June 30, 2015, 2016, 2017 & 2018 respectively, each in an amount not to exceed \$42,500. The total amount under this Agreement shall not exceed \$220,000, unless this Agreement is first modified in accordance with its terms.

Periods 5 through 10 – optional additional five (5) one (1) year periods ending June 30, 2019, 2020, 2021, 2022 & 2023 respectively, each in an amount not to exceed \$42,500

To date, invoices have been charged to the General Fund, with charges associated with water, wastewater, electric, and drainage billing being reimbursed to the General Fund through the overhead allocation process. To simplify this process, staff is proposing that the invoices be directly charged to the utility fund accounts in the following percentages:

Water Fund Account	520-5120-441.30-10	30%
Wastewater Fund Account	530-2501-413.30-10	30%
Drainage Fund Account	531-2501-413.30.10	15%
Electric	546-5501-413.30.10	25%

The General Fund will continue to be the clearing fund for costs associated with inserts, with the costs being charged out to the requesting fund or organization as applicable. An additional appropriation for the current fiscal year is not required for the General Fund.

**ALTERNATIVES:**

Bringing production back in-house is an option, requiring purchase and maintenance of sorting/folding/stuffing machinery, creating an increased burden on staff resources, printer wear and tear, and cost for printer supplies and paper stock. Another option would be to not implement the electronic bill presentment and on-line bill payment at this time. E-billing is quickly becoming an expected customer service feature, and Healdsburg is already a little behind the curve for on-line bill pay.

**ATTACHMENT(S):**

1. Professional Service Agreement
2. Resolution

Reviewed by:                     /s/                      
David Warner, City Attorney

CITY OF HEALDSBURG

RESOLUTION NO. \_\_\_\_-2013

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH INFOSEND TO PROVIDE UTILITY BILL PRINT & MAILING SERVICES, ELECTRONIC BILL PRESENTMENT AND ON-LINE BILL PAYMENT PROCESSING SERVICES AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY

WHEREAS, the City Council originally authorized the use of professional services for utility bill print and mailing on October 4, 2010 and said agreement expired on March 31, 2013; and

WHEREAS, moving utility bill printing and mailing services from in-house processing to an outside consultant saves an estimated \$57,600 per year; and

WHEREAS, staff issued a Request for Proposal (RFP) for utility bill print and mail services, electronic bill presentment and on-line bill payment services on March 26, 2013; and

WHEREAS, the RFP was sent to three qualified firms and posted on the City website and six firms responded by the April 5, 2013 deadline; and

WHEREAS, based on staff's review, evaluation of the proposals, and cost of bids, it is recommended that Council authorize the selection of the firm InfoSend; and

WHEREAS, the City and InfoSend Inc. wish to enter into a new agreement for a total of sixty-two (62) months ending June 30, 2018; and the total agreement amount would not exceed \$220,000; and

WHEREAS, the City Manager of the City of Healdsburg may wish to extend the contract for five (5) additional one (1) year terms; and under no circumstances shall the contract be extended beyond the date of June 30, 2023; and

WHEREAS, past invoices have been charged to the General Fund with charges associated with water, wastewater, electric, and drainage billing being reimbursed to the General Fund through the overhead allocation process; and staff recommends future invoices be directly charged to the utility funds to simplify the process.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Healdsburg hereby:  
Approves a Professional Services Agreement with InfoSend, Inc. for utility bill print and mailing services, electronic bill presentment, and on-line bill payment services; and authorizes the City Manager to execute the Professional Services Agreement in a form that substantially conforms to Exhibit A, attached, on behalf of the City; and

BE IT FURTHER RESOLVED that the City Council authorizes the Administrative Services Director to pay all proper claims for the performance of services provided by InfoSend, Inc. in accordance with the aforementioned agreement; and

Dated:

PASSED, APPROVED AND ADOPTED this 6<sup>st</sup> day of May 2013, buy the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

SO ORDERED:

\_\_\_\_\_  
SUSAN JONES, MAYOR

ATTEST:

MARIA CURIEL, CITY CLERK

# CITY OF HEALDSBURG PROFESSIONAL SERVICES AGREEMENT

## AGREEMENT

This Agreement is made and entered into this \_\_\_\_ day of May, 2013 by and between the City of Healdsburg, a California Municipal Corporation, 401 Grove Street, Healdsburg, California, 95448, hereinafter referred to as "City," and Infosend, Inc. hereinafter referred to as "Consultant."

## RECITALS

WHEREAS, the City has determined that it requires the following professional services from consultant: to perform utility bill print and mail services, electronic bill presentment and on-line bill payment; and

WHEREAS, Consultant represents and warrants that it is fully qualified to perform such professional services by virtue of specialized experience and training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, the legislative body of the City on May 6, 2013 by Resolution No. \_\_\_\_\_ authorized execution of this Agreement on behalf of the City in accordance with the City Municipal Code and/or other applicable law;

NOW, THEREFORE, City and Consultant, for the consideration hereinafter described, mutually agree as follows:

### 1. DESCRIPTION OF SERVICES OR SCOPE OF WORK

The services to be performed under this Agreement (the "Services") are as follows: utility bill print and mail services, electronic bill presentment and on-line bill payment. The Services are further described in Consultant's proposal (the "Proposal"), which is attached to and made a part of this Agreement as Exhibit A.

### 2. TERM

The Agreement term will commence on the date of execution and expire on June 30, 2018 unless the Agreement term is amended or the Agreement is terminated in accordance with its terms. Upon mutual consent by both the City and the Consultant, satisfied with the contractual relationship and mutually agreeable to extending the contract for an additional year the City Manager of the City of Healdsburg may extend the contract for five (5) additional one (1) year terms. Under no circumstances shall this contract be extended beyond the date of June 30, 2023.

### 3. PAYMENT TERMS AND NOT TO EXCEED AMOUNT

A. City agrees to pay Consultant for Services that are actually performed in accordance with this Agreement. To be eligible for payment, Consultant invoices must be submitted not more often than monthly to City and list the Services performed and the amounts to be paid according to the cost categories and prices in the Proposal. Invoices from Consultant shall be clearly marked with Consultant's name, project name, an itemized description of services rendered during the period covered by the invoice, and City's project account number, if applicable. Invoices shall also contain the total number of hours of work performed under the Agreement by the Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder. When the total number of hours of work by Consultant and any individual employee, agent or subcontractor of Consultant reaches or exceeds 800 hours, a separate notice shall be provided which shall include an estimate of the time necessary to complete the work described in Exhibit A.

B. In no event will City's obligation to pay the Consultant under this Agreement exceed \$220,000 (the "Not to Exceed Amount"), unless this Agreement is first modified in accordance with its terms. Period 1 – a fifteen (15) month period beginning upon execution of this agreement through June 30, 2014 in an amount not to exceed \$50,000. Periods 2 through 5 – the subsequent four (4) one (1) year periods ending June 30, 2015, 2016, 2017 & 2018 respectively, each in an amount not to exceed \$42,500. Periods 5 through 10 – optional additional five (5) one (1) year periods ending June 30, 2019, 2020, 2021, 2022 & 2023 respectively, each in an amount not to exceed \$42,500. Where the Proposal provides for compensation on a time and materials basis, Consultant must maintain adequate records to permit inspection and audit of Consultant's time and material charges under this Agreement. Consultant will make such records available to City during normal business hours upon reasonable notice. In accordance with California Government Code Section 8546.7, if the Not to Exceed Amount exceeds TEN THOUSAND DOLLARS (\$10,000.00), this Agreement and the Consultant's books and records related to this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of the City, for a period of three (3) years after final payment under the Agreement.

### 4. TIME OF COMPLETION

Consultant must commence performance of the Services upon receipt of written direction to proceed from City. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standards of performance provided in Section 7 below and to satisfy Consultant's obligations hereunder. Consultant will complete the Services in accordance with this Agreement by June 30, 2018 (the "Time of Completion"). The Time of Completion may only be modified by an amendment of the Agreement in accordance with its terms.

## 5. INDEPENDENT CONTRACTOR

Consultant and City agree that the Consultant will perform the Services as an independent contractor and not as an employee or agent of the City. Persons employed or utilized by Consultant in the performance of the Services will not be employees or agents of the City. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

## 6. SUBCONTRACTING

Consultant may subcontract portions of the Services upon the prior written approval of the City. The Consultant will be solely responsible for payment for such subcontract services. No contractual relationship will exist between any such subcontractors of the Consultant and the City.

## 7. STANDARD OF PERFORMANCE

A. Consultant will perform the Services in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession and will prepare all work products required by this Agreement in accordance with those standards. Consultant will comply with all federal, state and local laws and regulations applicable to performance of the Services, including, but not limited to, the California Building Code, the Americans with Disabilities Act, any copyright, patent or trademark law, and any air pollution control law(s) or regulation(s). Consultant's failure to comply with any law(s) or regulation(s) applicable to the performance of the work hereunder shall constitute a breach of contract.

B. Consultant shall assign only competent personnel to perform services pursuant to this agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from the city of such desire of City, reassign such person or persons.

## 8. OTHER GOVERNMENTAL REGULATIONS

To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

## 9. USE OF RECYCLED PRODUCTS

Consultant shall endeavor to prepare and submit all reports, written studies, and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.



## 10. INDEMNITY

To the maximum extent permitted by law, Consultant shall, at its own expense, indemnify, defend with counsel acceptable to the City, (which acceptance will not be unreasonably withheld), and hold harmless City and its officers, officials, employees, agents and volunteers ("Indemnitees") from and against any and all liability, loss, damage, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, civil penalties and fines, expenses and costs (including, without limitation, claims expenses, attorney's fees and costs and fees of litigation) (collectively, "Liability") of every nature, whether actual, alleged or threatened, arising out of or in connection with the Services or Consultant's failure to comply with any of the terms of this Agreement, regardless of any fault or alleged fault of the Indemnitees.

The Consultant's obligation to indemnify, defend and hold harmless under this provision shall not be excused because of the Consultant's inability to evaluate Liability, or because the Consultant evaluates Liability and determines that the Consultant is not or may not be liable. The Consultant must respond within 30 calendar days to any tender for defense and indemnity by the City, unless the time for responding is extended by an authorized representative of the City in writing. If the Consultant fails to accept tender of defense and indemnity within 30 calendar days, in addition to any other remedies authorized by law, so much of the money due or that may become due the Consultant under this Agreement as shall reasonably be considered necessary by the City, may be retained by the City until disposition has been made of the matter subject to tender, or until the Consultant accepts the tender, whichever occurs first.

The Consultant waives any and all rights to express or implied indemnity against the Indemnitees concerning any Liability of the Consultant arising out of or in connection with the Services or Consultant's failure to comply with any of the terms of this Agreement .

Notwithstanding the foregoing, to the extent this Agreement is a "construction contract" as defined by California Civil Code § 2783, as may be amended from time to time, Consultant's duty to indemnify under this provision shall not apply when to do so would be prohibited by California Civil Code § 2782, as may be amended from time to time.

Notwithstanding the foregoing, to the extent that the Services include design professional services subject to Cal. Civil Code § 2782.8, as amended from time to time, Consultant's duty to indemnify shall only be to the maximum extent permitted by Civil Code § 2782.8.

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as

well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

## 11. INSURANCE

A. Before commencing performance of the Services, Consultant, at its own cost and expense, must: (1) procure "occurrence coverage" and "per project" insurance of the kinds and in the amounts specified below against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the Services hereunder by the Consultant or its agents, representatives, employees, or subcontractors; and (2) submit to the City certificates of insurance, endorsements evidencing insurance coverage that meets the requirements of this section, and a declarations page. Consultant must maintain the insurance policies required by this section throughout the Agreement term. The cost of such insurance must be included in the Consultant's proposal. Consultant may not allow any subcontractor to commence work on the Services until Consultant has obtained all insurance required by this Agreement and submitted certificates of insurance and endorsements evidencing such coverage to the City.

B. Consultant must, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant. The Statutory Workers' Compensation Insurance coverage must be for Statutory Limits and Employer's Liability Insurance must be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence. The insurance must be endorsed to waive all rights of subrogation against the City and its officials, officers, employees, and volunteers for loss arising from or related to the Services.

C. Consultant, at its own cost and expense, must maintain commercial general liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) per occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate per project, for risks associated with Services. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

D. Required commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) or Insurance Services Office form number GL 0002 (ed. 1/73) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability.. No endorsement may be attached limiting the coverage. The City will provide standard insurance forms to use for this Agreement, if the standard City forms are not used, the City will not accept the following endorsement forms: CG 07 04 forms (for example CG 24 26 07 04 or CG 2010 0704), and CG 20 09.

E. The above referenced limits for the general liability and auto liability may also be satisfied with a Commercial Umbrella/Excess policy. If a Commercial Umbrella /Excess Policy is used to satisfy the requirements, than an email or language stating as such on the certificate must be provided from the insurance carrier/broker that Excess Policy 'follows form' or is 'continuous' to the general liability and/or auto liability policy

F. Except for Workers' Compensation Insurance and professional liability insurance, all other insurance coverages required pursuant to this Agreement must include or be endorsed to include the following:

1. City and its officials, officers, employees, agents, and volunteers shall be covered as insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Consultant, products and completed operations of Consultant; premises owned, occupied, or used by Consultant; and automobiles owned, leased, or used by the Consultant. The coverage may contain no special limitations on the scope of protection afforded to City or its officials, officers, employees, agents, or volunteers.

2. Required insurance coverage must be primary insurance with respect to the City and its officials, officers, employees and volunteers. No insurance or self-insurance maintained by the City may be called upon to contribute to a loss under the coverage.

3. Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

4. Required insurance coverage may not be canceled, reduced in coverage, or in limits without the written approval of the City. The Consultant shall provide the City thirty (30) days' written notice prior to any reduction or cancellation of insurance. Every policy shall include a severability of interest clause acceptable to the City and any endorsements must be at least as broad as Insurance Services Office form number CG2010 (Ed. 11/85).

G. All insurance required under this Agreement must be placed with insurers with a Bests' rating of no less than A:VII unless otherwise approved by the City.

H. The City may approve a variation in the foregoing insurance requirements, upon a determination that the coverages, scope, limits, and forms of such insurance are either not commercially available, or that the City interests are otherwise fully protected.

## 12. NON-DISCRIMINATION

During the performance of this Agreement, Consultant will not discriminate against any employee of the Consultant or applicant for employment because of race, religion, creed, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation. Consultant will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, creed, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation.

## 13. LICENSES AND PERMITS

### A. OTHER LICENSES AND PERMITS

Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice in their respective professions. Consultant expressly represents and warrants to City that Consultant and its employees, agents, and any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

## 14. OWNERSHIP OF WORK PRODUCTS AND TREATMENT OF DOCUMENTS

All plans, specifications, reports, designs and other documents prepared by Consultant pursuant to this Agreement shall be and remain the property of the City. Any modification or reuse of such documents by the City without Consultant's prior written consent will be at the City's sole risk. Except as may be otherwise required by law, Consultant will disclose no data, plans, specifications, reports or other documents pertaining to the Services without the prior written consent of the City.

## 15. ALTERNATIVE DISPUTE RESOLUTION

If any dispute arises between the parties that cannot be settled after engaging in good faith negotiations, City and Consultant agree to resolve the dispute in accordance with the following:

A. Each party shall designate a senior management or executive level representative to negotiate any dispute.

B. The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

C. If the issue remains unresolved after ten (10) days of good faith negotiations, the parties shall attempt to resolve the disagreement by negotiation

between legal counsel. If the above process fails, the parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

D. The mediation process shall provide for the selection within 15 days of both parties of a disinterested third person as mediator, shall be commenced within 30 day, and shall be concluded within 15 days from the commencement of the mediation.

E. The parties shall equally bear the costs of any third party in any alternative dispute resolution process.

F. The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to, nor shall be construed to, change the time periods for filing claims or action specified by Government Code section 900, et seq.

## 16. TERMINATION AND REMEDIES

A. City may terminate this Agreement for convenience by giving at least 10 days' written notice to Consultant specifying the termination effective date. Upon receipt of such notice, Consultant may continue performance of the Services through the date of termination. City shall pay Consultant for all Services actually performed in accordance with this Agreement through the termination effective date. City, however, may condition payment of such compensation upon Consultant delivering to City any and all documents provided to or prepared by Consultant, and any and all documents provided to or prepared by City for Consultant, in connection with this Agreement. Such material may consist of photographs, computer software, video and audio tapes and other materials.

B. If Consultant materially breaches any term of this Agreement, in addition to any other remedies the City may have at law or equity, the City may:

1. Terminate the Agreement by notice to the Consultant specifying the termination effective date;

2. Retain, and/or recover from the Consultant at no additional cost to the City, the plans, specification, drawings, reports and other design documents and work products prepared by Consultant, whether or not completed;

3. Complete the unfinished Services itself or have the unfinished Services completed, and/or;

4. Charge Consultant, or deduct from monies that may be due or become due the Consultant under this Agreement, the difference between the cost of completing the unfinished Services pursuant to this Agreement and the amount that

would otherwise be due Consultant had Consultant completed the Services in accordance with this Agreement.

#### 17. BINDING EFFECT AND ASSIGNMENT PROHIBITION

This Agreement is binding upon City, Consultant, and their successors. Except as otherwise provided herein, neither City nor Consultant may assign, sublet or transfer its interest in this Agreement or any part thereof without the prior written consent of the other, and any purported assignment without such consent will be void.

#### 18. REPRESENTATIVES

A. City representative for purposes of this Agreement will be Katherine Ahlborn. Consultant representative for purposes of this Agreement will be Jerry Finnegan. The parties' designated representative will be the primary contact person regarding the performance of the Services. The parties intend that their designated representatives will cooperate in all matters regarding this Agreement and in such a manner so as to achieve performance of the Services in a timely and expeditious fashion. Consultant shall not substitute or replace primary representative without approval of the City.

##### B. Notices:

Any written notice to Consultant shall be sent to:

Jerry Finnegan  
Market Development Director  
Infosend  
4240 E. La Palma Avenue  
Anaheim, CA 92807  
714-600-3069

Any written notice to City shall be sent to:

Katherine Ahlborn  
City of Healdsburg  
401 Grove Street  
Healdsburg, CA 95448

#### 19. INTEGRATION AND AMENDMENT

This Agreement represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations or agreements, whether written or oral. If a discrepancy, disagreement, ambiguity, inconsistency or difference in interpretation of terms arises as to terms or provisions of this Agreement

and any Exhibit(s) attached to this Agreement, this Agreement shall control and shall be deemed to reflect the intent of the Parties with respect to the subject matter hereof. This Agreement may only be amended by a writing signed by a representative authorized to bind the Consultant and a representative authorized to bind the City.

## 20. CONFLICT OF INTEREST PROHIBITION

City and Consultant will comply with the requirements of the City's Conflict of Interest Code adopted pursuant to the provisions of California Government Code Section 87300 and following, the Political Reform Act (California Government Code Section 81000 and following), the regulations promulgated by the Fair Political Practices Commission (Title 2, Section 18110 and following of the California Code of Regulations), California Government Code Section 1090 and following, and any other ethics laws applicable to the performance of the Services and/or this Agreement. Consultant may be required to file with the City Clerk a completed Form 700 before commencing performance of the Services unless the City Clerk determines that completion of a Form 700 is not required, pursuant to the City's Conflict of Interest Code. Form 700 forms are available from the City Clerk.

The Consultant may not perform Services for any other person or entity that, pursuant to any applicable law or regulation, would result in a conflict of interest or would otherwise be prohibited with respect to the Consultant's obligations pursuant to this Agreement. The Consultant agrees to cooperate fully with the City and to provide any necessary and appropriate information requested by the City or any authorized representative concerning potential conflicts of interest or prohibitions concerning the Consultant's obligations pursuant to this Agreement.

Consultant may not employ any City official, officer or employee in the performance of the Services, nor may any official, officer or employee of the City have any financial interest in this Agreement that would violate California Government Code Section 1090 and following. Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code Section 1090 and following, the entire Agreement is void and Consultant will not be entitled to any compensation for Consultant's performance of the Services, including reimbursement of expenses, and Consultant will be required to reimburse the City for any sums paid to the Consultant under this Agreement. Consultant understands that, in addition to the foregoing, penalties for violating Government Code Section 1090 may include criminal prosecution and disqualification from holding public office in the State of California.

Any violation by the Consultant of the requirements of this provision will constitute a material breach of this Agreement, and the City reserves all its rights and remedies at law and equity concerning any such violations.

21. APPLICABLE LAW AND VENUE

The laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and the interpretation of this Agreement. Any action or proceeding that is initiated or undertaken to enforce or interpret any provision, performance, obligation or covenant set forth in this Agreement shall be brought in a state court in Sonoma County.

22. RECOVERY OF ATTORNEY'S FEES

If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret any term of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

23. SEVERABILITY

If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged will remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

24. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

IN WITNESS HEREOF, the parties have caused their authorized representative to execute this Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

**City**

**CONSULTANT**

By: \_\_\_\_\_  
Marjie Pettus, City Manager

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

By: \_\_\_\_\_  
Jone Hayes, Administrative Services  
Director



ATTEST:

By: \_\_\_\_\_  
Maria Curiel, City Clerk

APPROVED AS TO FORM:

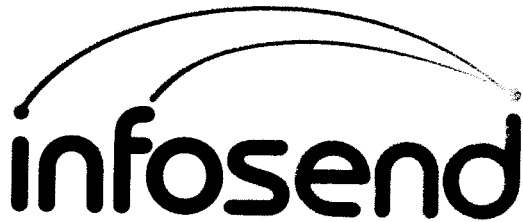
By: \_\_\_\_\_  
David Warner, City Attorney

Exhibits: Exhibit A – Consultant's Proposal

1691870.1

08-11-11

*Exhibit A*



BillPrint. eBills. Delivered.

**RECEIVED**

APR 04 2013

City of Healdsburg

## **Proposal to the City of Healdsburg - Copy**

Utility Bill Print and Mail Services

Due: April 5, 2013

Time: 4:00 p.m

### **RESPONSE TO**

**Jone Hayes**

**Administrative Services Director**

### **PRESENTED BY**

Glen Everroad  
Government Solutions  
glen.e@infosend.com

800.955.9330

cell: 949.874.4786

[www.infosend.com](http://www.infosend.com)

Jerry Finnegan

Business Development Director

jerry.f@infosend.com

800.933.9330

cell: 714.600.3069

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## SECTION 1 - Introduction

InfoSend Incorporated is pleased to present this response to the City of Healdsburg based on its Request for Proposals for Utility Bill Printing and Mailing Services. The InfoSend team is confident that our offering and benefits presented herein will provide the City of Healdsburg and its customers with the greatest value in the market today. Jerry Finnegan and Glen Everroad will serve as the City's main points of contact for any questions during the RFP process. Please find their contact information included below as well as later in this response.

We have reviewed the City's specifications and requirements outlined in the RFP and, as evidenced in our response on the following pages, InfoSend provides all the features and capabilities to satisfy the City's requirements. The municipal utility and receivables market is our strongest market, comprising 160 of our 280 print, mail and electronic customers. InfoSend specializes in supporting the multiple departments of municipalities and has the tools and experience necessary to streamline the processing of a wide variety of receivables, including dog licensing, business tax, utility bills, false alarm fines, etc.

InfoSend has proudly provided the City's data processing, printing and mailing services for its utility bills since 2010. InfoSend is committed to meeting the City's technical, business, operating, and other requirements outlined in this RFP, and InfoSend can meet all under our normal services. InfoSend is uniquely familiar with the City of Healdsburg's software and anticipates no problem providing an efficient implementation process with the data generated from your billing systems. With our online tools and attentive customer service, we feel that you will be getting value no other company can provide.

### Firm Overview

InfoSend has been a **California based company** since 1996 and proudly employs 80 Californians. Our California employees will provide the City of Healdsburg services from our Anaheim headquarters, located just 1.5 miles from a USPS hub, so that all the City's mail will be handled by California employees. InfoSend is also a significant California sales tax producer and choosing InfoSend keeps the sales tax in California. Utilizing the most current technology, InfoSend offers an innovative approach with flexible and secure solutions for organizations seeking outsourced data processing, printing, mailing, and electronic presentment and or payment services. Choosing InfoSend as your outsourcing partner will also significantly reduce total overhead costs. Together, we can reach your customers more effectively.

InfoSend is a privately held California corporation with annual sales of approximately 32 million dollars per year. InfoSend's core competencies are information technology, document formatting, electronic payments, and document production. Your unique data is transferred into our database where it can then be output to multiple destination channels – print, web, or telephone.

Electronic payments can be initiated over the web or telephone. The Software as a Service (SaaS) approach allows InfoSend to continually refine its services and equipment without requiring software installation and maintenance at your site.

You can use the eBusiness Services and payment related services or the BillPrint & Mail related services as stand-alone offerings or together as integrated customer communications solutions. When multiple services are outsourced to InfoSend you receive the benefit of having one data processing platform generate all of your outbound communications. Easily customize business rules for processes like paperless billing and automatic payments. Perfect your bill design and electronic bill presentment workflow. Leverage the experience InfoSend has built up from years of working with organizations similar to your own.

#### Facilities

Corporate Headquarters & Western US Production Facility	4240 E. La Palma Ave • Anaheim CA 92807
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The Company currently owns and operates its 77,000 SF headquarters and Western US production facility. The facility sits on a 4.3-acre lot and is one of the premier bill processing centers in California. The property contains room for future construction, if needed, should the company require additional office or warehouse space. The facility also provides disaster recovery to the other facilities. InfoSend's Anaheim facility is designated as a USPS Detached Mail Unit (DMU).

Midwest & Northeastern US Production Facility	1406 Centre Circle • Downers Grove IL 60515
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InfoSend's 25,000 SF Midwest production and disaster recovery facility is located just west of Chicago, Illinois. This facility is used to process mail for clients located in the Midwest or Northeast. The Midwest facility also serves as an out of state disaster recovery facility for the other facilities.

Texas & Southeastern US Production Facility	1624 W Crosby Road #128 • Carrollton TX 75006
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InfoSend is in the process of setting up a 10,000 SF facility to serve clients in Texas and the Southeast. The facility will also serve as an out of state disaster recovery facility for the other facilities.

#### InfoSend Advantages

A key advantage in partnering with InfoSend lies primarily in the fact that we have expertise in print and mailing for municipal utilities. We specialize in communications and understand the intricacies of statement services. Through our strength as a document outsource provider, InfoSend offers the City of Healdsburg unique advantages beyond document printing:

- Completely integrated electronic and printed output options.
- Highest quality processing with secure and auditable processes.

- Online job tracking, customer service, and SLA & production details.
- Hosted document archive and web presentment options.
- Streamlined electronic bill presentment and payment (EBPP) options.
- Multi-channel approach that interleaves print, e-commerce and voice.
- Financially secure private company that extensively invests in technology, infrastructure, security, quality equipment and new services and products each and every year.
- Highly automated data center and production operation that boasts intelligent inserters with 2D bar codes
- Sophisticated front-end processing system (featuring InfoSend's own software)
- Close proximity to major USPS airport hub for each of our facilities
- Specific knowledge of City of Healdsburg requirements

#### Key Differentiators

- InfoSend's web-based reporting portal allows the City of Healdsburg the ability to manage its print operations remotely using the job tracking system. The City can see when a file arrives, when it was processed, how many transactions were processed, when the job was completed, complete postage usage and more production details.
- InfoSend is PCI Compliant. We understand that data security and privacy are of the utmost importance.
- InfoSend offers a fully redundant processing solution, with mirrored production facilities (not simply multiple locations).
- InfoSend has invested in color document printing technology. Powerful, flexible communication. Imperative in today's competitive marketplace.
- InfoSend has a dedicated IT organization to support the municipal utility market. Our team is a compilation of specialists including analysts, consultants, software engineers, developers, technical project managers and various support personnel.
- InfoSend specializes in supporting the multiple departments of municipalities and has the tools and experience necessary to streamline the processing of a variety of receivables.



Jerry Finnegan  
Market Development Director  
jerry.f@infosend.com  
714.874.4786 cell  
800.955.9330 toll free

Glen Everroad  
Government Solutions  
glen.e@infosend.com  
949.874.4786 cell  
800.955.9330 toll free

## SECTION 2 - Experience

Provide a summary of the Vendor's prior experience with similar projects. This section should include specific and detailed descriptions of similar project performed previously, project results, client name and year completed.

InfoSend has been providing bill print and mailing services since 1996. Since that time, InfoSend has become a market leader for utilities and municipal utilities. The municipal utility and receivables market is our strongest market, comprising 160 of our 250 print, mail and electronic customers. InfoSend specializes in supporting the multiple departments of municipalities and has the tools and experience necessary to streamline the processing of a wide variety of receivables, including dog licensing, business tax, utility bills, false alarm fines, etc. We currently have approximately 160 utility clients who either use the BillPrint and Mail Service, eBilling, or both.

InfoSend has proudly provided the City of Healdsburg data processing, printing and mailing services for its utility bills since 2010. InfoSend is uniquely familiar with the City of Healdsburg's software and anticipates no problem providing an efficient implementation process with the data generated from your billing systems. Our experience with providing the City's data processing, utility bill printing and mailing services uniquely qualifies InfoSend to provide electronic bill presentment and payment services. InfoSend has successfully implemented many clients using different software platforms. InfoSend is a Gold Partner with Harris Computer Systems and has successfully implemented more than a dozen clients using the Harris software products. Choosing InfoSend will assure the most efficient implementation for the City.

InfoSend has never experienced a contract termination for cause. Your technical, business, operating, and other requirements in this RFP can be met by InfoSend under our normal services. With our online tools and attentive customer service, we feel that you will be getting value no other company can provide.

### SECTION 3 - Project Team

Identify all key personnel to be used in the performance of the services provided. Please describe each person's role, responsibilities, experience with similar projects, and number years employed.

Key InfoSend team members for the City's project includes the below listed individuals:

<b>NAME</b>	<b>Matt Schmidt</b>
<b>EXPERIENCE</b>	<p><b>InfoSend, Inc.</b> Anaheim, CA (2007 – present) Director, Client Services</p> <ul style="list-style-type: none"> <li>▪ Oversee new client implementations for BillPrint and eBusiness clients</li> <li>▪ Manage support staff and ongoing client support functions</li> <li>▪ Work with programming and client services team to streamline processes and improve procedures</li> <li>▪ Managed more than 50 implementation and conversion projects</li> </ul> <p><b>Modern Safety Supply</b> Fullerton, CA (2003-2007) Account Manager</p> <ul style="list-style-type: none"> <li>▪ Developed and managed accounts to ensure continued growth and profitability for both parties</li> </ul>
<b>Education</b>	<p>BA Business Administration, California State University, Chico: December 2002 Inductee- Beta Gamma Sigma, 2001 MBA University of California, Irvine</p> <p>Proficient in Website/Forms Design using Following Applications/Languages: HTML, Crystal Reports, Adobe Illustrator</p>

<b>NAME</b>	<b>Milena Romani</b>
<b>EXPERIENCE</b>	<p><b>InfoSend, Inc.</b> Anaheim, CA (2010 – Present) Senior Account Manager</p> <ul style="list-style-type: none"> <li>▪ Manage implementations for print and mail services</li> <li>▪ Design new statement formats</li> <li>▪ Work with programming team to streamline processes</li> <li>▪ Successfully managed 15+ implementation and software conversion projects</li> </ul>
<b>Education</b>	<p>BA, Social Ecology, University of California, Irvine: June 2006</p> <p>Proficient in Forms Design using Adobe Illustrator</p>





<b>NAME</b>	<b>Glen Everroad</b>
<b>EXPERIENCE</b>	<p><b>InfoSend, Inc.</b> Anaheim, CA (2010 – present) Government Solutions Consultant</p> <ul style="list-style-type: none"> <li>▪ New Business Development</li> <li>▪ Account Management and Retention</li> <li>▪ Assist in developing Public Agency Business Strategies and Direction</li> <li>▪ Assist production team in ensuring quality print/electronic billing results</li> </ul> <p><b>City of Newport Beach</b> Newport Beach, CA (1976 - 2010) Revenue Manager</p> <ul style="list-style-type: none"> <li>▪ Revenue Development</li> <li>▪ Tax/fee/receivables administration</li> <li>▪ Regulatory permitting</li> <li>▪ Income contract administration</li> <li>▪ Legislative advocacy</li> </ul>
<b>Education</b>	<p>Indiana University, Indiana</p> <p>California Municipal Revenue and Tax Association – Legislative Chair, Past President League of California Cities – Revenue and Tax Policy Committee Member California Public Parking Association – Legislative Committee Member</p>

<b>NAME</b>	<b>Jerry Finnegan</b>
<b>EXPERIENCE</b>	<p><b>InfoSend, Inc.</b> Anaheim, CA (2012 – present) Market Development Director</p> <ul style="list-style-type: none"> <li>▪ Manage Sales and Business Development for Print &amp; Mail and eBusiness Services</li> <li>▪ Provides consultative solutions for prospect and clients</li> <li>▪ Prospect Project Evaluation and Response</li> </ul> <p><b>InfoSend, Inc.</b> Anaheim, CA (2006 – present) District Sales Manager - West</p> <p><b>Button, LLC</b> Marina Del Rey, CA (2005-2006) Sales and Marketing Manager</p> <ul style="list-style-type: none"> <li>▪ Developed and managed accounts to ensure continued growth and profitability for both parties</li> </ul> <p><b>Kubra Data Transfer</b> Torrance, CA (2001 – 2004) Account Manager</p> <ul style="list-style-type: none"> <li>▪ Opened West Coast office</li> <li>▪ Established accounts in publishing, credit unions and utilities</li> </ul>
<b>Education</b>	<p>BA Business Administration, Saint Mary's College of California, Moraga: June 1987</p>

<b>NAME</b>	<b>Tom Gryder</b>
<b>EXPERIENCE</b>	<p><b>InfoSend, Inc.</b> Anaheim, CA (2010 - Present)  Client Services Manager, eBusiness Division</p> <ul style="list-style-type: none"> <li>▪ Manage new client eBusiness implementations</li> <li>▪ Provide ongoing support to existing clients</li> <li>▪ Track client inquiries to closure</li> </ul> <p><b>Sun Microsystems, Inc.</b> El Segundo, CA (2000 – 2008)  Product Line Manager</p> <ul style="list-style-type: none"> <li>▪ Managed EBPP product marketing for iPlanet, a Sun-Netscape Alliance</li> <li>▪ Managed software product line for Developer Tools</li> <li>▪ Developed and launched global, integrated Go to Market Programs</li> <li>▪ Key Account Management: Citigroup, John Hancock, Wells Fargo</li> </ul> <p><b>Xerox Corporation</b> El Segundo, CA 80301 (1985 – 2000)  Financial Services Industry Marketing</p> <ul style="list-style-type: none"> <li>▪ Developed business plan for Xerox solutions in the EBPP space</li> <li>▪ Delivered global marketing and launch programs for Financial Services solutions, including EBPP</li> <li>▪ Developed and delivered international training on Xerox EBPP solutions</li> <li>▪ Key Account Management: Bank for International Settlements, US Navy NPPS.</li> </ul>
<b>Education</b>	BS degree Arizona State University – 1981

## SECTION 4 - Detailed Work Plan

Respond to all requirements defined in the scope of work. If any of the requirements cannot be supported, provide a recommendation for an alternative approach.

Provide a description of the required tasks for the implementation and post-production support. Include the tasks needed to complete the project and any recommended additions to the requirements. Also document assumptions used in development of the work tasks, including assistance needed from City staff, and required hardware and software.

### Scope of Services

Please describe your ability to meet each of the requirements below. If a requirement cannot be met, please provide an alternative approach.

#### 1. Requirements: Bill Stock and Paper Supplies

- a. The Vendor must be able to reproduce the preprinted and perforated paper stock that can match or exceed the quality of the current stock.
- b. The following envelopes must be provided by the Vendor:
  - i. A #10 window mailing envelope
  - ii. A #9 return envelope
  - iii. Larger envelope shall be required for consolidated bills
- c. The Vendor must accept inserts printed by other Vendors. Please indicate whether you can provide insert printing services as well. Please provided insert specifications.
- d. The Vendor must agree to receive shipments of inserts and store/warehouse all forms and envelopes used to process the City's bills.

InfoSend complies with the Bill Stock and Paper Supplies requirements and can fully accommodate the City's insert requirements. InfoSend can continue to provide the materials currently required by the City as well as offer cost savings solutions with the use of InfoSend's standard materials. InfoSend offers larger envelopes and boxes for consolidated bills (householding).

InfoSend supports two different insert type options for its clients: inserts that are **InfoSend-produced**, and **drop-shipped** inserts. InfoSend-produced inserts can be designed and printed by InfoSend's graphic artists and Direct Communications team. Drop-shipped inserts are inserts that have been

produced and printed by an outside company, and are provided to InfoSend for insertion into a client's documents.

**InfoSend-produced Inserts** - For color inserts we require at least 7 business days for inserts to be produced. The 7-day timeframe is effective after an insert has been finalized for production. Grayscale inserts require at least 5 business days to be produced after finalized insert design.

**Drop-shipped inserts** -InfoSend prefers to receive the completed Insert Request as well as delivery of the inserts 48 hours before the billing run for which the insert is required. Any special inserts/flyers/stuffers prepared by the client can be inserted with the bills. You can drop your inserts off or have them shipped to InfoSend where they will be kept in inventory until the end of the run date.

InfoSend gives you multiple insert handling and production options, along with fully featured tools to manage the process:

**Insert Requests & Management** - InfoSend's online Insert Request Form is an innovative account management tool that streamlines insert management. Request a quote for printing and schedule all of your inserts online. Submit the form through our website and a summary of the request will be returned to the user via email.

**Insert Printing** - InfoSend offers a complete range of insert printing services, from black to full color printing.

- **Inline Inserts** - if your organization often includes static inserts with its bills, InfoSend can convert them to Inline Inserts. An automated process is set up to selectively print the inserts immediately after each bill is printed. This increases your ability to target specific customer types and provide one-to-one messaging. Inline Insert printing is usually grayscale or 2-color.
- **Offline Inserts** – traditional inserts are printed offline and then inserted with designated billing statements. Up to 5 offline inserts can be included with a bill run. Offline inserts can be digitally printed in grayscale or full color, or offset printed in full color.

Our inserting equipment can accommodate the #10 outgoing envelope, the City's bill, plus 5 additional inserts. During processing 2D barcode is added to your documents and used with intelligent mail inserting equipment. This equipment folds and inserts documents using "mail piece integrity" software to prevent inserting errors such as double stuffing. The barcodes are read before and after the documents are inserted into the envelopes to ensure proper sequencing and handling.

In addition, selective Inserting is available which would allow the City to

selectively target insert, flyers, or newsletters to specific mail pieces. Selective Inserting provides the ability to exclude a #9 return envelope for all customers participating in an automatic payment program (ACH). InfoSend provides for an Insert Request Form to be completed for every insert, regardless of whether the insert is InfoSend-produced or drop-shipped. This form is an interactive wizard that is available by logging into [www.infosend.com](http://www.infosend.com).

2. Requirements: Bill Printing and File Transmission

- a. The Vendor must have the ability to accept monthly bill files using an online upload or a standard FTP transmission. The Vendor must provide a File Confirmation Report, confirming receipt of file transmission.
- b. The City must have the ability to view and approve sample bills online before they are printed and mailed.
- c. The Vendor must be able to produce the City's bills in their current format. Printing on both the front and back of statement.
- d. The Vendor must have the capability to suppress the printing of bills and/or envelopes for certain customers.
- e. The Vendor must be able to print Late Notices from an online upload or a standard FTP transmission.
- f. The Vendor must provide an interface that will allow the City to update requirements for bill messages and bill inserts on a monthly basis. Bill messages are included in the export file.
- g. Vendor must provide monthly Production Confirmation Reports via email – immediately after processing is complete detailing the following:
  - i. Volume of bills
    - a. Received for processing
    - b. Printed/archived
    - c. Not printed but archived – grouped by type or reason for not printing
    - d. Not printed/archived due to data errors
  - ii. Move Update changes: Addresses changed
    - a. Customer Name
    - b. Utility Account number
    - c. Previous address
    - d. Current address

**InfoSend fully satisfies the City's Bill Printing and File Transmission requirements.**

InfoSend provides a number of ways to transfer data, whether regular utility statements or late notices, to InfoSend for processing, printing, and mailing. The City has the option of uploading data via our secure web portal by logging in as an authorized user, or it may transfer data by FTP with optional PGP encryption or SFTP.

InfoSend clients receive email notifications, job tracking tools, access to view sample files and various reports that provide information on the status of a job as it progresses through our processing, printing, and mailing departments.

#### **File Transfer Acknowledgement Report**

This is the first of two reports that the City will receive after uploading (via the web portal) or FTP transferring a data file to InfoSend. The File Transfer Acknowledgement Report provides information on the file name, byte size, page/record count, and file receipt date. InfoSend can email this report to the City's designated staff and the report is also automatically uploaded to our Job Tracking System.

**Job Tracking-** InfoSend provides its clients with email notifications, job tracking tools, and various reports that provide information on the status of a job as it progresses through our processing, printing, and mailing departments. This system allows your staff to log onto [www.infosend.com](http://www.infosend.com) to view and approve samples before they are printed, as well as the progress and completion of your print or electronic bill files. Confirmation reports are accessible from the job tracker for easy access. If there is a problem with the batch and the City needs to reject, by clicking the "Reject" link the City authorizes the file's removal from our live production department, meaning that it will not be printed or charged for. The reject function documents the City user that rejected the file, and also has a comment form that City may use to provide information to InfoSend about why the file was rejected. InfoSend does not charge for files that are rejected prior to being printed in our production department. The City may reject and upload replacement files as many times as needed.

In addition to using our automated tools, City staff can call InfoSend Support for any requests to halt processing or cancel files.

InfoSend provides the ability to pull or hold back bills from the main billing file at any point in our production system. The mechanism used to pull/hold or review specific bills differs depending on which production phase the City's file run is in during the bill pull/hold request.

**Exception Processing** - Exception Processing is a means to separate bills that require special attention during processing. Instead of including certain records with the rest of the accounts in the file, the exception bills are sent to the Exception Processing location on InfoSend's Portal, where you can individually approve, cancel, or hold each bill. You can also mark a bill to be printed in

house. Any records that are approved in the Exception Processing portal will be combined into a new job automatically at Midnight Pacific.

The Exception Processing interface allows for a convenient way to search for and manage unique records. When new records are added to the Exception portal, they will be set to "new" status by default. Anytime a user updates the status of a record, the action will be logged both in the interface and in the Exception Processing reports. Modifications made to a record may be overwritten. For example, one user can "approve" a record, and then later that day the status could be changed to "hold". Changes can be made up until midnight, when the sweep of approved records occurs. Also at midnight, any bills set to "cancel" or "internal print" will be removed from the Exception Processing portal. Only bills set to "hold" or "new" will remain in the portal from one day to the next, if left unmodified.

**Laser Printing** – The City's utility bills and late notices are printed simplex or duplex, using high-speed production laser printers. Bills are either printed in grayscale onto color preprinted forms or using a 2-color laser process that supports black plus a standard shade of blue, red, or green. Postcards and inserts can be printed using grayscale, 2-color, or 4-color CMYK laser printing technology.

**Message Manager** - InfoSend's Message Manager free account management tool is a custom built web-based application that allows you to control the messages and/or graphics that print on your documents. Messages/graphics can be scheduled months or even years in advance. You can assign unique messages to different types of customers, or even to individual account. A PDF preview displays the message in the actual font that will be used. InfoSend's Account Managers will work with CLB to incorporate custom messaging and design features for City's billing statements. A sample screenshot of the Message Manager main list is provided below:

File Type	Message Name	Message Type	Message Area	Start Date	End Date	Status	Test?	Message
MUNICIPAL_BILL	rate issue	Second Page Message	Message	2012-04-04	2012-05-07	Active	No	During a r...
MUNICIPAL_BILL	Farmers Market 2012	Second Page Message	Message	2012-03-01	2012-04-03	Active	No	Come and p...
MUNICIPAL_BILL	Passport	Second Page Message	Message	2012-02-01	2012-02-29	Active	No	Did you kn...

**Selective Inserting** - Selective Inserting is available, which allows you to selectively target insert, flyers, or newsletters to specific mail pieces. Selective



Inserting will also allow you to exclude a #9 return envelope for all customers participating in an automatic payment program (ACH). Individual documents can be grouped together ("householding"), if desired.

**Process Summary Report** - InfoSend will send the client a Process Summary Report with each set of samples. The Process Summary Report details important information such as job code, file name, page counts and total amount.

Once clients have reviewed the Process Summary Report and the sample bills that are provided after it, City staff will have the option to click on the "Approve" or "Reject" links in the Sample Status column. Clicking on the Approve link displays a window that asks for further confirmation that the specific job code is approved for printing.

**Process Confirmation Report** - The Process Confirmation Report is transmitted to you after your documents have been completed for mailing. InfoSend can e-mail this report to your staff and the report is automatically uploaded to our Job Tracking system. The report can also be viewed from the online report archive, which can be accessed by logging in to [www.infosend.com](http://www.infosend.com). This report can be created in one of three different formats. You decide which one works best for you. Most clients use the standard text based report.

**Format 1** – Plain Text: Easy to view and print

**Format 2** – XML: Machine-readable report can be uploaded into your system

**Format 3** – HTML: Rich-text report that looks nice when viewed on a monitor

This report provides the name of the file(s) that was mailed along with a detailed mail count. For statements, invoices, and other financial documents, the total dollar amount is also provided. Additional information can be shown after the "totals" section of the report. For example – your non CASS-certified addresses can be listed at the end of this report. This allows you to find a corrected address and update your system.

**Address Update Report** -InfoSend offers both the NCOALink and the ACS service to inform its clients of address updates. Since both services accomplish the same thing, you only use one or the other and the same page is used to link to the report.

The ACS/NCOALink report is available in three formats:

**Format 1** – Plain Text: Easy to view and print

**Format 2** – XML: Machine-readable report can be uploaded into your system

**Format 3** – HTML: Rich-text report that looks nice when viewed on a monitor


### 3. Requirements: Bill Mailing/Archive

#### a. Mailing


- i. Bills must be mailed via presorted first class mail to maximize postal discounts.
- ii. The City should be able to verify proof of delivery to the USPS on an as-needed basis.
- iii. Customer addresses must be validated and updated as necessary by the Vendor using CASS (USPS-certified) software.
- iv. Multiple bills to the same customer and mailing address shall be matched and inserted in one appropriate size envelope and metered first-class separately, and delivered to the USPS at the same time that all other bills are delivered. These bills require only a single return envelope and single inserts.
- v. Bills must be mailed within one business day of receipt.

InfoSend fully satisfies the City's Bill Mailing and Archiving requirements. Bills will be mailed within one business day of the City's approval of the bill sample.

#### **Address Validation and Presorting**

 All addresses are put through CASS certified address validation. This adds the 4-digit extension to the Zip Code, creates the USPS OneCode Intelligent Mail Barcode, and digitally presorts the addresses. Batches containing at least 500 bar-coded mail pieces are digitally presorted and delivered to the USPS at the lowest possible rate.

InfoSend's Anaheim facility is designated as a USPS Detached Mail Unit (DMU). Having DMU status means that outbound first class mail is inspected by USPS employees directly at our production facility, removing the need for our mail to be inspected after delivery to the USPS. Mail that is presorted at InfoSend's facility is able to directly enter the postal distribution system, expediting mail turnaround and delivery times.

 During processing a 2D barcode is added to your documents and used with intelligent mail inserting equipment. This equipment folds and inserts documents using "mail piece integrity" software to prevent inserting errors such as double stuffing. The barcodes are read before and after the documents are inserted into the envelopes to ensure proper sequencing and handling.

## Move Updates



InfoSend will ensure that you comply with the USPS Move Update requirements. Customers often fill out a change of address form without informing billers of the change. The USPS does not forward first class mail to the new address at no cost as it once did. You can elect to have it returned to you at no cost or use an USPS approved method to keep your customer address database up to date.

If clients wish to have their mailpieces forwarded, InfoSend offers two electronic reporting options that are compliant with the USPS. There is no set-up or monthly fee, just a per-item reporting fee that is available in the pricing section of this proposal.

**Householding** - InfoSend can group multiple bills to the same customer and mailing address, inserting the grouped bills into one appropriate sized envelope or box with a single return envelope and insert. Household bills will be metered first-class separately and delivered to the USPS at the same time that all other bills are delivered.

- b. The Vendor must provide bill archive services. All "valid" (bills not in error) bill images must be archived as PDF files and sent to the City after processing.

InfoSend fully complies with this requirement. We have a number of optional archiving services available to the City.

**Print Image Archive** - The Print Image Archive is InfoSend's first Archive option. This is a document archiving tool used by your customer service representatives to download electronic copies of any document that InfoSend mails. This web application allows authorized users to query the database by customer name, account number, or up to **three other custom fields**. Documents are archived as individual PDF files, which lends to a quick download time. Your support representatives can use this service to research customer inquiries by viewing an exact copy of the printed bill. Pricing is based on how long the documents are retained.

Each bill is stored as a PDF and indexed in a database. Search by account number or other key fields. You are charged one up-front fee per document to process it, index it, and store it for a set number of months.

The PDFs are accessed using a browser-based application that is accessed by logging in to the InfoSend website. If the City's custom applications also need access to the PDFs then a lightweight API can be exposed for an additional fee.

**FinalDoc CD** - This CD archiving service is a simple and cost effective way for you to retain document images long-term. You can search by account number or name. The documents are stored on the CD in PDF format.

This product is used by your staff to look up individual documents. If you would like to index and store the PDF files to allow customers to access them via a separate application see FinalDoc Transfer (below).

**FinalDoc Transfer** - Option1: Each completed InfoSend batch is indexed and transferred to you via FTP or SFTP to store on your own network. InfoSend will transmit each batch as one PDF file, and can provide an optional companion XML index file that provides a breakdown of the PDF's contents. **All** individual documents from the batch will be included in the file.

Option 2: InfoSend is able to transfer individual PDF files for each document in the batch (it is not possible to just receive a subset of the documents), provide a customer file-naming scheme, or provide a custom index file. Additional Professional Service Fees may be required depending on the customizations requested.

- c. The Vendor must provide monthly report(s) to the City detailing the following information:
- i. Timeline for each cycle/job, from receipt to delivery to USPS.
  - ii. For each file, with volumes summarized monthly:
    - a. File name
    - b. Date received
    - c. Volume of
      - Transactions
      - Printed bills
      - First pages
      - Multiple Page
    - d. Job status
    - e. Total postage


InfoSend fully complies with this requirement and will provide the City monthly reports itemizing all jobs that have processed in that billing period.

InfoSend's invoices contain detailed information about all aspects of a run, including unique job code, accompanying inserts, postage including presort level that was attained, data processing fees, materials fees including forms and envelopes, insertion fees, and sales tax. The City will be able to use the information provided in our itemized invoices to cross reference specific billing runs processed by InfoSend as well as information provided in our reports.

4. Requirements: Security

- a. The Vendor must provide necessary security to protect the City's data from unauthorized access. Please provide details about the security measures that are in place.

**Security Compliance Information** - InfoSend serves clients by providing the distribution of customer correspondence via mail, Web and other channels. Physical infrastructure, data and computing environment security and safety are of great importance. InfoSend's systems, security processes and practices are currently subject to the rules and regulations of multiple laws and or audit types:

	Payment Card Industry Data Security Standard (PCI DSS) - InfoSend holds a PCI DSS Certificate of Compliance and undergoes an annual on-site audit by SecurityMetrics, a third party auditor. InfoSend's PCI Certificate of Compliance has been included at the end of this section.
	Health Insurance Portability and Accountability Act (HIPAA) - InfoSend is defined as a Business Associate and is compliant with the associated rules and regulations
	Gramm-Leach-Bliley Act (GLBA) - InfoSend is compliant with the associated rules and regulations that apply to providing services to clients covered by GLBA
	Fair and Accurate Credit Transactions Act of 2003 (FACTA) - InfoSend's systems and applications are compliant with the "Red Flags Rules" that clients covered by FACTA must follow

**Security Best Practices**

InfoSend approaches the risk of data breach via the following methodologies:

1. **Background Checks and Drug Tests for All New Employees:** all InfoSend employees are given and must clear a background check upon hiring.
2. **Secure Physical Premises:** all InfoSend employees are issued I.D. cards that must be worn at all times. Additionally, all points of entry to each facility requires an access key to enter.
3. **Secure Data Practices:** all data files can be PGP encrypted during transfer, and all web traffic utilizes a minimum of 256-bit SSL, ensuring secure communications both ways.
4. **Segmentation of Data:** data is segmented between each InfoSend customer to ensure no comingling or erroneous joining can occur. All programs and workflows are custom tailored to the client, ensuring program failure and employee notification in the event data is somehow manually entered into a workflow.
5. **Firewalls and Web Application Security:** InfoSend limits traffic to and from each facility to business essentials, and employs numerous

technologies to detect and thwart intrusion attempts. InfoSend regularly undergoes penetration tests with outside vendors.

6. **Compliances:** InfoSend is subject to multiple security compliance programs.
7. **Suspected Breach Escalation, Review and Notification:** all employees are trained to report and escalate suspected breaches or breach attempts to their manager immediately. If client data was at risk, and the breach is not ruled out after a second internal review, then the client is notified and InfoSend pledges full cooperation in continuing to investigate.

### **Physical Security**

InfoSend facilities employ physical site security measures such as zoned and controlled access, cameras, alarms and other theft deterrents. In addition, InfoSend ensures that only approved personnel handle client information and materials. Buildings are locked at all times with approved personnel access controlled by key cards. All visitors are required to sign a visitor log, wear a visitor badge and will be escorted while in the building. Additionally, InfoSend maintains a West Coast Headquarters and a Midwest facility for business continuity, as well as to support the growing needs of our customers. These production facilities are located in Anaheim, CA, and Downers Grove, IL. Each facility operates with mirrored processes and equipment. InfoSend has a tested disaster recovery plan and a secure off-site data center.

### **Systems Hardening**

InfoSend performs the following systems hardening functions:

- System-wide security policies protect data from internal and external threats
- New users must change system-generated passwords upon first login
- Real time HTTP and HTTPS application layer security inspection
- Require special characters and minimum length security passwords
- Require password changes every 3 months
- Vendor supplied default or guest accounts are protected or deleted
- Start-up passwords must be created in a manner that is not predictable
- Anti-virus definitions are updated automatically as they become available to protect client data from viruses, Trojan horses, worms, etc.
- Anti-virus software is installed on each Windows PC, and on the corporate mail server
- Process hardening through use of SELinux
- Live log analysis and file integrity scanning
- Install and maintain the most recent service packs
- Monitor security rollout packages, install patches as needed
- Remove unnecessary applications
- Remove unnecessary services and default settings

- Monitor security rollout packages, install patches as needed

### Continuous Improvement

In an effort to continue core operations and provide the excellent support our clients rely on, InfoSend understands the importance of continued improvement of our security practices. Security is at the forefront of this improvement process. Through our extensive research and proactive measures, InfoSend clients can be assured that their data is protected and handled with the highest industry-standard measures of care.

### PCI DSS Certificate of Compliance

# Certificate of Compliance

## Payment Card Industry Data Security Standard

This is to certify that InfoSend, Inc. has been assessed by SecurityMetrics, Inc. and were found to be compliant against the PCI Data Security Standards version 2.0, endorsed by Visa, MasterCard, American Express, and other leading card brands. A compliant Report On Compliance (ROC) has been issued by a Qualified Security Assessor (QSA) for the following:

**InfoSend, Inc.**

Report On Compliance Date: August 20, 2012

Conditions of Issuing:

1. SecurityMetrics, Inc. has issued this certificate to indicate that the aforementioned company has been assessed against the requirements of the Payment Card Industry Data Security Standards' (PCI DSS) validation methods and were found to be compliant to PCI DSS version 2.0 on the date of issue only, no other guarantees are given.
2. This certificate should not be used as an official verification of compliance. Those needing to verify compliance should review the Attestation of Compliance (AOC) and/or the ROC. Official inquiries should be directed to the organization being reviewed.
3. The certificate offers no guarantee or warranty to any third party that the company is invulnerable to attack or breaches in its security, and SecurityMetrics accordingly accepts no liability to any third party in the event of loss or damage of any description caused by any failure in or breach of customer security.



Nathan Bates - Security Analyst  
CISSP, QSA, PA QSA

8/20/2012  
Date



5. Requirements: Customer Support and Disaster Recovery
  - a. Customer Support
    - i. Describe customer support hours.
    - ii. Describe the trouble management process functions, including: problem reporting, assignment, escalation, resolution.
    - iii. Provide procedures for after-hours support.
    - iv. Provide a list of company holidays
    - v. Provide contact points for customer service.

**Customer Support** – Infosend values quality customer support. The following reflects InfoSend's standard support coverage that are included as part of InfoSend data processing, print, and mail support:

- 800 Toll Free Telephone support: 800.955.9330
- Scheduled assistance for project implementations and other special projects (there may be charges depending on the Statement of Work)
- Technical troubleshooting and issue resolution
- Free electronic access 24 x 7 with the following online benefits:
  - Log, track & close support requests
  - View & update support requests
  - Access published documentation
  - Access available downloads
  - Download reports
  - View Job Tracking statistics
  - Download sample files in PDF format

**HelpDesk Hours** -Standard hours of support are from 8:00 AM Pacific to 5:00 PM Pacific, Monday through Friday, excluding designated statutory holidays. InfoSend holidays include those also recognized by the USPS - New Years Day, Martin Luther King Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

Support hours may vary by specific product line. Weekend assistance is available and must be scheduled in advance and in most cases is billable.

**Call Process** - All issues or questions reported to support can be tracked via an online support ticket. Account Managers can provide support via telephone, email, or via the online support ticket tool that is located by logging into [www.infosend.com](http://www.infosend.com).

- Each call is handled with personal support. Clients receive support by contacting their dedicated Account Manager. If the client's dedicated contact is not available, the support request will be handled by another cross-trained Account Manager or Senior Account Manager. This representative will be your liaison through the support process, giving you a single point of contact for issue resolution.



- Each support request logged using InfoSend's online Support Ticket Tool. Support Ticket requests are assigned a unique ID and can be viewed by both InfoSend Support and the client's authorized representatives. Support Ticket requests are archived, and can be filtered by open and closed requests.
- Our staff will coordinate with programming, production, and data processing departments to ensure that quality issues are resolved quickly and completely the first time. All necessary modifications are thoroughly tested before being applied to your applications to ensure that the final product meets quality expectations.
- Once an issue has been resolved, clients are notified of the solution and allowed to review new sets of samples to approve any changes. Extra attention is paid to the new job throughout our production, quality control, and mailing process. When all parties confirm that the job is meeting quality expectations through every step in the process, we will approve and release the job for completion.

**Trouble Resolution and Escalation** - If our clients discover an issue affecting quality, we offer a number of ways to communicate this issue to our staff. Support requests may be presented through [www.infosend.com](http://www.infosend.com), email to the designated account manager, or the support department as a whole. Our support department is also available in person by calling our 800.955.9330. Our support team is trained to monitor incoming support requests in order to provide the timeliest and effective response possible. If a quality issue is found through one of our internal checks, our QC department will immediately notify the support team.

Once the issue has been communicated to our support department, an InfoSend Client Services representative specifically trained to manage your account will contact you. The Client Services representative will discuss possible resolutions to the issue. This representative will be your liaison through the support process, giving you a single point of contact for issue resolution. Our Client Services staff is experienced in handling a wide range of support tasks, and will escalate the issue when necessary to ensure complete resolution. Our staff will coordinate with our programming, production, and data processing departments to ensure that quality issues are resolved quickly and completely the first time. All necessary modifications are thoroughly tested before being applied to your applications to make sure that the final product meets your quality expectations.

Once an issue has been resolved, you will be notified of the solution, and allowed to review a new set of samples to approve any changes. InfoSend will then reproduce the job with all changes in place. Extra attention is paid to the new job throughout our production, quality control, and mailing process. When all parties confirm that the job is meeting quality expectations through every step in the process, we will approve and release the job for completion.

b. Disaster Recovery

- i. The Vendor must have a disaster recovery facility to process the City's bills if the main facility becomes inoperable. Provide locations and information about these facilities.
- ii. Provide a summary of the disaster recovery plan, including the amount of time needed to move processing to another facility.

InfoSend fully satisfies the City's disaster recovery requirements.

**Facilities**

Corporate Headquarters

InfoSend's main production, programming, and executive offices are housed in its Anaheim, CA corporate headquarters facility. In April 2011 InfoSend moved its headquarters facility from Fullerton CA to its newly constructed Anaheim location. This enterprise-class H.Q. facility is a 77,000 sq. ft. building surrounded by roughly four acres of property, entirely secured by access-controlled gates. The property has enough space to create an InfoSend campus with almost unlimited room for production growth and additional office space. The significant investment in InfoSend's H.Q. move highlights the company's commitment to continuous improvement of capacity, security, disaster recovery, and growth.

InfoSend's Anaheim corporate H.Q. is located at the following address:

4240 E. La Palma Ave  
Anaheim, CA 92807

Mail pieces that are produced at 4240 E. La Palma Avenue in Anaheim are delivered to the main Post Office Hub of Anaheim, California, which is approximately two (2) miles from the facility.

Midwest Facility

InfoSend's Midwest disaster recovery and production facility is located in Downers Grove, IL, situated just outside of Chicago. The Downers Grove production facility is fully staffed and equipped. This facility serves InfoSend's Midwest and Eastern clients, as well as provides disaster recovery support for our California clients. This InfoSend 25,000 sq. ft facility is located at:

1406 Centre Circle  
Downers Grove, Illinois 6051

**Disaster Recovery** - InfoSend understands the importance of business continuity. As client needs and expectations have evolved, so has InfoSend in

the area of disaster recovery. InfoSend's Disaster Recovery Plan is designed to avoid problems that can potentially threaten InfoSend's service. InfoSend uses a multiple-facility approach to disaster recovery. Each of InfoSend's facilities operates under capacity to ensure that equipment failures or spikes in volume will be handled locally without issue.

The primary methods used in InfoSend's disaster recovery and contingency program are (1) Disaster Avoidance Measures, (2) Backup - to other systems and to tape (3) Fail-over and Restoration, and (4) Testing and Documentation.

The BillPrint and Mail and eServices platforms are hosted at both the primary and the disaster recovery locations. If a disaster takes the primary computer systems platform offline it can be run from the backup platform. InfoSend's custom Customer Relationship Management program, which contains detailed records of each client's implementation and support history, is also synced and stored in multiple locations.

Hundreds of clients depend on our platforms and staff to provide business-critical services. Our excellent client retention track record speaks to our system reliability and high-quality processing. While InfoSend has never had to implement a disaster recovery plan in a live environment, we place great importance on maintaining and testing a successful disaster recovery strategy. Our knowledge of a strong disaster recovery strategy comes from testing, consultation with IT experts, and from years of research.

We are confident that we have the necessary measures in place to recover from a range of large-scale operational disruptions. We have two geographically positioned facilities providing full coverage across the United States.

**Labor-** InfoSend's employees are cross-trained and can manage tasks that span the entire production process. At InfoSend's current size and capacity, operations can run normally with the absence of key personnel with no effect on production.

#### **Materials, Laser Printing, Mail Inserting**

- InfoSend's standard envelopes are stored at each facility.
- Should you elect to use custom envelopes, an emergency supply of them can be kept in inventory at the appointed disaster recovery facility.
- InfoSend's standard forms (including the blank white form with a perforation) are stored at each facility.
- Should you elect to use custom forms, an emergency supply of them can be kept in inventory at the disaster recovery facility. The custom pre-printed form elements (e.g. logo, statement backer) can also be laser printed in grayscale onto white paper if the custom forms are not available.

- Cut-sheet production laser printers are actively in use at all facilities. The corporate H.Q. and Midwest Facility both have 2-color laser printing capabilities.
- Intelligent mail inserters (with mail piece integrity) are actively in use at all facilities.
- Each facility uses multiple printing and inserting production lines, each that operate independently of the others in the case of equipment maintenance or downtime.
- InfoSend's Job Tracking application logs where each batch is produced and can redirect individual jobs to other facilities on the fly if needed.

**Data Synchronization** - InfoSend utilizes a secure VPN to ensure the primary data center is continually syncing backup data to the disaster recovery site. Server virtualization technology is also leveraged to ensure applications are hardware agnostic and can be configured and run at any of the InfoSend sites with little to no cutover time. All data is committed to tape backup and routinely taken offsite to a secure location.

Four separate backup methods are in place to protect data and assure systems are fully restored after a disaster of any type:

1. All servers are duplicated at the Disaster Recovery Facility. Data is automatically synched between the main facility and the Disaster Recovery Facility over a secure VPN.
2. Server data is backed up to tapes that are both stored in fireproof safes and taken off-site routinely.
3. The RAID system is used on all servers to ensure that data remains available in the event of a hard disk failure.
4. Network SAN systems are used that expand upon RAID by duplicating the entire network storage system to a redundant node with its own RAID.

### **Facility Fail-Over and Restoration**

Should one of InfoSend's facilities become inoperable due to a fire, natural disaster, etc. then facility fail-over measures will be used to produce the mail at the other facility. Data processing and system hosting will be moved to the disaster recovery facility from the primary facility. Documents can be printed and mailed from any of InfoSend's facilities. If facility fail-over is enacted, available labor resources will travel to the other facilities to help with the disaster recovery efforts. Should there ever be a case where one of InfoSend's facilities is impacted by a major disaster, the company has a travel and lodging contingency plan for necessary employees to travel to facility providing disaster recovery support.

If facility fail-over is enacted, then restoration of the affected facility will begin as soon as possible. All facilities have fire and theft insurance. Remote sales and

technical staff working from home offices can continue to work, should a facility go offline and will be available to help assist with the restoration efforts.

### **Testing and Documentation**

InfoSend's disaster recovery procedures are continuously improved. Documentation is regularly updated as necessitated by new requirements or changes to internal procedure or systems engineering.

**Disaster Avoidance** - InfoSend approaches the risk of technology failure or operational interruption via the following methodologies:

1. **Facilities Operate Under Capacity:** this ensures that each local facility can endure well above normal interruptions in labor force availability. Employees are cross-trained to provide coverage throughout the process of receivable transformation and delivery.
2. **Multiple Communication Lines:** InfoSend's headquarters utilize both wired and wireless lines, with seamless failover should an Internet provider have an outage.
3. **Server Virtualization:** InfoSend fully leverages server virtualization technology, ensuring any critical processes can be hardware agnostic and quickly cut over to other available hardware resources in the event of a failure.
4. **RAID, SAN, VPN Data Sync and Tape Backup:** InfoSend utilizes a combination of these methods to ensure real-time accuracy, redundancy and disaster-proof availability of data.
5. **Automated System Alerts and Employee Coverage:** InfoSend ensures that all systems are automatically monitored and reported on, with failures triggering emails and text messages to employee phones. Multiple employees are cross-trained in systems engineering and administration for around the clock coverage across all facilities.
6. **Documentation:** all systems and practices are documented both for internal training and reference, as well as to meet outside audit requirements in order to maintain compliances such as PCI DSS.
7. **Disaster Preparedness:** in the event of severe labor interruptions or physical premises becoming incapable of production due to external causes, InfoSend will utilize its Disaster Recovery site to continue operations.

### **Data Center Technical Specifications**

- Redundant data centers
- Multiple methods of secure data transmission are available to ensure that client data reaches InfoSend securely, quickly, and in whole
- Backup copies of all data files are made before processing
- Load balancing for high availability
- Highly scalable

- Terabytes of storage, all network storage uses RAID
- System monitoring with alerts sent to IT staff when potential issues arise
- UPS systems for battery backup
- Redundancy for all critical servers, switches, etc. Virtualization used to provide automatic backup and restoration of live operating systems.
- Firewall fail-over
- System scales horizontally so that additional processing power can be added quickly.
- 24/7/365 support for critical issues. After-hours answering service provided.
- System and facility capacity is constantly monitored and scaled to prepare for upcoming volume increases
- Each InfoSend facility has fiber optic Internet connections with a minimum of 10mb of bandwidth. The primary facility and corporate H.Q. uses a fiber optic Internet connection from AT&T and has a backup Covad wireless Internet connection.
- System architecture uses industry-standard security practices and a multi-layered security approach
- Data is backed up to tape, stored in a fireproof safe, and picked up by an enterprise tape vaulting service provider
- InfoSend is constantly evolving its best practices

#### **Network Specifications**

- Secure Socket Layer (SSL) encryption on all web server connections, server authentication
- Client authentication for TCP/IP connections
- Firewalls blocking all traffic unless expressly permitted, no direct connections to the LAN
- Only authenticated users of InfoSend's intranet can access the LAN locally or remotely (via the VPN), two-factor authentication required for VPN access
- System attack attempts are monitored and directly reported to system administrators
- Limited access points due to tiered permission levels for InfoSend's CRM system, client data access points, storage drives, and networks. Each access point is guarded by separate firewalls
- Separation of firewalls and networks in order to isolate production network. Enterprise class firewalls are used to safeguard data, using a combination of the layer-3, layer-4, and layer-7 security technologies.
- Perimeter network security data/protection. HTTP, FTP, and SFTP networks located within networks behind secured servers.
- HTTP, FTP, and SFTP set application protocols and application filtering
- Continuous monitoring of web applications by InfoSend's system administrators, with automated notifications enable in the case of threat detection or web vulnerability
- Static and dynamic packet filtering

- Scheduled testing of InfoSend's systems
- Meets rigorous audit requirements
- Notifications from MacAfee, CERN, etc.
- Data transmission through SSL web uploads or FTP/SFTP with PGP encryption
- VPN system hardening
- External third-party security monitoring alerts InfoSend if there is a potential security risk.

## SECTION 5 – Project Schedule

Include a project schedule for each key focus area of the project, as identified in the scope of work. This schedule should contain key project milestones and timelines for deliverables. Identify assumptions used in developing the schedule. The selected Vendor will be expected to accept the first production file no later than June 3, 2013.

If selected, InfoSend will continue to provide the City of Healdsburg with data processing, printing and mailing services of its utility bills and late notices without delay or additional effort on the part of the City staff. Should the City decide to include electronic bill presentment and payment services to its customers, a proposed schedule for implementation, with milestones is provided on the pages that follow:



Milestone:	# of Days	Responsibility:
<b>Requirements Gathering:</b>		
<b>Week 1:</b>		
Client Completed Service Agreement (kicks off project)	1	Client
InfoSend Sales Completes Implementation Handoff Document	1	InfoSend
InfoSend Client Services Account Manager Assigned to Lead Project	1	InfoSend
Client Begin Agreement with Selected Payment Processor - Must be Completed Before Week 10 (if payments applicable)	--	Client
Client Identifies Required Internal Stakeholders for Project Calls (IT, Customer Service, Finance, etc.)	4	Client
InfoSend Schedules Kickoff Call with Client lead	4	InfoSend and Client
InfoSend Hosts Implementation Project Kick Off Call and Sets weekly call Schedule	1	InfoSend and Client
InfoSend Delivers Implementation Documentation and Report Samples to Client	2	InfoSend
InfoSend Sets Up Client FTP and/or Web Account for File Transfers to and From InfoSend	5	InfoSend
InfoSend Fills Out eService Configuration Checklist Based on Client Requirements	14	InfoSend
<b>Week 2:</b>		
Client Sends Sample Export and Import Files with Documentation: Customer Information Export, Billing File Export, Payment Posting (if payments applicable)	5	Client
InfoSend Analyzes Client Sample Files and Provides Feedback	5	InfoSend
Client Provides Necessary Branding Requirements: Portal/Email Banner	5	Client
Client Provides Necessary Legal Language: Application Terms of Service, Privacy Information, etc	5	Client
<b>Week 3:</b>		
InfoSend Provides Branding Mockup	1	InfoSend
Client Refines Export Files (if required)	5	Client
<b>Week 4:</b>		
Client Approves Branding Mockup	1	Client
InfoSend Confirms Client Export Files	1	InfoSend

InfoSend Provides Marketing Samples for Notifying Customers of New Service	1	InfoSend
InfoSend Completes Requirements Gathering: InfoSend eService Configuration Checklist Reaches 100%	1	InfoSend and Client
<b>Application Build:</b>		
<b>Week 5:</b>		
InfoSend Builds Application Per Requirements	14	InfoSend
Client Configures Automated Scripts for File Export/Import (if required)	15	Client
Client Plans Marketing for New Service (printed materials, internal website changes, etc.)	15	Client
InfoSend Completes Build of Application	1	InfoSend
<b>User Acceptance Testing (UAT)</b>		
<b>Week 9:</b>		
InfoSend Provides Application URL and Test Accounts For Client UAT	1	InfoSend
Client Performs UAT and Provides Feedback	14	Client
InfoSend Modifies Application Variables as Requested	14	InfoSend
Client Tests Automated Scripts for File Export/Import (if required)	14	Client
<b>Week 11:</b>		
InfoSend Receives Payment Processor Merchant Keys (if payments applicable)	1	InfoSend
Client Performs Live Payment to Confirm Posting to Billing System and Bank (if payments applicable)	5	Client
<b>Week 12:</b>		
Client Completes UAT and Provides Sign Off on Application	1	Client
InfoSend Trains Client on Methods for Contacting InfoSend Support	1	InfoSend and Client
InfoSend Provides Application Administration (CSR) Portal Access	1	InfoSend
InfoSend Performs 1-2 Scheduled Training Sessions for Client Administration Staff	5	InfoSend and Client
<b>Week 13:</b>		

Client Approves Final Go-Live Date and Time for Following Week (or later if requested)	1	Client
InfoSend Completes Internal Go-Live Checklist to Ensure Readiness	4	InfoSend
<b>Application Launch (Go-Live)</b>		
<b>Week 14:</b>		
InfoSend Makes URL/Enrollment Available	1	InfoSend
InfoSend Hosts Application Launch Review One Month Later	--	InfoSend and Client

## SECTION 6 – Project Cost

Provide a cost proposal for Bill Print and Mail development, implementation, and ongoing maintenance. The cost proposal must be submitted in the following format and must include all costs to be billed to the project.

InfoSend's cost proposal is provided below:

IMPLEMENTATION		
One-Time Implementation Fee		\$ No Cost
Includes all phases of the project prior to the production phase: programming, testing, etc.		
BILL PROCESSING		
Per Statement Fee		\$ .0845
Includes: file transmission, bill printing, data processing, mail preparation (folding, inserting a 1-page bill into an outgoing envelope, one marketing insert, bill comment, and one return envelope), and deliver to USPS.		
Additional Insert Fee (per insert)		\$0.01
Includes charges for inserting additional bill pages and marketing inserts.		
Manual mail preparation fees		\$ No Cost
Includes charges for customer bills that are consolidated because they are mailed to the same address.		
CASS Certification (per address)		\$ No Cost
Address Updates (per address)		\$0.35
ARCHIVAL		
Electronic Archiving (per statement)		\$0.01/bill for 12 months or \$85 plus S&H per CD sent
Costs related to the preparation of CD Rom, or other electronic archiving format.		
FORMS AND SUPPLIES		
Preprinted Bill Stock - Regular Bill (per statement)		\$0.018
Preprinted Letterhead - Reminder Notice (per notice)		\$0.018
Mailing Envelope #10 (per envelope)		\$0.015
Preprinted Return Envelope #9 (per envelope) (used with statement only)		\$0.015
Larger Mailing Envelopes for Consolidated Bills (per envelope)		\$0.15
Storage Fees		\$ No Cost
Fees related to the storage of preprinted bill stock, envelopes, inserts, etc.		

<b>OTHER COSTS</b>	
Programming Charges (per hour)	\$175.00/ hour
Requested changes after implementation	
Inserts (per insert)- to insert into bill package	\$ 0.01
Other Costs Not Included Above- NCOA Address Updates	\$ 0.35 each
Optional Services (if necessary provide a separate cost summary)	\$

## SECTION 7 – Project Alternatives

### Bid Alternate

In addition to the current services related to the bill printing and mailing the City is also considering the service related to the item listed below. If the Vendor offers these services please provide costs for the following bid alternate.

- Electronic Bill Presentment, including electronic archival of bills and statements and On-Line Bill Payment.

IMPLEMENTATION	
One-Time Implementation Fee	\$ 3,495.00
Includes all phases of the project prior to the production phase: standard reports, programming fees, payment integration with payment processor (if applicable), presentment of client provided PDF, testing, etc.	
eBILL & AUTOPAY FEES	
Access for City Staff to manage portal for customer related transactions.	\$ Included
Data Processing and Document Creation	\$ Included
eBill Loading and Storage Fee	\$ \$0.02/ebill
Per Enrollment User Fee	\$ \$0.06/user
Payment Processing Fee (none from InfoSend, but from our processor EPX, pricing to the right)	ACH \$ 0.22 CC: Straight pass through of Utility Discount Rate + \$0.22 fee from processor (EPX)
PCI Compliance Fee	\$ 0.05
Monthly Support Fee	\$ 350/month
ONE-TIME PAYMENT INITIATION FEES (no enrollment)	
One-Time Implementation Fee	\$ 500.00
Includes all phases of the project prior to the production phase: standard reports, programming fees, payment integration with payment processor (if applicable), presentment of client provided PDF, testing, etc.	
Payment Processing Fee (none from InfoSend, but from our processor EPX, pricing to the right)	ACH \$ 0.22 CC: Straight pass through of Utility Discount Rate + \$0.22 fee from processor (EPX)

PCI Compliance Fee	\$ 0.06
Monthly Support Fee	\$ 50.00
<b>PAYMENT PROCESSOR FEES</b>	
ACH Transaction Fee (and ACH Returns)	\$0.22/Transaction \$3.50/Return
Credit/Debit Cards - Utility discount rate plus any additional charge, per transaction.	Straight pass through of Utility Discount Rate + \$0.22 fee from processor (EPX)
Monthly Statement Fee	\$ 15.00/Month
<b>OTHER COSTS</b>	
Other Costs Not Included Above	\$
Optional Services (If necessary, provide a separate cost summary)	\$750.00 Set Up
Custom Payment Posting Report	

## SECTION 8 – References

Provide a description of projects similar in nature and scope that the Vendor has completed in the last two years. Include client names, addresses, and telephone numbers. Also provide a list of utility customers who stopped service prior to the original contract expiration date, with the reason for the contract termination.

<b>City of Gilroy, CA</b>	(408) 846-0394
17555 Peak Ave.	Irma Navarro, Revenue Officer
Morgan Hill, CA 95037	<a href="mailto:irma.navarro@ci.gilroy.ca.us">irma.navarro@ci.gilroy.ca.us</a>
<p>The City of Gilroy has been an InfoSend BillPrint &amp; Mailing services customer since 2006. In April of 2012 the City contracted with InfoSend for Electronic Bill Presentment and Payment Services. The City provides billing information from a Sungard Pentamotion utility billing system.</p> <p><b>Billing System:</b> Sungard Pentamotion  <b>Volume:</b> 14,000 statements, monthly  <b>InfoSend Products Used:</b> BillPrint &amp; Mail, Electronic Bill Presentment &amp; Payment</p>	
<b>City of Morgan Hill, CA</b>	408.779.7221 ext. 446
17555 Peak Ave.	Lisa Cvitanich, Finance - Accounting Assistant
Morgan Hill, CA 95037	<a href="mailto:lisa.cvitanich@morganhill.ca.gov">lisa.cvitanich@morganhill.ca.gov</a>
<p>The City of Morgan Hill is an InfoSend BillPrint &amp; Mail and Online BillPay client, processing approximately 12,000 statements through our systems monthly. The City has been an InfoSend client since 2008, after switching to InfoSend from the services of a competitor. Morgan Hill implemented BillPrint &amp; Mail services first, and then launched Online BillPay with InfoSend in 2009. The City exports utility billing information from a Tyler Technologies' Incode system, which InfoSend then processes, prints, and presents online for payment.</p> <p><b>Billing System:</b> Tyler Incode  <b>Volume:</b> 12,000 statements, monthly  <b>InfoSend Products Used:</b> BillPrint &amp; Mail, Online BillPay</p>	
<b>City of Vacaville</b>	(707) 449-5125
650 Merchant Street	Anna Lazazzera, Financial Services Supervisor
Vacaville, CA 95688-6992	<a href="mailto:alazazzera@ci.vacaville.ca.us">alazazzera@ci.vacaville.ca.us</a>
<p>The City of Vacaville was producing its utility bills in-house when it selected InfoSend as its bill printing and mailing services provider in June of 2005. The City provides data files from its Eden CIS for InfoSend to process. Three years later it chose InfoSend to provide Electronic Bill Presentment and Payment services.</p> <p><b>Billing System:</b> Eden Inforum  <b>Volume:</b> 16,000 statements, monthly  <b>InfoSend Products Used:</b> BillPrint &amp; Mail, Electronic Bill Presentment &amp;</p>	



Payment

## **SECTION 10 – Conflicts of Interest**

Vendors submitting a proposal in response to this RFP must disclose any actual, apparent, direct, indirect, or potential conflicts of interest that may exist with respect to the Vendor, management, or employees of the Vendor or other persons relative to the services to be provided. If a Vendor has no conflicts of interest, include a statement to that effect in the proposal.

InfoSend, it's management and employees do not have any actual, apparent, direct, indirect or potential conflicts of interest with regards to the City of Healdsburg.

## **SECTION 11 – Contract Provisions**

A copy of the City's Professional Services Agreement is attached as Attachment A. Any exceptions to the terms in Attachment A shall be set forth in the proposal or the proposing firm shall be deemed to have accepted those terms. Please note the City will not change any indemnification language.

**InfoSend has reviewed and accepts without exception the City's Professional Services Agreement as provided with the RFP.**

## **SECTION 12 – Proprietary Information**

Vendors submitting a proposal in response to this RFP must provide a statement that nothing contained in the submitted proposal will be proprietary. All proposals shall become the property of the City once submitted.

InfoSend submits this proposal with the understanding that nothing contained herein is proprietary and that the proposal becomes the property of the City of Healdsburg once submitted.

## SECTION 13 – Signatures

The proposal shall be signed by an official authorized to bind the Vendor and shall expressly state that the proposal is valid for 90 days.

This proposal is valid for 90 days.

Company Name: InfoSend, Inc.

Address: 4240 East La Palma Avenue

City/State/Zip: Anaheim, CA 92807

Telephone: 800 955 9330 Fax: 714 993.1306

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

Name of Signer (Print): Russ Rezai

Title of Signer (Print): Chief Operating Officer

## DPPM 12-Week Raw Data Implementation Timeline

<b>Document Purpose:</b>
This document provides details on the scheduling for a standard new client on-board for InfoSend. This is an estimated schedule outlining a full DPPM implementation for raw data input files. While certain tasks can be performed concurrently, the project workflow will follow the general outline presented below.
<b>Intended Recipients:</b>
InfoSend and Prospect Staff

<b>Milestone:</b>	<b># of Days</b>	<b>Responsibility</b>
<b>Week 1:</b>		
Client provides notice to proceed.	1	Client
Receive hand-off document from sales team	1	InfoSend PM
Client submits test data deliverables	3	Client
Client provides samples of current statement outputs	3	Client
Provide electronic copies of required graphics (logos, etc...)	3	Client
Initial project requirements gathering call is held	1	Client and INF
Requirements for processing and document outputs are gathered and reviewed	3	InfoSend PM
Initial document mock-up development process	5	InfoSend PM
<b>Week 2:</b>		
Mock-ups are provided to the client for review and feedback	1	InfoSend PM
Account Manager provides programming requirements to DPPM team	2	InfoSend PM
<b>Week 3:</b>		
Adjustments to first round of mock-ups are made and presented to client for review.	3	InfoSend PM
Programming reviews the data file and meets with Account Manager to discuss any programming questions	3	InfoSend IT
A conference call is held to discuss the second round of document mock-ups	1	Client and INF
Additional rounds of mock-up changes and reviews are completed	6	Client and INF
Clarification is obtained on any questions which arise during the programming review	4	InfoSend PM
<b>Week 4:</b>		
Client approves and signs-off on final versions of mock-ups	1	Client
InfoSend to provide a detailed Statement of Work outlining project requirements, goals, responsibilities, and success criteria	1	InfoSend PM
Review and sign-off on finalized SOW	3	Client
<b>Week 5:</b>		
InfoSend application development begins for the project	10	InfoSend
<b>Week 6:</b>		
InfoSend application development continues	1	InfoSend

InfoSend conducts an internal review of the samples and provides input to programming team	3	InfoSend PM
<b>Week 7:</b>		
Account Manager input is incorporated into the samples, and approved samples are presented to client	2	InfoSend IT
Client reviews the first set of samples	3	Client
<b>Week 8:</b>		
Conference call is held to review the first set of samples is held	1	Client and INF
Client input for first round of samples is communicated to programming in the form of a Tracking Document	1	InfoSend
Account Manager finalizes custom materials specifications and orders are placed (if applicable)	2	InfoSend
Programming makes requested changes and presents second round of samples	4	InfoSend
Account manager reviews changes and presents to client	2	InfoSend
<b>Week 9:</b>		
Additional rounds of sample generation and review are completed	5	Client and INF
<b>Week 10:</b>		
Client approves outputs	1	Client
The application is moved to InfoSend's live production environment	1	InfoSend
Account Manager sends samples of OCR line/barcode for approval.	1	InfoSend
Account Manager coordinates internal application testing simulating first live output run	3	InfoSend
DPPM Programmer completes Programming QA procedures	1	InfoSend
Account Manager provides training to client's group on InfoSend.com site	1	Client and INF
<b>Week 11:</b>		
Client sends files to InfoSend for parallel testing	7	Client
<b>Week 12:</b>		
Parallel testing is completed, and application is approved for go-live	1	Client
Client sends first live file for processing	1	Client
Account Manager coordinates first run Quality Control procedures with InfoSend Operations staff	2	InfoSend
First outputs are printed and mailed.	1	InfoSend
InfoSend conducts internal project review	2	InfoSend
<b>Ongoing</b>		
Follow-up meeting is held between project teams. Responsibilities for any pending tasks are assigned	Ongoing	InfoSend



## **InfoSend Service Agreement**

This Agreement entered into as of \_\_\_\_\_ in Anaheim, California, by and between **InfoSend, Inc.** having its main office at 4240 E. La Palma Ave, Anaheim, California 92807 and **Beaumont Cherry Valley Water District**, "Client" having its main office at: **560 Magnolia Avenue, Beaumont, CA 92223** InfoSend's primary phone number is (714) 993-2690.

### **Section 1. Term of Agreement**

The "Initial Term" of this Agreement shall be a period of thirty-six (36) months. Subsequent "Renewal Periods" equal in duration to the Initial Term shall automatically commence upon the expiration of any term (Initial Term or Renewal Period) unless either party shall, at least 60 days prior to the end of the Initial Term or subsequent Renewal Period, give 60 days written notice of termination, via certified mail.

This Agreement automatically terminates any prior contracts, terms or agreements previously executed between InfoSend and Client to cover the services contained in this Agreement, unless specifically referenced herein.

### **Section 2. InfoSend Services**

Subject to the terms and conditions of this Agreement, InfoSend will provide to Client, and Client will purchase from InfoSend, the services listed in Exhibit A ("Scope of Primary Services") to this Agreement for the pricing set forth in Exhibit B ("InfoSend Monthly Fees"). In the event Client requires other consulting, installation, development and/or customization services, InfoSend shall perform and Client shall purchase such services in accordance with the provisions of Exhibit C ("Professional Services") of this Agreement.

### **Section 3. Termination**

This Agreement and any future amendments to the Agreement may be terminated for cause as follows:

- (a) If either party breaches any material term or condition of this Agreement, other than for Client's failure to pay and other than a failure to perform due to the causes described in Section 8, "Force Majeure," and fails either to substantially cure breach within thirty (30) days after receiving written notice specifying the breach, or, for those breaches which cannot reasonably be cured within thirty (30) days, to promptly commence curing such breach and thereafter proceed with all due diligence to substantially cure such breach, then the party not in breach may, by giving written notice to the breaching party, terminate this Agreement in its entirety, or as it pertains to a particular Product, Deliverable, Service or Professional Service, as of a date specified in such notice of termination. All of the obligations of the parties contained in this Agreement, except for Client's obligation to pay fees, shall be deemed to have been performed in an acceptable manner unless the party not in breach provides the breaching party with written notice as stated above within sixty (60) days of the event giving rise to the breach.
- (b) If Client fails to pay when due any payables owed hereunder within thirty (30) days of receiving written notice of such failure to pay thereof, InfoSend may, at InfoSend's option, terminate this Agreement in its entirety or only as it pertains to a particular Product, Deliverable, Service or Professional Service, by giving written notice to Client, as of a date specified in such termination notice.
- (c) In the event that either party hereto becomes or is declared insolvent or bankrupt, is the subject of any proceedings related to its liquidation, insolvency or for the appointment of a receiver or similar officer for it, makes an assignment for the benefit of all or substantially all of its creditors,

or enters into an agreement for the composition, extension or readjustment of all or substantially all of its obligations, then the other party hereto may, by giving written notice thereof to such party, terminate this Agreement as of the date specified in such notice of termination.

Upon termination of this Agreement or any portion hereof for any reason, all rights granted to Client under this Agreement with respect to terminated Products, Deliverables, Services and Professional Services, will cease and Client will promptly pay to InfoSend any and all charges due, including but not limited to payables that are due pursuant to this Agreement, the Discontinuance Fee set forth in Section 4 below and accrued finance charges; however, Client shall not be responsible for paying the Discontinuance Fee if this Agreement is terminated by InfoSend other than as a result of Client's breach of its obligations hereunder or is terminated by Client pursuant to Paragraph 3(a).

#### Section 4. Discontinuance Fee

The parties have mutually agreed upon the Fees for the Services to be provided hereunder based upon certain assumed volumes, and the Term of this Agreement. Because of the difficulty in ascertaining InfoSend's actual damages for Client's termination without cause or a termination of the Agreement due to a breach by Client prior to the expiration of the then-current Term, Client agrees that, prior to the effective date of such termination and in addition to all other payables then due and owing to InfoSend, Client will pay to InfoSend the following discontinuance fee:

The discontinuance fee is equal to two (2) months of the Client's average monthly billing for the previous 6 months of Service (excluding any postage charges and professional services fees that were invoiced in that time period).

Client shall not be required to pay the Discontinuance Fee if InfoSend terminates the Agreement pursuant to Section 3, Paragraph (a).

#### Section 5. Confidentiality of Information

All information and data relating to Client's business submitted by Client to InfoSend under this Agreement shall be treated as confidential by InfoSend and shall not, unless otherwise required by law, be disclosed to any third party by InfoSend without Client's written consent. InfoSend shall promptly notify Client should InfoSend be served with a summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admission, or other discovery request or court order from any third party regarding this Agreement and/or the Services performed under this Agreement.

InfoSend takes great care in both data security and human resource security. InfoSend has a Human Resources policy that requires all new employees to pass a background check performed by an outside company. All new employees must pass a drug-screening test as well. These practices will remain in place for the duration of the Agreement.

#### Section 6. Limitation of Liability and Indemnification

InfoSend will not be responsible for actions or omissions resulting from receiving data and/or following instructions received from Client. No damages shall be assessed against InfoSend when any delay or breach on InfoSend's part is caused by failure of Client to perform Clients' responsibilities or any other reason beyond the control of InfoSend.

InfoSend is a service provider, as such; Client acknowledges that data processing involves the risk of human and machine errors that InfoSend shall not be liable for any errors, omissions, delays or losses. In no event shall InfoSend be liable for indirect, special or inconsequential damages even if InfoSend has been advised of the possibility of such potential claim, loss or damage. The foregoing limitation of liability and exclusion of certain damages shall apply regardless of the success or effectiveness of other



remedies. Notwithstanding anything to the contrary contained herein, InfoSend shall not be responsible for delays in receipt of Client information or processing Client information because of causes beyond its reasonable control, including, without limitation, failures or limitations on the availability of third party telecommunications or other transmission facilities and Clients' failure to properly enter and/or transmit information.

#### Section 7. Invoicing and Payment

InfoSend will issue weekly invoices. Invoice terms are NET 30. Should Client dispute any invoiced charges it must do so in a reasonable time frame. Disputes must be made within 6 months of the invoice date. Past due invoices are subject to a 1.5% per month finance charge.

Client acknowledges that past due invoices must be paid in a timely fashion to avoid service interruptions. The recurring nature of InfoSend's services result in a rapid rise in the Client's account balance if Client's accounts payable process is delayed. This is especially true if InfoSend is invoicing client for postage charges. It is therefore necessary for InfoSend to follow strict and clear procedures when a Client does not pay invoices within the agreed upon time frame. The Past Due Accounts Receivable Procedures are outlined below:

- InfoSend's Accounts Receivable staff will monitor any past due account balances and first send Client's staff a courtesy email to inform Client of a past due account balance before any finance charges are applied.
- The finance charge is applied only if Client does not bring its account balance current within five (5) days of receiving the courtesy email.
- Finance charges are applied only as a means to incentivize clients to pay their invoices on time. InfoSend does not wish to charge clients interest and does not profit from finance charges. InfoSend is at significant risk of financial loss if clients default on their past due debt. InfoSend's Accounts Receivable staff must therefore constantly monitor past due account balances and evaluate the risk of a client defaulting on debt if courtesy emails and finance charges do not reduce this risk. InfoSend reserves the right to reduce this risk by notifying Client's staff in writing that it must pay at least the portion of the account balance that is more than sixty (60) days past due within five (5) days to avoid InfoSend's services being put on hold.
- Should a hold be instated it will immediately be removed once payment is received.
- If the service hold does not lead to payment of past due funds then InfoSend can issue a legal notice to Client that the Agreement is in jeopardy of being terminated due to non-payment, per Section 3(b).

#### Section 8. Force Majeure

Neither party will be liable for any failure or delay in performing an obligation under this Agreement that is due to causes beyond its reasonable control, including, but not limited to, fire, explosion, epidemics, earthquake, lightning, failures or fluctuations in electrical power or telecommunications equipment, accidents, floods, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, fuel or energy shortages, acts or omissions of any common carrier, strikes, labor disputes, regulatory restrictions, restraining orders or decrees of any court, changes in law or regulation or other acts of government authority, transportation stoppages or slowdowns or the inability to produce parts or materials. These causes will not excuse Client from paying accrued payables due to InfoSend through any available lawful means acceptable to InfoSend.

**Section 9. Miscellaneous**

The substantive laws of the state of California shall govern this Agreement. It constitutes the entire Agreement between the parties with respect to the subject matter hereof. No representations and agreements modifying or supplementing the terms of this Agreement will be valid unless in writing, signed by persons authorized to sign agreements on behalf of both parties. This Agreement is not intended to, and shall not be construed to, create or confer any right in or upon any person or entity not a party to it.

**Beaumont Cherry Valley Water District**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**InfoSend, Inc.**

Name: Russ Rezai  
Title: C.O.O.  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

## **Exhibit A - Scope of InfoSend Primary Services**

Client will select one or more of InfoSend's Primary Services from the list below by checking the box next to the Primary Service name. Any Primary Services not selected prior to the execution of this Agreement can be added at a later date via an Agreement Amendment. Optional Service Features can be turned on or off at any time without incurring a termination fee when turned off.

<input checked="" type="checkbox"/>	Data Processing, Printing and Mailing Service ("DPPM Service"): During the term of this Agreement, InfoSend will provide data processing, printing and mailing services. The Service consists of processing data, printing documents, mail preparation, applying postage (where applicable) and sending via the United States Postal Service. Document types include but are not limited to bills, postcards and letters.
<input type="checkbox"/>	InfoSend will provide eBusiness services (the "eBusiness Services"). During the term of this Agreement InfoSend can provide eBusiness Services. These services can include presenting bills online and/or accepting payment transaction information to facilitate ACH and/or credit card payments.

### **Section 1. Scope of DPPM Service:**

#### **Data Transfer and Processing**

- Client to transmit data to InfoSend in an agreed upon format. Should Client make changes to data file format after initial setup is complete it agrees to pay for the professional services required to accommodate the new file format. See Exhibit C – Professional Services for information on initial setup and ongoing programming changes.
- A File Transfer Report will be emailed to the Client representatives who have opted-in to this email. A copy of this report is also available to download from the InfoSend website.
- Client will have access to an online Job Tracking application that shows the progress of each file as it is processed and becomes a batch of documents to be printed and mailed. Client can see both the original input file name and the InfoSend-assigned "Job Code".
- InfoSend will process the mailing addresses and perform the following functions:
  - Apply CASS-certified address validation
  - Comply with USPS requirements to obtain pre-sort automation rates
  - InfoSend will stay current with all USPS regulations required to mail presorted first class mail
- InfoSend will provide proofs of the final print-ready PDF files to Client to be reviewed and approved before printing begins (if requested).

#### **Document Printing and Mailing**

- Batches are printed by InfoSend using a high-speed production process onto the agreed upon forms.

- Printed documents are put through a quality control process and then released to the mailing department to be inserted into outgoing envelope. The return envelope and any applicable inserts are included as well.
- After a batch of mail is completed in InfoSend's system it will be marked as such in the online Job Tracker and a Process Confirmation Report will be emailed to the Client representatives who have opted-in to this email. A copy of this report is also available to download from the InfoSend website.

## **Exhibit B - InfoSend Monthly Fees**

### **Section 1. Price Escalations to InfoSend Monthly Fees**

InfoSend Monthly Fees can be adjusted once every twelve (12) months to account for increases in the cost of materials, labor, and other overhead costs. InfoSend reserves the right to increase InfoSend Monthly Fees on a yearly basis (starting with the first anniversary of the Agreement date) not to exceed the Consumer Price Index (CPI) for the State of California, plus 1%. This information can currently be found at [www.dof.ca.gov/HTML/FS\\_DATA/LatestEconData/FS\\_Price.htm](http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm). The Client will be notified, in writing, at least 30 days prior to such price increase. An amendment to this Agreement will not be required if the Monthly Fees are changed, unless the terms or conditions of the Agreement have changed. Postage fees can change at any time per USPS regulations and do not require an Agreement amendment.

In addition to this, if Client uses the Printing and Mailing Service, it accepts that InfoSend reserves the right to pass on any extraordinarily high increases to the cost of forms or envelopes at any time. The Client will be notified, in writing, at least 30 days prior to such price increase.

### **Section 2. DPPM Monthly Fees:**

Client understands that print and mail production costs vary based on volume. The following InfoSend Monthly Fees are based on the estimated monthly volumes listed below. Should Client's actual continuous volume be less than 70% of the volume estimates Client has provided to InfoSend (listed below) then InfoSend reserves the right to invalidate the Fees listed in this Agreement. Should this rare situation arise then InfoSend will notify Client immediately and negotiate with Client in good faith to pass on any increased production costs to Client.

Sales tax is not included. Any applicable sales tax will be collected per government regulations.

The below pricing does not include any applicable initial setup fees, please see Exhibit C – Professional Services for initial setup fee and ongoing Professional Services Fees pricing.

### Pricing: Data Processing, Print & Mail Service Monthly Fees

InfoSend's Monthly Fees – Turnkey Data Processing, Print & Mail Service:			
The individual prices shown in the table below apply only to the turnkey data processing, printing, and mailing service for the following document types. Other types of document printing and or mailing can be quoted later, if needed.			
Primary Services	Turnkey data processing, BillPrint & Mail service	Per Item	Options Below:
		<b>Regular Bills (Per Sheet)</b> Est. Volume 8,000/month  Price includes black plus blue, green or red duplex printing of variable data and form elements on the front and back of the page onto white form with a perforation  Price includes simplex printing of variable data on the front of the page in black toner onto a pre-printed form (see forms section on next page)	\$0.084
		<b>Late Notices (Per Sheet)</b> Est. Volume 800/month  Price includes black plus red duplex printing of variable data and form elements on the front and back of the page onto white form with a perforation	\$0.084
		<b>Multiple Page Mailpiece Surcharge – Flat Mailpieces</b>  This surcharge only applies to multiple page bills that have too many pages to fit in a standard #10 envelope. This surcharge covers the necessary manual labor.	\$0.25
		<b>Postage (for all job types)</b>  You will be invoiced for the exact postage used	Pass Through

Material Component Fees – Data Processing, Print & Mail Service			
Materials	Forms		
	<b>Regular Bills: custom paper stock with perforation.</b> Paper is 8.5x11" and 24lb and has a static pre-printed backer. Variable data is printed on the front of the bill. Price includes all inventory costs.	Per Sheet	\$0.017
	<b>Regular Bills: 8.5x11" white paper stock with perforation.</b> Paper is 8.5x11" and 24lb. Price includes all inventory costs.	Per Sheet	\$0.014
	<b>Late Notices: 8.5x11" white paper stock with perforation.</b> Paper is 8.5x11" and 24lb. Price includes all inventory costs.	Per Sheet	\$0.014

Materials	InfoSend Standard Window Envelopes		
	Standard Window Envelopes	Per Standard Envelope	Options Below:
	These envelopes include security tint printed on the inside of the paper stock and clear film that prevent the contents of the envelope from being viewed. These envelopes also use sustainably logged paper (SFI).	#10 InfoSend Standard Double Window Outgoing	\$0.014
		#9 InfoSend Standard Single Window Return Envelope	\$0.013
	Other Envelopes		
	Flat Single Window Envelope – only used for multiple page statements that do not fit in the #10 envelope.	Per Flat Envelope	\$0.20

### Optional Services

Optional Service Features	<b>Electronic Address Updates – NCOALink or ACS</b> Per reported update. InfoSend electronically reports the addresses it received in your data that need to be updated because the customer filed a Change of Address Report with the USPS.	Per Update	\$0.40
	<b>Drop-Shipped Inserts &amp; Inserting of InfoSend-Printed Inserts</b> Clients can print and fold inserts and ship them to InfoSend to be mailed with the statements. If folding is required add \$0.01 to the fee. InfoSend-printed inserts are quoted upon request. No additional service cost to use selective inserting to selectively include inserts with certain bill types only (set-up costs can apply in some situations for advanced selective inserting criteria). Cost includes all inventory costs.	Per Insert	\$0.01
	<b>Print Image Archive</b> Each bill is stored as a PDF and indexed in a database. Search by account number or other key fields. You are charged one up-front fee per document to process it, index it, and store it for a set number of months.	Per PDF (No Set-up Fee)	\$0.01 - For 12 Months of Retention
	<b>Professional Services</b> Per hour and performed only upon request. For customizations made to document processing program or document format after go-live. Work is only started after receiving your approval of a formal quote.	Per Hour	\$175.00

#### Section 2.1. Custom Forms/Envelopes

If Client has selected the Printing and Mailing Service and at any time requests that InfoSend Monthly Fees include the cost of custom Client-specific materials (either in this Agreement or since its execution), then Client understands and accepts that these materials will be purchased in bulk to achieve the lowest possible per-unit cost. Client agrees to purchase any remaining supplies of requested custom materials (normally forms or envelopes) if Client stops using InfoSend's Service for any reason. Client agrees to purchase the remaining supply of custom forms/envelopes upon Client's request to change the custom forms/envelopes before the supply has been depleted.

#### Section 2.2. USPS Postage Rates

Postage rates are determined by the United States Postal Service. All postage rate changes are determined directly by USPS and are independent of any InfoSend service or materials fees. In no event

shall any change in the postage rates affect the InfoSend service or materials fees. The Client will be invoiced the amount of excess for overweight and foreign mail.

### Section 2.3. Postage Deposit

InfoSend purchases the postage needed to mail Client documents on the day of mailing. The postage charges are later invoiced to Client based on the Client's payment terms. InfoSend requires Client to submit a postage deposit prior to the first mailing to facilitate the payment terms. This amount will remain in deposit for the duration of the Agreement. Upon Agreement expiration or termination Client must pay in full any outstanding invoices from InfoSend for payables created under this Agreement; the postage deposit will be refunded within fifteen (15) days of the date that the last open invoice is paid.

The postage deposit is subject to an annual review and may be adjusted to account for changes to Client average mailing volume or changes to USPS postage rates. There will be no more than one adjustment requested per year, if at all.

The postage deposit amount is calculated by multiplying the estimated number mail pieces per month by the current 5-Digit pre-sorted first class postage rate. The postage deposit amount due for your account is:

8,800 mail pieces per month x \$0.37 x 2 = \$6,512.00



## **Exhibit C – Professional Services**

### **Section 1. Price Escalations to InfoSend Professional Services Fees**

InfoSend Professional Services Fees can be adjusted once every twelve (12) months to account for increases to the cost of providing these services. InfoSend reserves the right to increase Professional Services Fees on a yearly basis, starting with the first anniversary of the Agreement date, if needed. The Client will be notified, in writing, at least 30 days prior to such price increase. An amendment to this Agreement will not be required if the Professional Services Fees are changed, unless the terms or conditions of the Agreement have changed.

### **Section 2. Definition of Professional Services**

InfoSend Professional Services are the technical services that are required to perform the initial setup of the InfoSend Primary Services defined in Exhibit A and the technical services required to make changes to these Primary Services after the initial setup is complete. Once any Primary Service is live and operational Professional Services will not be required unless Client requests a change or makes changes to its data file format or business rules which necessitates a change to InfoSend's system configuration or programming. Examples of InfoSend Professional Services:

- Project requirements gathering and analysis hours
- Project management and/or consulting hours
- Software development and system configuration hours related to the processing of Client's data
- Software development and system configuration hours related to document design, web portal setup, business rule configuration, or any other applicable technical services
- Application testing and deployment hours

### **Section 3. Professional Services Fee and Process for Approval and Payment of Fee**

The current Professional Services Fee is \$175.00 per hour.

Anytime a project will incur billable Professional Services hours Client will be informed before work begins. InfoSend and Client will execute a Statement of Work for project that Client wants InfoSend to undertake. The payment terms for the project depend on the size and scope of the project. The Statement of Work can include payment terms that are different than the terms listed in this Agreement for InfoSend Monthly Fees, otherwise these terms will apply and the project fees will be invoiced upon project completion. Small projects that incur less than five (5) hours of Professional Services can be initiated without a Statement of Work if Client accepts and executes a Programming Quote for this work.

All projects that will take more than five (5) hours of Professional Services work will require both parties execute a formal Statement of Work. Depending on the nature of the work required InfoSend will provide one of the following quotation methods:

- Fixed Quote – a fixed project cost will be set. InfoSend may elect to waive this cost in some circumstances. Client understands and accepts that it must accept the terms and conditions of the Statement of Work for the project and that changes made to the project requirements, data file structure, etc. after the Statement of Work and any amendments to it have been finalized will require Client to pay for these changes on a Time and Materials basis. Client will be notified immediately if this scenario happens and given an option to keep the original project specifications to keep the fixed quote in place.

- Time and Materials quote – should it not be possible to provide a fixed quote due to the nature of a Client's requested project then InfoSend will provide an estimated number of hours to complete the project and bill the hours on a Time and Materials basis. The Statement of Work will include the terms and conditions for these project types and Client will be invoiced weekly for the hours spent on the project.

#### Section 4. Initial Setup Cost: InfoSend Primary Services

The Initial Setup cost for the InfoSend Primary Services selected in Exhibit A are listed below. These costs have been provided using a Fixed Quote process, explained in Section 3 above. Client understands and agrees to these terms and to the project-specific terms and conditions that will be provided in the Statement of Work that will be created to capture Client's specific requirements and data types.

InfoSend's Fees – Initial Set-up Costs		
Implementation, professional services, and optional services fees.		
Professional Services Fees	<p><b>Please pick from one of the options below:</b></p> <p><b>Option 1 - Express PDF Implementation: \$2,500 credit (paid in two equal installments at the beginning of years one and two)</b> With this option you control the formatting of your documents and do not pay maintenance fees.</p> <p><b>Option 2 - Data-Only (e.g. flat files, XML) Implementation: \$3,500.00</b> When this option is selected InfoSend creates, hosts and maintains an application to generate your bills. Your current document design will be matched. Please note that data manipulations are not part of the standard offering.</p> <p><b>Document Redesign Service: Included</b> We will assist you in redesigning the format of your printed documents if needed. We will become responsible for later changing the format of the documents, if needed (Professional Services Fees will apply for future changes.</p> <p>Please note that Clients must sign off on requirements documents (Statement of Work, project plan, etc.) before programming and system configuration can begin. Client can be charged additional fees and/or have the project go-live date delayed if requirements are changed after they have been finalized and signed off.</p>	
	<p><b>Professional Services Fee</b> Per hour and performed only upon request. For customizations made to your data processing application after go-live. Work is only started after receiving your approval of a formal quote.</p>	<p><b>Per Hour</b>      <b>\$175.00</b></p>