



LAS VIRGENES MUNICIPAL WATER DISTRICT
4232 Las Virgenes Road, Calabasas, CA 91302

AGENDA
REGULAR MEETING
October 20, 2020, 9:00 AM

Public Participation for Meetings of Las Virgenes Municipal Water District Board of Directors in Response to COVID-19

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 17, 2020, Governor Newsom issued Executive Order N-29-20 (superseding the Brown Act-related provisions of Executive Order N-25-20 issued on March 12, 2020), which allows a local legislative body to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. Pursuant to Executive Order N-29-20, please be advised that members of the Las Virgenes Municipal Water District will participate in meetings telephonically.

PUBLIC PARTICIPATION: Pursuant to Executive N-29-20 and given the current health concerns, members of the public can access meetings live on-line, with audio and limited video, at www.LVMWD.com/LiveStream. In addition, members of the public can submit comments electronically for consideration by sending them to www.LVMWD.com/LiveStream. To ensure distribution to the members of the Las Virgenes Municipal Water District Board of Directors prior to consideration of the agenda, please submit comments 24 hours prior to the day of the meeting. Those comments, as well as any comments received during the meeting, will be distributed to the members of the Board of Directors and will be made part of the official public record of the meeting. Contact Josie Guzman, Executive Assistant/Clerk of the Board, at (818) 251-2123 or jguzman@lvmwd.com with any questions.

ACCESSIBILITY: If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, in order to observe and/or offer public comment may request such reasonable modification, accommodation, aid, or service by contacting the Executive Assistant/Clerk of the Board by telephone at (818) 251-2123 or via email to jguzman@lvmwd.com no later than 9:00 AM on the day before the scheduled meeting.

Members of the public wishing to address the Board of Directors are advised that a statement of Public Comment Protocols is available from the Clerk of the Board. Prior to speaking, each speaker is asked to review these protocols, complete a speakers' card, and hand it to the Clerk of the Board. Speakers will be recognized in the order the cards are received. A live webcast of the meeting will be available at LVMWD.com. Also, a web-based version of the speaker card is available for those who would like to submit written comments electronically or request to make public comment by telephone during the meeting.

The Public Comments agenda item is presented to allow the public to address the Board on matters not on the agenda. The public may also present comments on matters on the agenda; speakers for agendized items will be recognized at the time the item is called up for discussion.

Materials prepared by the District in connection with the subject matter on the agenda are available for public inspection at 4232 Las Virgenes Road, Calabasas, CA 91302. Materials prepared by the District and distributed to the Board during this meeting are available for public inspection at the meeting or as soon thereafter as possible. Materials presented to the Board by the public will be maintained as part of the records of these proceedings and are available upon request to the Clerk of the Board.

PLEDGE OF ALLEGIANCE

1 CALL TO ORDER AND ROLL CALL

2 APPROVAL OF AGENDA

3 PUBLIC COMMENTS

Members of the public may now address the Board of Directors **ON MATTERS NOT APPEARING ON THE AGENDA**, but within the jurisdiction of the Board. No action shall be taken on any matter not appearing on the agenda unless authorized by Subdivision (b) of Government Code Section 54954.2

4 CONSENT CALENDAR

Matters listed under the Consent Calendar are considered to be routine, non-controversial and normally approved with one motion. If discussion is requested by a member of the Board on any Consent Calendar item, or if a member of the public wishes to comment on an item, that item will be removed from the Consent Calendar for separate action.

A List of Demands: October 20, 2020 (Pg. 5)

Receive and File

B Minutes: Regular Meeting of October 6, 2020 (Pg. 29)

Approve

C **Directors' Per Diem: September 2020 (Pg. 38)**

Ratify

D **Online Billing and Presentment Services: Contract Extension (Pg. 45)**

Authorize the General Manager to execute a three-year contract extension with Invoice Cloud, Inc., in an annual amount not to exceed \$155,000, for online billing and presentment services.

5 **ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS**

A **MWD Representative Report (Pg. 95)**

B **Legislative and Regulatory Updates**

C **Water Supply Conditions Update (Pg. 101)**

D **Tap-in 2020 Virtual Program**

6 **TREASURER**

7 **BOARD OF DIRECTORS**

A **Response to Coronavirus (COVID-19) Pandemic: Continuation of Emergency (Pg. 103)**

Approve the continuation of an emergency declaration for response to the coronavirus (COVID-19) pandemic.

B **Proposed 2021 Board Meeting Calendar (Pg. 105)**

Review the proposed 2021 Board Meeting Calendar and make any scheduling adjustments.

8 **ENGINEERING AND EXTERNAL AFFAIRS**

A **Saddle Peak and Cordillera Tank Rehabilitation Project: Construction Award (Pg. 109)**

Award construction contracts to Advanced Industrial Services, Inc., in the amount of \$994,500, for the Saddle Peak Tank Rehabilitation Project, and Cal Sierra Construction, Inc., in the amount of \$772,100, for the Cordillera Tank Rehabilitation Project; and reject all remaining bids upon receipt of duly executed contract documents.

B **Woolsey Fire Facility Repair Project No. 2, Westlake Filtration Plant: CEQA Determination and Call for Bids (Pg. 113)**

Find that the work is exempt from the provisions of California Environmental Quality Act, and authorize the issuance of a Call for Bids for the Woolsey Fire Facility Repair Project No. 2, Westlake Filtration Plant.

9 **NON-ACTION ITEMS**

A **Organization Reports**

B **Director's Reports on Outside Meetings**

C General Manager Reports

(1) General Business

(2) Follow-Up Items

D Director's Comments

10 **FUTURE AGENDA ITEMS**

11 **PUBLIC COMMENTS**

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12 **CLOSED SESSION**

13 **OPEN SESSION AND ADJOURNMENT**

Pursuant to Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and applicable federal rules and regulations, 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 Executive Assistant/Clerk of the Board in advance of the meeting to ensure availability of the requested service or accommodation. Notices, agendas, and public documents related to the Board meetings can be made available in appropriate alternative format upon request.

LAS VIRGENES MUNICIPAL WATER DISTRICT

To: LYNDA LO-HILL, TREASURER

Payments for Board Meeting of : October 20, 2020

Deputy Treasurer has verified that all checks and wire transfers were issued in conformance with LVMWD Administrative Code Section 2-6.203.

Wells Fargo Bank A/C No. 4806-994448

Checks Nos. 86020 through 86120 were issued less voids/stop payments in the total amount of \$ 873,662.47

Payments through wire transfers as follows:

9/30/2020 Metropolitan Water District Payment for water deliveries in the month of July 2020 \$ 2,536,456.20

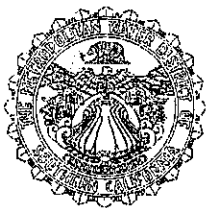
Sub-Total Wires \$ 2,536,456.20

Total Payments \$ 3,410,118.67

(Reference is hereby to these demands on file in the District's Check Register and by this reference the same is incorporated herein and made a part hereof.)

**CHECK LISTING FOR BOARD MEETING
10/20/20**

Company Name	Company No.	Check No. 86020 thru 86054 10/06/20 Amount	Check No. 86055 thru 86120 10/13/20 Amount	Total
Potable Water Operations	101	30,984.36	22,370.04	53,354.40
Recycled Water Operations	102			-
Sanitation Operations	130	2,533.84	1,905.20	4,439.04
Potable Water Construction	201	150.00		150.00
Water Conservation Construction	203			-
Sani- Construction	230			-
Potable Water Replacement	301	31,180.70	877.50	32,058.20
Reclaimed Water Replace	302			-
Sanitation Replacement	330	7,525.00	2,800.00	10,325.00
Internal Service	701	76,529.70	82,902.40	159,432.10
JPA Operations	751	32,849.12	295,407.62	328,256.74
JPA Construction	752			-
JPA Replacement	754	6,806.75	279,521.68	286,328.43
Total Printed		188,559.47	685,784.44	874,343.91
 Voided Checks/payment stopped:				
Check #84310	101	(681.44)		(681.44)
Total Voids		(681.44)		(681.44)
Net Total		187,878.03	685,784.44	873,662.47



MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
 700 North Alameda Street
 Los Angeles, CA, 90012-2944

INVOICE

Billed To:
 Las Virgenes Municipal Water District



Service Address
 4232 Las Virgenes Road
 Calabasas, CA 91302

July 2020	Page No. 1 of 1
Mailed: 08/10/2020	Due Date: 09/30/2020
Invoice Number: 10148	Revision: 0

NOTICE
 The MWD Administrative Code Section 4507 and 4508 require that payment must be made in "Good Funds" by the due date or the payment will be considered delinquent and an additional charge shall be assessed.

DELIVERIES	Volume (AF)
Total Water Treated Delivered	2,212.4
Total Water Untreated Delivered	

SALES	Type	Volume (AF)	Rate (\$ /AF)	Total (\$)
Full Service	Tier 1 Supply Rate	2,212.4	\$208.00	\$460,179.20
	System Access Rate	2,212.4	\$346.00	\$765,490.40
	Water Stewardship Rate	2,212.4	\$65.00	\$143,806.00
	System Power Rate	2,212.4	\$136.00	\$300,886.40
	Treatment Surcharge	2,212.4	\$323.00	\$714,605.20
SUBTOTAL				\$2,384,967.20

OTHER CHARGES AND CREDITS	Rate (\$ /AF)
Capacity Charge(Payment Schedule: M)	\$33,660.00
Readiness To Serve Charge(Payment Schedule: M)	\$117,829.00
SUBTOTAL	\$151,489.00

ADDITIONAL INFORMATION	Volume (AF)	Tier1 %	Peak Day	Flow (CFS)
Capacity Charge			8/9/2018	45.9
Purchase Order Firm Delivery To Date (Jan 2015 to Dec 2024)	107,896.2			
Tier 1 Annual Limit (For Current Calendar Year)	24,359.0			
Tier 1 YTD Deliveries (For Current Calendar Year)	11,306.4	46.4		
Tier 1 Current Month Deliveries	2,212.4			
Purchase Order Commitment (Jan 2015 to Dec 2024)	162,390.0			

INVOICE TOTAL	Volume AF 2,212.4	Amount Now Due \$2,536,456.20
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Note: Amount Due is based on highlighted fields.

Approved for Payment:

 John Zhao Date 8/14/2020

Approved for Payment

 David W. Pedersen, P.E. 08/27/20

PAID
 Wired 9/30/20 SC

Batch Number - 282635
Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Key ltr Co	Amount	Invoice Number
86020	10/06/20	19269	ACC BUSINESS	INTERNET 8/11~9/10 Payment Amount	PV	172112 001 00701	898.50	202591829
86021	10/06/20	20389	AIRGAS SPECIALTY PRODUCTS	30,580 LBS HYDROXIDE	PV	172093 001 00701	3,013.66	131669477
		Alt Payee 20559	AIRGAS SPECIALTY PRODUCTS P. O. BOX 934434 ATLANTA GA 31193-4434	Payment Amount			3,013.66	
86022	10/06/20	19993	ALEXANDER'S CONTRACT SERVICES, INC.	MTR READS 8/24~9/18	PV	172103 001 00701	19,147.07	103029
				Payment Amount			19,147.07	
86023	10/06/20	18686	ANALYTICAL TECHNOLOGY, INC.	TURBIDITY SENSORS	PV	172137 001 00751	1,975.96	0429652
				Payment Amount			1,975.96	
86024	10/06/20	2869	AT&T	SRV 9/20~10/19	PV	172086 001 00101	49.61	2150/092020
				SRV 9/14~10/13	PV	172087 001 00701	49.61	4639/091420
				Payment Amount			99.22	
86025	10/06/20	18971	BDP INDUSTRIES INC.	HYDRLC DRIVE MOTOR	PV	172095 001 00701	2,418.73	12355
				HYDRLC DRIVE MOTOR	PV	172095 002 00701	215.77	12355
				Payment Amount			2,634.50	
86026	10/06/20	18533	CALIFORNIA LUTHERAN UNIVERSITY (CLU)	SUPV SKILL TRAINING-SEE	PV	172085 001 00701	1,780.00	LVMWD 0916
				Payment Amount			1,780.00	
86027	10/06/20	20655	CANNON CORPORATION	J BRIDGER PIPELINE	PV	172114 001 00701	303.00	73659
				Payment Amount			303.00	
86028	10/06/20	2513	CAPCO ANALYTICAL	AUG'20 SAMPLING	PV	172113 001 00701	365.00	201442

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Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Number	Key Itm Co	Amount	Invoice Number
SERVICES									
86029	10/06/20	20624	CONTRACTOR COMPLIANCE & MONITORING, INC.	Payment Amount COMPLIANCE MONITORING	PV	172101	001 00701	365.00 150.00	13326
86030	10/06/20	2605	DELTA PACIFIC INDUSTRIES	Payment Amount WINDSHIELD WSHR FLUID	PV	172082	001 00701	150.00 499.97	5481
				CITRUS SOLVENT	PV	172083	001 00701	494.72	5464
86031	10/06/20	11330	DIAL SECURITY	Payment Amount 9/20 SEC	PV	172119	001 00701	994.69 355.00	383966
				SRV-HQ	PV	172120	001 00701	271.00	383967
				9/20 SEC	PV	172122	001 00701	35.00	383969
				SRV-TAPIA	PV	172123	001 00701	125.00	383970
				SRV-RLV FARM	PV	172124	001 00701	35.00	383971
				SRV-WLK	PV	172125	001 00701	147.00	383972
				9/20 SEC	PV	172126	001 00701	114.00	383974
				SRV-OPS	PV	172127	001 00701	55.00	383975
				SRV-WLK P/S					
				SRV-IT ROOM					
				SRV-OPS					
				9/20 FIRE					
				MONTERING-BD1					
86032	10/06/20	14591	EMISSION COMPLIANT CONTROLS CORP.	Payment Amount RPR GAS ENGINE	PV	172097	001 00701	1,137.00 1,504.00	PSO4954
				EMISSION TEST-9/21	PV	172098	001 00701	1,909.20	PSO4963
		Alt Payee	15750	EMISSION COMPLIANT CONTROLS CORP. 25783 JEFFERSON AVE., SUITE 130 MURRIETA CA 92562					
86033	10/06/20	21430	ENVIRONMENTAL	Payment Amount RFND	PV	172118	001 00101	3,413.20 681.44	077062

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Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Number	Key Itm	Co	Amount	Invoice Number
			CHEMICAL CORPORATION	BAL-CLOSED A/C					681.44	
86034	10/06/20	2654	FAMCON PIPE	METER GASKETS	PV	172109	001	00701	180.68	S100036537.00
				Payment Amount					180.68	1
86035	10/06/20	2658	FEDERAL EXPRESS CORP	4 PCKG DEL-9/14	PV	172116	001	00701	145.46	7-126-97364
				LAB PCKG DEL-9/16	PV	172117	001	00701	89.00	7-132-88156
				Payment Amount					234.46	
86036	10/06/20	19088	FRITTS FORD	'20 FORD TRNS VN#-0142	PV	172099	001	00701	28,927.70	F21272
				Payment Amount					28,927.70	
86037	10/06/20	6770	G.I. INDUSTRIES	DELIVERY TEMP 40 YD BIN	PV	172080	001	00751	85.00	2960591-0283-
				9/1-9/15 SHOP BLDG	PV	172081	001	00701	819.52	2960555-0283-
										9
		Alt Payee	6771	G.I. INDUSTRIES P. O. BOX 541065 LOS ANGELES CA 90054-1065					904.52	
86038	10/06/20	21115	GOVERNMENT TAX SEMINARS, LLC	SUBSCRIPTION SRV 20-21	PV	172138	001	00701	5,000.00	SUB/2020-21
				Payment Amount					5,000.00	
86039	10/06/20	18679	GSE CONSTRUCTION, INC.	RTN#5-TP HDWRK REHAB	PD	172107	001	00754	358.25-	10667/RTN#5
				PMT#5-TP HDWRK REHAB	PV	172108	001	00701	7,165.00	10667/PMT#5
				Payment Amount					6,806.75	
86040	10/06/20	4409	HARRIS & ASSOCIATES, INC.	STNDBY CHGS 7/26-8/22	PV	172102	001	00701	1,950.00	46173
				Payment Amount					1,950.00	
86041	10/06/20	20584	KAMBRIAN CORPORATION	NTWRK FIREWALL SUB 20-21	PV	172110	001	00701	3,066.96	KINV5807
				Payment Amount					3,066.96	

Batch Number - 282635
Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Key Nm Co	Amount	Invoice Number
86042	10/06/20	2611	LA DWP	RECTIFIER 8/25~9/23 Payment Amount	PV	172089 001 00101	42.96	851260/092420
86043	10/06/20	3352	LAS VIRGENES MUNICIPAL WATER DISTRICT	HQ BLDG #8 8/11~9/9 FIRE PRTCN #8 8/11~9/9 RLV FARM 8/11~9/9 JED SMTH P/S 8/10~9/8 L/S #2 8/13~9/10 L/S #1 8/13~9/10 FIRE PRTCN #7 8/11~9/9 BLDG#7 8/11~9/9 BLDG#2 8/11~9/9 TAPIA 8/11~9/9 RLV 8/11~9/9 HQ PWP/DEMO 8/11~9/9 Payment Amount	PV	172068 001 00701	318.56	2647/091620
							42.96	
							7.50	2650/091620
							171.80	2080/091620
							54.97	0254/091620
							54.97	0570/091620
							57.82	1775/091620
							7.50	2654/091620
							824.76	2656/091620
							360.15	2658/091620
							458.50	1760/091620
							386.39	2090/091620
							332.65	2620/091620
							3,035.57	
86044	10/06/20	20973	MERRIMAC ENERGY GRQUP	8,684 GAL REG GAS Payment Amount	PV	172096 001 00701	20,255.51	2203914
							20,255.51	
86045	10/06/20	18116	PACIFIC ENERGY CONSTRUCTION CORPORATION	ELEC RPR 2/8~9/13 Payment Amount	PV	172132 001 00701	3,381.96	5539
							3,381.96	
86046	10/06/20	18505	RAFTELIS FINANCIAL CONSULTANTS, INC.	P/E 8/31 RATE STDY	PV	172111 001 00701	19,656.25	16606

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Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Number	Key Itm Co	Amount	Invoice Number
				Payment Amount				19,656.25	
86047	10/06/20	16022	ROLLS SCAFFOLD & EQUIPMENT, INC	SCFLD-WLK 8/17-9/13	PV	172100	001 00701	2,268.02	6086198S1C
				Payment Amount				2,268.02	
86048	10/06/20	20898	SDI PRESENCE LLC	P/E 8/31 ERP CONSLT STDY	PV	172115	001 00701	7,525.00	5236
		Alt Payee	20936	SDI PRESENCE LLC 29290 NETWORK PLACE CHICAGO IL 60673-1292					
				Payment Amount				7,525.00	
86049	10/06/20	21137	TESLA, INC.	PERFM RFND-P/E FEB19	PD	172128	001 00751	25,812.97-	RFND/PE020619
				RW P/S-JUN'20 SOLAR	PV	172129	001 00701	13,749.99	16637118
				RW P/S-JUL'20 SOLAR	PV	172130	001 00701	14,990.64	16890830
				RW P/S-AUG'20 SOLAR	PV	172131	001 00701	12,665.08	17343966
				Payment Amount				15,592.74	
86050	10/06/20	21511	URBAN WATER GROUP, INC.	WEB PAGE SRV 5/15-6/4	PV	172104	001 00701	2,310.00	1369
				WEB PAGE SRV 4/16-4/22	PV	172105	001 00701	1,245.00	1383
				Payment Amount				3,555.00	
86051	10/06/20	21509	VEGA AMERICAS, INC.	CONTROLLER & TRNSMTTR	PV	172106	001 00701	2,421.05	391321
				Payment Amount				2,421.05	
86052	10/06/20	3025	WATER & SANITATION SRV./VENTURA COUNTY	PCH WTR 8/18-9/15	PV	172088	001 00101	22,883.69	2057494
				Payment Amount				22,883.69	
86053	10/06/20	18914	WECK LABORATORIES, INC.	TTHM/HAA5-0H1 8099	PV	172134	001 00701	806.16	W010577-LV
				FAST WATER	PV	172135	001 00701	443.63	W010280-LV

Batch Number - 282635

Bank Account - 00146807 Cash-General

Payment		Address	Name	Payment Stub Message	Document	Key		Amount	Invoice	
Number	Date	Number			Ty	Number	Item	Co	Number	
				CT-0H18098						
				RLV	PV	172136	001	00701	534.96	W0H1559-LV
				GRNDWTR-0H110						
				85						
				Payment Amount					1,784.75	
86054	10/06/20	3067	XEROX CORPORATION	8/20 LEASE-HQ & TAPIA	PV	172091	001	00701	470.22	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	002	00701	16.02	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	003	00701	46.19	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	004	00701	21.71	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	005	00701	594.97	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	006	00701	20.27	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	007	00701	58.44	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	009	00701	181.04	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	010	00701	12.96	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	011	00701	18.41	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	012	00701	5.72	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	013	00701	629.00	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	014	00701	21.43	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	015	00701	61.79	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	016	00701	183.36	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	017	00701	133.46	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	018	00701	4.55	702428035
				8/20 LEASE-HQ & TAPIA	PV	172091	019	00701	13.12	702428035

R04576

Las Virgenes Municipal Water
A/P Auto Payment Register

10/06/20 8:59:29
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Batch Number - 282635

Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Number	Key Itm	Co	Amount	Invoice Number
				Payment Amount					2,492.66	
				Total Amount of Payments Written					188,559.47	
				Total Number of Payments Written			35			

Batch Number - 282700
Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Key Number	Key itm	Key Co	Amount	Invoice Number
86055	10/13/20	8680	ADS, LLC	SEP'20 FLOW MNTG	PV	172223	001	00701	745.00	22085.22-0920
				SEP'20 FLOW MNTG	PV	172223	002	00701	2,235.00	22085.22-0920
				Payment Amount					2,980.00	
86056	10/13/20	21638	ATIF AL-AZIZ	RFND	PV	172182	001	00101	482.75	018323
				BAL-CLOSED A/C						
				Payment Amount					482.75	
86057	10/13/20	2397	AQUATIC BIOASSAY & CONSULTING	BIOASSMNT RPT-2019	PV	172305	001	00701	48,866.00	LVS0320.0181
				Payment Amount					48,866.00	
86058	10/13/20	5625	ASSOC. OF WATER AGENCIES OF VENTURA CO	WATERWISE BKFT-9/24	PV	172218	001	00701	175.00	06-12821
				Payment Amount					175.00	
86059	10/13/20	2869	AT&T	SRV 9/23~10/22	PV	172188	001	00101	51.20	2430/092320
				SRV 9/23~10/22	PV	172189	001	00101	49.61	7426/092320
				Payment Amount					100.81	
86060	10/13/20	21056	BATTERY SYSTEMS INC	BATTERY STOCK	PV	172177	001	00701	135.89	5978122
				Payment Amount					135.89	
86061	10/13/20	21639	COLBY BEKHOR	RFND	PV	172183	001	00101	389.53	059361
				BAL-CLOSED A/C						
				Payment Amount					389.53	
86062	10/13/20	20491	BEST BEST & KRIEGER LLP	P/E 8/31 FED LBBY	PV	172226	001	00701	7,500.00	886503
				P/E 8/31 ST LBBY	PV	172227	001	00701	5,000.00	886504
				Payment Amount					12,500.00	
86063	10/13/20	18071	BLUE DIAMOND MATERIALS	5.48 TN A/C FINE	PV	172233	001	00701	356.74	1989776
				Payment Amount					356.74	
86064	10/13/20	18080	BOOT BARN INC.	SFTY F/WEAR-S.B.	PV	172211	001	00701	172.39	INV00066968
				Payment Amount					172.39	

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Payment . . .		Address	Name	Payment Stub Message	. . . Document . . .	Key		Amount	Invoice
Number	Date	Number			Ty	Number	Ilm Co		Number
86065	10/13/20	8091	BROWN AND CALDWELL	P/E 8/27 PWP OPS SPRT Payment Amount	PV	172155	001 00701	3,174.87	45383821
86066	10/13/20	2418	BT INDUSTRIAL	PAINT Payment Amount	PV	172222	001 00701	285.99	400733
86067	10/13/20	2786	CEDAR VALLEY PLUMBING SUPPLY	31 TOUCHLESS FAUCETS 31 TOUCHLESS FAUCETS 31 TOUCHLESS FAUCETS GLAVANIZED UNIONS Payment Amount	PV	172299	001 00701	6,494.18	133122
					PV	172299	003 00701	2,597.67	133122
					PV	172299	005 00701	974.11	133122
					PV	172317	001 00751	176.60	135177
86068	10/13/20	2554	COASTLINE EQUIPMENT	SERVICE UNIT#863 SERVICE UNIT#709 SRV UNIT 722 Payment Amount	PV	172203	001 00701	1,415.25	731933
					PV	172204	001 00701	1,436.90	731871
					PV	172318	001 00701	429.22	735095
86069	10/13/20	4586	CONSOLIDATED ELECTRICAL DISTRIBUTORS	WIRE-TAPIA ELEC RPRS WIRE-TAPIA ELEC RPRS Payment Amount	PV	172174	001 00701	205.66	9009-414433
					PV	172175	001 00701	2,038.36	9009-414352
86070	10/13/20	16364	D&H WATER SYSTEMS INC.	ANALYZER PROBES Payment Amount	PV	172213	001 00101	2,495.08	I 2020-1037
86071	10/13/20	19033	DENOVO VENTURES, LLC	8/31~9/9 JDE-KRNOS INTRGN 9/14~9/16 JDE-KRNOS INTRGN Payment Amount	PV	172156	001 00701	892.50	68844
					PV	172157	001 00701	488.75	68934
86072	10/13/20	3498	DEPT. OF WATER & POWER - CITY OF LA	SWR LN PRMT 10/20~10/21 Payment Amount	PV	172220	001 00130	500.00	GA80214
								500.00	

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Payment . . .		Address	Name	Payment Stub Message	Document . . .		Key		Amount	Invoice
Number	Date	Number			Ty	Number	Itm	Co		Number
86073	10/13/20	20685	DOCUMENT SYSTEMS INC	8/24~9/23 CANON MNT-CS	PV	172151	001	00701	55.55	143351
				Payment Amount					55.55	
86074	10/13/20	21621	FARWEST INSULATION CONTRACTING	GNRTR EXHAUSTS	PV	172231	001	00701	8,813.02	70718
				Payment Amount					8,813.02	
86075	10/13/20	6770	G.I. INDUSTRIES	10/20 DISP RLV FARM	PV	172208	001	00751	96.64	2960702-0283- 7
				10/20 DISP RLV	PV	172209	001	00751	96.64	2960701-0283- 9
				10/20 DISP HQ & SHOP	PV	172210	001	00701	977.87	2960703-0283- 5
				9/16~9/30 SHOP BLDG	PV	172288	001	00701	869.11	2960880-0283- 1
				10/20 DISP-TAPIA	PV	172311	001	00751	636.96	2533531-0283- 8
				GRIT						
				10/20 DISP-TAPIA	PV	172312	001	00751	740.55	2533530-0283- 0
				10/20 DISP-WLK	PV	172313	001	00101	225.05	2493626-0283- 4
				10/20 DISP-25 YD ROLLOFF	PV	172314	001	00751	330.20	2960976-0283- 7
				9/16~9/30 DISP TAPIA	PV	172315	001	00751	312.19	2960881-0283- 9
				RAGS						
		Alt Payee	6771	G.I. INDUSTRIES P. O. BOX 541065 LOS ANGELES CA 90054-1065						
				Payment Amount					4,285.21	
86076	10/13/20	2690	GIBBS INTERNATIONAL TRUCKS	SRV/RPRS-UNIT 163	PV	172295	001	00701	2,036.77	455321
				Payment Amount					2,036.77	
86077	10/13/20	2701	GRAINGER, INC.	ELCTR SPLICING MTRL V-BELTS SIGNAGE @ PWP DEMO BLDG	PV	172146	001	00701	218.00	9639760488
					PV	172158	001	00701	78.18	9640963998
					PV	172159	001	00701	25.21	9641136222

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Payment		Address	Name	Payment Stub Message	Document	Key		Amount	Invoice
Number	Date	Number			Ty	Number	Itm Co		Number
				MISC ELCTR	PV	172160	001 00701	583.64	9642345160
				CNSMBL					
				TOOL TOTE	PV	172161	001 00701	95.16	9651354905
				LASER	PV	172162	001 00701	194.92	9654131730
				TACHOMETER					
				SHOP VAC	PV	172164	001 00701	216.21	9655662030
				AIR FILTER	PV	172165	001 00701	2,072.21	9657657921
		Alt Payee	5453	GRAINGER, INC.					
				DEPT 805178142					
				PALATINE IL 60038-0001					
				Payment Amount				3,483.53	
86078	10/13/20	18679	GSE	RTN#4-DGSTR2	PD	172148	001 00754	13,640.00-	10680/RTN#4
			CONSTRUCTION,	REHAB					
			INC.						
				PMT#4-DGSTR2	PV	172149	001 00701	272,800.00	10680/PMT#4
				REHAB					
				Payment Amount				259,160.00	
86079	10/13/20	16531	HAMILTON &	RFND	PV	172181	001 00101	80.40	076008
			ASSOCIATES,	BAL-CLOSED					
			INC.	A/C					
				Payment Amount				80.40	
86080	10/13/20	7421	HAMNER,	P/E	PV	172229	001 00701	877.50	200435
			JEWELL AND	8/31-EMGCY					
			ASSOCIATES	GNRTRS					
				Payment Amount				877.50	
86081	10/13/20	18646	HDR	P/E 8/29	PV	172303	001 00701	3,076.00	1200292594
			ENGINEERING,	WSDR-CREEKSID					
			INC.	E					
				P/E 9/26	PV	172304	001 00701	4,976.00	1200299249
				WSDR-CREEKSID					
				E					
				Payment Amount				8,052.00	
86082	10/13/20	21133	H2O	CHLOR FEED	PV	172152	001 00701	7,001.98	PJ200319
			INNOVATION	PRGRMNG					
			USA, INC.						
				UV SYS	PV	172153	001 00701	8,373.79	PJ200316
				CONTROL C/O1					
				Payment Amount				15,375.77	
86083	10/13/20	2727	IDEXX	LAB SUPPLIES	PV	172230	001 00701	2,608.50	3071434993
			LABORATORIES						

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Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Key Ltm	Co	Amount	Invoice Number
		Alt Payee	6447	IDEXX LABORATORIES P. O. BOX 101327 ATLANTA GA 30392-1327					
				Payment Amount				2,608.50	
86084	10/13/20	10102	INFOSEND INC.	8/5~8/26 BILL PMT MLNG	PV	172150	001 00701	9,003.17	177847
				Payment Amount				9,003.17	
86085	10/13/20	21197	JACOBS ENGINEERING GROUP INC.	P/E 8/21 PH2 WHT PAPER STDY	PV	172179	001 00701	15,869.21	W9Y23500-016
				Payment Amount				15,869.21	
86086	10/13/20	21635	MARK ANDREW KNEYSE	DRONE FOOTAGE	PV	172228	001 00701	930.00	89
				Payment Amount				930.00	
86087	10/13/20	7790	KRONOS	TIME EXPORT-JDE	PV	172217	001 00701	500.00	11665216
				Payment Amount				500.00	
86088	10/13/20	3352	LAS VIRGENES MUNICIPAL WATER DISTRICT	HQ PWP/DEMO 8/26~9/23	PV	172186	001 00751	8,607.15	0151/093020
				EQS TNK 8/26~9/23	PV	172187	001 00101	364.51	0896/093020
				IND HILLS 8/27~9/24	PV	172280	001 00751	33.72	0558/093020
				MRRSN P/S 8/27~9/24	PV	172281	001 00751	33.72	0331/093020
				RWPS 8/26~9/23	PV	172282	001 00701	228.41	2645/093020
				BD#8/RW 8/26~9/23	PV	172283	001 00701	281.96	2652/093020
				BD#9/RECL 8/26~9/23	PV	172284	001 00701	248.22	2646/093020
				BD#7/RW 8/26~9/23	PV	172285	001 00701	233.32	2655/093020
				WLK FLT 8/27~9/24	PV	172286	001 00101	1,219.82	0907/093020
				WLK FLT 8/27~9/24	PV	172287	001 00101	337.12	0909/093020
				Payment Amount				11,587.95	
86089	10/13/20	15749	LAWRENCE	RPLC MOTOR	PV	172232	001 00701	7,056.85	2054048

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Payment Number	Payment Date	Address Number	Name	Payment Stub Message	Document Ty	Document Number	Key Itm	Key Co	Amount	Invoice Number
			ROLL-UP DOORS, INC.	OP/SEALS						
				Payment Amount					7,056.85	
86090	10/13/20	5594	McCARTY & SONS TOWING	TOW-UNIT 163	PV	172294	001	00701	450.00	90903
				Payment Amount					450.00	
86091	10/13/20	2814	MCMASTER-CARR SUPPLY CO	PVC FITTINGS	PV	172199	001	00101	157.85	45905045
				FLANGES	PV	172200	001	00751	191.95	45751484
				FASTENERS	PV	172201	001	00751	1,165.91	46073928
				TERMINAL BLOCK/COVER	PV	172202	001	00751	67.10	46070020
		Alt Payee	3197 MC MASTER-CARR P. O. BOX 7690 CHICAGO IL 60680-7690							
				Payment Amount					1,582.81	
86092	10/13/20	14322	MILES CHEMICAL COMPANY, INC	53 GAL HYPOCHLORITE	PV	172214	001	00751	217.94	605323
				CHEMICALS-PWP OP	PV	172293	001	00751	1,723.56	606681
				Payment Amount					1,941.50	
86093	10/13/20	18905	NATIONAL ASSOC. OF CLEAN WATER AGENCIES	FY'21 MBRSHP DUES	PV	172221	001	00701	1,000.00	66793
				Payment Amount					1,000.00	
86094	10/13/20	16372	OLIN CORPORATION - CHLOR ALKALI	4,882 GAL HYPOCHLORITE	PV	172139	001	00701	4,112.23	2877924
				4,926 GAL HYPOCHLORITE	PV	172140	001	00701	4,149.29	2879159
				4,880 GAL HYPOCHLORITE	PV	172141	001	00701	4,110.55	2880184
				4,940 GAL HYPOCHLORITE	PV	172142	001	00701	4,161.09	2881942
				4,950 GAL HYPOCHLORITE	PV	172143	001	00701	4,249.84	2882896
				4,998 GAL HYPOCHLORITE	PV	172144	001	00701	4,209.94	2883461

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Payment Number	Date	Address Number	Name	Payment Stub Message	Document		Key		Amount	Invoice Number
					Ty	Number	Itm	Co		
				4,910 GAL HYPOCHLORITE	PV	172145	001	00701	4,135.82	2884848
				4,966 GAL HYPOCHLORITE	PV	172301	001	00701	4,182.99	2885893
		Alt Payee 16373	OLIN CORPORATION - CHLOR ALKALI P.O. BOX 402766 ATLANTA GA 30384-2766							
				Payment Amount					33,311.75	
86095	10/13/20	11764	ANNETTE/JOHN OTEY	RFND BAL-CLOSED A/C	PV	172180	001	00101	177.53	040438
				Payment Amount					177.53	
86096	10/13/20	3110	GLEN PETERSON	MWD REP FEE 9/1-9/24/20	PV	172224	001	00701	2,200.00	22
				Payment Amount					2,200.00	
86097	10/13/20	18963	POWERFLO PRODUCTS, INC.	APCO 100 VALVE	PV	172316	001	00751	870.53	56294
				Payment Amount					870.53	
86098	10/13/20	20334	PRUDENTIAL OVERALL SUPPLY	9/20 UNFRMS/MAT/TW LS	PV	172264	001	00701	68.50	172015486
				9/20 UNFRMS/MAT/TW LS	PV	172264	002	00701	61.87	172015486
				9/20 UNFRMS/MAT/TW LS	PV	172265	001	00701	68.50	172016816
				9/20 UNFRMS/MAT/TW LS	PV	172265	002	00701	61.87	172016816
				9/20 UNFRMS/MAT/TW LS	PV	172266	001	00701	68.50	172018184
				9/20 UNFRMS/MAT/TW LS	PV	172266	002	00701	61.87	172018184
				9/20 UNFRMS/MAT/TW LS	PV	172267	001	00701	68.50	172019496

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Payment . . .		Address	Name	Payment Stub Message	Document . . .		Key	Amount	Invoice
Number	Date	Number			Ty	Number	Item Co		Number
				9/20	PV	172267	002 00701	61.87	172019496
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172268	001 00701	9.60	172015656
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172268	002 00701	21.44	172015656
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172269	001 00701	9.60	172016987
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172269	002 00701	21.44	172016987
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172270	001 00701	9.60	172018319
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172270	002 00701	21.44	172018319
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172271	001 00701	9.60	172019628
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172271	002 00701	21.44	172019628
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172272	001 00701	319.63	172015488
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172273	001 00701	319.63	172016818
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172274	001 00701	319.63	172018186
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172275	001 00701	319.63	172019498
				UNFRMS/MAT/TW					
				LS					
				9/20	PV	172276	001 00701	28.40	172015487
				UNFRMS/MAT/TW					

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Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Number	Key Itm	Co	Amount	Invoice Number
				LS						
				9/20	PV	172276	002	00701	30.83	172015487
				UNFRMS/MAT/TW						
				LS						
				9/20	PV	172277	001	00701	28.40	172016817
				UNFRMS/MAT/TW						
				LS						
				9/20	PV	172277	002	00701	30.83	172016817
				UNFRMS/MAT/TW						
				LS						
				9/20	PV	172278	001	00701	28.40	172018185
				UNFRMS/MAT/TW						
				LS						
				9/20	PV	172278	002	00701	30.83	172018185
				UNFRMS/MAT/TW						
				LS						
				9/20	PV	172279	001	00701	28.40	172019497
				UNFRMS/MAT/TW						
				LS						
				9/20	PV	172279	002	00701	30.83	172019497
				UNFRMS/MAT/TW						
				LS						
				Payment Amount					2,161.08	
86099	10/13/20	2585	PURETEC	TANK	PV	172300	001	00701	275.52	1831166
				EXCHG-9/23						
				Payment Amount					275.52	
86100	10/13/20	21641	RANDALL RALSTON	RFND	PV	172185	001	00101	107.41	010384
				BAL-CLOSED						
				A/C						
				Payment Amount					107.41	
86101	10/13/20	21594	RECYCLED WOOD PRODUCTS	130 YDS	PV	172166	001	00701	1,545.70	198927
				WOODCHIPS						
				130 YDS	PV	172167	001	00701	1,545.70	199049
				WOODCHIPS						
				130 YDS	PV	172168	001	00701	1,545.70	199086
				WOODCHIPS						
				130 YDS	PV	172169	001	00701	1,545.70	199181
				WOODCHIPS						
				130 YDS	PV	172170	001	00701	1,545.70	199309
				WOODCHIPS						
				130 YDS	PV	172171	001	00701	1,545.70	199361

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Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Number	Key itm Co	Amount	Invoice Number
				WOODCHIPS					
				130 YDS	PV	172172	001 00701	1,545.70	199450
				WOODCHIPS					
				130 YDS	PV	172173	001 00701	1,545.70	199494
				WOODCHIPS					
				Payment Amount				12,365.60	
86102	10/13/20	21640	REMEDIAL	RFND	PV	172184	001 00101	371.33	084145
			TRANSPORTATIO	BAL-CLOSED					
			N SERVICES	A/C					
			INC						
				Payment Amount				371.33	
86103	10/13/20	20412	SHRED-IT USA	SEP'20 DOC	PV	172225	001 00701	326.01	8180528851
			LLC	SHRDG SRV					
				Payment Amount				326.01	
86104	10/13/20	19169	SJM	INSTALL	PV	172197	001 00701	878.71	251679
			INDUSTRIAL	RADIOS-#942 &					
			RADIO	943					
				RADIO	PV	172198	001 00701	964.96	251678
				#980-LGHT					
				CHGR#941					
				Payment Amount				1,843.67	
86105	10/13/20	2957	SOUTHERN	RW P/S	PV	172205	001 00751	76,062.52	4500-42/10032
			CALIFORNIA	8/31-10/1 NEM					0
			EDISON						
				Payment Amount				76,062.52	
86106	10/13/20	2957	SOUTHERN	BLDG 1 EV-PWP	PV	172206	001 00751	12.47	3805-EV/09292
			CALIFORNIA	8/24-9/23					0
			EDISON						
				Payment Amount				12.47	
86107	10/13/20	2957	SOUTHERN	BLDG 1 HM-PWP	PV	172207	001 00751	1,825.80	4332-HM/09292
			CALIFORNIA	8/24-9/23					0
			EDISON						
				Payment Amount				1,825.80	
86108	10/13/20	2957	SOUTHERN	RLV CMPST	PV	172306	001 00751	39,017.67	5165-46/09302
			CALIFORNIA	8/24-9/23/20					0
			EDISON						
				Payment Amount				39,017.67	
86109	10/13/20	2958	SOUTHERN	JBR P/S	PV	172289	001 00101	17.39	1200/100220
			CALIFORNIA	8/28-9/30					
			GAS CO						
				RANCHO	PV	172307	001 00751	445.57	4200/100620

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Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Key Number ltm Co	Amount	Invoice Number
				9/1~10/2				
				CORNELL	PV	172308 001 00101	2,105.05	0400/100620
				9/1~10/2				
				HQ & SHOP	PV	172309 001 00701	468.53	3600/100620
				9/1~10/2				
				TAPIA	PV	172310 001 00751	864.71	4000/100620
				9/1~10/2				
				Payment Amount			3,901.25	
86110	10/13/20	12149	THATCHER CO. OF CALIFORNIA	3,992.9 GAL	PV	172192 001 00701	5,869.57	278653
				BISULFITE				
				10.64 TN ALUM	PV	172193 001 00701	3,734.71	278868
				SULFATE				
				Payment Amount			9,504.28	
86111	10/13/20	21642	TRALIAN, LLC	COVID/D&I	PV	172212 001 00701	3,010.00	9274
				TRAINING				
				Payment Amount			3,010.00	
86112	10/13/20	21582	TROY COMPANY	CONCRETE PADS	PV	172178 001 00701	4,800.00	01-1270
				CONCRETE PADS	PV	172178 002 00701	5,100.00	01-1270
				Payment Amount			9,900.00	
86113	10/13/20	21252	TYLER TECHNOLOGIES, INC.	ERP IMPLTN	PV	172154 001 00701	2,800.00	045-316383
				9/1 & 9/8				
				Payment Amount			2,800.00	
86114	10/13/20	2780	VALLEY NEWS GROUP	LGL AD-SOLAR	PV	172219 001 00701	240.00	9-17,24
				FIELD				
				AD-CMPST	PV	172292 001 00751	180.00	10-1-20
				AVAILABLE				
				Payment Amount			420.00	
86115	10/13/20	3035	VWR SCIENTIFIC	COLUMN GLASS	PV	172215 001 00701	169.93	8802281983
				ELECTRODE	PV	172216 001 00701	741.65	8802238203
		Alt Payee	3216	VWR INTERNATIONAL, INC P. O. BOX 640169 PITTSBURGH PA 15264-0169				
				Payment Amount			911.58	
86116	10/13/20	19685	W. LITTEN INC.	SPRYFLD	PV	172190 001 00701	2,945.94	20046
				9/21~9/23				
				TRAIL MAINT	PV	172191 001 00701	306.58	20047
				9/20~9/26				
				SPRYFLD	PV	172302 001 00701	3,091.53	20048

Batch Number - 282700
Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Key Nm Co	Amount	Invoice Number
				9/28-10/2				
				Payment Amount			6,344.05	
86117	10/13/20	18914	WECK LABORATORIES, INC.	LAB SRVS-PWP	PV	172290 001 00751	833.92	W011692-LV
				LAB SRVS-PWP	PV	172291 001 00751	768.92	W011886-LV
				DIONIZED	PV	172298 001 00701	26.52	W011885-LV
				WTR-0123046				
				Payment Amount			1,629.36	
86118	10/13/20	3047	WESCO DISTRIBUTION, INC.	CAM LOK CONNECTORS	PV	172194 001 00701	566.20	035593
				RETROFIT FAN KIT	PV	172195 001 00701	3,735.24	035592
				WIRE	PV	172196 001 00701	328.11	036199
		Alt Payee	6443 WESCO DISTRIBUTION, INC PO BOX 31001-0465 PASADENA CA 91110-0465					
				Payment Amount			4,629.55	
86119	10/13/20	3048	WEST COAST AIR CONDITIONING	SRV A/C LEAK-RLV	PV	172234 001 00751	258.63	S109318
				ADJUST OUTSIDE AIR EXCHG	PV	172235 001 00701	145.00	S109427
				ADJUST AIR DAMPERS	PV	172236 001 00701	317.50	S109442
				ADJUST AIR INTAKE	PV	172237 001 00751	145.00	S109429
				ADJUST OUTDOOR AIR HNDLRS	PV	172238 001 00751	202.50	S109430
				SRV FREON LEAK	PV	172239 001 00751	434.46	S109574
				ADJUST OUTSIDE AIRFLOW	PV	172240 001 00101	335.61	S109428
				CHECK SRVR ROOM	PV	172241 001 00701	173.75	S109628
				REPLC THERMISTOR	PV	172242 001 00701	519.36	S109669
				MECHICAL UPLDER/FILTER	PV	172243 001 00751	5,950.00	S109872

Batch Number - 282700
Bank Account - 00146807 Cash-General

Payment		Address	Name	Payment Stub Message	Document		Key	Amount	Invoice
Number	Date	Number			Ty	Number	Itm Co		Number
				PM/FILTERS-BL DG 7	PV	172244	001 00701	565.00	S109991
				PM/FILTER-BLD G 2	PV	172245	001 00701	35.00	S110012
				PM/FILTERS-LV 2	PV	172246	001 00101	155.00	S110013
				PM/FILTERS-WL FP	PV	172247	001 00101	150.00	S110014
				PM/FILTER-COR NELL P/S	PV	172248	001 00101	50.00	S110015
				PM/FILTERS-L/ S 2	PV	172249	001 00130	107.00	S110017
				PM/FILTERS-LV 2	PV	172250	001 00101	1,709.55	S110047
				PM/FILTERS-RL V	PV	172251	001 00751	910.00	S110171
				PM/FILTERS-TA PIA	PV	172252	001 00751	430.00	S110179
				PM/FILTERS-BL DG 8	PV	172253	001 00701	1,850.00	S110182
				FILTER-SRVR ROOM	PV	172254	001 00701	48.84	S110418
				PM/FILTERS-RL V	PV	172255	001 00751	6,741.38	S110177
				BELT-BLDG 8	PV	172256	001 00701	16.02	S110419
				PM-RLV EXHST FANS	PV	172257	001 00751	450.00	S110151
				SRV A/C-L/S 1	PV	172258	001 00130	435.20	S110501
				SRV A/C-LV2	PV	172259	001 00101	483.00	S110748
				PM/FILTERS-L/ S1	PV	172260	001 00130	118.00	S110016
				RPR LEAK-RLV	PV	172261	001 00751	795.74	S110619
				RPR LEAK-LV2	PV	172262	001 00101	1,688.35	S110758
				SRV A/C-BLDG 7	PV	172263	001 00701	317.50	S110567
				EVAP SRV-BLDG 7	PV	172296	001 00701	237.69	S111288
				A/C SRV-WLK P/S	PV	172297	001 00101	247.94	S111243
				Payment Amount				26,023.02	
86120	10/13/20	19524	XYLEM WATER	LEVEL CONTROL	PV	172176	001 00701	1,100.48	3556B39270

Batch Number - 282700
Bank Account - 00146807 Cash-General

Payment Number	Date	Address Number	Name	Payment Stub Message	Document Ty	Number	Key Itm	Co	Amount	Invoice Number
			SOLUTIONS USA, INC	RELAYS						
				LEVEL CONTROL RELAYS	PV	172176	002	00701	67.99	3556B39270
		Alt Payee 19683	XYLEM WATER SOLUTIONS USA, INC. 26717 NETWORK PLACE CHICAGO IL 60673-1267							
				Payment Amount					1,168.47	
				Total Amount of Payments Written					685,784.44	
				Total Number of Payments Written				66		



LAS VIRGENES MUNICIPAL WATER DISTRICT
4232 Las Virgenes Road, Calabasas CA 91302

MINUTES
REGULAR MEETING

9:00 AM

October 6, 2020

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance to the Flag was led by Stephen Bigilen.

1. CALL TO ORDER AND ROLL CALL

The meeting was called to order at **9:00 a.m.** by Board President Lewitt via teleconference in the Board Room at Las Virgenes Municipal Water District headquarters at 4232 Las Virgenes Road, Calabasas, CA 91302. The meeting was conducted via teleconference pursuant to the provisions of the Governor's Executive Order, N-29-20, which suspended certain requirements of the Ralph M. Brown Act to support social distancing guidelines associated with response to the coronavirus (COVID-19) outbreak. Josie Guzman, Clerk of the Board, conducted the roll call.

Present: Directors Charles Caspary, Jay Lewitt, Lynda Lo-Hill, Len Polan, and Lee Renger

Absent: None

Staff Present: David Pedersen, General Manager
Joe McDermott, Director of Engineering and External Affairs
Don Patterson, Director of Finance and Administration
John Zhao, Director of Facilities and Operations
Josie Guzman, Clerk of the Board
Wayne Lemieux, District Counsel

2. APPROVAL OF AGENDA

Director Lo-Hill moved to approve the agenda. Motion seconded by Director Renger.

Motion carried unanimously by roll call vote.

3. PUBLIC COMMENTS

None.

4. CONSENT CALENDAR

A List of Demands: October 6, 2020: Receive and file

B Minutes Regular Meeting of September 15, 2020: Approve

C Monthly Cash and Investment Report: August 2020

Receive and file the Monthly Cash and Investment Report for August 2020.

Director Caspary moved to approve the Consent Calendar. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

5. ILLUSTRATIVE AND/OR VERBAL PRESENTATION AGENDA ITEMS

A Proclamation Recognizing Jeff Helgager, Water Distribution Operator III, for 34 Years of Service

Board President Lewitt read the proclamation recognizing Jeff Helgager, Water Distribution Operator III, for 34 years of service.

Mr. Helgager stated that he was proud to have served the District for 34 years. He commended the Board and management for their leadership, and acknowledged his past and present coworkers.

The Board and General Manager David Pedersen acknowledged Mr. Helgager for his years of service.

B MWD Representative Report

Glen Peterson, MWD Representative, acknowledged Mr. Helgager and wished him well on his retirement. He reported that the MWD Board met on September 15th where they adopted a resolution to issue up to \$255 million of water revenue bonds; awarded a \$13.4 contract to replace the overhead bridge cranes at five Colorado River Aqueduct pumping plants; expressed unanimous support for Proposition 16, the "Allows Diversity as a Factor in Public Employment, Education, and Contract Decisions" Legislative Constitutional Amendment; and authorized an amendment to the agreement with the California Department of Water Resources to purchase surface water supplies from Yuba County Water Agency. He also reported that the MWD Board approved cost-containment measures to address COVID-19 financial impacts, including suspending non-essential employee travel and Directors' inspection trips, and hiring essential new positions only.

He noted that the Finance and Insurance Committee would hold a mid-cycle budget review to discuss water demands, sales, and expenditures. He also provided an updated regarding the MWD Chair election and noted that current Chair Gloria Gray and Director Adan Ortega were seeking election. He also reported that a virtual engineering and operations tour would be held within the next few weeks. Lastly, he reported that former MWD Directors Ronald Deaten, former General Manager of the Los Angeles Department of Water and Power, and Michael Nolan, former City of Burbank Representative, had recently passed away.

C Legislative and Regulatory Updates

Joe McDermott, Director of Engineering and External Affairs, noted that the State Legislature was currently in recess. No additional update was provided.

D Water Supply Conditions Update

Joe McDermott, Director of Engineering and External Affairs, reported that the new water year began on October 1st and the rainy season would begin on October 15th. He stated that above-average temperatures were predicted for the western states for the months of October and November. He also stated that it was too soon to predict whether drought conditions would occur in the coming year. He noted that water levels in the major reservoirs of the State Water Project were above normal, with the exception of Lake Oroville, which was lowered in preparation for winter storms.

6. TREASURER

Director Lo-Hill stated that the Treasurer's report was in order.

7. BOARD OF DIRECTORS

A Response to Coronavirus (COVID-19) Pandemic: Continuation of Emergency

Approve the continuation of an emergency declaration for response to the coronavirus (COVID-19) pandemic.

Ursula Bosson, Customer Service Manager, presented the report.

Joe McDermott, Director of Engineering and External Affairs, reported that staff was in the process of exploring the installation of flow restrictors for customers whose accounts were above 200 percent of their water budget and 60 days past due with no payment plan arrangements. He stated that installation of a flow restrictor would allow water flow for essential household needs; however, it would restrict water flow for outdoor irrigation. He noted that Governor Gavin Newsom's executive order related to prohibiting water shutoff for nonpayment but did not address restrictions for wasteful water use by customers, nor did it categorize outdoor irrigation as an essential need. He stated that staff was working with District Counsel to assist in interpreting Governor Newsom's executive order. He noted that fire sprinkler systems would not operate as intended with the installation of a

flow restrictor. He also noted that 79 accounts were currently categorized as wasteful water users and 60 days past due without current payment arrangements.

General Manager David Pedersen suggested that staff could bring back a policy for the Board's consideration at a future meeting. He stated that the District was not shutting off water for customers who were facing financial hardship during the COVID-19 pandemic; however, wasteful water use was inconsistent with financial hardship. He noted that eventually the District would need to reconcile past due accounts and bring the accounts back into good standing. He stated that alternatives might include federal or state assistance, requiring payment from customers, or considering forgiveness of outstanding balances, which would be unfair to customers who paid their accounts as they would be paying for those customers who did not pay their balances. He also stated that the hope would be that customers would not need to have flow restrictors installed after receiving notice and bringing their accounts into good standing. He noted that the proposed policy would include plenty of advanced notice by mail, door hanger, and phone call to allow customers to respond.

Director Lo-Hill moved to approve Item 7A. Motion seconded by Director Caspary.

A discussion ensued regarding potential liability concerns with the installation of flow restrictors on meters serving homes with fire sprinkler systems; concerns with water pressure when showers are in use and toilets are flushed simultaneously; charging customers for the installation of flow restrictors; concerns with potential impacts to water heaters; concerns with the potential threat of litigation; ways to make numerous contacts with customers including knocking on doors, phone calls, and email prior to installing a flow restrictor; and exploring the procedures to record a lien against a property associated with a delinquent account.

Motion carried unanimously by roll call vote.

8. FACILITIES AND OPERATIONS

A Multi-Site Battery Energy Storage System Project: Request for Proposals

Accept the proposal from TerraVerde Energy, LLC; authorize the General Manager to execute a professional services agreement, in the amount of \$28,625, and apply for Self-Generation Incentive Program funding; and approve the issuance of a Request for Proposals for the Multi-Site Battery Energy Storage System Project.

General Manager David Pedersen provided introductory remarks and noted that a copy of the Battery Energy Storage Systems and Resiliency Financial Analysis Results Summary was provided to the Board.

John Zhao, Director of Facilities and Operations, presented the report.

Director Caspary moved to approve Item 8A. Motion seconded by Director Polan.

Mr. Zhao responded to a question regarding the calculation of the net energy metering solar photovoltaic (NEM Solar PV) and battery energy storage system (BESS) 25-year savings term versus the 15-year battery life by stating that the NEM Solar PV has an estimated life of 25 years; however, the calculation for the BESS included a 15-year estimated battery life. He noted that the battery portion was a small part of the solar energy production. He also responded to a question regarding replacement costs for parts by stating that these costs were included as part of the developer's cost. He also responded to questions regarding the current power purchase agreement rates, cost estimates for net project material, and annual operating costs.

General Manager David Pedersen stated that staff would bring back the responses to the Request for Proposals (RFP) at future JPA and LVMWD Board meetings.

Mr. Zhao responded to a question regarding the availability of State Self-Generation Incentive Program (SGIP) funding for Phase 1 of the project by stating that the application period had opened on October 5th for battery energy storage only. He also responded to a question regarding battery recycling by stating that the RFP would require that the batteries be recycled, and the District would include a financial mechanism similar to a bond or escrow account to ensure there are resources available to recycle the batteries. He also responded to a question regarding what would be included in the RFP by stating the RFP would emphasize standalone BESS and include the solar aspect of the project.

Motion carried unanimously by roll call vote.

9. ENGINEERING AND EXTERNAL AFFAIRS

A U.S. Bureau of Reclamation WaterSMART Water and Energy Efficiency Grant

Pass, approve and adopt proposed Resolution No. 2581, authorizing submittal of a grant funding application to the U.S. Bureau of Reclamation for a WaterSMART Water and Energy Efficiency Grant and execution of a grant funding agreement, if successful in the application process.

RESOLUTION NO. 2581

A RESOLUTION OF THE BOARD OF DIRECTORS OF LAS VIRGENES MUNICIPAL WATER DISTRICT AUTHORIZING THE GENERAL MANAGER, OR DESIGNEE, TO APPLY FOR, RECEIVE, FUNDS, ENTER INTO A COOPERATIVE AGREEMENT, AND ADMINISTER A GRANT FOR THE 2020 BUREAU OF RECLAMATION WATER AND ENERGY EFFICIENCY GRANT, IF SUCCESSFUL

(Reference is hereby made to Resolution No. 2581 on file in the District's Resolution Book and by this reference the same is incorporated herein.)

General Manager David Pedersen presented the report.

Director Lo-Hill moved to approve Item 9A. Motion seconded by Director Polan. Motion carried unanimously by roll call vote.

11. NON-ACTION ITEMS

A Organization Reports - (This item was presented out of sequence.)

Director Caspary noted that the Santa Monica Bay Restoration Commission Governing Board was considering moving its October 15th meeting to October 22nd due to a conflict with the Los Angeles Regional Water Quality Control Board's draft MS4 Permit public workshop.

10 INFORMATION ITEMS

A Management of Water Quality at the Las Virgenes Reservoir

Director Lo-Hill commented that it appeared that the Pure Water Project Las Virgenes-Triunfo would have a positive effect on the health of Las Virgenes Reservoir. John Zhao, Director of Facilities and Operations, added that continuous aeration and mixing would assist with moving the water to keep it from stagnating.

Director Renger inquired whether SolarBees were being considered instead of pumped air to mix the water in the reservoir. Mr. Zhao responded that SolarBees do not have enough capacity because it would draw water slowly and it would be cost prohibitive. He stated that fine bubble aeration would be the most cost effective way to get oxygen into the water. He also stated that floating solar might be considered to power the aeration system for cost and efficiency purposes.

11. NON-ACTION ITEMS

B Director's Reports on Outside Meetings

Director Caspary reported that he attended the Association of Water Agencies of Ventura County (AWAVC) Virtual WaterWise Program on September 24th. He stated that he enjoyed the presentation regarding Calleguas Municipal Water District's Supply Alternatives Study.

Board Present Lewitt reported that he also attended the AWAVC Virtual WaterWise Program on September 24th, and noted that the Calleguas-Las Virgenes Interconnection Project was mentioned. He also reported that he attended the virtual MWD Executive Committee meeting where the Committee discussed battery energy storage at the Joseph Jensen Water Treatment Plant and the F. E. Weymouth Water Treatment Plant. He suggested that the District might consider joining them on this effort or seeking their expertise.

Director Lo-Hill reported that she attended the WaterReuse Virtual Symposium, and stated that she enjoyed the session regarding Israel's water recycling efforts.

Board President Lewitt reported that he also attended the WaterReuse Virtual Symposium, and stated that there was an interesting presentation regarding Germany brewing beer with recycled water.

C General Manager Reports

(1) General Business

General Manager David Pedersen noted that staff repaired a water main break that occurred in First Neighborhood in the City of Westlake Village on October 1st, and repaired a water main break on Mulholland Highway near Viewpoint school on October 4th. He also reported that five District employees from the Construction Crew were currently under quarantine due to potential exposure to COVID-19. He noted that Toro Enterprises was available to assist the District in making pipeline repairs. He also reported that the summer operation of the Westlake Filtration Plant, which included conducting water quality sampling for total trihalomethanes, was completed on October 2nd. He noted that John Zhao, Director of Facilities Operations, was providing technical assistance to Lake Lindero in the City of Agoura Hills, which was experiencing water quality and fish kill issues. He explained that an algae bloom in the lake depleted oxygen levels, which resulted in the fish kill. He also reported that a virtual Tap-in event would be scheduled in November, which would focus on education and water careers. He stated that he would provide additional details at the next Board meeting.

(2) Follow-Up Items

D Directors' Comments

Director Polan commented on a program available on Netflix entitled "Occupied", which dealt with Norway's oil and gas production and turning off hydroelectricity due to environmental concerns.

12. FUTURE AGENDA ITEMS

None.

13. PUBLIC COMMENTS

Michael Hart provided a PowerPoint presentation for the Board's consideration regarding a memorial park for a natural or green burial site at the Rancho Las Virgenes Farm Sprayfields. He suggested that a memorial park could produce revenue for the Pure Water Project Las Virgenes-Triunfo. He asked that the Board consider allowing him an opportunity to provide a more detailed presentation.

14. CLOSED SESSION

A Conference with District Counsel – Existing Litigation (Government Code Section 54956.9(a)):

Jane Mania v. Las Virgenes Municipal Water District

The Board recessed to Closed Session at **10:35 a.m.** and reconvened to Open Session at **10:47 a.m.**

Wayne Lemieux, District Counsel, reported that the Board met in Closed Session to receive a report, and there was no reportable action.

15. OPEN SESSION AND ADJOURNMENT

Seeing no further business to come before the Board, the meeting was duly adjourned at **10:47 a.m.**

Jay Lewitt, President
Board of Directors
Las Virgenes Municipal Water District

ATTEST:

Charles Caspary, Secretary
Board of Directors
Las Virgenes Municipal Water District

(SEAL)

October 1, 2020

To: Payroll

From: David W. Pedersen
General Manager

DocuSigned by:
David W. Pedersen
12C6BE2E4EC44E2...

RE: Per Diem Request – September 2020

Attached are the Director statements of attendance for meetings, conferences and miscellaneous functions, which are summarized in the table below. If you have any questions, please contact me. Thank you.

On April 25, 2017, the Board adopted Resolution No. 2513, amending the per diem rate to \$220.

	<u>Director</u>	<u>No. of Meetings</u>	<u>Rate</u>	<u>Total</u>
8014	Charles Caspary	5	\$220.00	\$1,100.00
19447	Jay Lewitt	10	\$220.00	\$2,200.00
21169	Lynda Lo-Hill	10	\$220.00	\$2,200.00
18856	Leonard Polan	6	\$220.00	\$1,320.00
14702	Lee Renger	6	\$220.00	\$1,320.00

*LVMWD Code Section 2-2.106(a): “not exceeding a total of ten (10) days in any calendar month”

**LVMWD Code Section 2-2.106(b): MWD director “not exceeding a total of ten (10) additional days in any calendar month.”

LAS VIRGENES MUNICIPAL WATER DISTRICT - PER DIEM REPORT



To: Clerk of the Board

Director's Name: Charles Caspary

Month of: September 2020

Division: Division 1

The following are Las Virgenes Municipal Water District Board of Directors Meetings, Committee Meetings/Conferences I have attended:

Date(s)	# of Days Claimed			Reimbursible Expenses ² (Y/N)	Check One		Event Title
	Event	Travel ¹	Total		MWD	LVMWD	
9/1/2020	1		1	N		X	LVMWD - REGULAR BOARD MEETING
9/2/2020	1		0	N		X	Calleguas - LAS VIRGENES PFA BOARD MEETING
9/8/2020	1		1	N		X	LV - TWSD SPECIAL BOARD MEETING
9/11/2020	1		0	N		X	LAS VIRGENES PURE WATER PLANT GRAND OPENING
9/15/2020	1		1	N		X	LVMWD - REGULAR BOARD MEETING
9/17/2020	1		1	N		X	SANTA MONICA BAY RESTORATION - EXECUTIVE COMMITTEE MTG.
9/24/2020	1		1	N		X	ASSN. WATER AGENCIES OF VENTURA CNTY.
TOTAL			5				

Date Submitted: October 1, 2020

NOTES: 1. Travel the day before and/or after an authorized meeting or seminar outside of LA, Ventura and Orange Counties may be paid in accordance with Board Policy. 2. Attach completed Statement of Account and Claim for Personally Incurred Expenses form.

Director Signature: Charles Caspary (via email)

LAS VIRGENES MUNICIPAL WATER DISTRICT - PER DIEM REPORT



To: Josie Guzman

Director's Name: Jay Lewitt

Month of: September

Division: 5

The following are Las Virgenes Municipal Water District Board of Directors Meetings, Committee Meetings/Conferences I have attended:

Date(s)	# of Days Claimed			Reimbursible Expenses ² (Y/N)	Check One		Event Title
	Event	Travel ¹	Total		MWD	LVMWD	
9.1.20	1		1			x	LVMWD board meeting
9.2.20	1		1			x	LV Callegas Board Meeting
9.8.20	1		1			x	JPA Board Meeting
9.14.20	1		1			x	Water Re-Use
9.15.20	1		1			x	LVMWD board meeting
9.16.20	1		1			x	Water Re-Use
9.17.20	1		1			x	Water Re-Use
9.22.20	1		1			x	Met Board meeting
9.24.20	1		1			x	Awa water meeting
9.28.20	1		1			x	ACWA Federal Affairs Committee Meeting
9.11.20	0		0			x	Pure Water Demonstration Facility grand opening
TOTAL			10				

Date Submitted: 10.5.20

JL

Director Signature: _____

NOTES: 1. Travel the day before and/or after an authorized meeting or seminar outside of LA, Ventura and Orange Counties may be paid in accordance with Board Policy. 2. Attach completed Statement of Account and Claim for Personally Incurred Expenses form.

LAS VIRGENES MUNICIPAL WATER DISTRICT - PER DIEM REPORT

To: Josie Guzman, Clerk of the BoardDirector's Name: Lynda Lo-HillMonth of: September 1, 2020Division: 2

The following are Las Virgenes Municipal Water District Board of Directors Meetings, Committee Meetings/Conferences I have attended:

Date(s)	# of Days Claimed			Reimbursible Expenses ² (Y/N)	Check One		Event Title
	Event	Travel ¹	Total		MWD	LVMWD	
9/1/2020	1		1			X	LVMWD Board Meeting
9/2/2020	1		1			X	PFA Calleguas LVMWD
9/8/2020	1		1			X	JPA Triunfo LVMWD
9/11/2020	1		1			X	Virtual Ribbon Cutting for PWP
9/14/2020	0		0			X	MWD Committee Meetings
9/14/2020	1		1	Y		X	WaterReuse Online Conference
9/15/2020	1		1			X	LVMWD Board Meeting
9/15/2020	0		0			X	MWD Board Meeting
9/16/2020	1		1			X	WaterReuse Online Conference
9/17/2020	1		1			X	WaterReuse Online Conference
9/22/2020	1		1			X	MWD Committee Meetings OPT, Exec, BD, IRP
9/24/2020	1		1			X	AWAVC Waterwise Virtual Meeting
TOTAL			10				

Date Submitted: September 30, 2020

NOTES: 1. Travel the day before and/or after an authorized meeting or seminar outside of LA, Ventura and Orange Counties may be paid in accordance with Board Policy. 2. Attach completed Statement of Account and Claim for Personally Incurred Expenses form.

Director Signature: Lynda Lo-Hill submitted by email

LAS VIRGENES MUNICIPAL WATER DISTRICT - PER DIEM REPORT



To: Josie Guzman, Clerk of the Board

Director's Name: Leonard Polan

Month of: Sep-20

Division: #4

The following are Las Virgenes Municipal Water District Board of Directors Meetings, Committee Meetings/Conferences I have attended:

Date(s)	# of Days Claimed			Reimbursible Expenses ² (Y/N)	Check One		Event Title
	Event	Travel ¹	Total		MWD	LVMWD	
9/1/20	1	----	1	----	----	Y	LVMWD Board Mtg
9/2/20	1	----	1	----	----	Y	LVMWD/Callegus PFA Mtg
9/8/20	1	----	1	----	----	Y	JPA Mtg
9/11/20	1	----	1	----	----	Y	JPA pure water demo plant opening
9/15/20	1	----	1	----	----	Y	LVMWD Board Mtg
9/24/20	1	----	1	----	----	Y	AWA VC Mtg
TOTAL			6				

Date Submitted: 10/1/20

Director Signature: Leonard E. Polan

NOTES: 1. Travel the day before and/or after an authorized meeting or seminar outside of LA, Ventura and Orange Counties may be paid in accordance with Board Policy. **2.** Attach completed Statement of Account and Claim for Personally Incurred Expenses form.

PAGE 01/01



LAS VIRGENES MUNICIPAL WATER DISTRICT - PER DIEM REPORT

To: Josie Guzman, Clerk of the Board
 Month of: September 2020

Director's Name: LEE RENGER
 Division: 3

The following are Las Virgenes Municipal Water District Board of Directors Meetings, Committee Meetings/Conferences I have attended:

Date(s)	# of Days Claimed			Reimbursable Expenses (Y/N)	Check One		Event Title
	Event	Travel	Total		MWD	LVMWD	
9/1/2020	1		1	N		X	LVMWD BOARD MEETING
9/2/2020	1		1	N		X	PFA BOARD MEETING
9/8/2020	1		1	N		X	JPA BOARD MEETING
9/11/2020	1		1	N		X	DEMONSTRATION CENTER GRAND OPENING
9/15/2020	1		1	N		X	LVMWD BOARD MEETING
9/24/20	1		1	N		X	AWAVC WATERWISE BREAKFAST MEETING
			TOTAL	6			

Date Submitted: 10/01/20
 Director Signature: Lee Renger

NOTES: 1. Travel the day before and/or after an authorized meeting or seminar outside of LA, Ventura and Orange Counties may be paid in accordance with Board Policy. **2.** Attach completed Statement of Account and Claim for Personally Incurred Expenses form.

RENGER

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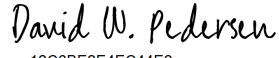
172380J
INVOICE

Glen Peterson, Director

Metropolitan Water District of Southern California
 2936 Triunfo Canyon Rd
 Agoura, CA. 91301
 email: glensop@icloud.com

DATE: 10/03/20
INVOICE # 22
FOR: Director fees

Bill To:
Las Virgenes Municipal Water District
 4232 Las Virgenes Canyon Rd
 Calabasas, CA. 91302
 attn: Josie Guzman, Clerk of the Board
 818-251-2100

DocuSigned by:

 12C6BE2E4EC44E2...
 10/5/2020

Date	Description	fee
9/1/2020	Report to LVMWD MWD meetings August	\$220.00
9/8/2020	Colorado River Board Briefing	\$220.00
9/9/2020	CRBCA meeting	\$220.00
9/10/2020	Colorado River Uses Association, Board Meeting	\$220.00
9/11/2020	Northern Caucus, zoom of opening of Pure LV/Triunfo	\$220.00
9/14/2020	MWD committee meetings	\$220.00
9/15/2020	MWD committee and Board meeting	\$220.00
9/17/2020	VICA local elected zoom meeting	\$220.00
9/22/2020	MWD committee meetings	\$220.00
9/24/2020	AWAVC zoom meeting	\$220.00
TOTAL		\$2,200.00

Make Check payable to Glen Peterson

Thank you for the opportunity to serve



October 20, 2020 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Engineering and External Affairs

Subject : Online Billing and Presentment Services: Contract Extension

SUMMARY:

Since August 2016, the District has utilized the services of Invoice Cloud, Inc., for online billing and presentment services, which allows customers to view and their bills online. With these services the District has been able to expand its customer payment options, maximize customer participation in eBilling and AutoPay options and improve the overall level of service provided to customers. Staff requests authorization to execute a three-year contract extension with Invoice Cloud, Inc., for these services at the current annual not-to-exceed amount of \$155,000.

RECOMMENDATION(S):

Authorize the General Manager to execute a three-year contract extension with Invoice Cloud, Inc., in an annual amount not to exceed \$155,000, for online billing and presentment services.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

The cost of the work is expected to be \$155,000 annually, which remains unchanged since 2016. Sufficient funds are available in the adopted Fiscal Year 2020-21 Budget and will be recommended in proposed future year budgets.

DISCUSSION:

Beginning in August 2016, Invoice Cloud, Inc., has provided the District's customers with enhanced online options. Attached for reference is a copy of the original Board staff report recommending award of the contract, together with pertinent and related documentation. Prior to contracting with Invoice Cloud, Inc., the District utilized Billtrust as its vendor for these services. Billtrust was not able to accommodate the District's new legal-sized bill format that was implemented with budget-based billing, so online bill presentment was temporarily suspended until a transition to Invoice Cloud, Inc. was completed.

With Invoice Cloud, Inc., customers can view their utility bills online and sign up for eBilling, email reminders, text alerts, pay by text, scheduled payments and AutoPay. The District currently has 13,302 customers who are enrolled with Invoice Cloud. Of those enrolled customers, 6,816 currently subscribe to the eBilling services, and 8,119 are registered for AutoPay. These figures continue to rise slowly over time.

As the District implements its AMR/AMI Project, Invoice Cloud will fully integrate the District's new WaterSmart Customer Portal with a single sign-on option. Customers will only need to sign on once to track their water usage, set up leak alerts, and view or pay bills. These integrated features will further enhance the level of service provided to the District's customers.

Invoice Cloud is the only software solution that has all of the above-described capabilities. Staff has also researched Invoice Cloud's fees and found that the pricing for the annual extensions is competitive. It is noteworthy that Invoice Cloud proposes to maintain its original pricing established in 2016. As a result, staff recommends authorization to extend the contract with Invoice Cloud for three years.

GOALS:

Provide Excellent Service That Exceeds Customer Expectations

Prepared by: Ursula Bosson, Customer Service Manager

ATTACHMENTS:

Attachment A - Original Board Staff Report for Award (July 26, 2016)

Attachment B - Original Agreement with Terms and Conditions

Attachment C - PCI Compliance

Attachment D - Invoice Cloud Certificates of Completion Related to Data Security



July 26, 2016 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Resource Conservation & Public Outreach

Subject : On-line Billing and Presentment Services: Award

SUMMARY:

Strategic Objective No. 7 in the proposed Strategic Plan seeks to provide new and improved customer tools to enhance service delivery. Key solutions identified to achieve the objective include: improving on-line bill presentment and customer payment options, integrating access to water usage and billing data, and maximizing customer participation in e-billing. On July 12, 2016, staff presented the Board with a plan to implement changes to the billing system to meet the objective.

After evaluating proposals from two partner vendors for the current Customer Information System platform, staff recommends accepting Invoice Cloud's proposal to provide on-line billing and presentment services. The proposal provides expanded customer payment options, retention of existing customers enrolled in bank direct payments without a disruption in service, consistency with current and evolving trends in payment practices, and improved overall customer service.

The most visible change for customers would be the expanded menu of options found on the payment webpage. The proposed fee to the District for the services includes an approximate 1.6% charge to process credit card payments, which would eliminate the \$6.75 per transaction fee currently paid by customers. Even with the credit card fee included, the District is expect to achieve an overall cost-savings after the proposed outsourcing of bill printing and mailing.

RECOMMENDATION(S):

Accept the proposal from Invoice Cloud, Inc., and authorize the General Manager to execute a three-year professional services agreement, in an annual amount not to exceed \$155,000, for on-line billing and presentment services.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

Sufficient funds for the services are available in the adopted Fiscal Year 2016-17 Budget and will be included in future year budgets. The annual amount for on-line billing and presentment services is not expected to exceed \$155,000. The amount includes the cost based on the current breakdown of customer payments by type, plus an assumed 15% transition of payments from paper checks to credit cards. The transition is assumed due to "cash back" incentives offered to customers by credit card institutions; however, customers will be encouraged to utilize other on-line payment options.

Although the proposed amount for on-line billing and presentment is higher than the current amount with Billtrust, estimated to be approximately \$72,000 annually, the District is expected to achieve substantially improved functionality with a net overall cost-savings after outsourcing bill printing and mailing.

DISCUSSION:

When water budgets were implemented at the beginning of the year, on-line presentation of bills was temporarily discontinued because the billing and presentment vendor, Billtrust, does not support the new legal-sized format of the bill. In lieu of significant re-programming efforts to recover the capability, staff opted to evaluate other vendors offering better integration with Infinity Link, the District's Customer Information System (CIS) platform provided by Advanced Utility Systems (AUS). The approach was consistent with the objective of providing new and improved customer tools as described in the Strategic Plan, which was in development at the time. It is essential that these changes create a customer portal that incorporates a single-sign on concept, which means that when a user logs in to the billing application, they are automatically signed into other applications, regardless of the platform, technology and domain. Other customer-specific information that could be integrated in the future includes the AMR/AMI (Automatic Meter Reading/Advanced Metering Infrastructure) data, water budgets, special email notifications and publications.

Currently, communication between Billtrust and CIS occurs through file transfers. A billing file is sent to Billtrust and used to present bills to enrolled customers. Then, a payment file that lists those who made payments is sent back daily and uploaded to CIS. AUS indicated that a better form of communication between CIS and the billing vendor is available through its API or "Application Program Interface". The method allows for "real-time" monitoring of payment transactions, thus avoiding delays associated with the current method, which can result in unnecessary water service shut-offs due to non-payment. AUS partners with two billing vendors to set up the API at no cost: Paymentus and Invoice Cloud. Staff solicited proposals from both vendors. A summary of the estimated monthly proposed costs, in comparison to the current costs, is tabulated in Attachment A. The number of transactions is based on the average of the last ten months since monthly billing was implemented. For an estimate of the Invoice Cloud credit card cost, an average of 1.6% was used, which includes the \$0.50 per transaction in the proposal.

Paymentus and Invoice Cloud both offered a comparable level of service, at monthly costs of

\$4,193 and \$6,888, respectively, resulting in a difference of \$2,695 per month. However, an important component of the Invoice Cloud proposal is its use of the Fiserv network for direct bank transactions, the same network currently used by Billtrust. The Fiserv network allows customers to make payments and view bills at their bank's website. This would allow a seamless transition for 4,494 customers (refer to Attachment A) currently using the service; their payments would not be disrupted. Attachment B is the proposal from Invoice Cloud, dated June 14, 2016. It is estimated that the necessary modifications will take 90 to 120 days for implementation after signing the contract.

Ensuring a High Adoption Rate for a New Billing System:

Staff consulted with Invoice Cloud regarding Director Caspary's concern with re-registration for the 5,855 customers (refer to Attachment A) currently enrolled for electronic check payment with Billtrust. Invoice Cloud indicated that it has a business relationship with Billtrust. However, migrating these customers over to its system depends largely on the willingness of Billtrust to cooperate after its contract is terminated. There may be a cost to acquiring the data from Billtrust, and the cost is unknown at this time. To ensure the continued enrollment of these customers, a targeted e-mail would be sent to encourage registration into the new billing system.

As part of its proposed services, Invoice Cloud offers a Marketing Plan to increase the adoption of on-line payments. New partnerships are launched by sending an email announcement that provides simple steps to pay water bills on-line. In response to Director Lewitt's request to consider incentivizing customers to enroll, Invoice Cloud will launch a District-branded advertising campaign. The first 100 customers to sign up for paperless billing will be entered into a drawing to win an iPad provided by Invoice Cloud. They have had good success with this type of promotion for new clients. The District could offer other prizes or incentives after this promotion is completed to sustain enrollment. Invoice Cloud will also work with the District to optimize the current website to feature a prominent "Pay Now" button. They have in-house experts who focus on customer behavior (e.g., where customers' eyes move first when reaching a website, how much time customers spend before leaving the website, graphics that attract attention, etc.). Lastly, Invoice Cloud will create "point of sale" signage, targeted to attract customers who pay their bills in person at headquarters.

Maintaining Customer Data Security:

Director Polan asked how the security of customer data and payment transactions will be maintained with the proposed billing modifications. Attachment C provides proof of Invoice Cloud's PCI Level 1 Attestation of Compliance with the Payment Card Industry Data Security Standard Requirements (PCI DSS) and Security Assessment Procedures, dated April 2015. Level 1, the highest PCI compliance level, is mandated by card issuers like Visa and MasterCard for companies that process over six million transactions per year. PCI DSS is a set of security standards designed to ensure that all companies that accept, process, store or transmit credit card information maintain a secure environment. Validation of compliance is performed annually by an external Qualified Security Assessor (QSA) who creates a Report on Compliance (ROC) for the company. Some examples of PCI DSS requirements include using a firewall to protect data, restricting access to data by business need-to-know, and regular testing of security systems and processes.

For its communications with CIS, Invoice Cloud will use its patent pending double data encryption (DDE) technology. With DDE, not only is the file or invoice encrypted, but each

character that makes up the file is encrypted again.

Attachment D provides information on Invoice Cloud's Service Continuity Plan that includes disaster recovery, recovery strategy levels, redundancy, backup and other important elements to ensure continued service after a disaster.

GOALS:

Provide Excellent Service That Exceeds Customer Expectations

Prepared by: Carlos G. Reyes, Director of Resource Conservation and Public Outreach

ATTACHMENTS:

Attachment A - Comparison of Proposals

Attachment B - Invoice Cloud Proposal

Attachment C - PCI Compliance

Attachment D - Service Continuity Plan

Biller Agreement

Las Virgenes Municipal Water District

1. License Grant & Restrictions. Subject to execution by Biller of the Invoice Cloud Biller Order Form incorporating this Agreement, Invoice Cloud hereby grants Biller a non-exclusive, non-transferable, worldwide right to use the Service described on the Biller Order Form until termination as provided herein, solely for the following purposes, and specifically to bill and receive payment from Biller's own customers, for Services that are referenced in the Biller Order Form. All rights not expressly granted to Biller are reserved by Invoice Cloud and its licensors.

Biller will provide to Invoice Cloud all Biller Data generated for Biller's Customers. Unless otherwise expressly agreed to in writing by Invoice Cloud to the contrary, Invoice Cloud will process all of Biller's Customers' Payment Instrument Transactions requirements related to the Biller Data and will do so via electronic data transmission according to our formats and procedures for each electronic payment type selected in the Biller Order Form. In addition, Biller will sign all third party applications and agreements required for the Service including without limitation payment and credit card processing agreements and merchant agreements. For invoice types listed on the Order Form (e.g. real estate taxes, utility bills, birth certificates, parking tickets, event tickets, etc.), Biller will not use the credit card processing, ACH or check processing of any bank, payment processor, entity, or person, other than Invoice Cloud via electronic data transmission or the authorization or processing of Biller's Customers' Payment Instrument Transactions for each electronic payment type selected in the Biller Order Form throughout the term of this Agreement.

Biller shall not: (i) license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the Service in any way; (ii) modify or make derivative works based upon the Service; (iii) Recreate, "frame" or "mirror" any portion of the Service on any other server or wireless or Internet-based device; (iv) reverse engineer or access the Service; or (v) copy any features, functions or graphics of the Service.

2. Privacy & Security. Invoice Cloud's privacy and security policies may be viewed at <http://www.invoicecloud.com/privacy.html>. Invoice Cloud reserves the right to modify its privacy and security policies in its reasonable discretion from time to time which modification shall not materially adversely impact such policies. Invoice Cloud will maintain compliance with current required Payment Card Industry (PCI) standards and Cardholder Information Security standards.

3. Account Information and Data. Invoice Cloud does not and will not own any Customer Data, in the course of providing the Service. Biller, not Invoice Cloud, shall have sole responsibility for the accuracy, quality, integrity, legality, and reliability of, and obtaining the intellectual property rights to use and process all Customer Data. In the event this Agreement is terminated, Invoice Cloud will make available to Biller a file of the Customer Data within 30 days of termination of this Agreement (or at a later time if required by applicable law), if Biller so requests at the time of termination. Invoice Cloud reserves the right to remove and/or discard Customer Data with 30 days notice except as prohibited by applicable law or in the event of exigent circumstances which makes prior notice impracticable, and in which case, notice will be provided promptly thereafter.

4. Confidentiality / Intellectual Property Ownership. Invoice Cloud agrees that it may be furnished with or otherwise have access to Customer Data that the Biller's customers considers being confidential. Invoice Cloud agrees to secure and protect the Customer Data in a manner consistent with the maintenance of Invoice Cloud's own Confidential Information, using at least as great a degree of care as it uses to maintain the confidentiality of its own confidential information, but in no event use less than commercially reasonable measures. Invoice Cloud will not sell, transfer, publish, disclose, or otherwise make available any portion of the Customer Data to third parties, except as required to perform the Services under this Agreement or otherwise required by applicable law.

Invoice Cloud (and its licensors, where applicable) owns all right, title and interest, including all related Intellectual Property Rights, in and to the Invoice Cloud Technology, the Content and the Service and any enhancement requests, feedback, integration components, suggestions, ideas, and application programming interfaces, recommendations or other information provided by Biller or any other party relating to the Service. In the event any such intellectual property rights in the Invoice Cloud Technology, the Content or the Service do not fall within the specifically enumerated works that constitute works made for hire under applicable copyright laws or are deemed to be owned by Invoice Cloud, Biller hereby irrevocably, expressly and automatically assigns all right, title and interest worldwide in and to such intellectual property rights to Invoice Cloud. The Invoice Cloud name, the Invoice Cloud logo, and the product names associated with the Service are trademarks of Invoice Cloud or third parties, and no right or license is granted to use them.

Biller agrees that during the course of using or gaining access to the Service (or components thereof) it may be furnished with or otherwise have access to information that Invoice Cloud considers to be confidential including but not limited to Invoice Cloud Technology, customer and/or prospective customer information, pricing and financial information of the parties which are hereby deemed to be Invoice Cloud Confidential Information, or any other information by its very nature constitutes information of a type that any reasonable business person would conclude was intended by Invoice Cloud to be treated as proprietary, confidential, or private (the "Confidential Information"). Biller agrees to secure and protect the Confidential Information in a manner consistent with the maintenance of Invoice Cloud's rights therein, using at least as great a degree of care as it uses to maintain the confidentiality of its own confidential information, but in no event use less than reasonable efforts. Biller will not sell, transfer, publish, disclose, or otherwise make available any portion of the Confidential Information of the other party to third parties (and will ensure that its employee and agents abide by the requirements hereof), except as expressly authorized in this Agreement or otherwise required by applicable law.

Biller Agreement

5. Billing and Renewal. Invoice Cloud fees for the Service are provided on the Biller Order Form. Invoice Cloud's fees are exclusive of all taxes, levies, or duties imposed by taxing authorities, Invoice Cloud may assess and/or collect such taxes, levies, or duties against Biller and Biller shall be responsible for payment of all such taxes, levies, or duties, excluding only United States (federal or state) taxes based solely on Invoice Cloud's income. All payment obligations are non-cancellable and all amounts or fees paid are non-refundable. Unless Invoice Cloud in its discretion determines otherwise, all fees will be billed in U.S. dollars. If Biller believes Biller's bill or payment is incorrect, Biller must provide written notice to Invoice Cloud within 60 days of the earlier of the invoice date, or the date of payment, with respect to the amount in question to be eligible to receive an adjustment or credit; otherwise such bill or payment is deemed correct. Invoice Cloud reserves the right to modify any pricing with respect to fees owed by the Biller upon thirty days written notice to Biller based on increases incurred by Invoice Cloud on fees, assessments, and the like from credit card processors, bank card issuers, payment associations, ACH and check processors.

6. Term and Termination. The initial term of this Agreement shall be for a period of three (3) years ("**Initial Term**") commencing on the Effective Date on the Biller Order Form and will renew for each of additional successive three (3) year terms ("**Renewal Term**") unless terminated as set forth herein. This Agreement may be terminated by either party effective at the end of the Initial or any Renewal Term by such party providing written notice to the other party of its intent not to renew no less than ninety (90) days prior to the expiration of the then-current term. Additionally, this Agreement may be terminated by either party with cause in the event of a material breach of the terms of this Agreement by the other party and the breach remains uncured for a period of 30 days following receipt of written notice by the breaching party. For example, any unauthorized use of the Invoice Cloud Technology or Service by Biller, or its authorized users will be deemed a material breach of this Agreement. Upon any early termination of this Agreement by Invoice Cloud as a result of the breach, Biller shall remain liable for all fees and charges incurred, and all periodic fees owed through the end of the calendar month following the effective date of termination. Upon any termination or expiration of this Agreement, Biller's password and access will be disabled and Biller will be obligated to pay the balance due on Biller's account computed in accordance with the Charges and Payment of Fees section above. Biller agrees that Invoice Cloud may charge such unpaid fees to Biller's Debit Account or credit card or otherwise bill Biller for such unpaid fees. Upon termination of this agreement, Biller will maintain control over all Customer Data, including user names, passwords and bank accounts provided for the use of IC AutoPay. Customer Data is defined in the Terms and Conditions as: "Customer Data" means any data, information or material provided or submitted by Biller or its Customers to the Service or the Biller's customers and/or payers in the course of using the Service.

7. Invoice Cloud Responsibilities. Invoice Cloud represents and warrants that it has the legal power and authority to enter into this Agreement. Invoice Cloud warrants that the Service will materially perform the functions that the Biller has selected on the Order Form under normal use and circumstances and that Invoice Cloud shall use commercially reasonable measures with respect to Customer Data to the extent that it retains such, in the operation of the Service; provided that the Biller shall maintain immediately accessible backups of the Customer Data. In addition, Invoice Cloud will, at its own expense, as the sole and exclusive remedy with respect to performance of the Service, correct any Transaction Data to the extent that such errors have been caused by Invoice Cloud or by malfunctions of Invoice Cloud's processing systems.

8. Limited Warranty EXCEPT AS PROVIDED IN SECTION 7, THE SERVICES AND ALL CONTENT AND TRANSACTION DATA IS PROVIDED WITHOUT ANY EXPRESS, OR IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY INVOICE CLOUD AND ITS LICENSORS AND PAYMENT PROCESSORS. INVOICE CLOUD AND ITS LICENSORS AND PAYMENT PROCESSORS DO NOT REPRESENT OR WARRANT THAT (A) THE USE OF THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE, OR OPERATE IN COMBINATION WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEM OR DATA, (B) THAT THE SERVICE WILL NOT DELAY IN PROCESSING OR PAYING, OR (C) THE SERVICE WILL MEET REQUIREMENTS WITH RESPECT TO SIZE OR VOLUME. Invoice Cloud's service may be subject to limitations, delays, and other problems inherent in the use of the internet and electronic communications. Invoice cloud is not responsible for any delays, delivery failures, or other damage resulting from such problems. Biller represents and warrants that Biller has not falsely identified itself nor provided any false information to gain access to the Service and that Biller's billing information is correct.

9. Biller's Responsibilities. Biller represents and warrants that it has the legal power and authority to enter into this Agreement. Biller is responsible for all activity occurring under Biller's accounts and shall abide by all applicable laws, and regulations in connection with Biller's and/or its customers' and a payers' use of the Service, including those related to data privacy, communications, export or import of data and the transmission of technical, personal or other data. Biller shall: (i) notify Invoice Cloud immediately of any unauthorized use of any password or account or any other known or suspected breach of security; (ii) report to Invoice Cloud and immediately stop any copying or distribution of Content that is known or suspected to be unauthorized by Biller or Biller's Users; and (iii) obtain consent from Biller's customers and payers to receive notifications and invoices from Invoice Cloud. Invoice Cloud is not responsible for any Biller postings in error due to delayed notification from credit card processor, ACH bank and other related circumstances.

Biller is required to ensure that it maintains a fair policy with regard to the refund, return or cancellation of services and adjustment of Transactions. Biller is also required to disclose a refund, return or cancellation policies to Invoice Cloud and any applicable payment processors and Biller's Customers, as requested. Any change in a return/ cancellation policy must be submitted to Invoice Cloud, in writing, not less than 21 days prior to the effective date of such change. If Biller allows or is required to provide a price adjustment, or cancellation of services in connection with a Transaction previously processed, Biller will prepare and deliver to Invoice Cloud Transaction Data reflecting such refund/adjustment within 2 days of resolution of the request resulting in such refund/adjustment. The amount of the refund/adjustment cannot

Billers Agreement

exceed the amount shown as the total on the original Transaction Data. Biller may not accept cash or any other payment or consideration from a Customer in return for preparing a refund to be deposited to the Customer's account; nor may Biller give cash/check refunds to a Customer in connection with a Transaction previously processed, unless required by applicable law

10. Indemnification. Invoice Cloud shall indemnify and hold Biller, employees, attorneys, and agents, harmless from any losses, liabilities, and damages (including, without limitation, Biller's costs, and reasonable attorneys' fees) arising out: (i) failure by Invoice Cloud to implement commercially reasonable measures against the theft of the Customer Data; or (ii) its total failure to deliver funds processed by Invoice Cloud as required hereunder (which relates to payments due from Invoice Cloud for Transaction Data). This indemnification does not apply to any claim or complaint relating to Biller's failure to resolve a payment dispute concerning debts owed to Biller or Biller's negligence or willful misconduct or violation of any applicable agreement or law.

11. Fees.

Invoice Cloud will not charge fees related to the initial setup, initial implementation and personalization of its standard Service unless a fee is included in the Biller Order Form. Invoice Cloud will charge the Biller or payer fees as provided in the Biller Order Form. In addition, Invoice Cloud reserves the right to charge for changes to the setup, implementation or personalization performed after the completion of initial setup or implementation and any other requested work or changes including the following services, at its then standard rates:

- new file/biller set up
- template changes
- custom reports and other custom development
- new bill printer support
- invoice file format changes resulting in revision of integration/data translation
- re-implementation of a site/system and/or new billing system
- payment file revisions
- loading pdfs and importing/loading invoices
- conversion of biller customer registrations/passwords (post initial implementation)
- balance forward of invoices
- other out of scope services

12. Limitation of Liability. INVOICE CLOUD'S AGGREGATE LIABILITY SHALL BE UP TO AND NOT EXCEED THE AMOUNTS ACTUALLY PAID BY AND/OR DUE FROM BILLER IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM. IN NO EVENT SHALL INVOICE CLOUD AND/OR ITS LICENSORS BE LIABLE TO ANYONE FOR ANY INDIRECT, PUNITIVE, SPECIAL, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOSS OF DATA, REVENUE, PROFITS, USE OR OTHER ECONOMIC ADVANTAGE) ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THIS SERVICE, EVEN IF THE PARTY FROM WHICH DAMAGES ARE BEING SOUGHT OR SUCH PARTY'S LICENSORS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Certain states and/or jurisdictions do not allow the exclusion of implied warranties or limitation of liability for incidental, consequential or certain other types of damages, so the exclusions set forth above may not apply to Biller.

13. Export Control. The Biller agrees to comply with United States export controls administered by the U.S. Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, and other U.S. agencies.

14. Notice. Either party may give notice by electronic mail to the other party's email address (for Biller, that address on record on the Biller Order Form, or by written communication sent by first class mail or pre-paid post to the other party's address on record in Invoice Cloud's account information for Biller, and for Invoice Cloud, to Invoice Cloud, Inc., 30 Braintree Hill Office Park, Suite 303, Braintree, MA 02184 Attention: Client Services. Such notice shall be deemed to have been given upon the expiration of 48 hours after mailing or posting (if sent by first class mail or pre-paid post) or 12 hours after sending (if sent by email).

15. Assignment. This Agreement may not be assigned by either party without the prior written approval of the other party, but may be assigned without such party's consent 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.

16. Insurance.

Invoice Cloud agrees to maintain in full force and effect during the term of the Agreement, at its own cost, the following coverages:

- a. Commercial General or Business Liability Insurance with minimum combined single limits of One Million (\$1,000,000) each occurrence and Two Million (\$2,000,000) general aggregate.

Billers Agreement

- b. Umbrella Liability Insurance with minimum combined single limits of Five Million (\$5,000,000) each occurrence and Five Million (\$5,000,000) general aggregate.
- c. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than One Million (\$1,000,000) for any one occurrence, with respect to each of the Invoice Cloud's owned, hired or non-owned vehicles assigned to or used in performance of the Services.
- d. Errors and Omissions Insurance (Professional Liability and Cyber Insurance) with limits of liability of at least One Million Dollars (\$1,000,000) per claim and in the aggregate.
- e. Insurance certificates to include an ISO CG 20 10 04 13 or District approved equal endorsement specifically naming "Las Virgenes Municipal Water District, its officers, employees and agents" as additional insured

17. Immigration Laws. For Services performed within the United States, Invoice Cloud will assign only personnel who are either citizens of the United States or legally eligible to work in the United States. Invoice Cloud represents and warrants that it has complied and will comply with all applicable immigration laws with respect to the personnel assigned to the Biller.

18. General. With respect to agreements with municipalities, localities or governmental authorities, this Agreement shall be governed by the law of the state wherein such municipality, locality or governmental authority is established, without regard to the choice or conflicts of law provisions of any jurisdiction. With respect to Billers who are not with municipalities, localities or governmental authorities, this Agreement shall be governed by Massachusetts law and controlling United States federal law, without regard to the choice or conflicts of law provisions of any jurisdiction. No text or information set forth on any other purchase order, preprinted form or document (other than an Biller Order, if applicable) shall add to or vary the terms and conditions of this Agreement. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then such provision(s) shall be construed, as nearly as possible, to reflect the intentions of the invalid or unenforceable provision(s), with all other provisions remaining in full force and effect. No joint venture, partnership, employment, or agency relationship exists between Biller and Invoice Cloud as a result of this agreement or use of the Service. The failure of either party to enforce any right or provision in this Agreement shall not constitute a waiver of such right or provision unless acknowledged and agreed to by Invoice Cloud in writing. All rights and obligations of the parties in Sections 4, 6, 10, 12, 14 and 18 shall survive termination of this Agreement. This Agreement, together with any applicable Biller Order Form, comprises the entire agreement between Biller and Invoice Cloud and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral between the parties regarding the subject matter contained herein. Biller agrees that Invoice Cloud can disclose the fact that Biller is a paying customer and the edition of the Service that Biller is using.

Additional terms and conditions and definitions applicable to this Agreement and the Biller Order Form are found at www.invoicecloud.com/termsandconditions (the "Biller T+C") and are agreed to by Invoice Cloud and the Biller.

Sales Information		
IC Sales Rep: Chelsea James	Sales Partner:	Software Partner: Advanced

Products & Services	
Products	<input checked="" type="checkbox"/> EBPP <input type="checkbox"/> Cloud Store <input type="checkbox"/> Cloud Pay <input checked="" type="checkbox"/> Pay by Text <input checked="" type="checkbox"/> IVR <input checked="" type="checkbox"/> OBD <input type="checkbox"/> Kiosk
Services:	<input checked="" type="checkbox"/> Visa/MasterCard/Discover <input checked="" type="checkbox"/> American Express <input checked="" type="checkbox"/> ACH/EFT

Biller Information				Biller Contacts	
Ownership Type: Government		Implementation: Andrew Spear			
Legal Name: Las Virgenes Municipal Water District		Phone Number: 818-251-2156		Ext.:	
Address 1: 4232 Las Virgenes Rd		Email Address: aspear@lvmwd.com			
Address 2:		Technical Support: Same as above			
City: Calabasas	State: CA	Zip: 91302	Phone Number:		Ext.:
Phone#: (818) 251-2100	Fax #: (818)2512109	Email Address:			
Website URL: http://www.lvmwd.com/		Marketing: Same as above			
Business Open Date: 1958		Phone Number:		Ext.:	
Federal Tax ID#: 95-2212398		Email Address:			

Note: Federal Tax ID and Legal Name must match on all documents.

Note: Signer must sign ALL documents.

Signatory Contact: David W. Pedersen		Title: General Manager	
Phone Number: 818-251-2100	Ext.:	Email Address: dpedersen@lvmwd.com	

Notes/Special Handling
Paperwork Contact: Andrew Spear

Biller Fees			
New Biller Implementation:	\$ 0	Paperless Presentation: (includes 3 email notifications)	\$ 0 Per Item
Biller Portal Access:	\$ 0	Choose an item.	IC Payment - Credit Card: \$ 0 Per Item
Additional User(s):	\$ 0	Choose an item.	IC Payment - EFT/ACH: \$ 0 Per Item
Online Bank Direct Access:	\$ 0	Choose an item.	Online Bank Direct: \$.25 Per Item
Invoice Presentment:	\$ 0	Monthly	EFT/ACH Reject: \$ 10 Per Item
Encrypted Reader License Fee:	\$ 30.00	Monthly	Charge Back: \$ 10 Per Item

BILLER BANK (MUST INCLUDE VOIDED BUSINESS CHECK OR BANK LETTER FOR EACH ACCOUNT)			
Name of Checking Account (As it appears on check or Bank Letter):		Las Virgenes Municipal Water General Account	
Bank Name:	Address: 420 Montgomery Street, CA 94104	Phone:	213-253-7273
Depository:	Your Invoice payment collections will be electronically deposited into this account.		
Fees:	Invoice and payment processing fees will be electronically deducted from this account.		

CERTIFICATION AND AGREEMENT

- A. By signing below, the Biller hereby authorizes Invoice Cloud, Inc. ("Invoice Cloud") to initiate and execute debit/credit entries to its checking/deposit account(s) indicated above at the depository financial institution(s) named above and to debit/credit the same such account(s). The Biller acknowledges that the origination of ACH transactions to its account(s) must comply with the provisions of U.S. law. This authority is to remain in full force and effect until (i) Invoice Cloud has received written notification (by electronic or U.S. mail) from the Biller of its revocation in such time and manner as to allow Invoice Cloud a reasonable opportunity to act on it, but not less than 10 business days notice; and (ii) all obligations of the Biller to Invoice Cloud that have arisen under this Agreement and all other agreements have been paid in full. The Biller must also notify Invoice Cloud, in writing, (by electronic or U.S. mail) when a change in account number(s) or bank has occurred at which time this authorization shall apply to such new/changed account. This notification must be received within 10 business days of change. A fee will be charged for any returned ACH debits.
- B. By signing below, the Biller named: (1) has read, agreed to, and acknowledges receipt of the Biller Agreement, Biller T+C and other Order Forms executed by the Biller, and (2) certifies to Invoice Cloud that he/she is authorized to sign this Order Form; (3) certifies that all information and documents submitted in connection with this Order Form are true and complete; (4) authorizes Invoice Cloud or its agent to verify any of the information given, including credit references, and to obtain credit reports (including a spouse if in a community property state); (4) agrees to pay the Monthly Access Fee through the last day of the month following the effective date of termination as provided in the Billing Agreement; (5) agrees that Biller and each transaction submitted will be bound by the Order Form and the Biller Agreement in its entirety; (6) agrees that Biller will submit transactions only in accordance with the information in this Order Form and Biller Agreement and will immediately inform Invoice Cloud, by email (contracts@invoicecloud.com) if any information in this Order Form changes, and (7) the Biller agrees and understands that outstanding sums due and owing to Invoice Cloud, will be charged daily or monthly and debited from its current depository account. Non-sufficient funds for these debits are grounds for a change in fees or termination of this Agreement. In the event of non-payment of any sums due, Invoice Cloud reserves the right to withdraw such sums from the current depository account at any time to ensure payment of the same.
- C. Pay by Text: Standard data rates and text messaging rates may apply based on the payer's plan with their mobile phone carrier. Payer can opt out of text messaging at any time with Invoice Cloud. Partial payment or overpayment is not supported. Service fees may apply based on the biller set up with Invoice Cloud. Biller may not use the service for activities that violate any law, statute, ordinance or regulation.
- D. By signing below, the Biller hereby gives permission to Invoice Cloud to access his / her credit history via Trans Union, Equifax, or other credit-reporting agency.
- E. The Order Form and the Biller Agreement will become effective only when counter-signed by Invoice Cloud and upon execution by the Biller of such third party agreement required by Invoice Cloud to permit use of the payment function of the Service.

In WITNESS WHEREOF, the parties hereto have executed this Agreement as of this day 08/31/16

Accepted by biller:

X David W. Pedersen

Corporate Officer

David W. Pedersen

Printed Name

General Manager

Title

Accepted by Invoice Cloud:

X Robert Lapides

Robert Lapides

Printed Name

President, Gov, Utilities, & Business Services

Title

Invoice Parameters

Invoice Type:	Water & Sanitation		Date:	8/10/2016	
<i>Invoicing Parameters sheet must be completed for each invoice type.</i>					
Bill Software:	Advanced V3 & Infinity.Link V3			Pricing Model	Non-Submitter (Sage)
Payment Methods:	<input checked="" type="checkbox"/> Visa		<input checked="" type="checkbox"/> MasterCard		<input checked="" type="checkbox"/> Discover
	<input type="checkbox"/> Amex		<input checked="" type="checkbox"/> EFT/ACH		
Services & Products:	<input checked="" type="checkbox"/> EBPP		<input type="checkbox"/> Cloud Store		<input type="checkbox"/> Cloud Pay
	<input checked="" type="checkbox"/> OBD		<input checked="" type="checkbox"/> IVR		<input type="checkbox"/> Kiosk
Billing Details					
Billing Frequency:	Monthly		Number of Bills:	22,000	
Number of Cycles:	One cycle per week		Number of Installments:	1	
Average Invoice Amount:	\$180		Highest Invoice Amount:	\$ 125,000	
Billing Months (please select the applicable months below):					
<input type="checkbox"/> Jan <input type="checkbox"/> Feb <input type="checkbox"/> Mar <input type="checkbox"/> Apr <input type="checkbox"/> May <input type="checkbox"/> Jun <input type="checkbox"/> Jul <input type="checkbox"/> Aug <input type="checkbox"/> Sept <input type="checkbox"/> Oct <input type="checkbox"/> Nov <input type="checkbox"/> Dec <input checked="" type="checkbox"/> All					
Printed Bills					
Bill Mailing Dates:	<input checked="" type="checkbox"/> 1 st – 10 th		<input checked="" type="checkbox"/> 11 th – 20 th		<input checked="" type="checkbox"/> 21 st – 31 st
Who will provide images of bills?	<input checked="" type="checkbox"/> Biller		<input type="checkbox"/> Template		<input type="checkbox"/> Bill Print Vendor (please complete below)
Bill Print Vendor:		Cont act:		Phone No:	
Hardware					
Card Readers:	ipad	QTY	1	Provided by:	<input type="checkbox"/> Sales Rep <input checked="" type="checkbox"/> Operations
Per Unit Price:	\$ 30	Monthly	Shipping Address: (if different than location address)	Andrew Spear,	
Total Due:	\$				
Services Fees					
<i>Select from the below to indicate if the service fee will be paid by the Payer or if Biller will absorb fee.</i>					
Item	Paid by payer		Item	Paid by Biller (Non-Submitter)	
<input type="checkbox"/> Credit Card:	% with \$ Minimum		<input type="checkbox"/> Credit Card:	Interchange, fees, dues assessments + Authorization \$ + % BP	
<input type="checkbox"/> EFT/ACH:	\$ per item		<input type="checkbox"/> EFT/ACH:	\$ per item	
<input type="checkbox"/> Flex Pay ACH:	\$ per item		<input type="checkbox"/> Flex Pay ACH:	\$ per item	
Utility Invoice Type					
Item	Paid by payer		Item	Paid by Biller	
<input type="checkbox"/> Credit Card:	% with \$ Minimum <small>(Without Visa Acceptance)</small>		<input checked="" type="checkbox"/> Credit Card:	Interchange, fees, dues assessments + Authorization \$.50 + % BP	
<input type="checkbox"/> EFT/ACH:	\$ Per item		<input checked="" type="checkbox"/> EFT/ACH:	\$.50 Per Item	
Utility Flat Rate (Flat Rate for Utilities credit cards must be paid by payer)					
<input type="checkbox"/> Credit Card	Service Fee: \$		Max Cap for Credit Cards:	\$	
<input type="checkbox"/> EFT/ACH:	Service Fee: \$		<input type="checkbox"/> Paid by payer	<input type="checkbox"/> Paid by Biller	
Interactive Voice Response - IVR					
<input type="checkbox"/> Paid by payer	Service Fee + \$		<input checked="" type="checkbox"/> Paid by Biller	\$.40 per item surcharge	
Notes/Special Handling :					
This integration with have a single sign on with Infinity.Link.					

Fiserv/Invoice Cloud Needs Analysis

Billers/Company Name Las Virgenes Municipal Water District	Payment Types (utilities, insurance, cable, taxes, etc) Utility	Date 8/11/16
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BILLER CONTACT INFO:

<u>Name</u>	<u>Title</u>	<u>Phone/email</u>
David W. Pedersen	General Manager	818-251-2100 dpedersen@lvmwd.com

Remittance Addresses (Asterisk*Denotes Default Remittance Address – address if paper check is mailed)

<u>Remit Center Address</u>	<u>City, State</u>	<u>Zip Code + 4</u>
* 4232 Las Virgenes Rd	Calabasas, CA	91302

Billers Names (Any name or DBA printed on your remittance coupons)

Las Virgenes Municipal Water District – Utility	Las Virgenes Municipal Water District – Utiities	Las Virgenes Municipal Water District – Water & Sanitation
Las Virgenes Municipal Water Dist – Utility	Las Virgenes Municipal Water Dist-Utilities	Las Virgenes Municipal Water Dist- Water & Sanitation
Las Virgenes – Utilities	Las Virgenes – Utility	Las Virgenes – Water and Sanitation

Bank Settlement Info – for settlement and debit of reversals	Bank Name	Other comments

Reversals will go thru Invoice Cloud as data file with debit to merchant DDA

Account Number Information

How many characters are in the account number?
 Minimum number of characters: 10
 Maximum number of characters: 10
 Are account numbers: Numeric Alpha-numeric
 Does anything need to be removed from the account number (e.g. dashes, spaces, etc...)? Yes No
 If yes, please explain
 Does the account number have logic associated with it to help in identifying products, locations, etc...? Yes No
 If yes, please explain
 Is the account number clearly and completely visible to the customer on the bill? Yes No
 Are there edit or mod checks associated with the account number? Yes No
 If yes, please attach a copy of the mod calculation.
 Are the account numbers static or do they change frequently? If they change, what action can make it change? **Static**

Invoice Cloud assigned Company ID _____

Map ID (Assigned by Fiserv): _____

Posting ID (Assigned by Fiserv): _____

Business Owner/Contact name: _____

Private or Publicly held? _____

If Public, ticker symbol: _____

Traded on NASDAQ OR NYSE: _____

Fiserv/Invoice Cloud Needs Analysis

Web Address: _____



Dedicated to Providing Quality
Water & Wastewater Service

OFFICERS

President

Glen D. Peterson
Director, Division 2
MWD Representative

Vice President

Lee Renger
Director, Division 3

Secretary

Charles P. Caspary
Director, Division 1

Treasurer

Jay Lewitt
Director, Division 5

Leonard E. Polan

Director, Division 4

David W. Pedersen, P. E.

General Manager

Wayne K. Lemieux

Counsel

HEADQUARTERS
4232 Las Virgenes Road
Calabasas, CA 91302
(818) 251-2100
Fax (818) 251-2109

WESTLAKE
FILTRATION PLANT
(818) 251-2370
Fax (818) 251-2379

TAPIA WATER
RECLAMATION FACILITY
(818) 251-2300
Fax (818) 251-2309

RANCHO LAS VIRGENES
COMPOSTING FACILITY
(818) 251-2340
Fax (818) 251-2349

www.LVMWD.com

MEMBER AGENCY OF THE
METROPOLITAN WATER
DISTRICT
OF SOUTHERN CALIFORNIA

August 11, 2016

MasterCard International Incorporated
2200 MasterCard Boulevard
O'Fallon, MO 63368-7263

Attention: RPPS Business Implementations

Effective immediately, MasterCard is authorized by this letter to initiate ACH debit entries to be issued by the MasterCard Settlement Bank, currently JP Morgan Chase Bank, from time to time against the account noted below. We hereby confirm that all debits associated with such ACH debit entries will be honored and will be final when made, and no entry shall be reversed without written consent of both MasterCard and ourselves. Our signatures below represent that we are authorized to provide these instructions to you and you are authorized to rely on these instructions.

We understand that written notice of revocation of this authorization must be sent to MasterCard International Incorporated.

ICA Number:	
Routing and Transit Number:	
Account Number:	
Name of Financial Institution:	
Address Line #1:	420 Montgomery Street
Address Line #2:	
City:	San Francisco
State:	CA
ZIP Code:	94104

Sincerely,

Billor's Organization	Las Virgenes Municipal Water District
Billor's Contact Name:	David W. Pedersen
Billor's Address #1:	4232 Las Virgenes Rd
Billor's Address #2:	
City:	Calabasas
State:	CA
ZIP Code:	91302
Billor's Phone Number:	818-251-2100
Billor's Signature	

MasterCard Confidential and Proprietary
07/13/10: ACH Debit Authorization Letter



1750 Old Meadow Road
Suite 300
McLean, VA 22102
Phone: (800) 261-0240

VIRTUAL CHECK MERCHANT PROCESSING APPLICATION

Referral:

Lead Source: None

SAGE PAYMENT SOLUTIONS

Office:	Invoice Cloud, Inc.	Office Phone:	781848373233	Application ID:	225946
Application Date:	8/11/2016 11:01:47 AM	Contractor Name:	Carolyn Ambrose	Association:	Invoice Cloud, Inc.

General Information

Type of Ownership:	Government (Fed,St,Local)	Business Open	1/1/1958	Existing MID:	
Legal Business Name:	Las Virgenes Municipal Water District			Business Name:	Las Virgenes Municipal Water District
Mailing/Billing Address:	4232 Las Virgenes Rd			Location Address:	4232 Las Virgenes Rd
City:	Calabasas	State:	CA	Zip	91302
Phone:	(818) 251-2100	Fax:	(818) 251-2109	Phone:	(818) 251-2100 Fax (818) 251-2109
Contact:	David W. Pedersen	Email:	dpedersen@lvmwd.com		
Federal Tax ID:	952212398	D & B:		Customer Service Number:	(818) 251-2109
				Web Site:	http://www.lvmwd.com/

General Comments: Utility MCC Code 4900 & please apply for the Visa Utility program.
Per IC agreement with Sage, payment days set to 1 day

Tax Information

Name (as it appears on your Federal Tax Return):	Las Virgenes Municipal Water District				
Federal Tax ID:	952212398	State Filed:	CA	Type of Ownership:	Government (Fed,St,Local)

- I CERTIFY THAT I AM A FOREIGN ENTITY / NON-RESIDENT ALIEN
 I CERTIFY THAT I AM PROVIDING AUTHORIZATION FOR THE ELECTRONIC ISSUANCE OF IRS FORM 1099

Owner/Officer 1	50%	Owner/Officer 2	0%	Trade Reference
Name:	David W. Pedersen	Name:		Name:
Title:	General Manager	Title:		Title:
Address:	4232 Las Virgenes Rd	Address:		Address:
City:	Calabasas State: CA	City:		City: State:
Zip:	91302 Phone: (818) 251-2100	Zip:		Zip: Phone:
Email:	dpedersen@lvmwd.com	Email:		Email:
SSN:	999-99-9999 DOB:	SSN:		DOB:

Underwriting Profile

Type Of Business:	MOTO	Seasonal:	False	Seasonal High Months:	
Business Description:	Water & Sanitation				
Return Policy:	Other	Days Until Product Delivery:	0		

*Company has obtained written authorization from the consumer to debit/credit consumer's depository account.
 **Company has obtained verbal authorization from the consumer to debit/credit consumer's depository account, but does not have written authorization.

Annual Volume:	\$16,000,000.00	Average Ticket:	\$180.00	Highest Ticket:	\$125,000.00
*Written:	100%	**Non-Written:	0%	Merchant:	20%
				Consumer:	80%

Authorization to ACH (must include voided business check)

Bank Name:	Phone:	City:	State:	CA	Zip:
Depository	Fees				

Virtual Check Fees

Description	Qty	Price
Total:		

Transaction Fees	Tran Fee	Rate	Miscellaneous Fees	
CCD Written		0.50	Statement Fee:	0.00
CCD Non-Written		0.50	Minimum Fee:	0.00
PPD Written		0.50	File Fee:	0.00
PPD Non-Written		0.50	Reject Fee:	10.00
WEB		0.50	Gateway Fee:	0.00
ARC		0.50	Maintenance Fee:	0.00

Virtual Check Originators

**IMPORTANT NOTES: APPLICATION FEE INCLUDES CREATION OF UP TO FIVE (5) ORIGINATOR ID'S AS INDICATED BELOW.
 FEES WILL BE ASSESSED FOR ADDITIONAL ORIGINATOR ID'S.
 A VOIDED CHECK FOR EACH BANK ACCOUNT LISTED BELOW MUST BE ATTACHED.**

Description	Type	Comments	Disbursement	Fee	Reject
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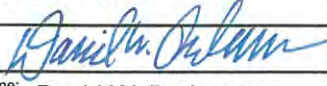

Execution of Agreement

By signing this agreement, the company certifies to Sage that it is authorized to sign this agreement. This agreement, together with the terms and conditions attached hereto, and incorporated herein by reference, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements. The company hereby agrees to abide by all the provisions of this agreement.

1. All of the Company's application and expedite (if applicable) fee(s) will be non-refundable if Company cancels the Agreement before credit approval and/or installation.
2. This Agreement is not considered received until all documentation requirements and requests have been fulfilled by the Company.
3. The Signatory hereby gives permission to Sage to access his/her credit history via Trans Union, Equifax or other credit-reporting agency.
4. An authorized Officer of the Company has read and hereby acknowledges receipt of the terms and conditions to it.

In witness whereof the parties hereto have caused this agreement (including funds transfer instructions included herein) to be executed by their duly authorized representatives to be effective on the date set out below.

By signing this Agreement, the Company understands that outstanding sums due and owing to Sage, will be charged daily or monthly and debited from its current depository account. Non-sufficient funds for these debits are grounds for a change in Fees or termination of this Agreement, per the attached Terms and Conditions. In the event of non-payment of any sums due, Sage reserves the right to withdraw such sums from the current depository account at any time to ensure payment of the same. By signing below, the Company represents that the information it has provided on this Agreement is complete and accurate.

Company Name: Las Virgenes Municipal Water District		SAGE PAYMENT SOLUTIONS	
OWNER PARTNER / OFFICER 1	OWNER PARTNER / OFFICER 2		
Signature: 	Signature:	Signature: 	
Printed Name: David W. Pedersen	Printed Name:	Printed Name: John Pfister	
Title: General Manager	Title:	Title: VP, Finance	
Date: 08/31/16	Date:	Date: 11/11/16	

As a primary inducement to Sage to enter into this Agreement, I, the undersigned Guarantor, absolutely and unconditionally guarantee the full and prompt payment of all Company's indebtedness and liabilities, and the performance of all Company's obligations, to Sage under this Agreement (the "Obligations"). I agree that upon Company's default I will pay Sage, in accordance with the terms and conditions of this Agreement, all fees and other sums payable by Company under this Agreement. Further, I acknowledge and agree that (i) this Guaranty will continue until the Obligations are fully and finally performed; (ii) this is a guaranty of payment and performance and not of collection, and in no case will Sage be required to attempt collection from Company or pursue any other remedy or action before collection from me; (iii) the provisions of the Agreement may be modified or waived without notice to or consent by me and without invalidating this Guaranty; (iv) this Guaranty will be governed by and construed in accordance with the laws of the Commonwealth of Virginia; (v) Sage is authorized to investigate any and all credit information pertaining to this Guaranty; (vi) I will be responsible for all legal fees and other costs that Sage incurs enforcing this Guaranty.

Signature:	Social Security #:	Affiliation with Company:
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**** EARLY TERMINATION:** If Company cancels this Agreement during the term or any agreed upon extension term, applicable early termination fees shall be due Sage. See Article V Section 5.01 of the attached terms and conditions for additional details.

Site Inspection

By the signature below, signatory verifies that (i) he/she has physically inspected the Business Premises; and (ii) the information stated in this Agreement is correct, to the best of his/her knowledge and is represented by her/his Company.

Sales Representative - Signature:	Sales Representative - Printed Name:	Date:
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TERMS AND CONDITIONS FOR SAGE PAYMENT SOLUTIONS VIRTUAL CHECK

The following terms and conditions govern Company's use of Sage Payment Solutions' ACH Processing Services (the "Services") for its virtual check products. The term "Sage" means "Sage Payment Solutions", a Virginia corporation. The term "Company" refers to the merchant receiving the Services. These are the terms and conditions referred to in the Sage Payment Solutions Virtual Check Merchant Processing Agreement attached hereto, the provisions of which are incorporated herein by reference. These terms and conditions and the attached application constitute the entire agreement between Sage and Company with respect to the subject matter hereof.

Sage is providing an Internet gateway to enable Company's customers to pay for goods and services by means of the Automated Clearing House ("ACH") process. This Agreement and Sage's Web site includes important disclosures and regulatory information that are associated with the Services. The Services allow Company to collect periodic payment receivables from its customer accounts ("Customer Accounts") through Sage Virtual Check and/or transfer credits to its customers through use of the ACH process; Sage will act as Company's agent to initiate credit, debit and adjustment Entries through an Originating Depository Financial Institution (the "Bank"), all pursuant to the terms of this Agreement, the provisions of Title 31 Code of Federal Regulations Part 210 and the operating rules of the National Automated Clearing House Association, as amended from time to time (collectively referred to herein as the "Rules"). Company agrees that it entering into this Agreement, that it will be bound by the Rules. Company understands that in order for the Services, including future services that may be available, to perform, Company is solely responsible for the hardware, software or other technology it uses to access the Services, which will be processed via ACH. Sage will not be responsible for any service difficulties resulting from Company's failure to possess technology adequate to use the Services.

TERMS & CONDITIONS

1. Definitions. Except as otherwise defined herein, capitalized terms shall have the meanings provided in the Rules. The term "Entries" shall have the meaning provided in the Rules and shall also mean the data received from the Company hereunder from which Sage prepares Entries.

2. Transmittal of Entries by Company. The Company will use reasonable efforts to provide computer readable information that is accurate, current and in the format specified in the Rules and in conformance with other requirements set forth by Sage, as the same may be amended from time to time, necessary to prepare debit and credit Entries in order to effect collection from and credit to Customer Accounts of the following types: ARC, PPD, WEB, CCD, TEL, POP, RCK. The Company shall update such information from time to time in order that it remains current and accurate at all times. The Company hereby authorizes Sage to initiate ACH credits, debits and adjustments to the Authorized Account. This authorization will remain in effect after termination of this Agreement until all of the Company's obligations to Sage have been paid in full. Confirmation from Sage of a credit or debit ACH transaction does not constitute a warranty that the Company will be paid for the transaction.

3. Processing and Transmittal of Entries. (a) Debits. Sage shall process Entries received from the Company to conform with the file specifications set forth in the Rules, transmit such Entries to the Bank for re-transmittal to the ACH Operator or other location designated by the Bank, all in accordance with the Rules and applicable regulations and operating circulars adopted or issued by the Federal Reserve Board or applicable Federal Reserve Bank, as in effect from time to time. Each Entry or File shall be delivered to Sage by an authorized representative of the Company in accordance with the processing instructions attached hereto. Provided the Company delivers the necessary data in accordance with the processing instructions and in an acceptable format, Sage shall initiate debit Entries to electronically debit Customer Accounts for settlement on the Effective Entry Date (or next banking day in the event that the Effective Entry Date falls on a non-banking day at the customer's depository institution), however if any Debit Entries are returned to Sage in accordance with

the Rules, or if any Debit Entries originated by you were unauthorized, Sage reserves the right to charge the amount of such Debit Entries to the Authorized Account. All Net Settlement Amounts (as defined in Section 16 below) shall be deposited into the account at the financial institution designated in the Application attached hereto to which Sage and the Company are parties ("Authorized Account"). (b) Credits. Provided the Company delivers the necessary data in accordance with the processing instructions and in an acceptable format and deposits immediately available funds into the Agent Account (as hereinafter defined) in an aggregate amount equal to the Entries to be transmitted, Sage shall initiate credit Entries to electronically credit Customer Accounts for settlement on the Effective Entry Date (or next banking day in the event that the Effective Entry Date falls on a non-banking day at the customer's depository institution). Unless such funds are timely received, Sage shall be under no obligation to transmit the related Entry (ies). Once an Entry is transmitted by Sage, the Company shall have no right to the cancellation or amendment of any Entry after its receipt by the Bank. However, Sage shall use reasonable efforts to act on a request by the Company for cancellation of such Entry (ies) prior to crediting a Receiver's account. Except in the case of payroll entries, *the total dollar amount of Credit Entries transmitted by the Company to the Bank on any one day shall not exceed Three Thousand U.S. Dollars (\$3,000).* The Company acknowledges and agrees that, if an Entry describes its customer or other Receiver inconsistently by name and account number, payment of the Entry transmitted to the Receiving Depository Financial Institution might be made by the Receiving Depository Financial Institution (or by the Bank in the case of an "on-us" Entry) on the basis of the account number even if it identifies a person different from the named customer or Receiver, and that the Company's obligation to pay the amount of the Entry to Sage is not excused in such circumstances. Company agrees that Sage may withhold any amounts due to the Company from subsequent payments in the event of an overpayment by Sage to Company.

4. Authorizations: Prenotifications. The Company will obtain written authorizations for each requested Entry that it has received from its customers, or, in the event of an authorization for a TEL entry, the minimum information requirements in accordance with the Rules must be provided to Sage. The Company shall further retain the original or a microfilm record

for two (2) years after termination or revocation of such authorization, or in the case of an authentication made via telephone, the Internet or other on-line network, the Company must retain a copy of the authorization and a recorded record of the authentication. The foregoing authorizations shall be provided to Sage upon request. The Company agrees that, at its cost, it will periodically review its authentication techniques to ensure that its security measures are adequate, and make all necessary changes, to ensure that all authentication techniques are in accordance with all applicable laws, regulations and statutes and the Rules. Sage may, at its option, initiate a pre-notification entry for any ACH transaction. If Sage chooses to transmit pre-notification entries, it will not initiate live dollar entries until at least six (6) banking days following the settlement date of the pre-notification entry. Such notice shall be provided to the Bank in the format and on the medium provided in the Rules. After Sage has received notice that any such notification has been rejected by a receiving financial institution, or that a receiving financial institution will not receive Entries without having first received a copy of the authorization signed by its customer, Sage will not initiate any Entry to such customer unless and until the Company provides Sage and the receiving financial institution with such authorization within the time limits provided by the Rules. If individual ACH transaction values or the monthly total of the Company's ACH Debits and Credits exceeds Sage's standard limits, Company may request Sage to increase these limits by agreeing to additional underwriting review to be performed by Sage. If Rejects or Returns exceed two percent (2.0%) of total monthly transaction volume, Sage reserves the right to (i) adjust transaction fees and rates, (ii) require reserves, or additional reserves as defined in this Agreement; or (iii) to cease providing the Services described hereunder if Sage in its sole discretion determines that the Services provided to the Company hereunder contribute to an unacceptable volume of ACH returned items. Additional factors that may determine adjustment of fees, potential reserves or cancellation include average sale amount, processing volume, credit volume, and other factors that may affect the risk of fraud or merchant instability, in the sole discretion of Sage.

5. Rejects/Returns/Revocations of Authorization: Reserve Account. Sage shall notify the Company by

fax or electronic transmission of the receipt of a returned Entry from the ACH Operator no later than two (2) business days after such receipt. Except for an Entry transmitted by the Company in accordance with Section 3, Sage shall have no obligation to re-transmit a returned Entry or reinitiate an Entry without further evidence of valid authorization. *All returned Entries are each subject to an additional \$25.00 return fee, unless otherwise stated in this agreement.* Company hereby agrees, if so requested by Sage, to maintain a reserve with Sage with a sufficient balance in Sage's sole discretion to cover Returns, NSF, reversal of ACH transactions and similar debits and fees payable hereunder and any other liabilities of Company as specified in Section 16 ("Reserve Account"). Company authorizes Sage to establish and maintain reserves in such Reserve Account by means of offset from daily settlement activity or provide such reserve funds requested by Sage within 48 hours of the request. Company will pay to Sage the amount of any returned debit that cannot, for any reason in part or in whole, be debited against Company. Company understands that electronic funds transfers can be "charged back" or "returned" against the Originating Financial Depository Institution's account for up to 60 days following the statement date of the receiving institutions' transaction notification to customers' accounts for debit and credit entries. If the Company wishes to revoke an authorization, (other than for a POP, TEL and Single Entry WEB entries) it must do so directly with Sage and provide an executed affidavit to the RDFI that the debit entry has been revoked directly with Sage. Sage's Bank may request a copy of the affidavit within one (1) year of the date on which the adjustment entry was initiated by the RDFI.

6. Compliance with Laws and the Rules; Notification of Change. The Company and its principals understand the Rules, agree to be bound by, and shall comply with the Rules. Furthermore, the Company agrees to comply with all applicable Federal, state and local laws, rules and regulations as amended from time to time regarding the subject matter of this Agreement, including but not limited to the Federal Fair Credit Reporting Act and Regulation E, 12 CFR 205 et. seq., Regulation CC, Articles 4 and 4A of the Uniform Commercial Code, and the Electronic Funds Transfer Act. The specific duties of the Company provided in this Agreement in no way limit the foregoing undertaking. The Company agrees that it will promptly respond to all Reports of Possible ACH Rules Violation to Sage. Company bears the final responsibility to ensure that its consumers' policies and procedures meet the requirements of the Rules. The Company agrees to consult with its counsel regarding compliance of its authorization and payment procedures and its compliance with the Rules, and shall not rely on Sage for any advice with respect to compliance with the Rules, or any Federal, state, or local rule, statute, regulation or law.

Sage shall make reasonable attempts to provide the Company with a notification of change ("NOC") from the ACH Operator within two (2) business days following the Bank's receipt of same, if the Bank has provided Sage with the NOC. Sage shall, following receipt of an NOC, reserve the right not to re-transmit

or reinitiate an Entry without confirmation that the Entry is accurate.

6.01 IRS Withholdings and Reporting. Section 6050W of the Internal Revenue Code ("Code") requires payment providers and third party payment networks, such as Sage, to report payment settlement amounts to the Internal Revenue Service ("IRS") for each Company processing through Sage. Company shall verify its identity by providing Sage with a Tax Identification Number ("TIN") such as a Social Security Number (SSN) or Employer Identification Number (EIN) for each Company Account. In the event Company fails to provide its TIN, Sage will place a restriction on Company's Account and may restrict the receipt of funds into Company's Account, or withhold a percentage of payments deposited into Company's Account in order to satisfy the backup withholding requirements of the IRS.

7. Rejected Entries. Sage shall use reasonable efforts to notify the Company of a rejected Entry by fax or electronic transmission no later than the following business day such Entry would have been transmitted by Bank or ACH Operator to Sage. Regardless of the reason for a rejected Entry, it shall be the responsibility of the Company to remake such Entries or provide sufficient data for Sage to remake the same; provided, however, that Sage shall remake such Entries in any case where such rejection by the ACH was due to mishandling of such Entries by Sage and sufficient data is available to Sage to permit it to remake such Entries. The Company shall retain and provide Sage on request all information necessary to remake any file of Entries for three (3) days after the midnight of the Settlement Date.

8. Reversals; Erroneous Entries. The Company shall be responsible for monitoring the accuracy of all transmittals and of notifying Sage of any duplication or error requiring correction. The Company shall not knowingly transmit any false information. Sage may assess a processing fee of up to \$500 per occurrence for each instance in which it proves that the Company has knowingly transmitted false information as part of an Entry. If the Company discovers that any Entry it has initiated was in error, it must notify Sage within 24 hours of the discovery of the error. If such notice is received no later than three hours prior to the ACH receiving deadline, Sage will utilize reasonable efforts to initiate a reversing Entry or stop payment of any "on us" Entry within the time limits provided by the Rules. If such notice from the Company is received after the time provided above, Sage would utilize its reasonable efforts on behalf of the Company. Except for an Entry transmitted by the Company in accordance with Section 3, Sage shall have no liability for and shall be indemnified (including attorneys' fees and costs) by the Company for its efforts to affect an adjusting Entry or stop payment.

9. Marketing Materials; Use of Sage Marks; Company's Marks. The Company shall have a non-exclusive license to use Sage marketing materials containing the Sage name, service mark, symbols, and logos associated therewith as may be supplied by Sage from time to time including but not limited to EFTCash® Sage™, Sage Virtual Check™, and Sage

Gateway™ (the "Sage Marks"). The Company will use the Sage Marks only in a manner and form approved by Sage. Company is granted by Sage the right to use the Sage logo unaltered on its web-site in the reasonable representation of the Company's use of the Services until such time as this Agreement is terminated and solely in the connection with the solicitation of its customers' agreement to utilize the Services provided hereunder. All right, title, ownership and interest in and to the Sage Marks remain with Sage, and upon termination of this Agreement, the Company shall have no further right to the use of the Sage Marks, shall immediately cease all use and display thereof, and shall return to Sage all such marketing materials provided by Sage and remaining in Company's possession. If at any time during the term of this Agreement, Sage determines that the Company is not utilizing the Sage Marks in accordance with the terms of this Agreement, Sage may demand that the Company cease and desist from all use of the Sage Marks and return all such marks directly to Sage. The Company is fully responsible for the content of its web site and for the advertising and promotion through any media of all of its offerings. The Company certifies and represents to Sage that it is the owner or that it has full right and authority to use and disseminate all information, data, graphics, text, video, music or other intellectual property which either forms a part of its web-site, which is provided by Company to its consumers, or which is used by Company in its advertising or promotion.

10. Acceptance of ACH Rules. In order to facilitate the Company's compliance hereunder with the Rules and with applicable law, subject to the limitations set forth in Paragraph 6, Sage may provide certain materials, and forms ("Materials") and may make available appropriate personnel as it deems appropriate to assist the Company to maximize their use of the Services offered hereunder. The Company further acknowledges that it is an Originator under the Rules. All Materials are provided solely for the convenience of the Company, and Sage makes no representation or warranty as to the legal sufficiency thereof and assumes no liability therefore, and Company represents and warrants that it will have its own legal counsel review the sufficiency thereof and will rely on its own business and legal judgment in determining to what, if any, extent it wishes to utilize Sage Materials. All such forms shall be printed at the sole expense of the Company and all unused Materials shall be returned to Sage or destroyed by the Company upon termination of this Agreement.

11. Data Retention; Verification and Security. The Company shall retain data on file adequate to permit remarking of Entries for seven (7) banking days following the date of their transmittal by Sage as provided herein, and shall provide such data to Sage upon its request. For Internet-initiated Entries, the Company represents and warrants that it shall ensure that the financial information it receives is protected by security practices and procedures that include (i) physical security to protect against theft, tampering or damage, (ii) personnel and access controls to protect against unauthorized access and use, (iii) network security to ensure secure capture, storage and distribution, (iv) 128-bit encryption technology for

Internet transactions, (v) commercially reasonable fraud detection systems, (vi) procedures to verify routing numbers and authenticate consumer identity, and procedures to establish credit-worthiness and exposure limits for its customers. Company agrees that it shall conduct or have conducted annual audits to ensure that the financial information it obtains from its customers is protected by security practices and procedures that include, at a minimum level, the practices set forth in (i) through (iii), hereinabove. For each Entry initiated in response to a telephone authorization from a consumer, Company represents and warrants that its has employed commercially reasonable procedures to verify the identity of the consumer; and that it has utilized commercially reasonable procedures to verify that each routing number is valid.

12. Representations and Warranties of Company.

The Company represents, warrants and agrees that (a) All information contained in this Agreement, any application or in any other documents delivered to Bank and/or Sage in connection therewith is true and complete and properly reflects Company's business, financial condition and principal partners, owners or officers; (b) this Agreement (i) has been duly authorized, and delivered by the Company; (ii) is in full force and effect; (iii) the person executing this Agreement is duly authorized to bind the Company to all provisions of this Agreement; and (iv) such person is authorized to execute any and all documents and to take any action on behalf of the Company which may be required by Sage now or in the future; (c) this Agreement does not violate any law or conflict with any other agreement to which the Company is bound; (d) There is no action, suit or proceeding pending or threatened which if decided adversely would impair Company's ability to carry on its business substantially as it is now being conducted; (e) the Company has obtained all necessary regulatory approvals, licenses and certificates to provide any services that it intends to offer; (f) the Company shall perform its obligations under this Agreement in accordance with all applicable laws and regulations, regardless of the nature of the laws and regulations, and shall continue to comply with all applicable laws and regulations that may apply to it in the future; (g) Company shall be bound by and comply with the Rules as in effect from time to time and acknowledges that Entries may not be initiated that violate the Rules, or laws of the United States; (h) it shall pay all taxes and other charges imposed by any governmental authority on the Services provided under this Agreement (i) each person shown as the Receiver on an Entry received by Sage from Company has authorized the initiation of such Entry and the crediting and/or debiting of such person's account in accordance with the Rules, by Regulation E or other applicable law and this Agreement in the amount and on the Effective Entry Date shown on such Entry, and the Company will retain all of such authorizations for a period of six (6) years after their termination or revocation or for such longer period as may be required by the Rules or applicable law and provide a copy to Sage upon request; (j) such authorization is valid at the time of transmittal or crediting/debiting by Sage as provided herein and has not been revoked by operation of law or otherwise; (k) Entries transmitted to Sage by Company

are limited to those types of credit and debit Entries set forth in Schedule A, and is for an amount which, as of the applicable Settlement Date, will be due and owing, has been specified to be paid, or is a correction of a previously transmitted erroneous Entry; (l) except as otherwise notified by Company, each of the Customer Accounts is a "consumer account" within the meaning of Federal Reserve Board Regulation E; (m) all transactions submitted hereunder are bona fide; (n) Company has never been terminated for cause from an agreement in which the Services contemplated herein are provided; (o) this Agreement constitutes the legal, binding and enforceable obligation of Company, enforceable in accordance with its terms; (p) each Entry conforms in all respects to the Rules and applicable law; and (q) Company authorizes Sage to audit its records to confirm compliance with this Agreement. All Sage instructions as set forth in this Agreement or in any schedule shall be complied with by Company. Non-compliance may result in immediate implementation of non-compliance fines and/or cessation of service by Sage.

13. Liability: Limitations on Liability.

Sage shall be responsible only for performing the Services expressly provided for in this Agreement, and may be liable only for its gross negligence in performing those Services. Sage shall not be responsible for the acts or omissions of the Company or its owners, directors, officers, employees or representatives (including without limitation the amount, accuracy, timeliness of transmittal or due authorization of any Entry received from the Company) or those of any other person, including, without limitation, the Bank, any Federal Reserve Bank or transmission or communications facility, any Receiver or Receiving Depository Financial Institution (including without limitation the return of an Entry by such Receiver or Receiving Depository Financial Institution), and no such person shall be deemed Sage's agent. Sage also will not be responsible for any loss, liability or delay caused by fires, earthquakes, wars, civil disturbances, power surges or failures, acts of government, labor disputes, failures in communication, networks, legal constraints or other events beyond its control. Because of the difficulty of determining actual damages for any failure of Sage to perform its obligations under this Agreement, the parties agree that the extent of any damages hereunder, if any, shall be limited in amount to the greater of the Minimum Transaction Processing Fees or the amount of the Transaction Processing Fees based upon the Schedule of Charges (Fees) attached to this Agreement paid for the one calendar month preceding the month in which the loss occurred. IN NO EVENT SHALL SAGE BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT LOSS OR DAMAGE WHICH THE COMPANY MAY INCUR OR SUFFER IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT, INCLUDING ANY LOSS OR DAMAGE FROM SUBSEQUENT WRONGFUL DISHONOR RESULTING FROM SAGE'S ACTS OR OMISSIONS PURSUANT TO THIS AGREEMENT. SAGE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THOSE OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, IN RELATION TO THE

SERVICE, ITS USE AND THE RESULTS OF SUCH USE. Without limiting the foregoing, Sage specifically disclaims any warranty (i) that the service will be uninterrupted or error-free, (ii) that defects will be corrected, (iii) that security methods employed will be sufficient, or (iv) the service will be correct, accurate or reliable. In addition, Sage shall be excused from failing to transmit or delay in transmitting an Entry if such transmittal would result in the Bank's having exceeded any limitation upon its intra-day net funds position established pursuant to Federal Reserve Board guidelines or if Sage otherwise would cause the violation of any provision of any risk control program of the Federal Reserve Board or any rule or regulation of any other US governmental regulatory authority. Sage's liability for loss of interest resulting from its unexcused error or delay shall be calculated by using a rate equal to the average Federal Funds rate at the Federal Reserve Bank of New York for the period involved. At Sage's option, payment of such interest may be made by crediting the Authorized Account resulting from any claim for which Sage is liable for under this Section 13.

14. Indemnification. The Company shall be liable for and shall indemnify and hold harmless Sage and the Bank and their employees, officers, directors, agents and affiliates from and against any claim, loss, damage, penalty, cost or expense (including attorneys' fees and expenses) resulting or arising from (a) any breach of any of the representations, warranties and agreements of the Company contained in this Agreement, (b) any claim of any person whatsoever of whatever nature arising out of this Agreement, and for all attorneys' fees and other costs or expenses paid by Sage in the enforcement of this Agreement, including, but not limited to those resulting from any transaction processed under this Agreement and/or (c) any costs or expenses incurred by Sage related to any bankruptcy filing that Company may file. If any of the Entries that are on Sage's system belonging to Company are subpoenaed by legal process or otherwise, Sage shall use reasonable efforts to notify Company. If Company does not respond in a timely manner, and/or thirty (30) days elapses from Sage's receipt of subpoena, Sage may produce records in accordance with the subpoena. Notwithstanding the foregoing, should Company request that Sage not produce any records in response to a valid subpoena, Company shall indemnify and pay all costs incurred, including attorneys' fees that Sage incurs in opposing the subpoena. Sage shall estimate the costs and attorneys' fees of opposing the subpoena, and Company shall pay those fees and costs to Sage BEFORE Sage has any obligation to take any action to oppose the subpoena. If Company fails to pay the costs and fees in advance, Sage shall have no obligation to oppose the subpoena and may respond to it in accordance with its terms. Should Company pay Sage's fees and costs in advance, Sage shall oppose the subpoena but does not warrant whether it will be successful in doing so,

15. Compensation. The Company shall pay Sage the fees and charges for the Services rendered hereunder in accordance with the Fees and Charges as set forth in this Agreement. Such fees and charges do not include, and Company shall be responsible for payment of, any sales, use, excise, value added, utility or other similar

taxes relating to the Services provided for herein, and any fees or charges provided for in any related account agreement with the Bank. The fees and charges are subject to change upon 30 days' prior written notice (by electronic or U.S. mail) to the Company. Upon receipt of any notice of fee increase, the Company may, by written notice to Sage given at least 10 days prior to the effective date of any such fee increase, terminate this Agreement as set forth in Paragraph 17. In such event no cancellation fees will be charged. The effective date of termination shall be no later than 90 days following the date of the Company's notice. Any such fee increase shall not be effective with respect to the Company during the notice period. If Company does not terminate the Agreement, it shall be deemed to have accepted the fee and cost increase.

16. Collection of Amounts from Debit Entries and Fees. Concurrent with the execution and delivery of this Agreement, Sage shall have established a fiduciary account and a ledger account on its books in connection with its master account, titled "Sage Corporation/Fiduciary" (the "Agent Account") with the Bank(s) into which funds received from Customer Accounts shall be credited and from which funds may be debited by Sage for settlement in accordance with this Agreement. Within 5 days of the Settlement Date of the respective debit Entries initiated by it hereunder (or such longer period as may be required by Sage as a condition to acceptance of this Agreement, which shall be specified in a written notice to the Company), Sage shall direct the remittance to the Company of the aggregate amount of such debit Entries less (i) all applicable fees and charges payable to Sage under this Agreement or required by Sage to fund or replenish the reserve established hereunder and (ii) the amount of rejected Entries and returns of debit Entries (the "Net Settlement Amount"). Periodic and other single charges payable hereunder shall be deducted from the first transmittal of Entries received during the period in which the fee or charge is payable. From time to time, Sage shall debit the Agent Account, the Authorized Account, or related clearing account for fees and charges earned under this Agreement and for any returns not previously deducted. The Company authorizes Sage and Bank to debit via ACH the Agent Account, the Authorized Account, the Reserve Account, any other account the Company has with Sage, an affiliate or subsidiary of Sage, Bank or at any other financial institution as an offset for any amount the Company owes under this Agreement or under any other contract, note, guaranty, or dealing of any kind now existing or later entered into between the Company and Sage or any subsidiary or affiliate, whether the Company's obligation is direct, indirect, primary, secondary, fixed, contingent, joint or several. In the event such ACH does not fully reimburse Sage and Bank for the amount owed, the Company will immediately pay Sage and Bank such amount. The Company acknowledges that this Agreement is an agreement pursuant to which Sage is extending the Company financial accommodations within the meaning of Section 365(c) of the Bankruptcy Code. In the event Company becomes a debtor in any bankruptcy or similar proceeding, this Agreement cannot be assumed or enforced by any other person

and Sage shall be excused from any further performance hereunder.

17. Term. Except as otherwise provided herein for earlier termination, the initial term of this Agreement shall be three (3) years commencing as of the Effective Date hereof and shall be automatically renewed for additional two (2) year terms, unless either party gives to the other party written notice of its intention not to renew at least ninety (90) days prior to the expiration of the then current term. The effective date ("Effective Date") shall be defined by the date the contract is ratified by Sage. *Upon receipt of any material modification to this Agreement as set forth in Paragraph 15, the Company may terminate this Agreement within seven calendar days after delivery of notice of termination to Sage.* Notwithstanding the foregoing, this Agreement shall not terminate beyond the term of Sage's agreement with the Bank for the origination of ACH entries.

18. Default; Termination. Sage shall have the right to immediate termination of this Agreement if the Company's representations and warranties contained in this Agreement are not true and correct both on the day made and at any time during the term of this Agreement. Sage may also cancel any account for any customer of Company or Company if it participates in any illegal, unethical or other unacceptable behavior that Sage, in its sole discretion, deems to adversely reflect on Sage's reputation, and either party may terminate this Agreement if the other party (i) is in default of any obligation under this Agreement (which shall include nonpayment of fees and charges) and such default has continued for fifteen (15) days following notice and opportunity to cure, (ii) files or suffers the filing of a petition for relief under the bankruptcy laws or (iii) makes an assignment of all or substantially all of its assets for the benefit of creditors. Any termination of this Agreement shall not affect any of the obligations of either party arising prior to such termination. Notice of termination must be given in writing by Company. Upon termination of this Agreement by Company during the Initial Term or any Renewal Term, Company shall pay to Sage a Termination Fee of Twenty-Five (\$25.00) Dollars for every month remaining in any such term ("Termination Fee"), except that a Termination Fee shall not be owed to Sage in the event of a termination for a fee increase as set forth in Paragraph 15. Upon termination as set forth in this Paragraph, the Company shall notify Sage of the effective date of such termination, and any processing fees due to Sage must immediately be paid upon notice of cancellation. Sage shall retain in the Agent Account for a period of no less than one hundred fifty (150) days following termination an amount in reserve sufficient, in its sole discretion, to pay for any items returned subsequent to the effective date of termination to cover return items. Accounts are not closed until the account balance is paid in full. Sage is hereby authorized to draft from Company's bank account the amount of all fees due upon cancellation. During this period, Sage shall forward to the Company return item verifications as they are received. At the expiration of such period, Sage shall return any remaining funds owed the Company or invoice the Company for any return item amount still due it. Any

termination by Company will not affect Sage's rights or obligations arising before the termination.

19. Status of Sage. The parties hereto acknowledge and agree that Sage is acting solely in the capacity of data processing agent for the Company, has no responsibility for providing any funds to the Bank to cover any Entry it transmits on behalf of the Company, and the Company, any accounts established by the Company, hereunder or otherwise, and/or the Guarantor(s) are liable for any and all compensation due Sage for its Services as agent.

20. Security Procedures; Confidentiality. The Company agrees to comply with the procedures established by Sage or the Bank for security as are communicated to it either orally or in writing and will contact Sage immediately if it has reason to believe that confidentiality has been or is likely to be breached.

21. Notices. All notices, requests and other communications under or in connection with this Agreement shall be in writing and shall be given by electronic mail, facsimile transmission, express carrier or United States registered or certified mail, addressed to the applicable party or parties at the address provided to the other or as set forth above, or at such other address as may be designated by notice as provided herein. Any such communication shall be effective upon its receipt.

22. Binding Agreement; Third Party Beneficiary. The terms of this Agreement shall be binding upon and inure to the benefit of each party hereto and its respective successors and permitted assigns. The Company agrees that the Bank shall be a third party beneficiary of this Agreement and, without limitation as to other rights as a third party beneficiary, shall be entitled to rely on the representations, warranties and agreements of the Company as if made in a written agreement directly between the Bank and the Company. Except as expressly contemplated by herein, this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and the Bank.

23. Amendment. From time to time Sage may amend any of the terms and conditions contained in this Agreement, including without limitation, any cut-off time, any business day in order to comply with modifications to applicable laws and regulations and the Rules. Such amendments shall become effective upon receipt of notice by the Company or such later date as may be stated in Sage's notice to the Company.

24. Assignment. The Company may not assign this Agreement or any of the rights or obligations hereunder, without the prior written consent of Sage, which consent shall not be unreasonably withheld.

25. Entire Agreement; Headings. The terms and conditions contained herein together with the Agent Account, application, Authorized Account and any exhibits hereto constitute the entire agreement between the parties hereto relating to the subject matter hereof and supersede any prior agreement or understanding and except as set forth herein, may only be modified in writing executed by all parties. In the

event of any inconsistency between the terms of this Agreement and any Materials/Instructions provided by Sage, the terms of this Agreement shall govern. Headings contained in this Agreement are used for reference purposes only and are not a part and shall not affect the construction or interpretation of this Agreement.

26. Credit and Financial Inquiries. (a) Company authorizes Sage to make, at any time, any credit inquiries which either may consider necessary to accept or review acceptance of this Agreement subsequent to Sage's acceptance of this Agreement. Such inquiries shall include, but are not limited to, a credit check of the business including its proprietor, partners, principal owners or officers. If requested to do so by Sage, Company shall provide the written consent of any person for which an inquiry has been or is to be made if such person has not executed this Agreement and will provide any financial statements income tax and business tax returns and other financial information as Sage may consider necessary to perform initial or periodic reviews of Merchant's financial stability and business practices

27. Severability. In the event performance of the Services required hereunder would result in a violation of any present or future statute, regulation or government policy to which Sage is subject, then any provision of this Agreement the performance of which would constitute such a violation shall be deemed null and void, and this Agreement shall be deemed amended to the extent necessary to comply with such statute, regulation or policy, and Sage shall incur no liability to the Company as a result of its performance in accordance with any such amendment.

28. Survival. All representations, warranties, covenants, and agreements of the Company contained herein shall survive the execution, delivery and termination of this Agreement.

29. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without giving effect to choice of law rules. The Company consents to the jurisdiction and venue of the United States District Court for the Eastern District of Virginia and the courts of general jurisdiction of Fairfax County, Virginia as applicable, to the exclusion of all other forums. **EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHTS IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE ARISING OUT OF, BY VIRTUE OF, OR IN ANY WAY CONNECTED TO THIS AGREEMENT, ANY DOCUMENT EXECUTED IN CONNECTION HERewith, ANY AMENDMENT OR SUPPLEMENT HERETO OR THERETO, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. COMPANY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.**

30. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be

deemed an original, but all of which together shall be deemed to be one and the same instrument. A facsimile signature will be binding and legal in all respects as if it were an original signature to the Agreement.

31. Consent to E-Mail Communications. By entering into this Agreement with Sage the Company is consenting to the receipt of electronic mail ("e-mail") from Sage.

32. Non-Compliance. Non-compliance with the terms of this Agreement could result in immediate implementation of non-compliance fines to Company and/or cessation of the service described hereunder by Sage.

33. Appointment as Agent. The Company desires to effect settlement of credits and debits from the clearing account of Sage by means of ACH as anticipated by Agreement. In accordance with this desire, the Company authorizes Sage to initiate debit and credit entries to the Authorized Account. By signing this authorization, the Company states that it has authority to agree to such transactions and that the Authorized Account indicated is a valid and legitimate account for the handling of these transactions. This authority is to remain in effect until Sage receives written notice from the Company withdrawing it. This authorization is for the payment of fees, returns, credit collections, and disbursements. The Company also certifies that the appropriate authorizations are in place to allow the Company to authorize this method of settlement.

34. Authorization and Notification Requirements. Transactions processed through the Automated Clearing House (ACH) are strictly controlled by Governmental Regulations and monitored by the Federal Reserve. The Company must have appropriate authorization from Receivers for initiation of Entries. The following directive is offered to promote accuracy and standardization for authorization requirements: A statement authorizing the Originator (Company) to initiate credit or debit entries to the consumer's account and authorizing the RDFI to accept and post them to such account including (i) Account and Routing numbers must be accurately stated; (ii) date and signature(s) are required, except that in the case of Internet or other electronically initiated transactions, there must be evidence of similar authentication by the Receiver ; (iii) Originators (Companies) must ensure that the consumer is completely aware of the nature of the product or service that he or she is purchasing; (iv) provisions that permit the consumer to terminate the authorization by written notification to the Originator (Company) in such time and manner to afford the Originator (Company) and the RDFI reasonable opportunity to act on such notification. In an application where the debit amount varies, specific additional requirements apply. If a pre-authorized debit transfer varies from a previous transfer relating to the same authorization or from a fixed pre-authorized amount, the Originator (Company) must mail to the customer or deliver to him written notice of the amount and scheduled date of the transfer at least ten (10) calendar days before the scheduled transfer date. Additionally, if the Originator (Company) informs the consumer of the right to receive notice of

all varying transfers, the consumer may elect to receive notice only when a transfer does not fall within a specified range of amounts; or, alternately, the consumer may elect to receive notice only when a transfer differs from the most recent transfer by more than an agreed upon amount.

35. Attorneys Fees. Company will be liable for and will indemnify and reimburse Sage for all attorneys' fees and other costs and expenses paid or incurred by Sage in the enforcement of this Agreement, or in collecting any amounts due from the Company to Sage or resulting from any breach by Company of this Agreement.

36. Security Interest. TO SECURE ALL OBLIGATIONS OF COMPANY TO SAGE ARISING FROM THIS AGREEMENT, COMPANY HEREBY GRANTS SAGE A LIEN AND SECURITY INTEREST IN ALL TRANSACTIONS AND ITEMS SUBMITTED FOR PROCESSING, ALL RIGHTS RELATED TO THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ALL AMOUNTS DUE COMPANY, ALL DEPOSITS REGARDLESS OF SOURCE, TO ANY OF COMPANY'S ACCOUNTS ESTABLISHED AS SET FORTH IN THIS AGREEMENT OR OF ANY PARTY SIGNING THIS AGREEMENT PERSONAL GUARANTY (THE "SECURED ASSETS"). Said security interest may be set off or otherwise be exercised by Sage without notice or demand of any kind. The exercise of this security interest shall be addition to any other rights of Sage under the Uniform Commercial Code, this Agreement, applicable laws or in equity. The parties specifically acknowledge and affirm that pursuant to the Uniform Commercial Code of Virginia, this Agreement shall constitute a security agreement and that Sage has a general lien upon the accounts described in this Agreement and right of offset against all funds that may be due to Company, which shall stand as one continuing collateral security for the timely performance of Company's obligations to Sage. Sage shall also have the right to require the Company to furnish such other and different security, as Sage shall deem appropriate in its sole discretion in order to secure Company's obligations under this Agreement. Company agrees to execute any documents or take any actions required in order to comply with and perfect any security interest under this Section at Company's cost. To the extent permitted by law, Company authorizes Sage to execute any financing statement or other documents relating to this security interest. Company represents and warrants that no other party has a security interest or lien in the Secured Assets.

37. Force Majeure. Sage shall not have any responsibility and shall incur no liability for any failure to carry out, or any delay in carrying out, any of its obligations under this Agreement resulting from acts, omissions, or inaccuracies of third parties not under its reasonable control, acts of God (including, but not limited to, fire, floods or adverse weather conditions), labor difficulty, legal constraint, war, terrorism, the unavailability or interruption of transmission or communication facilities or utilities, equipment or other technological failure, emergency conditions or any other cause beyond its reasonable control.



1750 Old Meadow Road
Suite 300
McLean, VA 22102
Phone: (800) 261-0240

MERCHANT PROCESSING APPLICATION

Referral:

Lead Source: None

SAGE PAYMENT SOLUTIONS

Sage Payment Solutions is a registered ISO/MSP of BMO Harris Bank N.A. ®

Settlement Bank:	BMO Harris Bank N.A.	Auth Network:	Visanet/TSYS	Settle Network:	Vital
Office:	Invoice Cloud, Inc.	Office Phone:	7818483733233	Application ID:	225946
Application Date:	8/11/2016 11:01:47 AM	Contractor Name:	Carolyn Ambrose	Association:	Invoice Cloud, Inc.

General Information

Type of Ownership:	Government (Fed,St,Local)	Business Open	1/1/1958	Existing MID:	
Legal Business Name:	Las Virgenes Municipal Water District			Business Name:	Las Virgenes Municipal Water District
Mailing/Billing Address:	4232 Las Virgenes Rd			Location Address:	4232 Las Virgenes Rd
City:	Calabasas	State:	CA	Zip	91302
Phone:	(818) 251-2100	Fax:	(818) 251-2109	Phone:	(818) 251-2100 Fax (818) 251-2109
Contact:	David W. Pedersen	Email:	dpedersen@lvmwd.com	Customer Service Number:	(818) 251-2109
D & B:	Web Site: http://www.lvmwd.com/				

Number of Locations:

Tax Information

Name (as it appears on your Federal Tax Return):	Las Virgenes Municipal Water District				
Federal Tax ID:	952212398	State Filed:	CA	Type of Ownership:	Government (Fed,St,Local)

I CERTIFY THAT I AM A FOREIGN ENTITY / NON-RESIDENT ALIEN

I CERTIFY THAT I AM PROVIDING AUTHORIZATION FOR THE ELECTRONIC ISSUANCE OF IRS FORM 1099

Owner/Officer 1	50%	Owner/Officer 2	0%
Name:	David W. Pedersen	Name:	
Title:	General Manager	Title:	
Address:	4232 Las Virgenes Rd	Address:	
City:	Calabasas	State:	CA
Zip:	91302	Phone:	(818) 251-2100
Email:	dpedersen@lvmwd.com	Email:	
SSN:	999-99-9999	DOB:	

Disclosure

Member Bank (Acquirer) Information	
Acquirer Name:	BMO Harris Bank N.A
Acquirer Address:	150 N. Martindale Rd Suite 900
Acquirer City:	Schaumburg
Acquirer State, Zip:	IL, 60173
Acquirer Phone:	(847) 240-6600

Important Member Bank (Acquirer) Responsibilities	
1.	A Discover/Visa/MasterCard/American Express Member is the only entity approved to extend acceptance of Discover/Visa/MasterCard/American Express products directly to a merchant.
2.	A Discover/Visa/MasterCard/American Express Member must be a principal (signer) to your Merchant Agreement.
3.	The Discover/Visa/MasterCard/American Express Member is responsible for educating Merchant on the pertinent Discover/Visa/MasterCard/American Express Operating Regulations with which the Merchant must comply.
4.	The Discover/Visa/MasterCard/American Express Member is responsible for and must provide settlement funds to the merchant.
5.	The Discover/Visa/MasterCard/American Express Member is responsible for all funds held in reserve that are derived from settlement.

Merchant Information	
Merchant Name:	Las Virgenes Municipal Water District
Merchant Address:	4232 Las Virgenes Rd
Merchant City:	Calabasas
Merchant State, Zip:	CA, 91302
Merchant Phone:	(818) 251-2100

Important Merchant Responsibilities	
1.	Ensure compliance with cardholder data security and storage requirements
2.	Maintain fraud and chargeback rates below the thresholds.
3.	Review and Understand the terms of the Merchant Agreement
4.	Comply with Discover/Visa/MasterCard Operating Regulations.

THE RESPONSIBILITIES LISTED ABOVE DO NOT SUPERCEDE TERMS OF THE MERCHANT AGREEMENT AND ARE PROVIDED TO ENSURE THE MERCHANT UNDERSTANDS SOME IMPORTANT OBLIGATIONS OF EACH PARTY AND THAT THE DISCOVER/VISA/MASTERCARD MEMBER (ACQUIRER) IS THE ULTIMATE AUTHORITY SHOULD THE MERCHANT HAVE ANY PROBLEMS.

X David W. Pedersen
MERCHANT SIGNATURE

David W. Pedersen 08/31/16
MERCHANT PRINTED NAME & TITLE General Manager DATED

PLEASE NOTE The complete Merchant Agreement includes this application and the terms and conditions on eight (8) additional pages.



Underwriting Profile

Type Of Business:	MOTO	Seasonal:	False	Seasonal High Months:	
Business Description:	Water & Sanitation				
Return Policy:	Other	Days Until Product Delivery:	0		
Monthly Volume:	\$250,000.00	Method of Sales		% of Products Sold	
Average Ticket:	\$180.00	Card Present Swiped	0%	Consumer Sales	80%
Highest Ticket:	\$125,000.00	Card Present keyed	10%	Business Sales	20%
Discount Paid:	Monthly	Card Not Present	90%	Government Sales	0%

Billing Questionnaire

Please explain your billing / delivery policy:

- Full payment upfront with 0 days until product / service delivery.
- Partial payment required up front with 0.00 % and within 0 days until final product / service delivery.
- Payment received after product / service is provided.

If product / service delivery requires recurring billing, please explain available billing options:

- Monthly
- Quarterly
- Semi-Annually
- Annually

Is any part of your business outsourced to a third-party ?

- YES
 - NO
- If YES, please explain :

Authorization to ACH (Checking accounts only . Must include voided business check for each account)

Bank Name: _____ Phone: _____ City: _____ State: CA Zip: _____
 Depository _____ Fees _____

Interchange

- Cost Plus (CP)
- Interchange at pass-through (IPT)
- FANF CP/CNP (Varies*)

* FANF CP and FANF CNP are based on prior month's Visa CNP volume, number of locations processing Visa and Tax ID. For further information on the FANF and MSP Network Fee, please go to www.merchantnetworkfee.com.

Accept?	Card Type	Rate 1	Discount Per Item	Qualification Exceptions (If Applicable) Rate 1 Plus
<input checked="" type="checkbox"/>	Visa	0.000 %	Bankcard = 0.000 Check Card = 0.000	Interchange at Pass Through
<input checked="" type="checkbox"/>	MasterCard	0.000 %	Bankcard = 0.000 Check Card = 0.000	Interchange at Pass Through
<input checked="" type="checkbox"/>	Discover	0.000 %	Bankcard = 0.000 Check Card = 0.000	Interchange at Pass Through
<input checked="" type="checkbox"/>	AMEX	0.000 %	Bankcard = 0.000 Check Card = 0.000	Interchange at Pass Through

By checking this box merchant opts out of receiving future commercial marketing communications from American Express.

* Note that you may continue to receive marketing communications while American Express updates its records to reflect your choice. Opting out of commercial marketing communications will not preclude you from receiving important transactional or relationship messages from American Express

Authorization Fees (Charged By Processor)

Type	Per Item Fee
Visa/MasterCard	Auth: \$0.50 AVS Fee : \$ 0.000
American Express	Auth: \$0.50
Discover	Auth: \$0.50
JCB	Auth: \$0.00
Carte Blanche	Auth: \$0.00
Pin Debit	Auth: \$0.45
EBT	Auth: \$0.00
ARU	Auth: \$0.00
Voice Auth	Auth: \$0.75

Other Entitlements

Card Type	Status	Account
Carte Blanche	None	
JCB	None	
American Express	New	
Discover	New	

PLEASE NOTE

The complete Merchant Agreement includes this application and the terms and conditions on eight (8) additional pages.



Personal Guaranty

In consideration of Bank and Sage Payment Solutions' acceptance of the Agreement, the undersigned Guarantor (jointly and severally if more than one) unconditionally guarantees the performance of all obligations of Merchant to Bank and Sage Payment Solutions under the Agreement, and payment of all sums due thereunder, and in the event of default, hereby waives notice of default and agrees to indemnify Bank and Sage Payment Solutions for all funds due from Merchant pursuant to the terms of the Agreement. This is a guaranty of payment and performance and not of collection, and in no case will Sage Payment Solutions be required to attempt collection from Company or pursue any other remedy or action before collection from Guarantor. Guarantor waives any and all rights of subrogation, reimbursement or indemnity derived from Merchant and all other rights and defenses available to Guarantor under applicable law, including California Civil Code Sections 2787 to 2856, inclusive (or any similar suretyship laws), and further waives any and all rights, defenses or notices arising by reason of any modification or change in the terms of the Agreement whatsoever, including, without limitation, the renewal, extension, acceleration, or other change in the time any payment or other performance thereunder is due, and / or any change in any interest or discount rate or fee thereunder. Guarantor confirms that Guarantor, collectively or individually, is an officer or shareholder to the Merchant and party to the Agreement, and unconditionally and specifically authorizes Bank, or its authorized agent, to debit any overdue fees, costs, chargebacks, fines, penalties, expenses or obligations under the Agreement and / or any contractual relationship with Bank or Sage Payment Solutions from any personal checking account or other account owned or controlled by Guarantor, and further to report any default hereunder on Guarantor's personal Credit Bureau Report. Guarantor agrees to pay all costs and expenses of whatever nature, including attorneys' fees and other legal expenses, incurred by or on behalf of Bank or Sage Payment Solutions in connection with the enforcement of this Guaranty. Guarantor further acknowledges that, as used in this paragraph, "Bank" means the banking institution indicated by appropriate mark in one of the check boxes located at the top of the first page of this document.

X _____, An Individual Date _____ _____, An Individual Date _____
Signature Signature

Print Name _____
Print Name

**** EARLY TERMINATION:** If Company cancels this Agreement during the term or any agreed upon extension term, applicable early termination fees shall be due Sage. See Article V Section 5.01 of the attached terms and conditions for additional details.

Site Inspection Information (To be completed by Sales Rep)

I HAVE PERSONALLY CONDUCTED A SITE INSPECTION FOR THIS MERCHANT, VISUALLY INSPECTED THE MERCHANT'S INVENTORY (IF APPLICABLE) AND REPRESENT THE INFORMATION IN THIS MERCHANT APPLICATION IS ACCURATE AND COMPLETE

Location Type: Retail Store Office Industrial Residence Trade Other (describe)
Merchant: Owns Lease Business

SALES REPRESENTATIVE - SIGNATURE _____
SALES REPRESENTATIVE PRINTED NAME & TITLE _____
DATED

PLEASE NOTE The complete Merchant Agreement includes this application and the terms and conditions on eight (8) additional pages.



TERMS AND CONDITIONS OF MERCHANT AGREEMENT

These are the Terms and Conditions of Merchant Agreement referred to in the Merchant Processing Application ("Application") by and between Sage Payment Solutions, Inc. ("SPS"), BMO Harris N.A. ("Bank"), and the applicant ("Merchant") who has submitted the executed Application.

ARTICLE I - ADDITIONAL DEFINITIONS

- 1.01 "Account" means a bank account maintained by Merchant as set forth in Section 6.10 for the crediting of collected funds and the debiting of fees and charges pursuant to this Agreement.
- 1.02 "ACH" means the Automated Clearing House paperless entry system operated by the Federal Reserve.
- 1.03 "Agreement" means the Application including the Schedule of Fees, these Terms and Conditions of Merchant Agreement with all exhibits and attachments, and any supplementary documents indicated herein, as amended from time to time, all of which constitute the Agreement.
- 1.04 "American Express" means American Express Travel Related Services Company, Inc.
- 1.05 "American Express Merchant Operating Guide" means the rules and regulations available at www.americanexpress.com/merchantsguide (or any successor or replacement website), as they may be amended from time to time by American Express.
- 1.06 "Authorization" means a computerized function or a direct phone call to a designated number to obtain credit approval for individual Transactions from the Card Issuer.
- 1.07 "Card" means any account or evidence of an account issued to a Cardholder under license from a Payment Brand, any or representative or member of a Payment Brand, that Merchant accepts as payment from Cardholders for goods or services. Cards include, but are not limited to, credit and debit/check cards, stored value cards, loyalty cards, electronic gift cards, authorized account or access numbers, paper certificates, and credit accounts and any other payment instrument with an embedded microcomputer EMV chip.
- 1.08 "Cardholder" (also referred to as "Card Member" in some Payment Brand materials) means the person whose name is embossed upon the face of the Card and who purports to be the person in whose name the Card is issued.
- 1.09 "Card Issuer" means the financial institution or company, which has provided a Card to the Cardholder.
- 1.10 "Chargeback" means the procedure by which, and the value of, a Sales Draft (or disputed portion thereof) returned to Bank by a Card Issuer.
- 1.11 "Credit Voucher" means a document executed by a Merchant evidencing any refund or price adjustment relating to Cards to be credited to a Cardholder account.
- 1.12 "Debit Card" means a plastic card used to initiate a debit Transaction, used primarily to purchase goods or services and obtain cash, for which the Cardholder's bank account is debited by the issuer.
- 1.13 "Discount Fee" means a fee charged on all Transactions that is payable by Merchant to SPS for processing Merchant's Transactions.
- 1.14 "Discover" means DFS Services, LLC.
- 1.15 "EMV" means Europay, MasterCard and Visa.
- 1.16 "Imprint" means: (i) an impression on a Sales Draft manually obtained from a Card through the use of an imprinter, or (ii) the electronic equivalent obtained by swiping a Card through a terminal and electronically printing a Sales Draft.
- 1.17 "MasterCard" means MasterCard International Incorporated.
- 1.18 "Payment Brand" means any payment method accepted by SPS for processing, including, without limitation, Visa, MasterCard, Discover, American Express and other credit and debit card providers, debit network providers, gift card, and other stored value and loyalty program providers.
- 1.19 "PCI DSS" means the Payment Card Industry Data Security Standards available at <http://www.pcisecuritystandards.org>, as amended from time to time.
- 1.20 "Reserve Account" has the meaning set forth in Section 6.06.
- 1.21 "Rules" means the rules, regulations, and other requirements of any Payment Brand or related authority, including, without limitation, those of the PCI Security Standards Council, LLC and the National Automated Clearing House Association, as amended from time to time. "Rules" includes without limitation the Visa USA, Inc. Operating Regulations, Visa International Operating Regulations, MasterCard Rules, Discover Operating Regulations, and the American Express Merchant Operating Guide. Capitalized terms not defined herein shall have the meanings set forth in the Rules.
- 1.22 "Sales Draft" means the paper form approved in advance by SPS, whether such form is electronically or manually imprinted, evidencing a sale Transaction.
- 1.23 "Transaction" means any retail sale of goods or services, or credit for such, from Merchant for which the customer makes payment through the use of any Card and which is presented to Bank for collection.
- 1.24 "Visa" means Visa Inc.
- 1.25 "Voice Authorization" means a direct phone call to a designated number to obtain credit approval on a Transaction.

ARTICLE II - MERCHANT REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS

2.01 Honoring Cards. (a) Merchant will accept, without discrimination, all valid Cards properly presented for payment for bona fide, legitimate business transactions arising out of Merchant's usual trade or business and for Transactions originated by Merchant; (b) U.S. retailers may require a minimum purchase amount on credit card Transactions. The minimum purchase amount must not exceed \$10.00 (ten dollars) and does not apply to transactions made with a Debit Card. Maximum transactions amounts may be established by Federal agencies and institutions of higher learning; (c) Merchant shall not require any Cardholder to pay any part of any fee imposed upon Merchant by this Agreement, whether through any increase in price or otherwise require a customer presenting a Card to pay any charge as a condition of sale that is not also required from a customer paying cash. However, Merchant may offer discounts to customers for cash purchases. Merchant may also charge a service fee on Transactions if Merchant charges a service fee: (i) for all payment methods (check, credit card, etc.) or (ii) for a specific payment mode (telephone) and not for other payment modes (face-to-face); (d) Merchant shall not accept a Card as payment (other than to the extent permitted by this Agreement), if the person seeking to use the Card does not present the Card to permit Merchant to examine it and obtain an Imprint or otherwise use the physical Card to complete the Transaction. Merchant shall not deposit any Transaction for the purpose of obtaining or providing a cash advance either on Merchant's Card or the Card of any other party. Merchant agrees that any such deposit shall be grounds for immediate termination. Merchant shall not obtain under any circumstance Authorization for, nor process a sale on, any Card that Merchant is authorized to use. Processing Merchant's own Card is grounds for immediate termination.

2.02 Card Acceptance. When accepting a Card for a face-to-face Transaction, Merchant will follow the steps provided by Bank and SPS, and will: (a) Examine the Card for the Cardholder's signature and if the Card is not signed, request identification to confirm that the Cardholder is the person he/she purports to be and determine in good faith and to the best of its ability that the Card is valid on its face; (b) Check the effective date (if any) and the expiration date of the Card, examine any card security features (such as a hologram) included on the Card; and (c) Obtain Authorization before completing any Transaction (where Authorization is obtained, Merchant will be deemed to warrant the true identity of the customer as the Cardholder); (d) Unless the Sales Draft is electronically generated or is the result of an Internet, mail, telephone or preauthorized order, obtain an Imprint of the Card; (e) Enter a description of the goods or services sold and the price thereof (including any applicable taxes); (f) As required by the Rules, obtain the Cardholder's signature on the Sales Draft and compare that signature to the signature on the Card; (g) Deliver a true and completed copy of the Sales Draft to the Cardholder at the time of delivery of the goods or performance of the services, or if the Sales Draft is prepared by a point-of-sale terminal, at the time of the sale; (h) Provide the Sales Draft to the Cardholder following the purchase; and (i) Legibly reproduce the Cardholder's name, account number, expiration date, and the Merchant's name and place of business if that information is not legibly imprinted on the Sales Draft. In addition, for MasterCard Transactions, Merchant will legibly reproduce the name of the Card Issuer as it appears on the face of the Card. Each Sales Draft presented to Bank for collection shall be genuine and will not be the result of any fraudulent Transaction or telemarketing sale and shall not be deposited on behalf of any business other than Merchant.

2.03 Authorization. (a) Merchant will obtain a prior Authorization for all Card sales. If Merchant cannot, for any reason, obtain an electronic Authorization, Merchant will request a Voice Authorization from the designated authorization center, and will legibly print the authorization number on the Sales Draft;

(b) Merchant will not obtain or attempt to obtain Authorization unless Merchant intends to submit a Transaction for the authorized amount; (c) Merchant will not divide a single Transaction between two or more Sales Drafts or two or more Cards; (d) Merchant will not attempt to obtain Authorization on an expired Card; (e) Merchant acknowledges that an Authorization provides only that the Cardholder account has sufficient credit available to cover the amount of the current sale, that an Authorization is not a guarantee of payment, and that an Authorization will not waive any provision of this Agreement or otherwise validate a fraudulent Transaction or a Transaction involving the use of an expired Card. Receiving an Authorization shall not relieve the Merchant of liability for Chargeback on any Transaction; (f) Transactions will be deemed invalid on Cards that are expired, whether or not an Authorization has been obtained; (g) If Authorization is granted, Merchant shall print the Authorization number, or ensure that it appears legibly in the appropriate location on the Sales Draft; and (h) If Authorization is denied, Merchant shall not complete the Transaction and shall follow any instructions from the authorization center; (i) Merchant shall not obtain or attempt to obtain Authorization for a Transaction that it knows or should have known to be either fraudulent or not authorized by the Cardholder.

2.04 Retention and Retrieval of Cards. (a) Merchant shall use its best efforts, by reasonable and peaceful means, to retain or recover a Card upon receiving such instructions when making a request for Authorization or if Merchant has reasonable grounds to believe that the Card is counterfeit, fraudulent, or stolen; (b) The obligation of Merchant imposed by this Section to retain or recover a Card does not authorize a breach of the peace or any injury to persons or property and Merchant will hold Bank and SPS harmless from any claim arising from any injury to person or property, or other breach of the peace in connection with the retention or recovery of a Card.

2.05 Compliance with Law: Payment Card Industry Data Security Standards: Non-Disclosure and Storage of Cardholder and Transaction Information Requirements. (a) Merchant confirms that it is, and shall be, in full compliance during the term of this Agreement with all laws, statutes and federal and/or state regulations, as well as the Rules as may be applicable to Merchant, its business and any Transaction (b) Internet Merchants shall, at a minimum, include the following information and processes on their Internet sites, (i) prominent display of Merchant's name as "merchant" and as the name that will appear on the Cardholder statement, (ii) a complete description of goods or services offered; (iii) delivery standards including method and time for delivery; (iv) terms and conditions of purchase, and export or legal descriptions; (v) return/refund policy described in reasonable detail; (vi) opportunity to view and confirm order before order submission; (vii) secure method for payment data transmission; (viii) currency of transaction provided (USD); (ix) disclosure of Merchant's outlets to country of origin; (x) display of card association or payment network logos; (xi) clear disclosure of Merchant's privacy policy; (xii) alternate Merchant contact info options; and (xiii) display of web hosting company contact information; (c) Merchant hereby certifies that it (and any outside agent or contractor that it may utilize to submit Transactions to SPS) complies and will comply with the PCI DSS and Merchant hereby agrees to pay any fines and penalties that may be assessed by a Payment Brand as a result of Merchant's noncompliance with the requirements of PCI DSS, any data breaches, or by its failure to accurately validate its compliance. Merchant will review and monitor the PCI DSS and other related Rules in order to determine the timeframes and mandates for compliance under PCI DSS. The foregoing is an ongoing obligation during the term of this Agreement and as this Agreement may be renewed. Merchant acknowledges and understands that Merchant may be prohibited from participating in Payment Brand programs if it is determined that Merchant is non-compliant. The following lists certain (but not all) of the current PCI DSS requirements, all of which Merchant shall comply with, if applicable: (i) install and maintain a working network firewall to protect data accessible via the Internet; (ii) keep security patches up-to-date; (iii) encrypt stored data; (iv) encrypt data sent across networks; (v) use and regularly update anti-virus software; (vi) restrict access to data to business "need to know;" (vii) assign a unique ID to each person with computer access to data; (viii) do not use vendor supplied defaults for system passwords and other security parameters; (ix) track access data by unique ID; (x) maintain a policy that addresses information security for employees and contractors; and (xi) restrict physical access to Cardholder information. Merchant shall notify SPS if it utilizes any third party that provides payment related services, directly or indirectly and/or stores transmits, or processes Cardholder data and Merchant is responsible ensuring compliance of any such third parties with PCI DSS. (d) To the extent Merchant is required under the Rules, or Merchant otherwise elects, to utilize EMV chip-capable terminals, all EMV chip-capable terminals used by Merchant must appear on the EMV co-approved terminal list maintained by the Payment Brands. (e) In the event of the failure, including bankruptcy, insolvency, or other suspension of Merchant's business operations, Merchant shall not sell, transfer, or disclose any materials that contain Cardholder account numbers, personal information, or other Transaction information to third parties. Merchant and/or its agent shall either return this information to SPS or provide SPS with acceptable proof of destruction of this information. (f) If Merchant is undergoing a forensic investigation regarding PCI DSS compliance at the time Merchant executes this Agreement, then Merchant shall fully cooperate with the investigation until completed. SPS warrants that it complies with the applicable required PCI DSS regulations and that SPS is a PCI DSS Validated Service Provider.

2.06 Returns and Adjustments. (a) Merchant's policy for the exchange or return of goods sold and the adjustment for services rendered shall be established and posted in accordance with the Rules. If applicable, Merchant agrees to disclose to a Cardholder before a Card sale is made, that if merchandise is returned: (i) no refund, or less than a full refund, will be given; (ii) returned merchandise will only be exchanged for similar merchandise and of comparable value; (iii) only a credit toward purchases will be given; or (iv) special conditions or circumstances apply to the sale (e.g., late delivery, charges, or other noncredit terms); (b) Such disclosures must be made on all copies of Sales Drafts in letters approximately ¼ inches high in close proximity to the space provided for the Cardholder's signature on the Sales Draft and issued at the time of sale; (c) If Merchant does not make these disclosures, a full refund in the form of a credit to the Cardholder's Card account must be given. Merchant shall not refund cash to a Cardholder who paid for the item by Card; (d) Credits must be made to the same Card account number on which the original sale Transaction was processed.

2.07 Merchant's Business. (a) Merchant shall provide Bank and SPS with immediate notice of its intent to (i) transfer or sell any substantial part of its total assets, or liquidate; (ii) change the basic nature of its business, including selling any products or services not related to its current business; (iii) change fifty percent (50%) or more of the ownership or transfer control of its business; (iv) enter into any joint venture, partnership or similar business arrangement whereby any person or entity not a party to this Agreement assumes any interest in Merchant's business; or (v) alter in any way Merchant's approved monthly volume and average ticket; (b) Failure to provide notice as required above may be deemed a material breach and shall be sufficient grounds for termination of this Agreement, or, at SPS's option may result in SPS amending the terms of this Agreement, holding funds and/or altering the Merchant funding schedule if SPS and Bank deem it necessary to protect against financial loss. If any of the changes listed above occur, Bank and SPS shall have the option to amend the terms of this Agreement or immediately terminate this Agreement; (c) Merchant will immediately notify SPS, with a copy to Bank, of any bankruptcy, receivership, insolvency or similar action initiated by or against Merchant or any of its principals. Merchant will include Bank and SPS on the list of creditors filed with the Bankruptcy Court, whether or not a claim exists at the time of filing; (d) Merchant must notify SPS, with a copy to Bank, in writing of any changes to the information in the Application, including but not limited to: a change to Merchant's financial condition (within 8 days), any additional location or new business, the identity of principals and/or owners, the form of business organization, type of goods and services provided, and the manner in which sales are completed. Merchant must also notify SPS in writing, with a copy to Bank, if Merchant sells or closes its business. Except for a change to the financial condition, SPS and Bank must receive all such notices 7 days prior to the change and otherwise upon request from SPS. Merchant is liable to SPS and Bank for all losses and expenses incurred by SPS and Bank arising out of Merchant's failure to report changes. SPS and Bank may immediately terminate this Agreement upon a change to the information in the Application, whether SPS and Bank independently discover such change or whether Merchant notifies SPS and Bank of such change.

2.08 Advertising. (a) Merchant will prominently display the promotional materials provided by Bank and SPS in its place(s) of business. Use of promotional materials and use of any trade name, trademark, service mark or logotype ("Marks") associated with Card(s) shall be limited to informing the public that Card(s) will be accepted at Merchant's place(s) of business. Merchant's use of promotional materials and Marks is subject to the direction of Bank and SPS and must be utilized in accordance with the Rules; (b) Merchant may use promotional materials and Marks during the term of this Agreement and shall immediately cease use and return any inventory to Bank or SPS upon any termination thereof; (c) Merchant shall not use any promotional materials or Marks associated with any Payment Brand in any way which implies that the Payment Brand endorses any goods or services other than Card services and Merchant shall not refer to any Payment Brand in stating eligibility for Merchant's products or services. Merchant's rights to use the Marks shall terminate with termination of this Agreement and Merchant will cease all use of the Marks upon notification by the applicable Card

association to discontinue use. Merchant shall be fully liable to Bank and/or SPS for any and all loss, cost and expenses suffered or incurred by Bank and/or SPS, arising out of failure to return or destroy such materials following termination or Merchant's misuse of the Marks. If Merchant is a "Direct Mail Cardholder Solicitation Merchant," then Merchant acknowledges that the trademark 'MasterCard' and the corresponding logotype are the property of MasterCard International Incorporated (herein, "the Corporation"). Merchant shall not infringe upon the mark or logo, nor otherwise use the mark or logo in such a manner as to create the impression that Merchant's products or services are sponsored, produced, affiliated with, offered, or sold by this Corporation. Merchant shall not use the mark or logo on its stationery, letterhead, envelopes, or the like nor in its solicitation; provided, however, that Merchant may use one of the mark or logo in close proximity to the payment or enrollment space in the solicitation in a size not to exceed 1 1/4 inches in horizontal length if a logo is employed, or, if a mark is used, in type not to exceed the size of the type used in the major portion of the text on the same page; provided further that the legend, 'Accepted for Payment' must accompany the mark or logo used and must be the equivalent size of the mark or logo. In no case, however, shall Merchant use any of the logo on the front or first page of its solicitation. One truthful statement that Merchant is directing or limiting its offer to MasterCard cardholders may appear in the body of the solicitation, other than in close proximity to the payment or enrollment space, subject to the limitation that: (i) only the word mark may be used; (ii) the word mark may not (1) exceed in type size the size of any other type on the same page, (2) differ in color from the type used in the text (as differentiated from the titles) on the same page, (3) be as large or as prominent as the name of Merchant, (4) be the first item appearing on any page, nor (5) in any other way be the most prominent element of the page; (iii) Merchant's name and/or logo must appear prominently on the same page as the mark; and (iv) the following disclaimer must appear in close proximity to the mark on the same page and in an equal size and type of print: 'MasterCard International Incorporated is not affiliated in any way with Merchant and has not endorsed or sponsored this offer.' Merchant further agrees to submit its first direct mail solicitation(s), prior to mailing, to the MasterCard Law Department, to be reviewed only for compliance with this Corporation's trademark rules and shall furthermore not distribute in any manner such solicitations until Merchant shall have obtained the Corporation's written approval of the manner in which it uses MasterCard mark and logo on such solicitations. Merchant shall likewise, upon request, submit to the Corporation any amended solicitations prior to mailing.

2.09 Representations and Warranties of Merchant. Merchant represents and warrants to Bank and SPS at the time of execution and during the term of this Agreement that: (a) All information contained in the Application or any other documents delivered to Bank and/or SPS in connection therewith is true and complete and properly reflects Merchant's business, financial condition and principal partners, owners or officers; (b) Merchant has the power to execute, deliver and perform this Agreement, and this Agreement is duly authorized, and does not and will not violate any provisions of federal or state law or regulation, or conflict with any other agreement to which Merchant is subject; (c) Merchant has all licenses, if any, required to conduct its business and is qualified to do business in every jurisdiction where it is required to do so; (d) There is no action, suit or proceeding now pending or to Merchant's knowledge, threatened by or against or affecting Merchant which would substantially impair its right to carry on its business as now conducted or adversely affect its financial condition or operations; (e) Merchant has performed and will perform all of its obligations to the Cardholder in connection with the Transaction evidenced by each Sales Draft; (f) Unless Merchant notifies SPS in writing (either on the Application or otherwise), no other processing relationship exists between Merchant and another bankcard processing institution, for this, or any other business run or owned by Merchant; (g) With respect to all Transactions that Merchant requests SPS and Bank to originate, Merchant continuously represents and warrants to Bank and SPS that: (i) Each Cardholder has authorized the debiting and/or crediting of its account; (ii) Each entry is for an amount the Cardholder has agreed to; and (iii) Each entry is in all other respects properly authorized; and (h) Merchant will not sell, purchase, provide or exchange any Cardholder's account name or number information in any form to any third party except to Bank or to SPS or pursuant to written government request, and then only upon prior notice to SPS given in sufficient time to permit SPS to file a protective motion.

2.10 Merchant Processing. Merchant will tender to SPS for processing all of Merchant's Transactions from all Merchant locations. Merchant will not use the services of any bank, corporation, or person other than SPS for Authorization or processing of Transactions during the term of this Agreement unless Merchant notifies SPS in writing and receives written approval from SPS prior to processing with another institution.

2.11 Additional Requirements for T&E Merchants. If Merchant is a Travel and Entertainment (T&E) merchant providing lodging the terms of this Section shall apply. Merchant must inform Cardholder of the following regarding reservations as applicable: (a) total obligation, (b) reserved rate and the Transaction amount, (c) exact name and location of lodging company, (d) that accommodations will be held for the number of nights paid for, and (e) Merchant's cancellation policy. Merchant must determine the T&E Advance Deposit Transaction amount, not to exceed the cost of the intended length of stay, not to exceed 14 nights lodging. Deposit amounts must be applied to the total obligation. Merchant must provide a confirmation code, an advance deposit amount, cancellation policy and the actual date that cancellation privileges expire. Merchant must advise the Cardholder that it will hold accommodations according to the reservation and provide written confirmation of a Cardholder reservation if requested. Merchant must advise the Cardholder that it will retain the entire T&E Advance Deposit Transaction amount or the amount specified in Merchant's stated policy if the Cardholder does not check in by check-out time the day following the last night of lodging used to determine the deposit or cancel the reservation within the specified time frame. Merchant must complete a Transaction receipt with the following information: (i) advance deposit amount, (ii) the words "Advance Deposit" on the Transaction receipt signature line, (iii) confirmation code, (iv) scheduled check in, and (v) date and time that cancellation privileges (if any) expire without forfeiture. Merchant must mail the Cardholder a Transaction receipt copy within 3 days from the Transaction Date. Merchant shall mail to the Cardholder a Transaction receipt for cancellations within 3 days of the Transaction date. If the reserved accommodations are unavailable, Merchant must, at no charge, provide a complete refund of any deposit, comparable accommodations at an alternative establishment for the number of reserved nights not to exceed 14 or until the reserved accommodation become available, and transportation and two 3-minute telephone calls to the alternative establishment. Any Central Reservation Service must have a written contract with the lodging establishment executed by an officer of the hotel and must accept full responsibility for resolving Cardholder problems related to T&E Advance Deposit Service. The Rules include additional requirement for T&E merchants that provide car rentals or cruises.

ARTICLE III - PRESENTMENT, PAYMENT, CHARGEBACK, RESERVE ACCOUNTS, TYPES OF TRANSACTIONS

3.01 Acceptance. Bank and SPS shall accept from Merchant all valid Sales Drafts deposited by Merchant and shall present the same to the appropriate Card Issuers for collection against Cardholder accounts. All presentment and assignment of Sales Drafts, collection therefore and re-assignment or rejection of such Sales Drafts are subject to the terms of this Agreement and the Rules. Bank shall only provisionally credit the value of collected Sales Drafts to the Account and reserves the right to adjust amounts collected to reflect the value of Chargebacks, fees, penalties, late submission charges and items for which Bank did not receive final payment. Settlement of funds will be in United States Dollars. Bank and SPS may refuse to accept any Sales Draft or revoke its prior acceptance of a Sales Draft in the following circumstances: (a) the Transaction giving rise to the Sales Draft was not made in compliance with all terms and conditions of this Agreement; (b) the Cardholder disputes his liability to Bank for any reason, including but not limited to those Chargeback rights enumerated in the Rules; or (c) the Transaction giving rise to the Sales Draft was not directly between Merchant and the Cardholder. Bank will offset from payments due to Merchant, any amount previously credited to Merchant for a Sales Draft not accepted or later revoked by Bank and SPS. Merchant shall regularly and promptly review all statements of account, banking statements, and other communications sent to Merchant and shall immediately notify SPS if any discrepancy exists between Merchant's records and those provided by SPS, the Merchant's bank, or with respect to any transfer that Merchant believes was not authorized by Merchant or Cardholder. If Merchant fails to notify SPS in writing within fourteen (14) calendar days after the date that SPS mails or otherwise provides a statement of account or other report of activity to Merchant, Merchant will be solely responsible for all losses or other costs associated with any erroneous or unauthorized transfer. The foregoing does not limit in any way Merchant's liability for any breach of this Agreement.

3.02 Endorsement. The presentment of Sales Drafts for collection and payment is Merchant's agreement to sell and assign its right, title and interest in each Sales Draft completed in conformity with Bank's and SPS's acceptance procedures, and shall constitute an endorsement by Merchant to Bank of such Sales Drafts. Merchant hereby authorizes Bank to supply such endorsement on Merchant's behalf. Merchant agrees that this Agreement is a contract of financial accommodation within the meaning of the Bankruptcy Code, 11 U.S.C. Sec. 365, as amended from time to time. Merchant acknowledges that its obligation to Bank and SPS for all amounts owed under this Agreement arise out of the same transaction as Bank's obligation to deposit funds to the Account.

3.03 Transmission Method. If Merchant utilizes electronic authorization and/or data capture services, Merchant will enter the data related to a sales or credit Transaction into a computer terminal or magnetic stripe reading terminal no later than the close of business on the date the Transaction is completed. If Merchant provides its own electronic terminal or similar device, such terminals must meet SPS's and Bank's requirements for processing Transactions. Information regarding a sales or credit Transaction transmitted with a computer or magnetic stripe reading terminal will be transmitted by Merchant to SPS or its agent(s) in the form SPS from time to time specifies, or as required under the Rules. If Bank and SPS request a copy of a Sales Draft, credit voucher or other Transaction evidence, Merchant will provide it within 3 business days following the request. The means of transmission indicated in the Application shall be the exclusive means utilized by Merchant until Merchant has provided SPS with at least 30 days prior written notice, with a copy to Bank, of Merchant's intention to change the means of such delivery or otherwise to alter in any material respect Merchant's medium of transmission of data to SPS.

3.04 Chargebacks. (a) Simultaneously with each Cardholder Transaction, a contingent and unmatured claim for Chargeback accrues against Merchant in favor of SPS and Bank if under the Rules, SPS or Bank is required, or has the right, to pay to any Payment Brand any fees, discounts, customer credits and adjustments, charges, fines, assessments, penalties or other items which may be charged back to Merchant by SPS and Bank. Merchant agrees that it is fully liable to Bank and SPS for all Chargebacks, and that Bank and SPS are authorized to offset from incoming Transactions and to debit via ACH the Account, the Reserve Account, or any other account held at any other financial institution in the amount of any Chargeback. Merchant agrees to accept for Chargeback any sale for which the Cardholder disputes the validity of the sale according to the Rules; or SPS and Bank determine that Merchant has in any way failed to comply with the Rules, this Agreement or SPS's procedures, including but not limited to the following: (i) The Sales Draft is illegible, not signed by the Cardholder or has not been presented to Bank within the required time-frames; (ii) The Sales Draft does not contain the Imprint of a valid, un-expired Card; (iii) A valid Authorization number has not been correctly and legibly recorded on the Sales Draft; (iv) The Sales Draft is a duplicate of a prior Transaction or is the result of two or more Transactions generated on one Card for a single sale; (v) The Cardholder alleges that he or she did not participate in the sale, authorize the use of the Card, receive goods or services purchased, or receive a required credit adjustment, or disputes the quality of the goods or services purchased; (vi) The price of goods or services on the Sales Draft differs from the amount which Merchant presents for payment; (vii) The Transaction results from an Internet, mail, phone or preauthorized order and the Cardholder disputes entering into or authorizing the Transaction or the Transaction has been made on an expired or non-existing account number; (viii) SPS and Bank believe, within their sole discretion, that Merchant has violated any provision of this Agreement; (ix) SPS determines that the Transaction record is fraudulent or that the Transaction is not bona fide or is subject to any claim of illegality, cancellation, rescission, avoidance or offset for any reason whatsoever, including without limitation negligence, fraud or dishonesty on the part of Merchant or Merchant's agents or employees; (x) Merchant fails to provide a Sales Draft or legible copy thereof to Bank and SPS in accordance with this Agreement. (b) Merchant acknowledges that SPS and Bank shall have full recourse to charge back the amount of a Card sale for which the Cardholder disputes that he/she did not authorize the charge if (i) the Imprint of the Card or (ii) the signature of the Cardholder was not obtained by Merchant; and (iii) Merchant shall not initiate a Transaction in an attempt to collect a Chargeback. Merchant shall be liable for all fees arising out of the Chargeback dispute processes under the Rules.

3.05 Processing Limits. Merchant's "Approved Monthly Volume" for sales drafts is that monthly volume set forth in the Application or as otherwise set forth in the Merchant account approval letter from SPS to Merchant or as may be later changed by SPS from time to time upon notice to Merchant. If Merchant exceeds the Approved Monthly Volume, either in the aggregate or with respect to any "method of sale": (i) SPS and Bank may suspend processing, hold the funds over the Approved Monthly Volume, and/or return all Sales Drafts evidencing funds over the Approved Monthly Volume to Merchant; and (ii) Merchant is subject to a 5% fee on all monies processed over the Approved Monthly Volume.

3.06 Additional Requirements for Acceptance of Debit Cards. Merchant may honor at the locations set forth on the Application debit cards ("Debit Card") serviced by the electronic funds transfer networks in connection with the sales ("Debit Card Sale") of merchandise or services to the holders of such Debit Cards ("Debit Cardholders"). Bank and/or SPS agree to accept from Merchant via electronic transmission documents evidencing such Debit Card Sales ("Sales Transmittal") and Adjustment Drafts (as defined below).

(a) **Compliance; Authorization; Other Requirements.** Merchant agrees to comply (and assume all liability for failure to comply) with the Rules of the Debit Card networks ("Networks") as amended from time to time. Any Authorization must be obtained immediately for every Debit Card Sale as directed by Bank and/or SPS ("Authorization"). When Authorization is obtained, Merchant will electronically print the authorization number on the Sales Transmittal. Merchant agrees that: (i) for each Debit Card Sale, the Debit Cardholder must enter his Personal Identification Number ("PIN") through a PIN pad located at the point of sale ("POS"); (ii) each PIN pad will be situated to permit Debit Cardholders to input their PINs without revealing them to other persons, including Merchant's personnel; (iii) Merchant will instruct personnel (a) that they may not ask any Debit Cardholder to disclose the PIN and (b) in the event that any of Merchant's personnel nevertheless becomes aware of any Debit Cardholder's PIN, such personnel will not use such PIN or create or maintain any record of such PIN, and will not disclose such PIN to any other person; (iv) the PIN message must be encrypted from the PIN pad to the POS terminal and from the POS terminal to the Network and back so that the PIN message will not be in the clear at any point in the Transaction; (v) Merchant will comply with any other requirements relating to PIN security as required by Bank or by any Network; (vi) for each Debit Card Sale a Transaction receipt in conformity with Regulation E of the Board of Governors of the Federal Reserve System will be made available to the Debit Cardholder; (vii) Merchant may not collect tax as a separate cash transaction; and (viii) POS terminals, including hardware and software, must be certified for use by Bank and by all of the Networks. POS terminals must include encrypted PIN pads which allow entry of up to sixteen character PINs, printers and a keyboard lock function. Merchants are responsible for compliance with all Rules regarding the use of POS terminals, regardless of whether such POS terminals are obtained through Bank or through SPS. Merchant will promptly initiate a refund to the customer (which may be made in cash, by an Adjustment Draft or with a check or cashier's check, as permitted by the Rules) whenever Merchant determines that a Debit Card Sale should be canceled or reversed. Merchant will cooperate with Bank and SPS, to resolve any alleged errors relating to Debit Card Sales. Merchant will maintain adequate records to assist in error resolution; records will be maintained for two years or the period required by the Rules, whichever is greater. Merchant will permit and will pay all expenses of periodic examination and audit of functions at such frequency, as SPS deems appropriate. Audits will meet SPS's standards, and the results will be made available to SPS. Merchant will not accept cash, checks or other negotiable items from any Debit Cardholder and forward a credit through any network (i.e., as a purported payment or deposit to an account maintained by the Debit Cardholder). Merchant will not forward through any network any Transaction or initiate any reversal of a Transaction that did not originate between Merchant and the Debit Cardholder.

(b) **Prevention of Fraud.** Merchant will fully cooperate with SPS and Bank in the event that Bank or SPS determines that there is a substantial risk of fraud arising from Merchant's access to the network. Merchant will take whatever actions Bank or SPS reasonably deem necessary in order to protect SPS and/or the Bank. Neither SPS, Bank nor any of their respective personnel will have any liability to Merchant for any action taken in good faith.

(c) **Display of Network Trademark(s); Protection of Trade Secrets.** In order to inform Debit Cardholders that Debit Card Sales may be transacted at Merchant's locations, Merchant will prominently display the trademark and/or service mark of each network at each location and will display signage of each network at the entrance, near all POS terminals and on the window of such location. All uses by Merchant of any trademark and/or service mark will comply with the applicable Rules. Merchant acknowledges and agrees that in displaying any such trademark and/or service mark, Merchant will be acting under SPS's and/or Bank's control and subject to approval by the applicable network. Merchant will not be deemed, under any circumstances, a licensee or sub-licensee of any trademark or service mark of any network, nor will Merchant otherwise be deemed to have or to acquire any right, title or interest in trademarks or service marks.

(d) **Returns and Adjustments.** Merchant will attempt to settle in good faith any dispute between it and a Debit Cardholder involving a Debit Card Sale. Merchant will establish a fair, consistent policy for the exchange and return of merchandise and for the adjustment of amounts due on Debit Card Sales. Merchant will not make any cash refunds or payments for returns or adjustments on Debit Card Sales but will instead complete a form provided or approved by Bank ("Adjustment Draft"). The Sales Transmittal for any Debit Card Sale for which no refund or return will be accepted by Merchant must be clearly and conspicuously marked (including on the Debit Cardholder's copy) as "final sale" or "no return" and must comply with the Rules.

(e) **Presentation of Sales Transmittals and Adjustment Drafts.** Merchant will electronically transmit to Bank all Sales Transmittals or Adjustment Drafts in a manner acceptable to Bank. Merchant will make a good faith effort to electronically transmit data within one banking business day after the Transaction date. Merchant will not extend the time of payment for or extend credit for any part of a Debit Card Sale. Merchant represents and warrants that the electronic transmission of each Sales Transmittal and Adjustment Draft will evidence a true record of the Debit Card Sale Transaction reflected on the document. Bank will process Debit Card Sales transmitted by Merchant, and Bank will promptly credit, debit or charge, as applicable, the appropriate amount to the Account. Within a reasonable time after the end of each calendar month, Bank will calculate the applicable amount of fees and other charges owed by Merchant, and Bank will debit the Account in the amount of such fees and other charges. The amount of such fees to be paid by Merchant are set forth on Schedule of Fees in the Application. Such fees may be amended at any time by Bank and/or SPS upon written notice to Merchant. Bank may refuse to accept or may revoke its acceptance of any Sales Transmittal or Adjustment Draft, and Bank may debit, charge or credit the Account in the corresponding amount, if: (i) the Debit Card was completed without prior Authorization; (ii) the Sales Transmittal or Adjustment Draft involved circumstances constituting a breach of any agreement, representation, or warranty by Merchant; (iii) the Debit Card Sale was in violation of applicable law, the Rules or regulations; (iv) the Debit Cardholder is Merchant, any partner of or shareholder in Merchant, or any affiliate, spouse or immediate family member of any of them; (v) the Debit Card Sale was not made in connection with the sale of goods or services by Merchant. Bank may refuse or revoke the acceptance of any Sales Transmittal or Adjustment of Sales Transmittal upon the occurrence of any of the following events, and Bank may charge, debit or credit the Account in the corresponding amount if: (a) Merchant defaults in paying when due any obligation to Bank or SPS; (b) any material adverse change in Merchant's financial condition occurs; (c) any deposit account at Bank or any of Merchant's property in the possession of Bank is garnished or attached; (d) Merchant assigns its assets generally for the benefit of creditors; (e) a proceeding is commenced by or against it under any bankruptcy, insolvency or similar law seeking an order to adjudicate it a bankrupt or insolvent or other relief, or seeking appointment of a receiver or similar official for Merchant or for any substantial part of Merchant's assets. Merchant will notify Bank and/or SPS in writing immediately upon becoming aware that any such event has occurred or is likely to occur. Bank will notify Merchant promptly of all Adjustment Drafts. Additionally, Bank will advise Merchant on each debit, charge and credit processed to the Account. Merchant authorizes Bank to charge debits arising from this Agreement against any credit due Merchant, whether or not such charges create overdrafts or a debit balance in the Account. Merchant agrees to pay Bank or SPS, as applicable, the full amount of any such overdraft or debit balance or to replenish the Account in an amount sufficient to permit the amount of the charge to be made, as applicable, promptly upon request. Merchant further authorizes Bank to suspend in a segregated account amounts which otherwise would be credited to the Account if Bank or SPS reasonably believe that the Sales Transmittals submitted by Merchant are fraudulent. Bank or SPS will notify Merchant of the suspension of such amounts within a reasonable time; provided, however, that such notice will not be required if the appropriate law enforcement agency has been notified of the suspected fraud.

ARTICLE IV – GATEWAY PROGRAMMING

4.01 Applicability to this Agreement. In addition to all the other provisions of this Agreement, the provisions of this Article IV shall apply if Merchant utilizes web services from SPS, including the SPS payments gateway, vault services, any application program interface, code samples, web services, integration specifications, and any offline components (collectively "Web Services").

4.02 Programming of Web Site. While SPS provides specific API's or programming scripts to Merchant or Merchant's Web site programmer(s), Merchant acknowledges that such sample programming scripts are insufficient in and of themselves to allow Merchant's Web site to function with the Web Services. Programming of Merchant's Web site and its functionality are the sole responsibility of Merchant.

4.03 Merchant's Programming Agent. Merchant has the sole responsibility to select and employ any competent programming agent to accomplish the programming required to make Merchant's Web site function correctly with the Web Services.

4.04 Fees Subject to Fluctuation. Fees for the electronic commerce payment system offered by SPS may be based on the number and/or volume of monthly transactions processed by the Merchant. Thus, notwithstanding anything to the contrary herein, the provisions of this Agreement which require notice prior to a change in fees shall not apply to any transactions or services covered by this Article 4.

4.05 Technical Support. Merchant shall be solely responsible for all technical support for Web site-related issues.

4.06 Shut Downs/Updates. SPS reserves the right, from time to time, without prior notice, to shut down and restart the Web Services for maintenance and/or Web Services upgrades or updates from time to time. SPS will use commercially reasonable efforts to keep service shut downs as brief as possible. Merchant must monitor updates and upgrades to the Web Services and update Merchant's Web site and programming accordingly.

4.07 Disclaimer. SPS AND ITS LICENSORS MAKE NO REPRESENTATION, WARRANTY, OR GUARANTY AS TO THE RELIABILITY, TIMELINESS, QUALITY, SUITABILITY, TRUTH, AVAILABILITY, ACCURACY OR COMPLETENESS OF THE WEB SERVICES OR ANY CONTENT STORED THEREIN. SPS AND ITS LICENSORS DO NOT REPRESENT OR WARRANT THAT (A) THE USE OF THE WEB SERVICES WILL BE SECURE, TIMELY, UNINTERRUPTED OR ERROR-FREE OR OPERATE IN COMBINATION WITH ANY OTHER HARDWARE, SOFTWARE, SYSTEM OR DATA, OR (B) THE WEB SERVICES WILL MEET MERCHANT'S REQUIREMENTS OR EXPECTATIONS. THE WEB SERVICES ARE PROVIDED ON AN "AS IS" BASIS. ALL CONDITIONS, REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS, ARE HEREBY DISCLAIMED TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW BY SPS AND ITS LICENSORS.

ARTICLE V - TERMINATION AND EFFECT OF TERMINATION

5.01 Term: Termination. (a) Sage Merchant Processing Account shall have an initial term of three (3) years and Sage Mobile Payments Account shall have an initial term of one (1) month (respectively the "Initial Term") and shall commence on the earlier of (i) SPS's acceptance hereof (evidenced by the execution of the Agreement by SPS); (ii) the date of written notice from SPS that Merchant's application is approved for processing; or (iii) the date on which Merchant's first Transaction is processed, and (iv) shall automatically renew as follows: (1) Sage Merchant Processing Account shall renew for consecutive (2) year terms; and (2) Sage Mobile Payments Account shall renew on a month-to-month basis (respectively the "Renewal Term"), and unless terminated as set forth below; (b) This Agreement may be terminated by any party effective at the end of the Initial or any Renewal Term by providing written notice to the other parties of its intent not to renew no less than thirty (30) days prior to the expiration of the then-current term. Additionally, this Agreement may be terminated: (i) by SPS and Bank at any time with or without cause, and without prior notice, and (ii) by Merchant in the event of a material breach of the terms of this Agreement by SPS and Bank, provided Merchant provides SPS and Bank written notice of the alleged breach and the breach remains uncured for a period of 30 days following receipt of written notice by the breaching party. (c) Upon early termination of this Agreement by Merchant, or by SPS should Merchant breach any of the terms of this Agreement during the Initial Term or any Renewal Term, Merchant shall pay to SPS an early termination fee equal to (i) Sage Merchant Processing Account—twenty-five dollars (\$25.00) for every month remaining in any such Term or Renewal Term for each Merchant location; (ii) Sage Mobile Payments Account - no early termination fee (respectively the "Early Termination Fee"). In addition to the Early Termination Fee, Merchant shall pay any fees, fines, third party costs or penalties which SPS may be assessed due to Merchant's breach of this Agreement and/or early termination. To the extent that applicable state law mandates lesser termination fees, the Early Termination Fee shall be the maximum allowed by applicable law. Merchant will not owe the Early Termination Fee if Merchant elects not to renew the Agreement upon the expiration of the then current term by providing written notice in accordance with this paragraph. All rights and obligations of the parties existing as of the effective time of termination will survive termination; (d) Within SPS's and Bank's sole discretion, if Merchant's or any of its principal(s)' business or personal credit deteriorates, if any significant circumstances exist that would create harm or loss to the goodwill of a card association or payment network system, or if any case or proceeding is commenced by or against Merchant under any federal or state law dealing with insolvency, bankruptcy, receivership or other debt relief, this Agreement shall simultaneously therewith automatically terminate, and any amounts due to Bank and SPS shall accelerate and become immediately due and payable, without the necessity of any notice, declaration or other act whatsoever by Bank and SPS. Merchant agrees to notify SPS and/or Bank immediately of any bankruptcy, receivership, insolvency or similar action initiated by or against Merchant.

5.02 Effect of Termination. (a) In the event of termination for any reason, Merchant expressly authorizes Bank and SPS to withhold and discontinue the disbursement for all Cards and other payment Transactions of Merchant in the process of being collected and deposited; (b) Collected funds will be placed in the Reserve Account (defined below) until Merchant pays any equipment and processing cancellation fees and any outstanding charges, losses or amounts for which Merchant is liable under this Agreement. Further, Bank reserves the right to require Merchant to deposit additional amounts based upon Merchant's processing history and/or anticipated risk of loss to Bank into the Reserve Account. The Reserve Account shall be maintained a minimum of 270 days after the termination date and for any reasonable period thereafter, during which Cardholder disputes may remain valid under the Rules. The provisions of this Agreement relating to the debiting and crediting of the Account shall be applied to the Reserve Account and shall survive termination of this Agreement until Bank terminates the Reserve Account. Any balance remaining after Chargeback rights have expired and all other expenses, losses and damages have been paid will be disbursed to Merchant; (c) Merchant expressly acknowledges that the MATCH system and Early Termination File (collectively, the "MATCH") is maintained by MasterCard and Visa and contains the business name and the names and identification of principals of Merchant which have been terminated for one or more of the reasons specified in the Rules. Such reasons include, but are not limited to: fraud, counterfeit paper, unauthorized Transactions, excessive Chargebacks or highly suspect activity. Merchant acknowledges that SPS and Bank are required to report the business name of the Merchant and the names and identification of its principals to MATCH when Merchant is terminated for such reasons. Merchant consents to such reporting to the card associations and/or payment networks as applicable by Bank and SPS. Further, Merchant waives and will hold harmless Bank and SPS from any claims that Merchant may raise because of such reporting; (d) Upon termination for any reason, Merchant will immediately cease requesting Authorizations and will cease transmitting Sales Drafts to Bank and SPS. In the event Merchant obtains any Authorization after termination, Merchant expressly acknowledges and agrees that the fact that any Authorization was requested or obtained shall not operate to reinstate this Agreement; (e) Following termination, Merchant shall upon request provide Bank and SPS with all original and microfilm copies of Sales Drafts and Credit Vouchers to be retained as of the date of termination.

ARTICLE VI - ACCOUNTS, SECURITY INTERESTS, INDEMNIFICATION

6.01 Accounting Monitoring. (a) Merchant agrees that SPS and Bank may suspend, within their sole discretion, the disbursement of Merchant's funds for any reasonable period of time required to investigate suspicious or unusual deposit activity. SPS and Bank will make good faith efforts to notify Merchant promptly. SPS and Bank shall have no liability for any losses, either direct or indirect, which Merchant may attribute to any suspension of funds disbursement; (b) In the event of unusual Transactions that have been "suspended" and cannot be verified as valid sales or have been verified as Cardholder disputes, Merchant agrees that a security processing fee not to exceed 110% of the unusual Transaction(s) may be assessed; (c) Merchant's presentation to SPS and Bank of Excessive Activity will be a breach of this Agreement and cause for immediate termination of this Agreement. "Excessive Activity" refers to any period of two or more calendar months during which Merchant has a Chargeback ratio that exceeds 1% by number of Transactions or a Chargeback ratio that exceeds 1% by dollar volume. Merchant authorizes, upon the occurrence of Excessive Activity, Bank and SPS to take additional actions as either of them may deem necessary, including, but not limited to, suspension of processing privileges, increase of any fees that may be charged to Merchant and/or creation or maintenance of a Reserve Account in accordance with this Agreement.

6.02 Forms. Merchant shall use only such forms or modes of transmission of Sales Drafts and Credit Vouchers as are provided or approved in advance by SPS and Bank, and Merchant shall not use forms provided by Bank and SPS other than in connection with Transactions without SPS's and Bank's prior written consent.

6.03 Records. In addition to any records routinely furnished to SPS and Bank under this Agreement, Merchant shall preserve a paper or electronic copy of all actual paper Sales Drafts, Credit Vouchers and Debit Card Sales and, if a mail, phone order or preauthorized order is involved, the Cardholder's signed authorization for the Transaction, for at least 3 years after the date Merchant presents the Transaction. If Records and/or data on SPS's system associated with Merchant are subpoenaed by legal process or otherwise, SPS shall produce such records in accordance with the subpoena without notice to Merchant.

6.04 Requests for Copies. Within 3 days of receipt of any written or verbal request by Bank and SPS, Merchant shall provide either the actual paper Sales Draft, Credit Voucher and/or Debit Card Sales or a legible copy thereof (in size comparable to the actual voucher or draft) and any other documentary evidence available to Merchant and reasonably requested by Bank or SPS to meet Bank's obligations under law (including its obligations under the Fair Credit Billing Act) or otherwise to respond to questions concerning Cardholder accounts.

6.05 IRS Withholdings and Reporting. Section 6050W of the Internal Revenue Code ("Code") requires payment providers and third party payment networks, such as SPS, to report payment settlement amounts to the Internal Revenue Service ("IRS") for each Merchant processing through SPS. Merchant shall verify its identity by providing SPS with a Tax Identification Number ("TIN") such as a Social Security Number (SSN) or Employer Identification Number (EIN) for each Merchant Account. In the event Merchant fails to provide its TIN, SPS will place a restriction on Merchant's Account and may restrict the receipt of funds into Merchant's Account, or withhold a percentage of payments deposited into Merchant's Account in order to satisfy the backup withholding requirements of the IRS.

6.06 Security Interests, Reserve Account, Recoupment and Set-Off. (a) This Agreement is a security agreement under the Uniform Commercial Code. Merchant grants to Bank and SPS a security interest in and lien upon: (i) the Account (as set forth in Section 6.10) and all funds at any time in the Account, whatever the source of such funds, (ii) the Reserve Account (as defined below) and all funds at any time in the Reserve Account, whatever the source of such funds, (iii) future Sales Drafts, (iv) all Merchant's rights relating to this Agreement including, without limitation, all rights to receive any payments or credits under this Agreement; and (v) all Merchant deposit accounts now owned or hereafter acquired and the proceeds of all of the foregoing (collectively, the "Secured Assets"). Upon request of Bank and SPS, Merchant will execute one or more financing statements or other documents to evidence this security interest. Merchant irrevocably authorizes bank to execute any financing statements or other documents necessary related to this security interest. Merchant represents and warrants that no other party has a security interest in the Secured Assets. These security interests and liens will secure all of Merchant's obligations under this Agreement and any other agreements between Merchant, SPS and Bank including, but not limited to, Merchant's obligation to pay any amounts due to Bank and SPS. With respect to such security interests and liens, Bank and SPS will have all rights afforded under the Uniform Commercial Code, any other applicable law and in equity. Merchant will obtain from Bank and SPS written consent prior to granting a security interest of any kind in the Secured Assets to a third party; (b) SPS may establish and maintain a non-interest bearing account ("Reserve Account") in the name of Bank at any federally insured financial institution, with sums provided by Merchant that are sufficient to satisfy Merchant's current or future obligations as determined by Bank and SPS; (i) Bank and SPS shall have the right to initiate a debit to the Account or any other account at any institution to establish or maintain funds in the Reserve Account. Bank or SPS may deposit into the Reserve Account funds they would otherwise be obligated to pay Merchant, for the purpose of establishing or maintaining the Reserve Account in accordance with this Section, if they determine such action is reasonably necessary to protect their interests; (ii) Bank, on its own behalf or at SPS's request, may, without notice to Merchant, apply deposits in the Reserve Account against any outstanding amounts Merchant owes under this Agreement or any other agreement between Merchant and Bank or SPS. SPS or Bank may exercise their rights under this Agreement to collect any amounts due to Bank or SPS including, without limitation, rights of set-off and recoupment. Merchant shall have no right to withdraw funds or debit the Reserve Account. In the event of a bankruptcy proceeding, Bank and SPS may exercise their rights under this Agreement to debit the Reserve Account for amounts due Bank and SPS regardless of the pre-petition or post-petition nature of the amount due Bank and/or SPS. In the event of a bankruptcy proceeding, Merchant also agrees that it will not contest any Motion for Relief from the Automatic Stay, which Bank and SPS may file to debit the Reserve Account. As set forth in Section 5.02, funds in the Reserve Account will remain in the Reserve Account for a minimum of 270 days following termination. Bank will have sole control of the Reserve Account. In the event of a bankruptcy proceeding, Bank and SPS do not consent to the assumption of this Agreement. Nevertheless if this Agreement is assumed Merchant agrees that, in order to establish adequate assurance of future performance within the meaning of 11 U.S.C. Sec. 365, as amended from time to time, Merchant must establish or maintain a Reserve Account in an amount satisfactory to Bank and SPS; (c) Bank and SPS have the right of recoupment and set-off. This means that they may offset any outstanding/uncollected amounts owed to them from: (i) any amounts they would otherwise be obligated to deposit into the Account, and (ii) any other amounts SPS and Bank may owe Merchant under this Agreement or any other agreement; (d) The rights conferred upon Bank and SPS in this Section are

qualifications exceptions, and billing. SPS does not refund fees for returns; (b) Merchant will immediately pay SPS and Bank any amount incurred by SPS attributable to this Agreement or any other agreement between Merchant and SPS or any subsidiary or affiliate of SPS, including but not limited to equipment fees, Chargebacks, fines imposed by a third party, non-sufficient fund fees, and ACH debits that overdraw the Account, Reserve Account, or are otherwise dishonored. Merchant authorizes SPS and Bank to debit via ACH the Account, Reserve Account, any other account Merchant has with SPS, an affiliate or subsidiary of SPS, Bank or at any other financial institution for any amount Merchant owes under this Agreement or under any other contract, note, guaranty, or dealing of any kind now existing or later entered into between Merchant and SPS or any subsidiary or affiliate, whether Merchant's obligation is direct, indirect, primary, secondary, fixed, contingent, joint or several. In the event such ACH does not fully reimburse SPS and Bank for the amount owed, Merchant will immediately pay SPS and Bank such amount.

6.12 Costs. Merchant will be liable for and will indemnify and reimburse SPS and Bank for all costs paid or incurred by SPS or Bank in the enforcement of this Agreement, including but not limited to attorneys' and investigators' fees, or in collecting any amounts due from Merchant or resulting from any breach by Merchant of this Agreement.

ARTICLE VII- MISCELLANEOUS

7.01 Waiver. Failure by Bank or SPS to enforce one or more of the provisions of this Agreement shall not constitute a waiver of the right to enforce the same or other provision in the future. The waiving party must sign all waivers.

7.02 Notices. All notices and other communications required or permitted under this Agreement shall be deemed delivered when sent by e-mail or mailed, postage prepaid, addressed as follows:

<p>If to SPS: Sage Payment Solutions 12120 Sunset Hills Rd STE 500 Reston, Virginia 20190 Attn: Chief Financial Officer</p>	<p>If to Bank: BMO Harris N.A. 111 W. Monroe Chicago, IL 60603 Attn: Customer Service</p>
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If to Merchant, at the address provided as the billing address and to the contact listed on the Application or e-mail.

7.03 Choice of Law: Jurisdiction. This Agreement and all matter related thereto shall be construed in accordance with the laws of the Commonwealth of Virginia except those rules relating to conflicts of laws. Any action or proceeding arising out of or related to this Agreement shall be brought only in a court located in located in Fairfax County, Virginia. Each party expressly consents to the jurisdiction of such courts.

7.04 Entire Agreement: Assignability. This Agreement, including the Application, these Terms and Conditions of Merchant Application and any supplementary documents indicated herein, expresses the entire understanding of the parties with respect to its subject matter and except as provided herein, may be modified only in writing executed by all parties. This Agreement may be assigned by SPS and Bank, but may not be assigned by Merchant, directly or by operation of law, without the prior written consent of Bank and SPS. In the event, for whatever reason, Application does not meet standard underwriting criteria, and satisfies only sub-standard underwriting criteria, Merchant acknowledges the completed Application may be forwarded to an alternative Member processor for review and approval. If Merchant nevertheless assigns this Agreement without such consent, the Agreement will be binding on the assignee. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors and permitted assigns. .

7.05 Credit and Financial Inquiries: Inspections. (a) Merchant authorizes Bank and SPS to make, at any time, any credit inquiries which either may consider necessary to accept or review acceptance of this Agreement or investigate Merchant's deposit or Card acceptance subsequent to acceptance of this Agreement. Such inquiries shall include, but are not limited to, a credit check of the business including its proprietor, partners, principal owners or officers. If requested to do so by Bank or SPS, Merchant shall provide the written consent of any person for which an inquiry has been or is to be made if such person has not executed this Agreement and will provide any financial statements, income tax and business tax returns and other financial information as Bank or SPS may consider necessary to perform initial or periodic reviews of Merchant's financial stability and business practices; (b) Merchant may honor Cards only at locations approved by SPS and Bank. Additional locations may be added, subject to SPS and Bank's written approval. All current and future locations are bound by the terms and conditions of this Agreement. Either Merchant or SPS may delete any location by providing notice as provided in this Agreement; (c) Merchant agrees to permit Bank or SPS at any time from time to time, to inspect locations to confirm that Merchant has or is adhering to the terms of this Agreement and is maintaining the proper facilities, equipment, inventory, records and license or permit (where necessary) to conduct its business. However, nothing in this Section shall be deemed to waive Merchant's obligation to comply in all respects with the terms of this Agreement; (d) Representatives of Bank or SPS may, during normal business hours, inspect, audit and make copies of Merchant's books, accounts, records and files pertaining to any Transaction.

7.06 Marketing of Non-Bankcard Services by SPS. From time to time, SPS may offer to Merchant certain additional products and services which may or may not be related to the processing of Transactions. Merchant consents to receipt of promotional materials via email and fax regarding such other products and services.

7.07 Attorneys' Fees. Merchant will be liable for and will indemnify and reimburse bank and/or SPS for all attorneys' fees and other costs and expenses paid or incurred by Bank and/or SPS in the enforcement of this Agreement, or in collecting any amounts due from merchant to Bank and/or SPS or resulting from any breach by Merchant of this Agreement.

7.08 American Express Card Acceptance. In addition to other applicable provisions of this Agreement, the following provisions apply to Merchant's acceptance of American Express Cards: (a) This Agreement governs Merchant's acceptance of American Express Cards under American Express's "OptBlue Program". If and when the Transactions submitted by American Express Cardholders exceed the charge volume eligibility criteria for the OptBlue Program, American Express may require Merchant to convert to a direct Card Acceptance Agreement with American Express. If this occurs, upon such conversion, (i) Merchant will be bound by American Express's then-current Card Acceptance Agreement; and (ii) American Express will determine the pricing and other fees payable by Merchant under the Card Acceptance Agreement; (b) Merchant's participation in the OptBlue Program is subject to the approval of American Express. Merchant authorizes SPS and/or its affiliates to submit Transactions to, and receive settlement on such Transactions from, American Express on behalf of Merchant; (c) Merchant shall not assign to any third party any payments due to it for American Express Card Transactions, and all indebtedness arising from such Transactions will be for bona fide sales of goods and services (or both) at its business locations and free of liens, claims, and encumbrances other than ordinary sales taxes; provided, however, that Merchant may sell and assign future receivables to SPS, its affiliated entities and/or any other cash advance funding source that partners with SPS or its affiliated entities; (d) American Express shall have third-party beneficiary rights, but not obligations, to enforce the terms of this Agreement applicable to American Express Card acceptance against Merchant; (e) Merchant may opt out of accepting American Express Cards under this Agreement by providing 30 days' notice to SPS without directly or indirectly affecting its rights to accept other Payment Brand Cards; (f) Except as provided in Section 7.08(g), SPS may disclose to American Express information regarding Merchant and Merchant's Transactions to American Express, and American Express may use such information to (i) perform its responsibilities in connection with American Express Card acceptance, (ii) promote American Express, (iii) perform analytics and create reports, and (iv) for any other lawful business purposes, including commercial marketing communications purposes within the parameters of American Express Card acceptance, and to provide important transactional or relationship communications from American Express. American Express may also use such information about Merchant obtained in connection with this Agreement at the time of setup to screen and/or monitor Merchant in connection with American Express marketing and administrative purposes; (g) Merchant may opt-out of receiving American Express commercial marketing communications about products and services by selecting the opt-out option on its Application or subsequently by providing written notice to its primary relationship contact at SPS. Merchant may continue to receive such communications from American Express after opting out while American Express

updates its records to reflect Merchant's opt-out choice; and (h) Merchant may not bill or attempt to collect from any Cardholder for any American Express Transaction unless a Chargeback has been exercised, Merchant has fully paid for such Chargeback, and it otherwise has the right to do so.

7.09 Signature. Merchant represents and warrants that the person executing this Agreement is duly authorized to bind Merchant to all provisions of this Agreement, and that such person is authorized to execute any documents and to take any action on behalf of Merchant, which may be required by SPS now or in the future. Merchant will execute a separate Entity Certification, as set out below, if requested to do so by SPS and Bank.

7.10 Force Majeure. The delay or inability of party to perform its obligations hereunder when required (other than Merchant's payment obligations) if caused by events of Force Majeure, as defined herein, shall not constitute a breach or default and shall not subject such party to liability to any other party so long as such Force Majeure event exists. Force Majeure events shall include, without limitation, civil disturbances, epidemics, natural disasters, wars, acts of terrorism, acts of God, economic downturn and all other such events outside the control of the parties that make it impossible for one party to comply with its obligations hereunder.

7.11 General. If any provision of this Agreement is illegal or unenforceable, the invalidity of that provision will not affect any of the remaining provisions and this Agreement will be construed as if the illegal provision is not contained in the Agreement. Merchant is responsible for its employees' actions while in its employ. The parties do not intend to confer any benefits on any person or entity other than Merchant, Bank and SPS. Article I, Sections 3.02, 3.04, Article V, Article VI, Article VII and any other provision that by their nature should survive termination will survive expiration or termination of this Agreement.



Payment Card Industry (PCI) Data Security Standard

Attestation of Compliance for Onsite Assessments – Service Providers

Version 3.2.1

June 2018

Section 1: Assessment Information

Instructions for Submission

This Attestation of Compliance must be completed as a declaration of the results of the service provider's assessment with the *Payment Card Industry Data Security Standard Requirements and Security Assessment Procedures (PCI DSS)*. Complete all sections: The service provider is responsible for ensuring that each section is completed by the relevant parties, as applicable. Contact the requesting payment brand for reporting and submission procedures.

Part 1. Service Provider and Qualified Security Assessor Information

Part 1a. Service Provider Organization Information

Company Name:	Invoice Cloud	DBA (doing business as):	N/A		
Contact Name:	Rob Chenault	Title:	VP, Systems and Security		
Telephone:	+1 (781) 353-6944	E-mail:	rchenault@invoicecloud.com		
Business Address:	30 Braintree Hill Office Park, Suite 303	City:	Braintree		
State/Province:	MA	Country:	USA	Zip:	02184
URL:	https://www.invoicecloud.com				

Part 1b. Qualified Security Assessor Company Information (if applicable)

Company Name:	Trustwave				
Lead QSA Contact Name:	Angel Gonzalez	Title:	QSA		
Telephone:	+1 (312) 873-7500	E-mail:	agonzalez@securetrust.com		
Business Address:	70 W. Madison Ave, Suite 600	City:	Chicago		
State/Province:	IL	Country:	USA	Zip:	60602
URL:	https://www.trustwave.com				

Part 2: Executive Summary

Part 2a. Scope Verification

Services that were INCLUDED in the scope of the PCI DSS Assessment (check all that apply):

Name of service(s) assessed: Invoice Cloud Payment Portal Website

Type of service(s) assessed:

Hosting Provider: <input type="checkbox"/> Applications / software <input type="checkbox"/> Hardware <input type="checkbox"/> Infrastructure / Network <input type="checkbox"/> Physical space (co-location) <input type="checkbox"/> Storage <input type="checkbox"/> Web <input type="checkbox"/> Security services <input type="checkbox"/> 3-D Secure Hosting Provider <input type="checkbox"/> Shared Hosting Provider <input type="checkbox"/> Other Hosting (specify):	Managed Services (specify): <input type="checkbox"/> Systems security services <input type="checkbox"/> IT support <input type="checkbox"/> Physical security <input type="checkbox"/> Terminal Management System <input type="checkbox"/> Other services (specify):	Payment Processing: <input checked="" type="checkbox"/> POS / card present <input checked="" type="checkbox"/> Internet / e-commerce <input checked="" type="checkbox"/> MOTO / Call Center <input type="checkbox"/> ATM <input type="checkbox"/> Other processing (specify):
<input type="checkbox"/> Account Management	<input type="checkbox"/> Fraud and Chargeback	<input type="checkbox"/> Payment Gateway/Switch
<input type="checkbox"/> Back-Office Services	<input type="checkbox"/> Issuer Processing	<input type="checkbox"/> Prepaid Services
<input checked="" type="checkbox"/> Billing Management	<input type="checkbox"/> Loyalty Programs	<input type="checkbox"/> Records Management
<input type="checkbox"/> Clearing and Settlement	<input type="checkbox"/> Merchant Services	<input type="checkbox"/> Tax/Government Payments
<input type="checkbox"/> Network Provider		
<input type="checkbox"/> Others (specify):		

Note: These categories are provided for assistance only, and are not intended to limit or predetermine an entity's service description. If you feel these categories don't apply to your service, complete "Others." If you're unsure whether a category could apply to your service, consult with the applicable payment brand.

Part 2a. Scope Verification (continued)

Services that are provided by the service provider but were NOT INCLUDED in the scope of the PCI DSS Assessment (check all that apply):

Name of service(s) not assessed: Not Applicable.

Type of service(s) not assessed:

Hosting Provider: <input type="checkbox"/> Applications / software <input type="checkbox"/> Hardware <input type="checkbox"/> Infrastructure / Network <input type="checkbox"/> Physical space (co-location) <input type="checkbox"/> Storage <input type="checkbox"/> Web <input type="checkbox"/> Security services <input type="checkbox"/> 3-D Secure Hosting Provider <input type="checkbox"/> Shared Hosting Provider <input type="checkbox"/> Other Hosting (specify):	Managed Services (specify): <input type="checkbox"/> Systems security services <input type="checkbox"/> IT support <input type="checkbox"/> Physical security <input type="checkbox"/> Terminal Management System <input type="checkbox"/> Other services (specify):	Payment Processing: <input type="checkbox"/> POS / card present <input type="checkbox"/> Internet / e-commerce <input type="checkbox"/> MOTO / Call Center <input type="checkbox"/> ATM <input type="checkbox"/> Other processing (specify):
<input type="checkbox"/> Account Management	<input type="checkbox"/> Fraud and Chargeback	<input type="checkbox"/> Payment Gateway/Switch
<input type="checkbox"/> Back-Office Services	<input type="checkbox"/> Issuer Processing	<input type="checkbox"/> Prepaid Services
<input type="checkbox"/> Billing Management	<input type="checkbox"/> Loyalty Programs	<input type="checkbox"/> Records Management
<input type="checkbox"/> Clearing and Settlement	<input type="checkbox"/> Merchant Services	<input type="checkbox"/> Tax/Government Payments
<input type="checkbox"/> Network Provider		
<input type="checkbox"/> Others (specify):		
Provide a brief explanation why any checked services were not included in the assessment:		

Part 2b. Description of Payment Card Business

<p>Describe how and in what capacity your business stores, processes, and/or transmits cardholder data.</p>	<p>Invoice Cloud is a Service Provider that provides a payment service that enables bills to be created, delivered and paid over the internet. This is referred to as Electronic Bill Presentment and the service accepts card-present and card-not-present transactions from Visa, Master Card, American Express and Discover cards.</p> <p><u>Card-Present (from business clients that perform on-site card swipe)</u></p> <p>Cardholder data is collected (Full Track), at Point of Interaction, from clients that perform card swipe (AES128) and transmitted over the Internet, utilizing TLS 1.1 or 1.2, (AES128) to a third-party provider (Magensa, LLC) for decryption and downstream transmission to Invoice Cloud Web Portal utilizing TLS 1.2 (AES 128). The collected PAN, Expiry, Name is sent upstream, by Invoice Cloud, to Chase Paymentech, Sage Payment Solutions or BridgePay via TLS 1.1, 1.2 (AES128). After authorization, Invoice Cloud encrypts PAN and Expiration Date with AES 256-bit encryption and PAN, Name, Expiry in a Microsoft SQL Server 2014 database for refunds or recurring payments.</p> <p><u>Card-not-Present</u></p> <p>Interactive Voice Response (IVR), Telephone payments (MOTO) captures PAN, Expiry by a third-party provider (IVR Technology Group and Vocantas, Inc), calls are not recorded. The Third Party transmits the CHD to Invoice Cloud Web Portal via TLS 1.1 or 1.2 (AES128). Invoice Cloud encrypts PAN and Expiration Date with AES 256-bit encryption and stores the data in a Microsoft SQL Server 2014 database for refunds and recurring payments.</p> <p>E-Commerce card-not-present transactions, PAN, Expiry and Name are received via the online portal web application and transmitted upstream, by Invoice Cloud, to Chase Paymentech, Sage Payment Solutions or BridgePay utilizing TSL 1.1, 1.2 (AES128). After authorization, Invoice Cloud encrypts PAN and Expiration Date with AES 256-bit encryption and stores the data in a Microsoft SQL Server 2014 database for refunds or recurring payments.</p>
<p>Describe how and in what capacity your business is otherwise involved in or has the ability to impact the security of cardholder data.</p>	<p>Not Applicable</p>

Part 2c. Locations

List types of facilities (for example, retail outlets, corporate offices, data centers, call centers, etc.) and a summary of locations included in the PCI DSS review.

Type of facility:	Number of facilities of this type	Location(s) of facility (city, country):
Operations Center	1	Brownsville, TX USA
Microsoft Azure Data Center	1	Ashburn, VA USA

Part 2d. Payment Applications

Does the organization use one or more Payment Applications? Yes No

Provide the following information regarding the Payment Applications your organization uses:

Payment Application Name	Version Number	Application Vendor	Is application PA-DSS Listed?	PA-DSS Listing Expiry date (if applicable)
Not Applicable	Not Applicable	Not Applicable	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not Applicable.

Part 2e. Description of Environment

Provide a **high-level** description of the environment covered by this assessment.

For example:

- Connections into and out of the cardholder data environment (CDE).
- Critical system components within the CDE, such as POS devices, databases, web servers, etc., and any other necessary payment components, as applicable.

The Invoice Cloud payment portal is hosted in Microsoft Azure.

The in-scope environment included in the assessment consists of firewalls, processor connections TLS 1.1, 1.2 AES128 (Chase Paymentech, Sage Payment Solutions and BridgePay), IVR (IVR Technology Group and Vocantas, Inc), servers, virtualization, encryption, load balancers, WAF, DMZ Zone and the Internal Zone. The DMZ Zone contains the publicly accessible web server cluster that hosts the online portal. The Internal Zone consists of the Microsoft SQL 2014 Server Cluster and is hosted in Microsoft Azure.

Does your business use network segmentation to affect the scope of your PCI DSS environment?

(Refer to "Network Segmentation" section of PCI DSS for guidance on network segmentation)

Yes No

Part 2f. Third-Party Service Providers

Does your company have a relationship with a Qualified Integrator & Reseller (QIR) for the purpose of the services being validated?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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If Yes:

Name of QIR Company:	Not Applicable
QIR Individual Name:	Not Applicable
Description of services provided by QIR:	Not Applicable

Does your company have a relationship with one or more third-party service providers (for example, Qualified Integrator Resellers (QIR), gateways, payment processors, payment service providers (PSP), web-hosting companies, airline booking agents, loyalty program agents, etc.) for the purpose of the services being validated?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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If Yes:

Name of service provider:	Description of services provided:
Microsoft Azure	Cloud Services
Magensa, LLC	CHD Encryption/Decryption Services
IVR Technology Group	Interactive Voice Response System
Vocantas, Inc.	Interactive Voice Response System

Note: Requirement 12.8 applies to all entities in this list.

Part 2g. Summary of Requirements Tested

For each PCI DSS Requirement, select one of the following:

- **Full** – The requirement and all sub-requirements of that requirement were assessed, and no sub-requirements were marked as "Not Tested" or "Not Applicable" in the ROC.
- **Partial** – One or more sub-requirements of that requirement were marked as "Not Tested" or "Not Applicable" in the ROC.
- **None** – All sub-requirements of that requirement were marked as "Not Tested" and/or "Not Applicable" in the ROC.

For all requirements identified as either "Partial" or "None," provide details in the "Justification for Approach" column, including:

- Details of specific sub-requirements that were marked as either "Not Tested" and/or "Not Applicable" in the ROC
- Reason why sub-requirement(s) were not tested or not applicable

Note: One table to be completed for each service covered by this AOC. Additional copies of this section are available on the PCI SSC website.

Name of Service Assessed:		Invoice Cloud Payment Portal Website		
PCI DSS Requirement	Details of Requirements Assessed			Justification for Approach (Required for all "Partial" and "None" responses. Identify which sub-requirements were not tested and the reason.)
	Full	Partial	None	
Requirement 1:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1.2.2 – Routers not in use, 1.2.3.a-b – Wireless not in use.
Requirement 2:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2.1.1. – Wireless not in use. 2.6 – Not a shared hosting provider.
Requirement 3:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3.2 – No SAD received. 3.4.1 – disk encryption not in use. 3.6. – does not share encryption keys with customers. 3.6.6. – Manual clear-text key management operations are not performed.
Requirement 4:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	4.1.1 – Wireless is not in use.
Requirement 5:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5.1.2 – systems not commonly affected by malicious software not in use.
Requirement 6:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 7:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 8:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	8.5.1 – No remote access to customer premises.
Requirement 9:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	9.5 – No removable media in use. 9.5.1 – No backup media in use. 9.6.1 – No media to be classified.

				<p>9.6.2.– No media sent by courier needed.</p> <p>9.6.3 – No media requires movement.</p> <p>9.7 – No media to store.</p> <p>9.7.1 – No media to store/no inventory to conduct.</p> <p>9.9, 9.9.1., 9.9.2.a-b, 9.9.3 – No POI devices present.</p>
Requirement 10:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Requirement 11:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	11.2.3 no significant changes.
Requirement 12:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Appendix A1:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Not a shared hosting provider.
Appendix A2:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No use of early version of SSL/TLS.

Section 2: Report on Compliance

This Attestation of Compliance reflects the results of an onsite assessment, which is documented in an accompanying Report on Compliance (ROC).

The assessment documented in this attestation and in the ROC was completed on:	October 4, 2019	
Have compensating controls been used to meet any requirement in the ROC?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Were any requirements in the ROC identified as being not applicable (N/A)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Were any requirements not tested?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Were any requirements in the ROC unable to be met due to a legal constraint?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Section 3: Validation and Attestation Details

Part 3. PCI DSS Validation

This AOC is based on results noted in the ROC dated October 4, 2019.

Based on the results documented in the ROC noted above, the signatories identified in Parts 3b-3d, as applicable, assert(s) the following compliance status for the entity identified in Part 2 of this document (**check one**):

<input checked="" type="checkbox"/>	<p>Compliant: All sections of the PCI DSS ROC are complete, all questions answered affirmatively, resulting in an overall COMPLIANT rating; thereby <i>Invoice Cloud</i> has demonstrated full compliance with the PCI DSS.</p>						
<input type="checkbox"/>	<p>Non-Compliant: Not all sections of the PCI DSS ROC are complete, or not all questions are answered affirmatively, resulting in an overall NON-COMPLIANT rating, thereby (<i>Service Provider Company Name</i>) has not demonstrated full compliance with the PCI DSS.</p> <p>Target Date for Compliance:</p> <p>An entity submitting this form with a status of Non-Compliant may be required to complete the Action Plan in Part 4 of this document. <i>Check with the payment brand(s) before completing Part 4.</i></p>						
<input type="checkbox"/>	<p>Compliant but with Legal exception: One or more requirements are marked "Not in Place" due to a legal restriction that prevents the requirement from being met. This option requires additional review from acquirer or payment brand.</p> <p><i>If checked, complete the following:</i></p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 40%;">Affected Requirement</th> <th>Details of how legal constraint prevents requirement being met</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Affected Requirement	Details of how legal constraint prevents requirement being met				
Affected Requirement	Details of how legal constraint prevents requirement being met						

Part 3a. Acknowledgement of Status

Signatory(s) confirms:

(Check all that apply)

<input checked="" type="checkbox"/>	The ROC was completed according to the <i>PCI DSS Requirements and Security Assessment Procedures, Version 3.2.1</i> , and was completed according to the instructions therein.
<input checked="" type="checkbox"/>	All information within the above-referenced ROC and in this attestation fairly represents the results of my assessment in all material respects.
<input type="checkbox"/>	I have confirmed with my payment application vendor that my payment system does not store sensitive authentication data after authorization.
<input checked="" type="checkbox"/>	I have read the PCI DSS and I recognize that I must maintain PCI DSS compliance, as applicable to my environment, at all times.
<input checked="" type="checkbox"/>	If my environment changes, I recognize I must reassess my environment and implement any additional PCI DSS requirements that apply.

Part 3a. Acknowledgement of Status (continued)

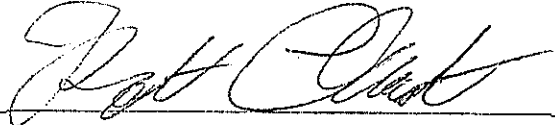
<input checked="" type="checkbox"/>	No evidence of full track data ¹ , CAV2, CVC2, CID, or CVV2 data ² , or PIN data ³ storage after transaction authorization was found on ANY system reviewed during this assessment.
<input checked="" type="checkbox"/>	ASV scans are being completed by the PCI SSC Approved Scanning Vendor <i>Trustwave</i>

¹ Data encoded in the magnetic stripe or equivalent data on a chip used for authorization during a card-present transaction. Entities may not retain full track data after transaction authorization. The only elements of track data that may be retained are primary account number (PAN), expiration date, and cardholder name.

² The three- or four-digit value printed by the signature panel or on the face of a payment card used to verify card-not-present transactions.

³ Personal identification number entered by cardholder during a card-present transaction, and/or encrypted PIN block present within the transaction message.

Part 3b. Service Provider Attestation



Signature of Service Provider Executive Officer ↑

Date: October 4, 2019

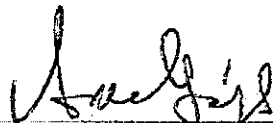
Service Provider Executive Officer Name: Rob Chenault

Title: VP, Systems and Security

Part 3c. Qualified Security Assessor (QSA) Acknowledgement (if applicable)

If a QSA was involved or assisted with this assessment, describe the role performed:

Angel Gonzalez, QSA, performed PCI-DSS v3.2.1 Assessment, reviewed evidence, performed remote interviews and evidence reviews and wrote the Report on Compliance.



Signature of Duly Authorized Officer of QSA Company ↑

Date: October 4, 2019

Duly Authorized Officer Name: Angel Gonzalez

QSA Company: Trustwave

Part 3d. Internal Security Assessor (ISA) Involvement (if applicable)

If an ISA(s) was involved or assisted with this assessment, identify the ISA personnel and describe the role performed:

Not Applicable.-

Part 4. Action Plan for Non-Compliant Requirements

Select the appropriate response for "Compliant to PCI DSS Requirements" for each requirement. If you answer "No" to any of the requirements, you may be required to provide the date your Company expects to be compliant with the requirement and a brief description of the actions being taken to meet the requirement.

Check with the applicable payment brand(s) before completing Part 4.

PCI DSS Requirement	Description of Requirement	Compliant to PCI DSS Requirements (Select One)		Remediation Date and Actions (If "NO" selected for any Requirement)
		YES	NO	
1	Install and maintain a firewall configuration to protect cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
2	Do not use vendor-supplied defaults for system passwords and other security parameters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
3	Protect stored cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
4	Encrypt transmission of cardholder data across open, public networks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
5	Protect all systems against malware and regularly update anti-virus software or programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
6	Develop and maintain secure systems and applications	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
7	Restrict access to cardholder data by business need to know	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
8	Identify and authenticate access to system components	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
9	Restrict physical access to cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
10	Track and monitor all access to network resources and cardholder data	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
11	Regularly test security systems and processes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
12	Maintain a policy that addresses information security for all personnel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Appendix A1	Additional PCI DSS Requirements for Shared Hosting Providers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Appendix A2	Additional PCI DSS Requirements for Entities using SSL/early TLS for Card-Present POS POI Terminal Connections	<input checked="" type="checkbox"/>	<input type="checkbox"/>	



CERTIFICATE OF COMPLETION

SOC 1 TYPE II

This is to certify that **Invoice Cloud, Inc.** has been assessed by Skoda Minotti and received an unqualified opinion of its Electronic Bill Presentment with Payment System and on the suitability of the design and operating effectiveness of its controls.

Invoice Cloud, Inc.

www.invoicecloud.net

Engagement Type: **SOC 1 Type II**

Examination Period: **October 1, 2018 to September 30, 2019**



CONDITIONS:

1. Skoda Minotti has issued this certificate to indicate that the aforementioned company has completed an examination of its Electronic Bill Presentment with Payment System under the Statement on Standards for Attestation Engagements No. 18.
2. This certificate offers no guarantee or warranty to any third party for ongoing compliance.
3. Please contact Skoda Minotti & Co. at 866.669.6561 for additional information. This certificate is valid for one year from December 19, 2019.

Skoda Minotti

Signature

December 19, 2019

Date



SKODA MINOTTI
RISK ADVISORY SERVICES

CERTIFICATE OF COMPLETION

SOC 2 TYPE II

This is to certify that **Invoice Cloud, Inc.** has been assessed by Skoda Minotti and received an unqualified opinion of its Electronic Bill Presentment with Payment System and on the suitability of the implementation and operating effectiveness of its controls relevant to security, availability, processing integrity and confidentiality.

Invoice Cloud, Inc.

www.invoicecloud.net

Engagement Type: **SOC 2 Type II**

Examination Period: **October 1, 2018 to September 30, 2019**



CONDITIONS:

1. Skoda Minotti has issued this certificate to indicate that the aforementioned company has completed an examination of its Electronic Bill Presentment with Payment System and on the suitability of the implementation and operating effectiveness of its controls relevant to security, availability, processing integrity and confidentiality.
2. This certificate offers no guarantee or warranty to any third party for ongoing compliance.
3. Please contact Skoda Minotti & Co. at 866.669.6561 for additional information. This certificate is valid for one year from December 19, 2019.

Skoda Minotti

Signature

December 19, 2019

Date



SKODA MINOTTI
RISK ADVISORY SERVICES



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

MWD MEETING AGENDA

REVISION NO. 1

Regular Board Meeting

October 13, 2020

12:00 p.m.

Tuesday, October 13, 2020

Meeting Schedule

9:30 AM	L&C
10:30 AM	OP&T
12:00 PM	Board

Live streaming is available for all board and committee meetings on our mwdh2o.com website
([Click to Access Board Meetings Page](#))

Public Comment Via Teleconference Only: Members of the public may present their comments to the Board on matters within their jurisdiction as listed on the agenda via teleconference only. To participate call (404) 400-0335 and use Code: 9601962.

MWD Headquarters Building • 700 N. Alameda Street • Los Angeles, CA 90012

1. Call to Order

- Added**
- (a) Invocation: Matthew Wise, System Operator, Water System Operations Group
 - (b) Pledge of Allegiance: Director Gloria Cordero,
City of Long Beach

2. Roll Call

3. Determination of a Quorum

- 4. Opportunity for members of the public to address the Board on matters within the Board's jurisdiction. (As required by Government Code Section 54954.3(a))

5. OTHER MATTERS AND REPORTS

- A. Report on Directors' events attended at Metropolitan expense for month of September 2020
- B. Chairwoman's Monthly Activity Report
- C. Report from Executive Committee on nominations for Board Chair
- D. Nomination and Election for Board Chair for two-year term effective January 1, 2021

- E. General Manager's summary of activities for the month of September 2020
- F. General Counsel's summary of activities for the month of September 2020
- G. General Auditor's summary of activities for the month of September 2020
- H. Ethics Officer's summary of activities for the month of September 2020

Added

- I. Induction of new Director Matt Petersen from the City of Los Angeles
 - (a) Receive credentials
 - (b) Report on credentials by General Counsel
 - (c) File credentials
 - (d) Administer Oath of Office
 - (e) File Oath

CONSENT CALENDAR ITEMS — ACTION
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6. CONSENT CALENDAR OTHER ITEMS — ACTION

Updated

- A. Approval of the Minutes of the Adjourned Meeting for September 15, 2020; and Approval of the Revised Minutes of the Regular Board Meeting for April 14, 2020; Regular Board Meeting for May 12, 2020; Regular Board Meeting for June 9, 2020; and Regular Board Meeting for July 14, 2020
(Copies have been submitted to each Director)
Any additions, corrections, or omissions
- B. Approve committee assignments

7. CONSENT CALENDAR ITEMS — ACTION

- 7-1 Certify the Final Program Environmental Impact Report for the Right-of-Way and Infrastructure Protection Program for the Western San Bernardino County region and take related CEQA actions; and approve the program for the purposes of CEQA.
(E&O)

- 7-2** Award \$276,373 contract to Minako American Corp. for rehabilitation of the wave attenuator at Diamond Valley Lake; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)
- 7-3** Award \$1,294,800 contract to Kaveh Engineering & Construction, Inc. for erosion control improvements at Garvey Reservoir; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)
- 7-4** Amend the Capital Investment Plan for fiscal years 2020/21 and 2021/22 to include battery energy storage systems at Joseph Jensen Water Treatment Plant, Robert A. Skinner Water Treatment Plant, F. E. Weymouth Water Treatment Plant, and OC-88 Pumping Plant; and authorize an agreement with Stantec Inc. in an amount not-to-exceed \$900,000 for design of these facilities; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (E&O)
- 7-5** Authorize the General Manager to enter into a Contributed Funds Agreement with the U.S. Department of the Interior, Bureau of Land Management, funded in an amount not to exceed \$400,000, in support of Metropolitan's Colorado River Aqueduct Federal Reversionary Interest Release Program; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (RP&AM)
- 7-6** Appropriate \$5 million, and authorize an amendment to the 2019 Reservoir Project Agreement with the Sites Project Authority to allow for participation in the Sites Reservoir Project Phase 2 Workplan; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA. (WP&S)
- 7-7** Approve the Multi-Family Property Toilet Replacement Program; the General Manager has determined that this action is exempt or otherwise not subject to CEQA. (WP&S)

7-8 Approve implementation of the Flow Monitoring Device Pilot Program; adopt resolution to support Metropolitan’s application for United States Bureau of Reclamation grant funding of \$996,300 for a Flow Monitoring Device Pilot Program; authorize the General Manager to accept grant funds, if awarded; and authorize General Manager to enter into contract with United States Bureau of Reclamation for grant funds, if awarded; the General Manager has determined that this proposed action is exempt or otherwise not subject to CEQA. (WP&S)

7-9 Update on *Metropolitan Water District of Southern California, Mojave Water Agency, Coachella Valley Water District, San Geronio Pass Water Agency and Municipal Water District of Orange County v. California Department of Fish and Wildlife, California Department of Water Resources and California Natural Resources Agency*, Superior Court of the County of Fresno Case No. 20CECG01347 and request for authorization to increase maximum amount payable in contract with the Thomas Law Group by \$150,000 to an amount not-to-exceed \$250,000. The General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. (L&C)

[Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

7-10 Report on *Imperial Irrigation District v. Metropolitan Water District of Southern California, et al.*, Los Angeles Superior Court Case No. 19STCP01376; and request to authorize an increase in the maximum amount payable under contract with Meyers, Nave, Riback, Silver & Wilson, PLC for legal services by \$100,000 to an amount not-to-exceed \$200,000; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA. (L&C)

[Conference with legal counsel – existing litigation; to be heard in closed session pursuant to Gov. Code Section 54956.9(d)(1)]

END OF CONSENT CALENDAR ITEMS

8. OTHER BOARD ITEMS — ACTION

None

9. BOARD INFORMATION ITEMS

- 9-1 Update on Conservation Program
- 9-2 Compliance with Fund Requirements and Bond Indenture Provisions. (F&I)
- Subject Updated** 9-3 Review of the Water Stewardship Fund and ~~impacts of the costs of the Board adopted 170,000 AFY goal for the Local Resources Program; review of Metropolitan's future funding commitment to funding for Metropolitan's Demand Management Programs.~~
Review of Metropolitan's Demand Management Programs. (F&I)
- 9-4 Regional Recycled Water Program: Institutional and Financial Considerations. (E&O)
- 9-5 Communications and Legislation Committee Report

10. OTHER MATTERS

- 10-1 Department Head Performance Evaluations
[Public Employees' performance evaluations; General Manager, General Counsel, and General Auditor, and Ethics Officer; to be heard in closed session pursuant to Gov. Code 54957.]
- 10-2 Report on Department Head 2020 Salary Survey
- 10-3 Discuss and Approve Compensation Recommendations for General Manager, General Counsel, General Auditor, and Ethics Officer

11. FOLLOW-UP ITEMS

12. FUTURE AGENDA ITEMS

13. ADJOURNMENT

NOTE: Each agenda item with a committee designation will be considered and a recommendation may be made by one or more committees prior to consideration and final action by the full Board of Directors. The committee designation appears in parentheses at the end of the description of the agenda item e.g., (E&O, F&I). Committee agendas may be obtained from the Board Executive Secretary.

Writings relating to open session agenda items distributed to Directors less than 72 hours prior to a regular meeting are available for public inspection at Metropolitan's Headquarters Building and on Metropolitan's Web site <http://www.mwdh2o.com>.

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 Executive Secretary in advance of the meeting to ensure availability of the requested service or accommodation.

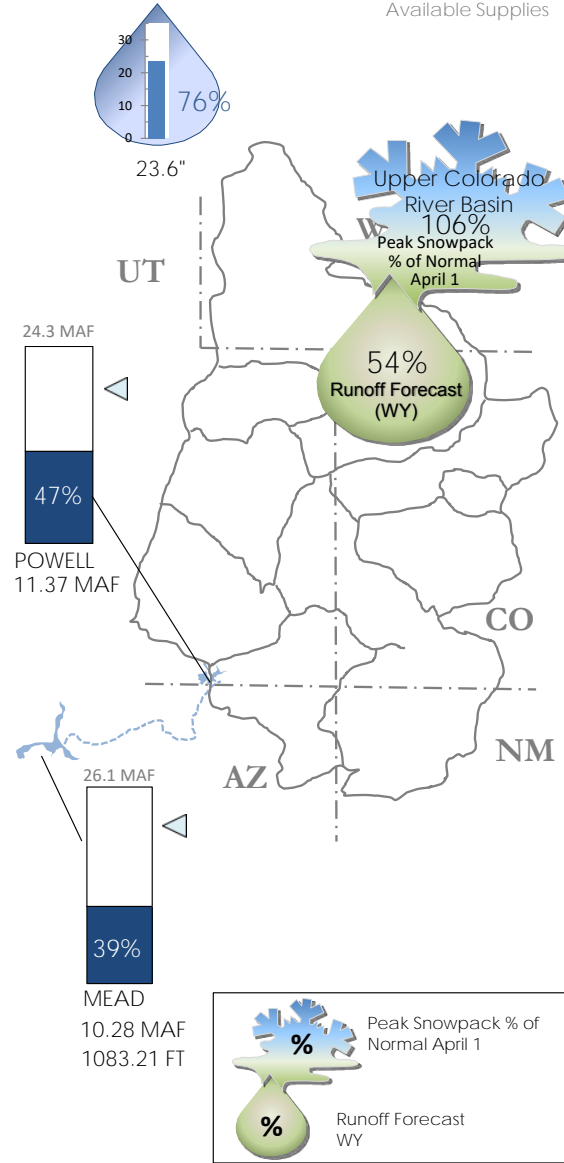


Water Supply Conditions Report

As of: 09/30/2020

2020 Colorado River

1,103,000 AF
88% of full CRA
Available Supplies



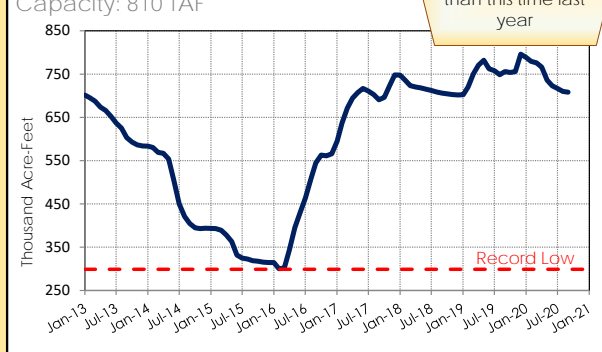
Turn page for more CRA Data

Flip Over for SWP Data

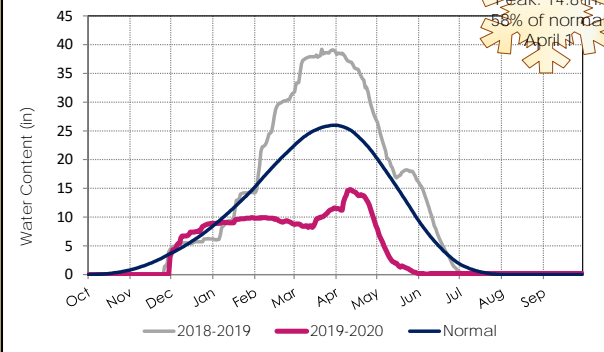
Highlights

- Sacramento River Runoff forecast is 52% of normal
- Statewide snowpack peaked at 64% of normal
- Lake Powell inflow is 54% of normal
- Snowpack in the Upper Colorado River Basin peaked at 106% of normal

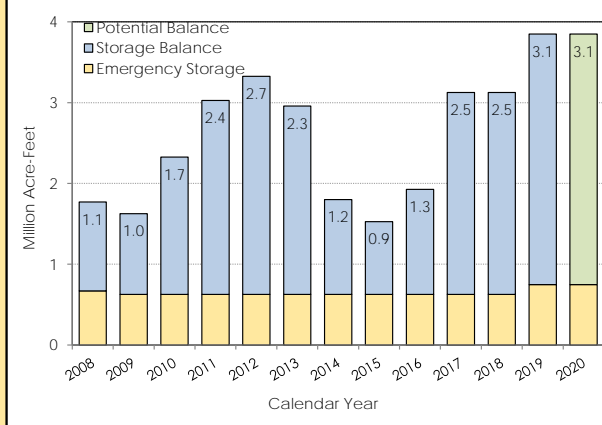
Diamond Valley Lake Storage



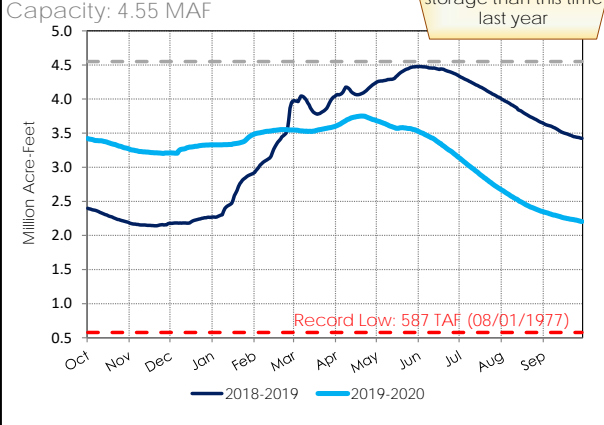
Southern Sierra Snowpack



MWD Storage Reserve Levels



Lake Shasta Reservoir Storage



This report is produced by the Water Resource Management Group and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale.

<http://www.mwdh2o.com/WSCR>

This report is best printed double sided on legal size paper (8.5" x 14") and folded in quarters. Questions? Email mferreira@mwdh2o.com



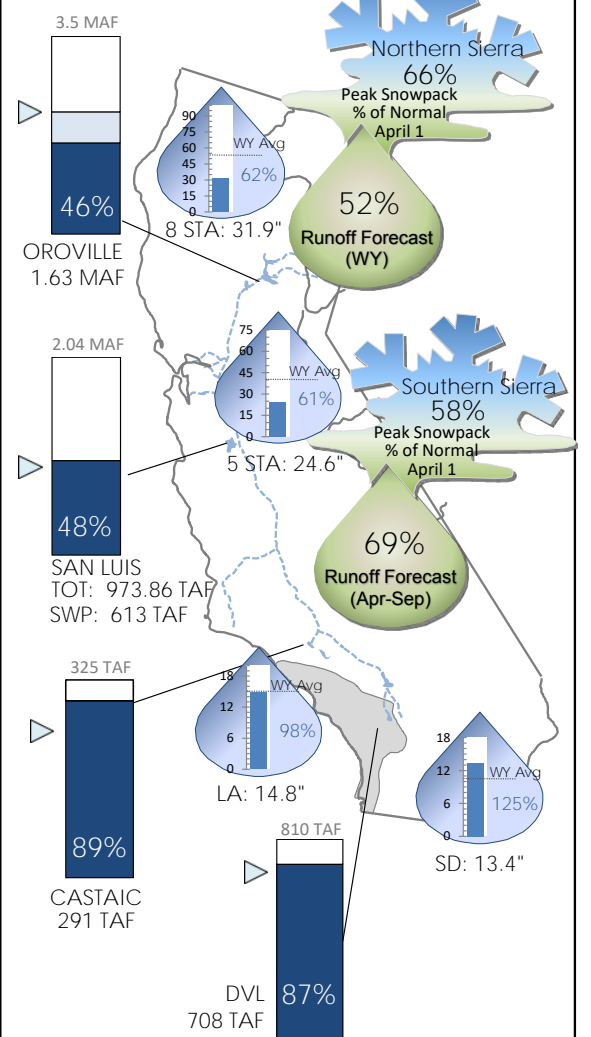
Water Supply Conditions Report

ITEM 5C

As of: 09/30/2020

2020 SWP Allocation

382,300 AF
20% of Table A



Legend:

- WY Avg (Bar chart)
- % Normal WY to Date (Bar chart)
- Rainfall to Date (in) (Bar chart)
- Capacity (Bar chart)
- Average EOM (Bar chart)
- Current Storage (% Capacity) (Bar chart)

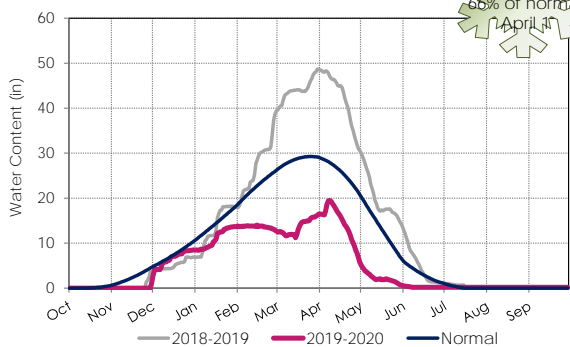
Flip Over for CRA Data

Turn page for more SWP Data

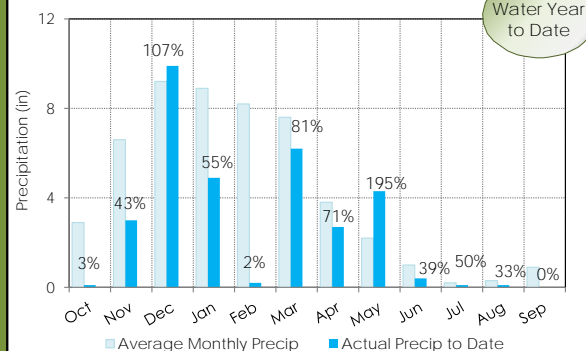
As of: 09/30/2020

State Water Project Resources

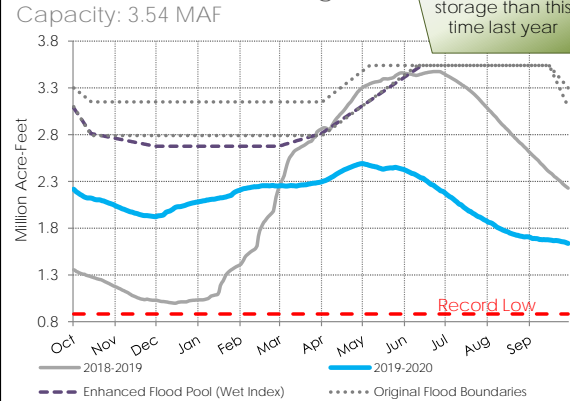
Northern Sierra Snowpack



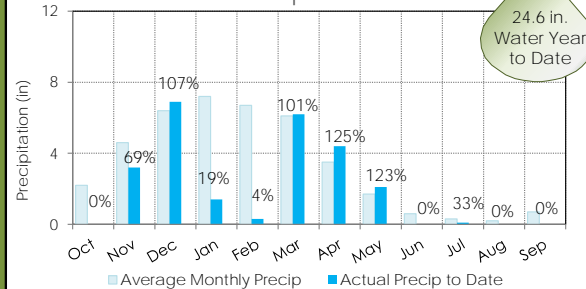
8 Station Index Precip



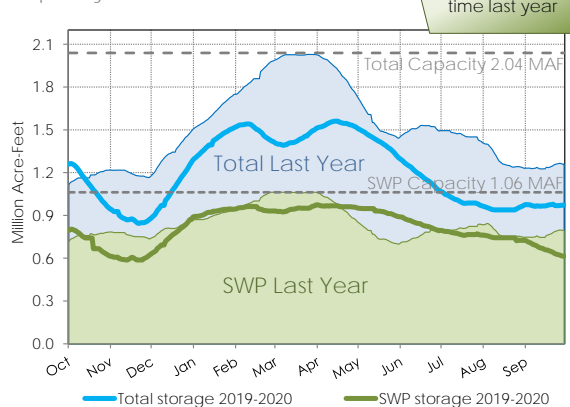
Oroville Reservoir Storage



5 Station Index Precip



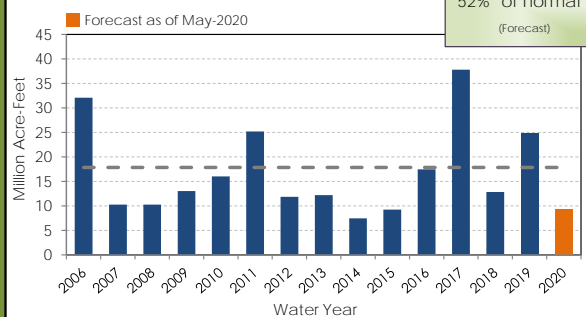
San Luis Reservoir Storage



Other SWP Contract Supplies for 2020 (AF)

Carryover	330,766
Transfer Supplies	6,000 (est.)

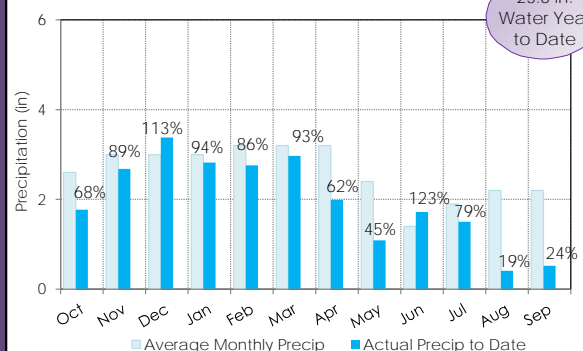
Sacramento River Runoff



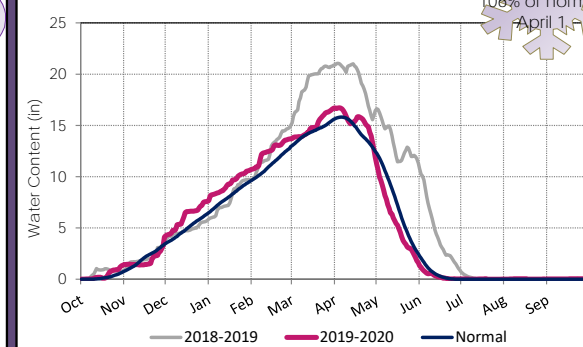
Colorado River Resources

As of: 09/30/2020

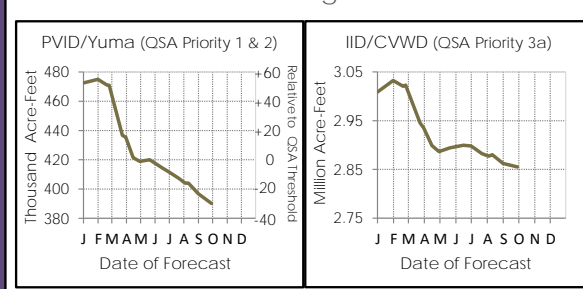
Upper Colorado Basin Precip



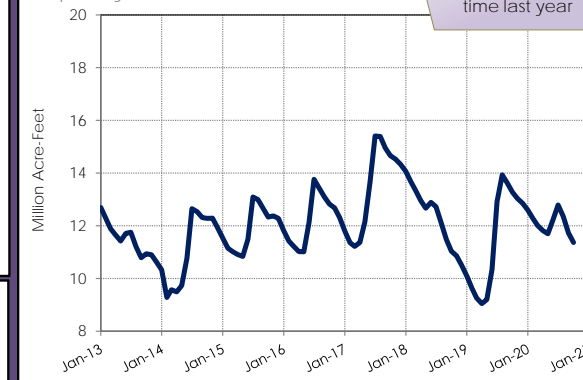
Upper Colorado Basin Snowpack



2020 Colorado River Ag Use



Lake Powell Storage

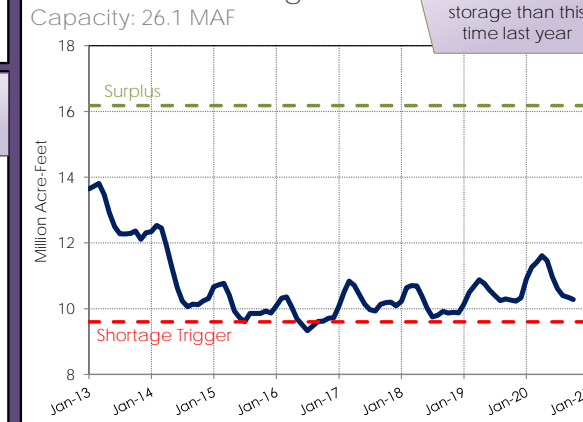


Lake Mead Shortage/Surplus Outlook

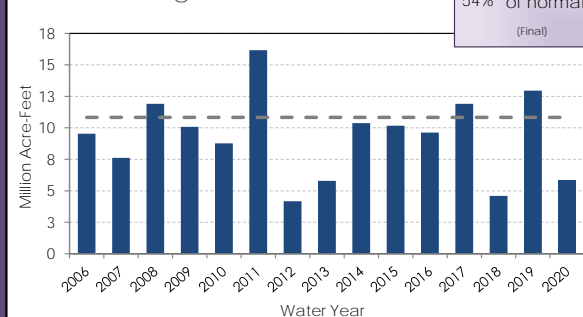
	2020	2021	2022	2023	2024
Shortage	0%	0%	9%	31%	37%
Surplus	0%	0%	<1%	6%	10%

Likelihood based on results from the April 2020 MTOM/CRSS model run. Includes DCP Contributions.

Lake Mead Storage



Powell Unregulated Inflow





October 20, 2020 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: General Manager

Subject : Response to Coronavirus (COVID-19) Pandemic: Continuation of Emergency

SUMMARY:

On March 24, 2020, the Board adopted Resolution No. 2572, declaring a state of emergency for the District's service area due to the coronavirus (COVID-19) pandemic and authorizing actions to support the response and recovery effort. On April 21, 2020, the Board adopted Resolution No. 2574, amending and reenacting the declaration of a local state of emergency and authorizing interest-free flexible payments plans for up to 24 months. On May 19, 2020, the Board adopted Resolution No. 2576, amending and reenacting the declaration of a local state of emergency and authorizing a waiver of service initiation fees for commercial customers who temporarily closed their accounts due to hardships associated with COVID-19. Subsequently, on June 16, 2020, the Board adopted Resolution No. 2578, amending and reenacting the declaration of a local state of emergency and authorizing a partial credit to commercial hotel customers for fixed sewer charges for the months of April and May 2020 with a maximum 50 percent reduction of the charges.

Section 2-6.402 of the Las Virgenes Municipal Water District Code requires that once the Board has declared an emergency, it must determine by a 4/5's vote at each subsequent regular Board meeting whether to continue or terminate the authorization for emergency. Staff recommends that the emergency declaration be continued.

RECOMMENDATION(S):

Approve the continuation of an emergency declaration for response to the coronavirus (COVID-19) pandemic.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

Resolution Nos. 2572, 2574, 2576, and 2578 authorized and directed the General Manager to temporarily grant relief to District customers, as follows:

- Avoid shutting off water service for non-payment;
- Discontinue the issuance of door tags and associated fees for non-payment;
- Waive late charges for past due water and wastewater bills; and
- Authorize interest-free flexible payment plans for up to 24 months.
- Authorize waiving service initiation fees for commercial customers who temporarily closed their accounts due to hardship associated with COVID-19
- Authorize a partial credit to commercial hotel customers for fixed sewer charges for the months of April and May 2020 with a maximum 50 percent reduction of the charges.

At the Board meeting, staff will provide a comprehensive update on the District's response to the coronavirus (COVID-19) pandemic, including the following items:

- Response actions taken to-date;
- Effectiveness of the above-described actions;
- Feedback received from customers; and
- Billing and financial metrics.

GOALS:

Provide Safe and Quality Water with Reliable Services

Prepared by: David W. Pedersen, General Manager



October 20, 2020 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: General Manager

Subject : Proposed 2021 Board Meeting Calendar

SUMMARY:

The Board regularly meets on the first and third Tuesday of each month. There are several potential conflicts for the regular Board meetings scheduled in 2021 due to Jewish holidays and conferences, and the Board may wish to consider rescheduling these meetings to avoid the conflicts. Attached for reference is the proposed 2021 Board Meeting Calendar.

RECOMMENDATION(S):

Review the proposed 2021 Board Meeting Calendar and make any scheduling adjustments.

FISCAL IMPACT:

No

ITEM BUDGETED:

No

DISCUSSION:

The Board regularly meets on the first and third Tuesday of each month. There are several potential conflicts throughout the year due to Jewish holidays and conferences; however, it is uncertain whether conferences will be held live or virtually due to restrictions on mass gatherings in response to the coronavirus (COVID-19) pandemic. The Board may wish to consider rescheduling these meetings to avoid the conflicts:

- The May 4, 2021 Regular Board meeting occurs on the first day of the ACWA Spring Conference, scheduled May 4 through 7, 2021. The Board has traditionally canceled the first Board meeting in May due to conflicts with the ACWA Conference.
- The May 18, 2021 Regular Board meeting occurs during Shavuot. As an alternative, the

Board could cancel the May 18, 2021 regular meeting and schedule a special meeting on May 11, 2021.

- The July 6, 2021 Regular Board meeting occurs on the same day as the JPA meeting; however, the LVMWD Board meeting is scheduled at 9:00 a.m. and the JPA meeting is scheduled at 5:00 p.m. The Board may consider moving forward with holding two meetings on the same date. Alternatively, the Board could cancel the July 6, 2021 regular meeting and schedule a special meeting on June 29, 2021, or keep the July 6, 2021 regular meeting date and consider changes to the JPA meeting calendar during a JPA meeting.
- The September 7, 2021 Regular Board meeting occurs on the first day of Rosh Hashanah. It also occurs on the same day as the JPA meeting; however, the LVMWD Board meeting is scheduled at 9:00 a.m. and the JPA meeting is scheduled at 5:00 p.m. As an alternative, the Board could cancel the September 7, 2021 regular meeting and schedule a special meeting on August 31, 2021.
- The September 21, 2021 Regular Board meeting occurs during Yom Kippur. The Board could cancel the September 21, 2021 regular meeting and schedule a special meeting on September 14, 2021.

Prepared by: Josie Guzman, Executive Assistant/Clerk of the Board

ATTACHMENTS:

Proposed 2021 Board Meeting Calendar

2021

JANUARY						
S	M	T	W	T	F	S
					1	2
3	4 JPA	5 LV	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

CASA Winter Conf. Palm Springs 01/27 – 01/29

FEBRUARY						
S	M	T	W	T	F	S
	1 JPA	2 LV	3	4	5	6
7	8	9	10	11	12	13
14	15	16 LV	17	18	19	20
21	22	23	24	25	26	27
28						

CASA Washington DC Forum?
ACWA Washington DC?

MARCH						
S	M	T	W	T	F	S
	1 JPA	2 LV	3	5	5	6
7	8	9	10	11	12	13
14	15	16 LV	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

WaterReuse Conf. (Location) 03/xx – 03/xx
Passover 03/30 – 04/02 (begins at sundown day before)

APRIL						
S	M	T	W	T	F	S
				1	2	3
4	5 JPA	6 LV	7	8	9	10
11	12	13	14	15	16	17
18	19	20 LV	21	22	23	24
25	26	27	28	29	30	

Passover 04/03– 04/04 begins at sundown day before)
California Water Policy Conf. U.C. Davis 04/xx – 04xx

MAY						
S	M	T	W	T	F	S
						1
2	3 JPA	4 LV	5	6	7	8
9	10	11	12	13	14	15
16	17	18 LV	19	20	21	22
23	24	25	26	27	28	29
30	31					

ACWA Spring Conf. Monterey 05/04 – 05/07
Shavuot 05/17 – 05/18 (begins at sundown day before)

JUNE						
S	M	T	W	T	F	S
		1 LV	2	3	4	5
6	7 JPA	8	9	10	11	12
13	14	15 LV	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

	LVMWD Meeting
	JPA Meeting
	District Holiday

2021

JULY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20 LV	21	22	23	24
25	26	27	28	29	30	31

AUGUST						
S	M	T	W	T	F	S
1	2 JPA	3 LV	4	5	6	7
8	9	10	11	12	13	14
15	16	17 LV	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

CASA Annual Conf. San Diego 08/11 – 08/13

SEPTEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21 LV	22	23	24	25
26	27	28	29	30		

OCTOBER						
S	M	T	W	T	F	S
					1	2
3	4 JPA	5 LV	6	7	8	9
10	11	12	13	14	15	16
17	18	19 LV	20	21	22	23
24	25	26	27	28	29	30
31						

WaterReuse Symposium 09/xx – 09/xx (Location)
 Rosh Hashanah 09/07 – 09/08 (begins at sundown day before)
 Yom Kippur 09/16 and 09/21-09/22 (begins at sundown day before)
 Sukkot 09/23 – 09/27 (begins at sundown day before)
 Shmini Atzeret 09/28 (begins at sundown day before)
 Simchat Torah 09/29 (begins at sundown day before)

NOVEMBER						
S	M	T	W	T	F	S
1	1 JPA	2 LV	3	4	5	6
7	8	9	10	11	12	13
14	15	16 LV	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER						
S	M	T	W	T	F	S
			1	2	3	4
6	6 JPA	7 LV	8	9	10	11
12	13	14	15	16	17	18
19	20	21 LV	22	23	24	25
26	27	28	29	30	31	

Chanukah 11/29 – 12/06 (begins at sundown day before)
 ACWA Fall Conf. Pasadena 11/30 - 12/03

	LVMWD Meeting
	JPA Meeting
	District Holiday



October 20, 2020 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Engineering and External Affairs

Subject : Saddle Peak and Cordillera Tank Rehabilitation Project: Construction Award

The Las Virgenes-Triunfo Joint Powers Authority (JPA) approved funding for the Cordillera Tank Rehabilitation Project in the adopted Fiscal Year 2020-21 JPA Budget. This recommendation is before the LVMWD Board for action, acting as the Administering Agent of the JPA in accordance with the terms of the JPA Agreement.

SUMMARY:

On August 3, 2020, the JPA Board authorized a Call for Bids for the Saddle Peak and Cordillera Tank Rehabilitation Project. The scope of work for the renovation of the two tanks generally consists of recoating the interior and exterior surfaces and updating or replacing any deteriorated equipment.

For the project, a bid schedule was created for each tank site to provide flexibility when awarding the project and to allow costs to be tracked separately because one tank is owned by the District (Saddle Peak Tank) and the other by the JPA (Cordillera Tank). Staff evaluated seven bids and determined that the lowest responsive bid was submitted by Advanced Industrial Services, Inc., in the amount of \$994,500, for Saddle Peak Tank; and Cal Sierra Construction, Inc., in the amount of \$772,100, for the Cordillera Tank. The lowest responsive bid for the Saddle Peak Tank is 26.8% below the Engineer's Estimate, while the lowest responsive bid for the Cordillera Tank is 32.2% below the Engineer's Estimate. The bid documents allow for the award of the work to two separate, which will support an overall cost-savings of \$131,600 as compared to awarding work for both tanks to a single firm.

RECOMMENDATION(S):

Award construction contracts to Advanced Industrial Services, Inc., in the amount of \$994,500, for the Saddle Peak Tank Rehabilitation Project, and Cal Sierra Construction, Inc., in the amount of \$772,100, for the Cordillera Tank Rehabilitation Project; and reject all remaining bids upon receipt of duly executed contract documents.

FISCAL IMPACT:

Yes

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

Sufficient funds are available in the adopted Fiscal Year 2020-21 Budget. No additional appropriations are needed at this time. Costs for design and construction are being tracked and allocated separately because Saddle Peak Tank is an LVMWD-only facility and Cordillera Tank is a JPA-owned facility. The costs for Cordillera Tank are allocated 70.6% to LVMWD and 29.4% to Triunfo Water and Sanitation District.

DISCUSSION:

On August 3, 2020, the Las Virgenes-Triunfo Joint Powers Authority (JPA) Board authorized a Call for Bids for the Saddle Peak and Cordillera Tank Rehabilitation Project. The scope of work for the renovation of the two tanks generally consists of recoating the interior and exterior surfaces and updating or replacing any deteriorated equipment.

The project is part of a Tank Coating Master Plan, which was developed as an asset management tool to plan, budget and prioritize the rehabilitation of District- and JPA-owned water tanks based on multiple factors.

Staff held a mandatory pre-bid meeting on August 20, 2020, which was attended by 18 contractors. The bid schedules for the project were separated by the individual tank sites to provide the District and JPA with flexibility when awarding the project, as well as to keep expenses for the two tanks separated for tracking purposes. Seven responsive bids were received with Advanced Industrial Services, Inc., submitting the lowest responsive bid for Saddle Peak Tank at 26.8% below the Engineer’s Estimate of \$1,358,500; and Cal Sierra Construction, Inc., submitting the lowest responsive bid for Cordillera Tank at 32.2% below the Engineer’s Estimate of \$1,139,000. Upon reviewing the submitted bids, following up with each construction company and reaching out to references, staff recommends awarding construction contracts to Advanced Industrial Services for the Saddle Peak Tank and Cal Sierra Construction, Inc., for the Cordillera Tank. Awarding the contracts separately offers a cost-savings of \$131,600 as compared to awarding the work to a single contractor. The bid documents were prepared and issued in a manner that allows the contracts to be issued separately.

The following table summarizes the bid results:

Bidder	A. Saddle Peak Tank	B. Cordillera Tank	Bid Total	Percentage Below/Above Engineer’s Estimate	
				A	B
Engineer’s Estimate	\$1,358,500	\$1,139,000	\$2,497,500		
Advanced Industrial Svcs., Inc.	\$994,500	\$1,011,500	\$2,006,000	26.8% below	11.2% below
Cal Sierra Construction, Inc.	\$1,126,100	\$772,100	\$1,898,200	17.1% below	32.2% below
Utility Service Co., Inc.	\$1,451,300	\$1,282,800	\$2,734,100	6.8% above	12.6% above

Spiess Construction	\$1,206,900	\$1,118,650	\$2,325,550	11.2% below	17.9% below
Abhe & Svoboda, Inc.	\$1,854,618	\$1,965,649	\$3,820,267	36.5% above	72.6% above
GSE Construction Comp., Inc.	\$1,184,400	1,147,500	\$2,331,900	12.8 below	0.7% above
Paso Robles Tank, Inc.	\$1,138,720	\$1,010,280	\$2,149,000	16.2% below	11.3% below

The following table summarizes the anticipated costs and requested appropriation:

	Saddle Peak Tank	Cordillera Tank
	Cost	Cost
Professional Services:		
Design, Bidding, Construction Support	\$29,550.00	\$29,550.00
Coating Inspection Services	\$14,760.00	\$14,760.00
Construction		
Construction Award	\$994,500.00	\$772,100.00
Construction Contingency (10%)	\$99,450.00	\$77,210.00
Administrative:		
District Labor (4%)	\$39,780.00	\$30,884.00
G&A (7%)	\$69,615.00	\$54,047.00
Total Project Cost	\$1,247,655.00	\$978,551
Existing Appropriation	\$1,365,976.00	\$1,201,267.00

Coating Inspection Services:

A Request for Proposals (RFP) for coating inspection services was posted on the District's website and sent directly to three qualified coating inspection companies. Generally, the scope of the coating inspection includes the following main tasks: (1) inspection of pre-surface preparation and post-surface preparation, (2) coating application inspection, and (3) post-application inspection services. Quotations were solicited based on full-time inspection services for the duration of the coating work for both tanks, which is projected to last eight weeks. Two proposals were received, while the third firm declined to submit a proposal.

Following is a summary of the proposals:

Coating Inspection Firm	Fee Proposal
West Coast Coating Consultants	\$38,000
CSI Services, Inc.	\$29,520
Harper & Associates Engineering, Inc.	Declined to quote

The purpose of a third-party coating inspector is to provide on-site quality control and quality assurance to ensure a maximum effective service life of the coatings applied to the tanks. CSI Services Inc. has worked with the District on numerous projects in the past and responded with the lowest cost for inspection services on the project. As a result, the General Manager administratively accepted the proposal from CSI Service, Inc., and executed a professional service agreement for the coating inspection services on September 25, 2020.

GOALS:

Construct, Manage and Maintain All Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared by: Veronica Hurtado, Assistant Engineer



October 20, 2020 LVMWD Regular Board Meeting

TO: Board of Directors

FROM: Engineering and External Affairs

Subject : Woolsey Fire Facility Repair Project No. 2, Westlake Filtration Plant: CEQA Determination and Call for Bids

SUMMARY:

On March 28, 2019, the General Manager executed a professional services agreement, in the amount of \$121,380, with M6 Consulting, Inc. (M6), for site assessment, design, construction management and inspection services for two projects involving the repair of facilities damaged by the Woolsey Fire: (1) Woolsey Fire Facility Repair Project No. 1, Rancho Las Virgenes Composting Facility and (2) Woolsey Fire Facility Repair Project No. 2, Westlake Filtration Plant. The design and environmental review is now complete for Project No. 2, consisting of repairs to the Westlake Filtration Plant, and the project is ready to be competitively bid.

RECOMMENDATION(S):

Find that the work is exempt from the provisions of California Environmental Quality Act, and authorize the issuance of a Call for Bids for the Woolsey Fire Facility Repair Project No. 2, Westlake Filtration Plant.

FISCAL IMPACT:

No

ITEM BUDGETED:

Yes

FINANCIAL IMPACT:

There is no financial impact associated with a call for bids. It is anticipated that District's insurance carrier will reimburse the cost of the work. FEMA/Cal-OES may reimburse certain items of work that are not specifically covered through by the District's insurance carrier.

DISCUSSION:

On March 28, 2019, the General Manager executed a professional services agreement, in the amount of \$121,380, with M6 Consulting, Inc. (M6), for site assessment, design, construction management and inspection services for two projects involving the repair of facilities damaged by the Woolsey Fire: (1) Woolsey Fire Facility Repair Project No. 1, Rancho Las Virgenes Composting Facility and (2) Woolsey Fire Facility Repair Project No. 2, Westlake Filtration Plant.

The general scope of work for the project consists of replacing interior and exterior items at the Westlake Filtration Plant that were damaged by the Woolsey Fire. Exterior damages to the arcade, pump room, architectural façade, landscaping and roof assembly were identified in the site assessment. Interior damages to the laboratory, electrical conductors, conduits and piping were also identified in the scope.

M6 completed the design plans for the restoration of the Westlake Filtration Plant to pre-disaster condition, and the project is ready to proceed with the competitive bid process.

The proposed bid schedule is as follows:

Notice Inviting Sealed Proposals	October 20, 2020
1st Advertisement	October 22, 2020
2nd Advertisement	October 29, 2020
Mandatory Pre-bid Meeting	November 4, 2020
Bids Due	November 18, 2020
Award of Contract	December 15, 2020 (LVMWD Meeting)

The work is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Article 19, Section 15301(b) of the CEQA Guidelines, because it involves rehabilitation of existing facilities and no expansion of use. Attached is a Notice of Exemption that staff will complete and file with the County Clerk, pending Board approval of the CEQA determination.

GOALS:

Construct, Manage and Maintain All Facilities and Provide Services to Assure System Reliability and Environmental Compatibility

Prepared by: Veronica Hurtado, Assistant Engineer

ATTACHMENTS:

- CEQA Notice of Exemption
- Notice Inviting Sealed Proposals

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk

County of: _____

From: (Public Agency): _____

(Address)

Project Title: _____

Project Applicant: _____

Project Location - Specific:

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Lead Agency

Contact Person: _____ Area Code/Telephone/Extension: _____

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

NOTICE INVITING SEALED PROPOSALS (BIDS)
Westlake Filtration Plant Building Repairs

NOTICE IS HEREBY GIVEN that the Board of Directors of Las Virgenes Municipal Water District invites and will receive sealed proposals (bids) up to the hour of **3:00PM** on **November 18, 2020**, for furnishing the work described in the contract documents. Bids received after the time stated in the Call for Bids will not be accepted and will be returned, unopened, to the bidder. The time shall be determined by the time on the receptionist telephone console in our Headquarters lobby. Proposals will be publicly opened and read aloud at the District headquarters, 4232 Las Virgenes Road, Calabasas, California 91302. Said bids shall conform to and be responsive to the Specifications and Contract Documents for said work as heretofore approved by the District Board of Directors.

Precautions are being taken by the District in response to the novel coronavirus and COVID-19 outbreak in order to protect employees, customers, and our partners. Until further notice, the District is suspending many in-person meetings relating to bids (including public bid openings and the hand-delivery of bids by company employees) to reduce the number of people coming into District facilities.

This policy is effective, Monday, April 6, 2020, and remains in force until further notice. All bids must be sent by mail or placed in the District drop box. Bidders must allow enough time for bids to be delivered to the District by the due date. All submittals will be time stamped as soon as they are received. Bids received after the due date and time may be deemed non-responsive and excluded from consideration. The District is allowing proposals to be dropped into a mail box outside the front entrance doors to the main building (4232 Las Virgenes Rd.) This mail box is checked every morning, and will also be checked several times throughout the bid due date. All bids are to be received by the deadline, **3:00PM** on **November 18, 2020**. Bids being sent by mail must allow sufficient time for delivery, to District headquarters. Label the envelope with “**Sealed Proposal for Westlake Filtration Plant Building Repairs**”, to ensure prompt timestamping.

Pre-bid meetings and other meetings associated with the bidding process will be held via telephone conference and/or through web enabled video conference. Details for these meetings will be provided on bid announcements specific to each project. Any questions related to this announcement, including requests for special accommodations to attend the meetings, may be directed to the Project Manager, Veronica Hurtado, at (818) 251-2332 or via email at vhurtado@lvmwd.com.

A **mandatory** pre-bid meeting will be will be conducted at **9:00AM** on **November 4, 2020** via teleconference followed by in-person site tours on **November 5, 2020** between the hours of **8AM** and **12PM**. Contractors may contact the District Project Manager for more information or to schedule an appointment. Use the following link to register for the pre-bid conference: <https://zoom.us/meeting/register/tJEkde2hqjvE9dotz7QGGfsCSuu77YwRSU>. Attendance at the pre-bid conference is a condition precedent to submittal of the bid and the District will not consider a bid from any bidder not represented at the pre-bid conference.

A bid opening will be available for public viewing through video teleconference at 9:00AM on November 19, 2020. The meeting link will be issued via addendum or you may request the information from the District Project Manager, before the bid deadline.

Sets of contract documents may be downloaded for free by going to <http://www.LVMWD.com/Ebidboard> and following the links to this project.

In order to be placed on the plan holder's list, contractors shall register for free as a document holder for this project on Ebidboard by going to www.LVMWD.com/Ebidboard and following the links to this project. Addendum notifications will be issued through Ebidboard.com, but may also be provided by calling the District's Project Manager. Although Ebidboard will fax and/or email all notifications to registered plan holders after the District uploads the information, Bidders are responsible for obtaining all addenda and updated contract documents.

Each bid must be on the District bid form and shall be sealed and filed with the secretary of the District at or before the time stated in the Notice.

No Contractor or Subcontractor may be listed on a bid proposal for a public works project submitted on or after March 1, 2015 unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. No Contractor or Subcontractor may be awarded a contract for public work on a public works project awarded on or after April 1, 2015 unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Effective January 1, 2016, no Contractor or Subcontractor may perform on a contract for public work on a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. This project is subject to compliance monitoring and enforcement by the DIR.

All terms and conditions contained in the Specifications and Contract Documents shall become part of the contract. The Board of Directors of Las Virgenes Municipal Water District reserves the right to reject any and all bids and to waive any and all irregularities in any bid. No bidder may withdraw his bid after the said time for bid openings until 60-days thereafter or until the District has made a final award to the successful bidder or has rejected all bids, whichever event first occurs.

The Board of Directors of the District reserves the right to select the schedule(s) under which the bids are to be compared and contract(s) awarded.

BY ORDER OF THE GOVERNING BODY OF
LAS VIRGENES MUNICIPAL WATER DISTRICT

Dated

Jay Lewitt, President