

FORESTHILL PUBLIC UTILITY DISTRICT

AGENDA

Regular Meeting of
FORESTHILL PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
Veteran's Memorial Hall, 24601 Harrison Street, Foresthill, CA 95631
www.foresthillpud.com

Wednesday	April 10, 2019	2:00 P.M.
-----------	----------------	-----------

A. CALL TO ORDER:

B. ROLL CALL:

- _____ President Neil Cochran
- _____ Vice President Mark Bell
- _____ Treasurer Linda Cholcher
- _____ Director Helen Rogers West
- _____ Director Patty Wade

C. PLEDGE OF ALLEGIANCE:

D. PUBLIC COMMENT: This is the time for members of the public to address the Board of Directors on any matter not listed on the agenda including upcoming community events or announcements. Please note that the Board of Directors is not permitted to take any action on items addressed during public comment. Comments will be limited to three minutes, at the discretion of the President. If comments cannot be heard within the three minute time limit, the President may move the remainder of public comment to the end of the meeting.

E. ADOPTION OF THE AGENDA:

F. CONSENT AGENDA: All items listed under the Consent Agenda are considered to be routine in nature and may be approved by one motion.

1. Minutes of March 13, 2019 Regular Meeting
2. Minutes of April 1, 2019 Finance Committee Meeting
3. Cash Disbursements Register, February 2019
4. Statement of Net Position, February 2019
5. Statement of Revenues & Expense, February 28, 2019
6. Monthly and Year to Date Report, February 28, 2019
7. Fund Accounts February 28, 2019

G. ACTION ITEMS:

1. Consider authorizing execution of a service agreement with InfoSend, Inc. for data processing, printing and mailing service in an amount not to exceed \$1,750 per month for an initial term of three years
Recommended Action: Authorize the execution of a service agreement
Public Comment:

2. Consider request for a remote service connection by Jack and Sally Drone for Assessor's Parcel Number 007-110-019 (24275 Mosquito Ridge Road)

Recommended Action: Authorize remote service connection

Public Comment:

H. DISCUSSION ITEMS:

1. Discuss moving Board meetings to the evening
2. General Manager Report
3. Remarks/reports by Directors

I. CLOSED SESSION

1. Conference with Legal Counsel — Existing Litigation Subdivision (a) of Government Code Section 54956.9. Name of Case: Miner's Camp vs. Foresthill Public Utility District

J. ADJOURNMENT: To Wednesday, May 8, 2019 for A Regular Meeting of the Foresthill Public Utility District

In accordance with Government Code Section 54954.2(a) this notice and agenda were posted in the District's front window at the Foresthill Public Utility District office, 24540 Main Street, Foresthill, CA 95631 on or before 4:30 p.m., April 6, 2019.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the General Manager at (530)367-2511. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Henry N. White, Board Clerk & Ex-Officio Secretary

FORESTHILL PUBLIC UTILITY DISTRICT

MINUTES

Regular Meeting of
FORESTHILL PUBLIC UTILITY DISTRICT
Veteran's Memorial Hall, 24601 Harrison Street, Foresthill, CA 95631
www.foresthillpud.com

Wednesday	March 13, 2019	2:00 P.M.
-----------	----------------	-----------

A. CALL TO ORDER: *President Cochran called the meeting to order at 2:00 PM*

B. ROLL CALL:

_____ President Neil Cochran	<i>Present</i>
_____ Vice President Mark Bell	<i>Present</i>
_____ Treasurer Linda Cholcher	<i>Present</i>
_____ Director Helen Rogers West	<i>Present</i>
_____ Director Patty Wade	<i>Present</i>

C. PLEDGE OF ALLEGIANCE: *The pledge was led by Vice President Bell*

D. PUBLIC COMMENT: Any member of the public may address the Board of Directors on any matter not on the agenda that is within the subject matter jurisdiction of the District. Comments shall be limited to five minutes per person, or such other time limit as may be imposed by the President. *Public comment was received until 2:27 PM*

E. ADOPTION OF THE AGENDA: *Director Rogers West made a motion to adopt the agenda as presented. The motion was seconded by Treasurer Cholcher and carried unanimously (5-0)*

F. CONSENT AGENDA: All items listed under the Consent Agenda are considered to be routine in nature and may be approved by one motion.

1. Minutes of February 13, 2019 Regular Meeting
2. Minutes of February 25, 2019 Special Meeting
3. Minutes of March 6, 2019 Planning Committee Meeting
4. Cash Disbursements Register, January 2019
5. Statement of Net Position, January 2019
6. Statement of Revenues & Expense, January 31, 2019
7. Monthly and Year to Date Report, January 31, 2019
8. Fund Accounts January 31, 2019

Board Action: *Treasurer Cholcher made a motion to approve the consent agenda. The motion was seconded by Director Rogers West and carried unanimously (5-0)*

G. ACTION ITEMS:

1. Consideration of membership with the Association of California Water Agencies

Recommended Action: Board to consider membership and direct staff accordingly
Public Comment: *Received*

Board Action: *No Board action was taken. President Cochran requested to table until the May 2019 meeting following the Mountain Counties Water Resources Association meeting*

2. Board to consider authorizing a contract to outsource business process services (including perforated customer invoices and return envelopes)

Recommended Action: Authorize the outsourcing of business process services
Public Comment: *Received*

Board Action: *Treasurer Cholcher made a motion to authorize the General Manager to execute a contract with InfoSend to outsource business process services. The motion died for lack of a second.*

President Cochran directed staff to request a contract with complete terms and conditions for service from InfoSend Inc.

3. Request approval for President Cochran to travel to the Mountain Counties Water Resources Authority Association Board meeting on April 11 and 12 in Yuba City, CA. Estimated travel costs are \$253.00.

Recommended Action: Pursuant to Policy 4090, Board authorization for travel is required. Board to consider request and advise
Public Comment: *Received*

Board Action: *Vice President Bell made a motion to authorize President Cochran to travel to the Mountain Counties Water Resources Association and to reimburse President Cochran for his travel expenses. The motion was seconded by Director Rogers West and carried unanimously (5-0).*

4. Board to discuss proposals to provide a cost of service study and consider selecting a respondent for contract authorization

Recommended Action: Direct staff accordingly
Public Comment: *Received*

Board Action: *Director Rogers West made a motion to authorize the execution of a contract with HF&H Consultants, LLC to provide a Water Rate Study and Connection Fee report for an amount not to exceed \$69,605 and authorize the use of Capital Improvement funds. The motion was seconded by Treasurer Cholcher and carried unanimously (5-0)*

H. DISCUSSION ITEMS:

1. General Manager Report
2. Remarks/reports by Directors

ADJOURNMENT OF OPEN MEETING At 3:59 p.m. Vice President Bell made a motion to adjourn the open meeting. The motion was seconded by Director Wade and carried unanimously (5-0)

I. CLOSED SESSION

1. Conference with Legal Counsel — Existing Litigation Subdivision (a) of Government Code Section 54956.9. Name of Case: Miner’s Camp vs. Foresthill Public Utility District

At 5:47 PM, President Cochran announced that no reportable action was taken during closed session.

J. ADJOURNMENT: *At 5:47 PM, Director Wade made a motion to adjourn the meeting. The motion was seconded by Vice President Bell and carried unanimously (5-0).*

Submitted by:

Attest:

Neil Cochran, Board President

Henry N. White, Clerk and Ex-Officio Secretary

DRAFT

FORESTHILL PUBLIC UTILITY DISTRICT

MINUTES

FORESTHILL PUBLIC UTILITY DISTRICT FINANCE COMMITTEE
FORESTHILL LIBRARY CONFERENCE ROOM
24580 MAIN STREET, FORESTHILL, CA 95631
www.foresthillpud.com

Monday	April 1, 2019	2:30 p.m.
--------	---------------	-----------

A. CALL TO ORDER: *Chair Bell called the meeting to order at 2:30 PM*

B. ROLL CALL:

_____ Mark Bell, Chair	<i>Present</i>
_____ Linda Cholcher	<i>Present</i>

C. PLEDGE OF ALLEGIANCE: *Led by Chair Bell*

D. PUBLIC COMMENT: Any member of the public may address the Board of Directors on any matter not on the agenda that is within the subject matter jurisdiction of the District. Comments shall be limited to five minutes per person, or such other time limit as may be imposed by the Chair. *No public comments were offered.*

E. BUSINESS:

1. Review for approval the request for proposals for financial audit. *The committee made minor corrections and edits to the request for proposals and then directed staff to circulate the request for proposals to a list of vendors prepared by Finance Manager Carroll.*
2. Discuss project list from planning committee on timing and source of funds. *The committee reviewed the Five Year Capital Investment Plan and directed staff to update the estimated pipeline replacement costs for inflation.*
3. Discuss Finance Committee role in preparing for or participating in the upcoming rate study. *The item was discussed by the committee.*

F. ADJOURNMENT: *Chair Bell adjourned the meeting at 4:06 PM.*

Submitted by:

Attest:

Mark Bell, Finance Committee Chairman

Henry N. White, Board Clerk & Ex-Officio Secretary

Foresthill Public Utility District
Cash Disbursements Register
February 2019

Item F3

Date	Num	Name	Memo	Paid Amount
Feb 19				
02/04/2019	30820	AmeriPride Services		-621.19
02/04/2019	30821	Auburn Area Answering Service		-100.65
02/04/2019	30822	Bureau of Reclamation		-1,003.47
02/04/2019	30823	Clark Pest Control		-194.00
02/04/2019	30824	Helen Rogers-West		-200.00
02/04/2019	30825	Home Depot Credit Services		-141.86
02/04/2019	30826	Inland Business Systems		-155.66
02/04/2019	30827	Linda Cholcher		-200.00
02/04/2019	30828	Mark Bell		-200.00
02/04/2019	30829	Neil Cochran		-200.00
02/04/2019	30830	Pacific Gas & Electric		-95.12
02/04/2019	30831	Patty Wade		-200.00
02/04/2019	30832	Thatcher Company, Inc.		-1,290.51
02/04/2019	30833	Marcos Leyba		-183.27
02/04/2019	30834	Sash Nehvatal		-62.03
02/08/2019	30835	CBC Geospatial Consulting, Inc.		-9,000.00
02/08/2019	30836	Corix Water Products		-854.79
02/08/2019	30837	Dan Chancellor Backhoe		-1,475.00
02/08/2019	30838	Forest View Screening		-194.00
02/08/2019	30839	Grant Hardware, Inc.		-439.29
02/08/2019	30840	Hank White/Petty Cash		-134.46
02/08/2019	30841	Justine Leyba's House Cleaning		-75.00
02/08/2019	30842	Kronick, Moskovitz, et al		-4,776.67
02/08/2019	30843	Recology Auburn Placer		-61.06
02/08/2019	30844	Safety Center, Inc.		-100.00
02/08/2019	30845	Sebastian		-617.26
02/08/2019	30846	Sierra Mini Mart, Inc.		-1,083.39
02/08/2019	30847	Worton's Forsethill Grocery		-33.45
02/08/2019	30848	Cranmer Engineering, Inc.		-393.50
02/19/2019	30850	MidAmerica Admin & Ret Solutions, Inc.		-750.00
02/19/2019	30851	Anderson' Sierra Pipe Co. Inc.		-24.32
02/19/2019	30852	Blue Ribbon Personnel Services		-392.23
02/19/2019	30853	Ferguson Enterprises Inc.		-332.96
02/19/2019	30854	Keenan & Associates		-12,552.67
02/19/2019	30855	MidAmerica Admin & Ret Solutions, Inc.		-225.00
02/19/2019	30856	Pacific Gas & Electric		-1,408.38
02/19/2019	30857	Placer County , Personnel		-922.00
02/19/2019	30858	Riebes		-46.84
02/19/2019	30859	Safety Center, Inc.		-5.00
02/19/2019	30860	USA Blue Book		-658.41
02/19/2019	30861	Wagner&Bonsignore		-1,107.10
02/19/2019	30862	Wells Fargo Bank		-675.00
02/19/2019	30863	Starnick		-9,240.00
02/25/2019	30864	ECORP Consulting, Inc.		-9,981.29
02/25/2019	30865	Foresthill Garage, Inc.		-96.67
02/25/2019	30866	Justine Leyba's House Cleaning		-75.00
02/25/2019	30867	Peterson Brustad, Inc.		-17,382.70
02/25/2019	30868	Safety Center, Inc.		-310.00
02/25/2019	30869	Staples		-205.94
02/25/2019	30870	Verizon Wireless		-100.81
02/25/2019	30871	Vision Service Plan - (CA)		-159.26
02/25/2019	30872	Postmaster	Month end billing postage	-928.56
02/25/2019	30874	Rolyan Bouys		-8,789.78
02/01/2019	20190201	CalPERS	457 Deposit	-1,011.53
02/07/2019	20190202	EDD/State of CA	499-0064-0	-423.02
02/07/2019	20190203	EFTPS	94-6020935	-7,602.72
02/07/2019	20190204	EDD/State of CA	499-0064-0	-1,839.19
02/07/2019	20190205	CalPERS	pepra employe retirement deposit	-476.03
02/07/2019	20190206	CalPERS	Classic employee retirement deposit	-4,302.20
02/22/2019	20190220	CalPERS	457 dposit	-1,011.53
02/22/2019	20190221	CalPERS	Pepra employee retirment deposit	-476.03
02/22/2019	20190222	CalPERS	Classic employee retirement deposit	-4,302.20
02/22/2019	20190223	EDD/State of CA	499-0064-0	-187.69
02/22/2019	20190224	EDD/State of CA	499-0064-0	-2,021.89
02/22/2019	20190225	EFTPS	94-6020935	-8,066.36
02/28/2019	20190230	EDD/State of CA	499-0064-0	-224.40
02/28/2019	20190231	EFTPS	94-6020935	-997.62

Foresthill Public Utility District
Cash Disbursements Register
February 2019

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Paid Amount</u>
02/22/2019	20190320	CalPERS	Classic employee retirement deposit	-4,302.20
Feb 19				-127,700.16

Foresthill Public Utility District Statement of Net Position

February 28, 2019

Item F4

ASSETS

Current Assets

Checking/Savings

10110 · Cash on Hand	250
10120 · Wells Fargo Checking	87,340
10510 · Local Agency Investment Fund	1,535,390
10512 · Umpqua Savings account	504,775
10519 · Wells Fargo Adv - Money Mrkt	(32,954)
10520 · Wells Fargo Adv - Face Value	2,519,500

Total Checking/Savings 4,614,300

Accounts Receivable 270,229

Other Current Assets 34,584

Total Current Assets 4,919,113

Fixed Assets 8,255,966

Other Assets 54,978

TOTAL ASSETS 13,230,057

LIABILITIES & NET POSITION

Liabilities

Current Liabilities

Accounts Payable 57,412

Other Current Liabilities 296,400

Total Current Liabilities 353,811

Long Term Liabilities 1,366,372

Total Liabilities 1,720,183

Net Position 11,509,873

TOTAL LIABILITIES & NET POSITION 13,230,057

Foresthill Public Utility District
Statement of Activity
Budget vs. Actual
For the Eight Months Ended February 28, 2019

Item F5

	<u>2/28/19</u>	<u>Budget</u>	<u>Variance</u>
Ordinary Income/Expense			
Income			
41011 · SP Debt Svc assessment	143,264	140,000	3,264
41012 · R&R assessment revenue	360,699	333,333	27,366
41014 · Gen Fund Reserve assessment	46,350	34,000	12,350
41100 · Residential	992,146	968,944	23,202
41105 · Residential Overage Charge	113,764	64,480	49,284
41150 · Multi Family Residential	148,431	150,856	(2,425)
41155 · Multi Family Overage Charge	101	1,184	(1,083)
41200 · Business	83,822	87,376	(3,554)
41205 · Business Overage Charge	46,740	21,008	25,732
41300 · Industrial	-	-	-
42100 · Low Usage Credit	(33,686)	(32,000)	(1,686)
42300 · Meter Installation	5,250	4,667	583
42320 · Will Serve	63,204	33,333	29,871
42330 · Line Tap	25	-	25
49200 · Interest - LAIF	16,253	7,536	8,717
49210 · Interest - Taxes	16	160	(144)
49220 · Portfolio Income	53,562	43,333	10,229
49251 · Interest - Umpqua Bank	1,175		1,175
49300 · Property Tax Revenues	60,267	60,000	267
49310 · Home Owner Prop Tax exemption	342		342
49510 · Water Charges Penalties	29,576	23,333	6,243
49520 · Service Charges & Reconnect	8,907	6,667	2,240
49540 · System Rehab Revenue (\$4)	11,676		11,676
49910 · Miscellaneous Income	167,760	3,333	164,427
49930 · Grant Income	5,615		5,615
Total Income	<u>2,325,259</u>	<u>1,951,544</u>	<u>373,715</u>
Expense			
51000 · Wages & Salaries	443,809	510,869	67,061
52000 · Taxes & Benefits	261,029	285,871	24,841
53000 · Materials & Supplies	65,616	62,200	(3,416)
54000 · Equipment costs	233,836	217,495	(16,341)
55000 · Contracted services	162,903	131,667	(31,236)
55001 · Professional Fees	62,084	38,667	(23,417)
56000 · Resource development	49,405	34,817	(14,588)
57000 · Utilities	23,057	28,667	5,610
58000 · Regulatory and General	68,596	36,900	(31,696)
61000 · Capital Activities	157,117	446,408	289,291
Total Expense	<u>1,527,452</u>	<u>1,793,559</u>	<u>266,108</u>
Change in Net Position	<u><u>797,807</u></u>	<u><u>157,985</u></u>	<u><u>639,823</u></u>

This Report Intended for Board of Director Use Only

**Foresthill Public Utility District
Monthly and Year to Date Report
As of February 28, 2019**

	Month to Date		Year to Date	
	Operating	Non-Operating	Operating	Non-Operating
Revenues:				
Water Charges	150,463		1,224,399	
Water Overages	(4,080)		126,920	
Water Charge Penalties	3,853		29,576	
Installations - Meter/Service	-		5,250	
Fees/Charges	-		25	
Service Charges & Reconnects	405		8,907	
Miscellaneous	1,224	-	11,676	173,375
Standby Charges	-	-		-
Water Transfer Income		-		-
Property Tax Revenue		-		60,609
Investment Income		4,404		71,005
Will Serve		-		63,204
Sugar Pine Surcharges		17,921		143,264
Repair & Replacement Surcharges		45,519		360,699
General Reserve Income		5,866		46,350
Assessment #2		-		-
Total Revenues	151,864	73,710	1,406,753	918,506
Expenditures:				
Source of Supply	7,251		76,773	
Pumping	1,094		10,710	
Treatment	23,149		170,777	
Transmission and Distribution	43,309		396,170	
Customer Service	38,243		249,305	
Regulatory Compliance	6,065		100,105	
Administration	20,918	5,231	164,388	28,956
Water Transfer costs	-	1,600		149,548
Sugar Pine Debt Service		-		23,602
Capital projects		52,573		157,117
Other outflows		-		-
Water Plant improvement		-		-
Total Expenditures	140,028	59,404	1,168,228	359,224
Revenue in excess/(deficit) of expenses	11,836	14,306	238,525	559,282

**Foresthill Public Utility District
Fund Accounts
As of February 28, 2019**

	<u>7/1/2018</u>	<u>Received</u>	<u>Paid Out</u>	<u>Transfers</u>	<u>Balance</u>
General Fund - unspendable	6,859,544			(214,119)	6,645,425
General Fund - unrestricted	2,313,474	1,711,742	(1,158,138)	214,119	3,081,197
Debt Service Fund	162,294	143,264	(212,197)		93,361
Repair & Replacement Fund	821,004	360,699	(68,713)		1,112,991
District 2 Assistance	14,744	-			14,744
Capital Improvements	260,065	63,204	(88,404)		234,865
General Reserve	280,941	46,350			327,291
Total Fund balances	<u>10,712,066</u>	<u>2,325,259</u>	<u>(1,527,452)</u>	<u>-</u>	<u>11,509,873</u>



Item G1

Memorandum

To: Board of Directors
From: Henry N. White
Date: April 4, 2019
Subject: Service agreement with InfoSend, Inc. for printing and mailing services

InfoSend, Inc. is corporation that provides printing and mailing services for industries. InfoSend has provided opportunities for organization to outsource printing and mailing functions since 1996.

Currently, the district performs these tasks in-house. The following are approximate costs the district currently incurs for these tasks:

Postage	\$0.459 per piece
Printing	0.02 "
Paper	0.01 "
<u>Envelope</u>	<u>0.25 "</u>
Total	\$0.739 per piece

InfoSend, Inc. has submitted a proposal to provide the printing and mailing services for the district for the following prices:

Postage	\$0.38 per piece
Printing	0.153 "
Paper	0.015 "
<u>Envelopes</u>	<u>0.032 "</u>
Total	\$0.58 per piece

The proposal represents a \$0.159 per piece savings. The district prints and mails approximately 2,025 pieces per month so the savings would be about \$300 per month or \$3,600 per year. Staff recommends authorizing the execution of the attached service agreement with InfoSend, Inc.

InfoSend Master Service Agreement

This Master Service Agreement (“**Agreement**”) is entered into as of _____ (“Effective Date”) by and between Foresthill Public Utility District CA, a Municipality, having its main office at 24540 Main St., Foresthill, CA 95631 (“**Client**”) and **InfoSend, Inc.**, a California Corporation, having its main office at 4240 E. La Palma Avenue, Anaheim, California 92807 (“**InfoSend**”). Client and InfoSend are collectively referred to herein as the “Parties” and individually as a “Party.”

In consideration of the mutual promises and upon the terms and conditions set forth below, the Parties agree as follows:

1 Definitions

For the purposes of this Agreement, the following terms and words shall have the meaning ascribed to them, unless the context clearly indicates otherwise.

1.1 “Agreement” shall refer to this Agreement, as amended from time to time, which shall constitute an authorization for the term of this contract for InfoSend to provide the Services, described herein, to the Client.

1.2 “User(s)” shall mean a customer or employee of Client accessing InfoSend hosted applications via the Internet. Users of the System will agree to accept all the terms and conditions herein, and may be issued a unique User ID and/or password by InfoSend or Client.

1.3 “Effective Date” shall be the last date upon which the parties signed this Agreement. The Agreement will not be effective against any party until the said date.

1.4 “Services” shall include the performance of the Services outlined in Section 2 and detailed in Exhibits A and C of this Agreement.

1.5 “System” shall include all InfoSend hosted data and software applications.

2 Services Provided by InfoSend

2.1 Scope of Services

Subject to the terms and conditions of this Agreement, InfoSend shall provide to Client, and Client shall purchase from InfoSend, the services listed in Exhibit A (“Scope of Primary Services”) to this Agreement at the price set forth in Exhibit B (“InfoSend 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.

2.2 Professionalism

InfoSend and Client shall operate in a professional manner under this Agreement: in providing and receiving Services under this Agreement, the parties will endeavor to perform in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession under similar circumstances.

2.3 Time of the Essence

InfoSend and Client acknowledge and agree that time is of the essence for the completion of the Services to be performed and each party’s respective obligations under this Agreement.

3 License Grant and Restrictions

3.1 Grant of License

InfoSend agrees to provide to Users the right to use software and the provision of Services, but in all cases only in full and complete compliance with all of the terms and conditions of this Agreement. Subject to the terms of this Agreement, InfoSend hereby grants, and Client hereby accepts, for the Term (as defined herein) of this Agreement, a non-exclusive, non-transferable license to access and use and to permits its Users to access and use the System via the Internet (“the License”).

3.2 License Restrictions

Client hereby agrees not to: (i) reproduce, download, modify, create derivative works from, distribute, or attempt to reverse engineer, decompile, disassemble, or access the source or object code for, the System; (ii) use the System, or any component thereof, in any manner contrary to applicable laws or government regulations; or (iii) otherwise affect, attempt to enable the authorized use (with or without User ID and/or password) of the System.

4 Privacy and Security

4.1 Regulatory Compliance

InfoSend will maintain compliance with required Payment Card Industry (PCI) Data Security Standards and Cardholder Information Security Standards, applicable rules and regulations of the Health Insurance Portability and Accountability Act (HIPAA), and applicable sections of the Gramm-Leach-Bliley Act of 1999.

4.2 Data and Human Resources Security

InfoSend takes great care in both data and human resources security. InfoSend company policy requires all new employees to pass a background check and a drug-screening test, both performed by outside companies. These practices will remain in place for the duration of the Agreement.

5 Term & Termination

5.1 Term

The initial term of this Agreement shall commence on the effective date of this Agreement and continue for a period of three (3) years ("**Initial Term**") from the effective date. This Agreement will automatically renew for successive two (2) year periods ("**Renewal Terms**") unless either Client or InfoSend provides the other party with at least sixty (60) days' written notice prior to the end of the current term indicating that such party elects not to automatically renew the term of this Agreement. The party giving non-renewal notice may indicate if it prefers for the contract to be terminated at the end of the current term or to continue on a month-to-month basis, if mutually agreeable to both parties.

5.2 Termination for Cause

This Agreement may be terminated for cause as follows:

(i) Material Breach

A material breach of this Agreement by either party shall be cured within thirty (30) days ("**Cure Period**") after a party notifies the other of such breach. For those breaches which cannot reasonably be cured within thirty (30) days, the breaching party shall promptly commence curing such breach and thereafter proceed with all due diligence to substantially cure such breach. In the event that such material breach has not been cured within the Cure Period, the non-breaching party may terminate this Agreement in its entirety, or as it pertains to a particular Product, Deliverable, Service or Professional Service, by providing the other party

with thirty (30) days' written notice as of a date specified in such notice.

(ii) Failure to Pay

After sixty (60) days of nonpayment on undisputed invoices, InfoSend may, at InfoSend's option, terminate this Agreement in its entirety or 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, pursuant to Section 6.3.

(iii) Insolvency or Bankruptcy

In the event that either party 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.

(iv) Representations

This Agreement is predicated on Client representations of Client and Client User transactional usage. Should Client's actual continuous volume and/or recurring frequency deviate from representations provided by Client to InfoSend, as defined in Exhibit B, Section 2, 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 costs to Client, in line with actual Client and Client User transactional usage. Should InfoSend and Client be unable to agree upon updated Fees, InfoSend reserves the right to terminate this Agreement with one hundred eighty (180) days' notice.

5.3 Upon Termination

Upon termination of this Agreement, the parties agree to cooperate with one another to ensure that all accounts receivable are accounted for. Upon termination, InfoSend shall cease all Services being provided hereunder unless otherwise directed by the Client in writing. Client will promptly pay to InfoSend any and all charges due,

including but not limited to payables that are due pursuant to this Agreement, accrued finance charges, and the Discontinuance Fee set forth below, where applicable.

5.4 Discontinuance Fee

The parties have mutually agreed upon the Fees for the Services to be provided hereunder based upon volumes Client has represented in Exhibit B, Section 2 and the Term of this Agreement. Because of the difficulty in ascertaining the actual damages to InfoSend that would result from a premature termination of the Agreement, Client agrees to pay a discontinuance fee to InfoSend in the event that (i) Client terminates the Agreement without cause prior to the expiration of the then-current term; or (ii) the Agreement is terminated due to a breach by Client prior to the expiration of the then-current term.

The discontinuance fee will be equal to two (2) months of the Client's average monthly billing for the previous six (6) months of Service (excluding any postage charges and professional services fees that were invoiced in that time period). Client agrees to pay the discontinuance fee prior to the effective date of such termination and in addition to all other payables then due and owing to InfoSend.

5.5 Force Majeure

Neither party shall be liable, or deemed to be in default, to the other for any failure or delay in performing an obligation under this Agreement to the extent that its performance is delayed, impaired or rendered impossible by an event beyond its control ("Force Majeure Event") such as natural disasters, war, terrorist acts, riots, labor strikes, civil disturbances, extra-ordinary losses of utilities (including telecommunications services), computer "hacker" attacks on internet infrastructure, regulatory restrictions, change in law or regulation or other acts of government authority, including civil and military authorities and courts, fuel or energy shortages, transportation stoppages or slowdowns, the inability to procure parts or raw materials, and/or acts or omissions of common carrier. These causes will not excuse Client from paying accrued payables due to InfoSend through any available lawful means acceptable to InfoSend.

6 Invoicing and Payments

6.1 Invoicing

InfoSend will invoice Client monthly and Client will pay InfoSend the fees described in and/or computed in accordance with **Exhibit B (InfoSend Fees)**. Client

payment of these invoices is due upon receipt in U.S. dollars and shall be paid NET 30 unless expressly agreed to by InfoSend.

6.2 Dispute of Invoice

Should Client dispute any invoices, it must do so within ninety (90) days of the invoice date.

6.3 Late Payments

The recurring nature of InfoSend's Services result in a rapid rise in financial loss to InfoSend if a Client's accounts payable process is delayed, particularly when InfoSend is invoicing Client for postage charges. Therefore, in the event that invoices remain unpaid for over sixty (60) days from due date, unless otherwise expressly agreed to by InfoSend in writing, InfoSend reserves the right to suspend Services until payments are brought current. InfoSend's Accounting staff monitors Client debt regularly, and will notify Client in writing before Services are suspended. Should a hold be instated, it will immediately be removed once payment is received.

InfoSend may elect to charge Client interest on all undisputed invoices that remain unpaid for over sixty (60) days from due date at a rate of 1.5% per month, and any collection costs incurred by InfoSend (including attorneys' fees).

After ninety (90) days of nonpayment on undisputed invoices, InfoSend may terminate Services under this Agreement.

7 Communications

7.1 Notices

Any notice hereunder must be in writing and sent by overnight courier service (such as FedEx or UPS), or USPS certified mail, all with delivery signature requested, to the other party hereto at the respective address set forth below:

To Client:

C/O (Department): _____

Address: _____

To InfoSend:

C/O: President

Address: 4240 E. La Palma Avenue
Anaheim, CA 92807

Notice shall be deemed to have been given and received one (1) business day after being sent via overnight courier service, or three (3) business days after being mailed by USPS certified mail. Each party may update its address or email address by providing written notice to the other party of such change in accordance with this section.

8 Confidentiality & Intellectual Property

8.1 Confidentiality

All information and data relating to Client's business, as well as all User information, submitted by Client to InfoSend under this Agreement shall be treated as confidential by InfoSend and shall not, except as required to perform the Services under this Agreement or 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.

Client will not disclose to any third party or use for any purpose inconsistent with this Agreement any confidential or proprietary non-public information it obtains during the term of this Agreement about InfoSend's business, operations, financial condition, technology, systems, products, services, suppliers, clients or prospective clients, marketing data, plans, pricing, and models, or personnel, unless required by applicable law. Client will ensure that its employees and agents similarly abide by the requirements hereof.

InfoSend, and its licensors, where applicable, owns all rights, title and interest, including all related Intellectual Property Rights, in and to InfoSend technology, the content and the Services. The InfoSend name, the InfoSend logo, and the product names associated with the Service are trademarks of InfoSend or third parties, and no right or license is granted to use them.

9 Representations & Warranties

9.1 InfoSend Representations and Warranties

InfoSend represents and warrants that it has the legal power and authority to enter into this Agreement and that Services will be provided in a professional and workmanlike manner.

InfoSend warrants that the Services will materially perform the functions that the Client has selected under normal use and circumstances and that InfoSend shall use commercially reasonable measures to protect Client Data to the extent that it retains such data in the operation of the Services. Provided that Client gives InfoSend written notice of failure to meet the foregoing warranty within sixty (60) days following delivery of any Services, or as otherwise specified in a Statement of Work ("SOW"), InfoSend warrants that it will use commercially reasonable efforts to correct any Services that fail to comply with the foregoing warranty. If there is no notice by Client within sixty (60) days following delivery of any Services, or as otherwise specified in a Statement of Work ("SOW"), it shall be deemed Client has accepted the Services.

9.2 Client Representations and Warranties

Client represents and warrants that it has the legal power and authority to enter into this Agreement. Client further warrants that it will comply with all laws, regulations, and compliance requirements applicable to Client's and User's activities covered by this Agreement.

9.3 Warranty Disclaimer

Except as expressly set forth in Section 9.1 above, InfoSend disclaims all other representations or warranties, express or implied, made to Client or any other party, including without limitation, any warranties regarding quality, suitability, merchantability, fitness, for a particular purpose or otherwise of any services or any good provided incidental to the Services provided under this Agreement, to the extent permitted by applicable law.

InfoSend and its licensors and payment processors do not represent or warrant that (i) the use of the Services will be uninterrupted or error-free, or operate in combination with any other hardware, software, system or data; or (ii) the Services will not delay in processing or paying. Service may be subject to the limitations, delays, and other problems inherent in the use of the Internet and electronic communications. InfoSend is not responsible for any delays, delivery failures, or other damage resulting from such problems.

10 Insurance

10.1 InfoSend's Insurance Provisions

InfoSend will maintain the following minimum insurance levels during the Initial Term of this Agreement and any Renewal Terms:

- Commercial General Liability coverage in the amount of \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate.
- Automobile Liability Insurance coverage in the amount \$1,000,000.00 per occurrence.
- Umbrella Liability Insurance in the amount of \$5,000,000.00 per occurrence and in aggregate.
- Worker's Compensation Insurance with at least the minimum coverage amounts required by law.
- Errors & Omissions Insurance with a \$5,000,000.00 coverage limit.

11 Indemnification & Limitation of Liability

11.1 Indemnification & Limitation of Liability

InfoSend is a service provider; as such, Client acknowledges that data processing involves the risk of human and machine errors and that InfoSend shall not be liable for any errors, omissions, delays or losses.

InfoSend will not be responsible for actions, omissions or delays to Services resulting from incomplete, late or faulty data and/or instructions transmitted by 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, including, without limitation, failures or limitations on the availability of third-party telecommunications or other transmission facilities.

In no event shall InfoSend be liable for indirect, special or consequential 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.

12 General

12.1 Independent Contractor

Client and InfoSend agree and understand that the relationship between both parties is that of an independent contractor. No joint venture, partnership, employment or agency relationship exists between Client

and InfoSend as a result of this Agreement or use of the Service.

12.2 Governing Law

This Agreement shall be governed by the substantive laws of the state of California without regard to the choice or conflicts of law provisions of any jurisdiction.

12.3 Amendment of Agreement

Modifications or changes to this Agreement must be in writing and executed by the parties bound to this Agreement.

12.4 Severability

If a word, sentence or paragraph herein shall be declared illegal, unenforceable, or unconstitutional, the said word, sentence or paragraph shall be severed from this Agreement, and this Agreement shall be read as if said word, sentence or paragraph did not exist.

12.5 Assignment

This Agreement may not be assigned by either party without the prior written approval of the other party, unless it is being assigned to (i) a parent or subsidiary, (ii) an acquirer of assets, or (iii) a successor by merger. Any purported assignment in violation of this section shall be void.

12.6 Immigration Laws

For Services performed within the United States, InfoSend will assign only personnel who are legally authorized to work in the United States. InfoSend represents and warrants that it complies with all applicable immigration laws with respect to the personnel assigned to Client.

12.7 Survival

All of the terms of this Agreement which by their nature extend beyond the expiration or termination of the Agreement, including but not limited to indemnification obligations, confidentiality obligations and limitations of liability, shall survive expiration or termination of the Agreement and remain in full force and effect.

12.8 Attachments

The following documents are attached hereto as Exhibits, and are incorporated by reference in their entirety:

Exhibit A: Scope of Primary Services

Exhibit B: InfoSend Fees

Exhibit C: Professional Services

12.9 Cooperative Agreement (“Piggybacking”)

The parties agree that InfoSend may offer the prices, terms and conditions offered herein to other government agencies that wish to participate in a cooperative purchase program with Client. InfoSend will review these requests from other government agencies on a case-by-case basis to decide whether this Agreement can be extended to the new agency. At minimum, the following requirements must be met for the prices in this Agreement to be extended to the new agency:

- The new agency must require similar types of service for similar document types (i.e. statements, late notices);

- The monthly document volume that InfoSend will produce must be similar, or at a minimum, acceptable; and,
- The new agency must agree to use InfoSend’s standard materials.

If the above conditions are not met then InfoSend will provide the new agency with revised pricing that it can elect to accept if it moves forward with the cooperative purchase program. Other agencies will be responsible for entering into separate agreements with the contract and for all payments thereunder made directly to InfoSend.

The parties below hereby execute this Agreement as of the Effective Date:

AGREED TO BY:

Client:

By: _____

Name: _____

Title: _____

Date: _____

InfoSend:

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A - Scope of InfoSend Primary Services

This Exhibit A is an integral part of and is subject to the terms and conditions of the Master Service Agreement (the "Agreement") between InfoSend, Inc. ("InfoSend") and Foresthill Public Utility District CA ("Client"). This Exhibit A provides the Services which InfoSend shall deliver to Client to permit the Client's customers ("Users") to use the products and services to view and pay their bills. To the extent that any term is not expressly defined herein, it shall have the meaning set forth in the Agreement.

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.

<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"/>	eBusiness Services (the "eBusiness Services"): During the term of this Agreement InfoSend will provide eBusiness Services. These services can include presenting bills online and/or accepting and reporting payment transaction information to facilitate ACH and/or credit card payments via web, Interactive-Voice-Response (IVR), SMS, or Bank Billpay (e-Lockbox).

Section 1. Data Processing, Printing and Mailing (DPPM) Service Description

A. 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 for qualified client mail pieces
 - Stay current with all USPS regulations required to mail presorted first-class mail
- InfoSend will optionally provide proofs of the final print-ready PDF files to Client to be reviewed and approved before printing begins (if requested).

B. 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. A return envelope and any applicable inserts are included as defined by client workflow.
- 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.

Section 2. eBusiness Service Description

A. General System Description

- Mobile-Ready Customer Engagement: all products are mobile compatible out of the box, with no app store downloads required of customers. Powered by InfoSend's CCM platform, customer specific messaging and payment reminders are delivered electronically.
- Multi-Channel Payment Collection: InfoSend's payment platform will consolidate web, telephone, SMS, CSR, in-person EMV and bank payments into a single lockbox file.
- One-Time and Automatic Payments: allow customers to quickly make a one-time payment, as well as sign up to have their payment account auto debited with each billing cycle.

- Bill Notification and Presentment: notify customers via email when a new bill is available, and securely deliver exact replica of printed document to customers inbox or show online via the secure portal.
- Interactive Voice Response (IVR): accept customer payments via automated phone service with InfoSend-hosted phone number, enabling client phone systems to redirect customers with ease.
- SMS Text-to-Pay: enrolled customers may opt in to receive text notifications of new bills, and reply to have the registered payment method drafted for the amount due, speeding up the time to payment.
- Bank Payments (MasterCard RPPS): InfoSend can collect payments made via the customer bank and include them within the lockbox file.
- PCI-Compliant Cloud Based Solution: electronic billing and payment related products hosted in the cloud by InfoSend in a secure PCI-Level 1 compliant environment.

B. Data Transfer and Processing

- Client to transmit data to InfoSend in an agreed upon format, using the Data Transfer and Processing workflow described in Section 1.
- If the Client is not using InfoSend's DPPM Service, USPS address workflow will not be applied.
- Data loaded into the eBusiness system is used to facilitate accurate payments via Web, IVR, SMS or Bank BillPay.

C. Customer Enrollment and Bill Notification

- Data loaded into the system will be used to facilitate customer enrollment, using two pieces of information specific to the customer bill.
- For enrolled customers, system will send a notification of the new bill available via email.
- For enrolled customers who have opted in, system will send an SMS alert.
- For customers using the IVR system, bill information will be dictated by text to voice.
- For customers paying via Bank BillPay, the account number can be validated by the system prior to accepting payment.
- The system may optionally be configured to display a PDF replica of the bill image.

D. Customer Payment and Reporting

- Customers can make payment via Web, SMS, IVR or Bank BillPay, depending on channels which Client has requested InfoSend setup.
- Payments can be configured to allow Users to pay by bank account and/or credit/debit card.
- All payments will be reported in a standard daily "lockbox" file.

Section 3. Implementation and Support Description

A. Implementation

- Dedicated Account Manager acts as primary contact and project manager, coordinating all internal setup activities with InfoSend programming and operations staff.
- All setup and training performed virtually, using phone, email, and web-based tools for issue tracking and screen sharing.
- All communications, documentation and test files tracked and stored securely within the InfoSend CRM system, allowing other InfoSend personnel to contribute or take ownership of the project.
- Key milestones are established at kickoff, then tracked and reported throughout the project.
- During programming, InfoSend's Data Processing platform is configured to automate client-specific Quality Assurance (QA) during processing.
- Parallel Testing is run prior to go-live, ensuring all aspects of the application are validated before launch.
- Go-Live includes an "all-hands" approach, with all key InfoSend managers required to review the launch day activity and sign off before application output is final.

B. Support

- Dedicated Account Manager from implementation also assigned to monitor and provide support.
- Dedicated Support Staff for reviewing and responding to incoming issues.
- Multiple communication channels available for client preference: web support ticketing tool, email, and phone.
- Proactive support initiated by InfoSend staff when client data issues are detected by InfoSend Quality Control processes.
- Issues tracked via InfoSend CRM tool, ensuring full resolution before the ticket can be closed.

ACCEPTED AND AGREED:

Client:

By: _____

Name: _____

Title: _____

Date: _____

InfoSend:

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B - InfoSend Fees

This Exhibit B is an integral part of and is subject to the terms and conditions of the Master Service Agreement (the “Agreement”) between InfoSend, Inc. (“InfoSend”) and Foresthill Public Utility District CA (“Client”). This Exhibit B provides the Fees which InfoSend shall bill to Client in exchange for Services. To the extent that any term is not expressly defined herein, it shall have the meaning set forth in the Agreement.

Section 1. Price Escalations to InfoSend Fees

InfoSend Fees will remain fixed for the initial 3 year term of this contract. InfoSend fees can then be adjusted once every twelve (12) months to account for increases in the cost of materials, labor, and other overhead costs. Any annual cost adjustment increases, if they occur, shall not exceed CPI, with a maximum of 3%. The Client will be notified, in writing, at least thirty (30) days prior to such price increase. An amendment to the Agreement will not be required if the Fees are changed, unless the terms or conditions of the Agreement have otherwise changed. Postage fees can change at any time per USPS regulations and do not require an amendment to the Agreement.

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 thirty (30) days prior to such price increase.

InfoSend pricing is predicated on Client representations of Client and Client User transactional usage. Should Client’s actual continuous volume and/or recurring frequency deviate by more than thirty percent (30%) from what Client has represented to InfoSend in Section 2 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 costs to Client, in line with actual Client and Client User transactional usage. As defined in Section 5.2(iv) of the Agreement, should InfoSend and Client fail to agree upon updated Fees, InfoSend reserves the right to terminate this Agreement with one hundred eighty (180) days’ notice.

Section 2. DPPM Fees:

Pricing: Data Processing, Print & Mail Service Set-up Fee

Initial Set-up Fees	
Implementation and optional services fees.	
Professional Services Fees	Please pick from one of the options below:
	Option 1 - Express PDF Implementation: \$500.00 With this option you control the formatting of your documents and do not pay maintenance fees.
	Option 2 - Data-Only (e.g. flat files, XML) Implementation: \$995.00 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.
	Document Redesign Service: \$0.00 - WAIVED 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).
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 professional service fees and/or have the project go-live date delayed if requirements are changed after they have been finalized and signed off.	

Pricing: Data Processing, Print & Mail Service Fees

Processing

The individual prices shown in the table below apply only to InfoSend’s standard Data Processing Print & Mail service for the following document types. Other types of document printing and or mailing can be quoted later, if needed.

	Data Processing Print & Mail service	Per Item	Options Below:										
Primary Services	<p>Price is per physical page. Includes processing of your unique data, CASS address validation, presorting, printing, and mail insertion. Finished mail pieces are delivered to the USPS within one (1) business day. If samples (proofs) are requested then the mailing will be completed within one day of sample approval. File upload deadline for next-day mailing is 3:00PM local time at the production facility designated for your account. If samples are required then they must be approved by 5:30PM for the file to be mailed by the next business day.</p> <p>Excludes materials, sales tax (where applicable), and postage.</p> <p>A postage deposit will be required prior to go live.</p> <p>For the quoted prices to apply InfoSend must have the right to combine data files sent by your organization with other files you have sent, when possible. Higher pricing applies if files must be printed separately.</p>	<p>All Utility Bills and Notices (Per Sheet) Est. Volume 2,000 documents/month Est. 2 Batches/month</p> <p>The number 1 means black or grey. All sheets are billed at the same rate; the price for the sheet with the highest number of colors is the applicable fee. 4 equals CMYK (full color).</p> <table border="0"> <tr> <td>1/0 or 1/1 Printing</td> <td>\$0.153</td> </tr> <tr> <td>2/1 or 2/2 Printing</td> <td>\$0.153</td> </tr> <tr> <td>3/1, 3/2 or 3/3 Printing</td> <td>\$0.158</td> </tr> <tr> <td>4/0 or 4/1 Printing</td> <td>\$0.163</td> </tr> <tr> <td>4/4 Printing</td> <td>\$0.168</td> </tr> </table> <p><i>Pricing assumes the use of materials options listed in the materials section.</i></p>	1/0 or 1/1 Printing	\$0.153	2/1 or 2/2 Printing	\$0.153	3/1, 3/2 or 3/3 Printing	\$0.158	4/0 or 4/1 Printing	\$0.163	4/4 Printing	\$0.168	
		1/0 or 1/1 Printing	\$0.153										
		2/1 or 2/2 Printing	\$0.153										
		3/1, 3/2 or 3/3 Printing	\$0.158										
		4/0 or 4/1 Printing	\$0.163										
4/4 Printing	\$0.168												
<p>Inline Inserts (Per Sheet)</p> <p>Price for inserts printed on demand as additional pages. Overages not necessary for Inline Insert printing. Material pricing on following page.</p> <p>Pricing depends on color setup for printing as outlined above.</p>	<p>Subtract \$0.02 from color tier above.</p>												
<p>Multiple Page Mail Piece Surcharge – Handwork</p> <p>This surcharge is assessed per mail piece (not per page). This surcharge only applies to multiple page bills that have too many pages to be inserted into the #10 envelope by machine. This surcharge covers the necessary manual labor required to process these mail pieces.</p>	<p>\$0.35</p>												
<p>Postage (for all job types)</p> <p>You will be invoiced for the exact postage used. You must use one of the two USPS approved Move Update methods to qualify for presort discounts.</p>	<p>Pass Through</p>												
<p>Electronic Address Updates – NCOALink or ACS</p> <p>InfoSend electronically reports the addresses that have changed due to customers filing a Change of Address with the USPS. Cost is per reported update.</p>	<p>\$0.35</p>												

Materials

Materials	Statement, Invoice, or Letter Paper Stock		
	<p>All Documents: white paper stock with or without perforation. Paper is 8.5x11" and 24lb. Price includes all inventory costs. The larger 8.5x14" format is supported at a higher material cost and higher printing cost.</p> <p>All of your content will be digitally printed on the plain white paper in black, black plus one color, or full color per the printing option from the prior table that you select before implementation.</p>	Per Sheet	\$0.015
	InfoSend Standard Window Envelopes		
	<p>Standard Window Envelopes</p> <p>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).</p>	Per Standard Envelope	Options Below:
		#10 InfoSend Standard Double Window Outgoing Envelope	\$0.017
		#9 InfoSend Standard Single Window Return Envelope	\$0.015
	Other Envelopes		
<p>Flat Single Window Envelope – only used for multiple page statements that do not fit in the #10 envelope.</p>	Per Flat Envelope	\$0.17	

Pricing: Turnkey Data Processing Print & Mail Service

Optional Services

<p>Inserting Fee - Drop-Shipped Inserts & InfoSend-Printed Offline Inserts 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. There is no additional service cost to use selective inserting that selectively includes inserts with certain bill types as long as a minimum of 3,000 customers are targeted (set-up costs can apply in some situations for advanced selective inserting criteria). Cost includes all inventory costs.</p>	Per Insert	\$0.02
<p>Print Messages on the Outside of the Standard Envelope Custom messages and images can be printed onto the standard InfoSend #10 double window envelope. This type of printing is referred to as “sniping” and usually used to print temporary content on one or two months’ worth of envelope stock. It is more cost effective to digitally inkjet print this content onto pre-manufactured envelopes than to order truly custom stock that was manufactured specifically for you. Price depends on the artwork you’d like to print – number of colors and whether it prints on one or both sides of the envelope. Price is quoted upon request.</p>	Per Envelope	TBD
<p>Print Image Archive Each bill is stored as a PDF and indexed in a database where you may search by account number or other key fields. You are charged one up-front fee per document to process, index, and store it for a set number of months. The PDFs are accessed by using a browser-based application and logging in to the InfoSend website. Third party applications can also access the PDFs via a lightweight API with no cost increase to the unit fees. Setup fees may apply depending on your configuration needs.</p> <p><i>This service includes outbound mail tracking at no additional cost. You can view USPS-provided mail tracking data from the same interface that you use to view PDFs of the printed bills. <i>Only available with mail sent using First-Class Postage.</i></i></p>	Per PDF (No Set-up Fee)	\$0.02 - For 12 Months of Retention \$0.03 - For 24 Months of Retention \$0.04 - For 36 Months of Retention
<p>Electronic Inserts PDF copies of your physical inserts can be included in the Print Image Archive at an additional cost. This will let your team see exactly which inserts were delivered with each mail piece. This will also allow you to include the inserts in the eBill PDFs that are presented and/or emailed to customers if you use an InfoSend eBusiness service that delivers eBills to your customers or if you use a third party application that pulls the PDFs from InfoSend’s Print Image Archive API to present to your customers.</p>	Per Insert (No Set-up Fee)	\$0.02
<p>Professional Services 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.</p>	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 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 of mail pieces per month by the current 5-Digit pre-sorted first class postage rate. The postage deposit amount due for your account is:

2,000 mail pieces per month x \$0.383 x 2 = \$1,532.00

Section 3. Implementation Project Cost Subsidization:

InfoSend’s internal costs to complete the project is higher than the Setup fees given. InfoSend has subsidized these fees by factoring in years of service given the term of the agreement. Should Client cancel the project or terminate the Agreement at its convenience less than two (2) years from the Agreement date then it must pay according to the below.

- **DPPM Setup Fee:** \$1,500 for Express PDF Setup Input files or \$3,500 for Data-Only Input Files

ACCEPTED AND AGREED:

Client:

By: _____
Name: _____
Title: _____
Date: _____

InfoSend:

By: _____
Name: _____
Title: _____
Date: _____

Exhibit C – Professional Services

This Exhibit C is an integral part of and is subject to the terms and conditions of the Master Service Agreement (the “Agreement”) between InfoSend, Inc. (“InfoSend”) and Foresthill Public Utility District CA (“Client”). This Exhibit C provides InfoSend’s Professional Services Fees which InfoSend shall bill to Client in exchange for Professional Services. To the extent that any term is not expressly defined herein, it shall have the meaning set forth in the Agreement.

Section 1. Price Escalations to InfoSend Professional Services Fees

InfoSend Fees will remain fixed for the initial 3 year term of this contract. InfoSend fees can then be adjusted once every twelve (12) months to account for increases in the cost of materials, labor, and other overhead costs. Any annual cost adjustment increases, if they occur, shall not exceed CPI, with a maximum of 3%. The Client will be notified, in writing, at least thirty (30) days prior to such price increase. An amendment to the 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.

In the event that 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 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.

Any project that will take more than five (5) hours of Professional Services work will require both parties to 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 arises and will be 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 in Exhibit B. 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.

ACCEPTED AND AGREED:

Client:

By: _____

Name: _____

Title: _____

Date: _____

InfoSend:

By: _____

Name: _____

Title: _____

Date: _____