

**RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT
REGULAR MEETING OF THE
BOARD OF DIRECTORS**

JULY 15, 2019 (6:30 p.m.)

Visitor's / Depot Center
6730 Front Street
Rio Linda, CA 95673

The mission of the Rio Linda / Elverta Community Water District is to provide, in a manner responsive to District customers, a water supply that is adequate, safe, potable, (according to state and federal standards) and that meets both current and future needs.

AGENDA

The Board may discuss and take action on any item listed on this agenda, including items listed as information items. The Board may also listen to the other items that do not appear on this agenda, but the Board will not discuss or take action on those items, except for items determined by the Board pursuant to state law to be of an emergency or urgent nature requiring immediate action. The Board may address any item(s) in any order as approved by the Board.

The public will be given the opportunity to directly address the Board on each listed item during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or any majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection at the District office at 730 L Street, Rio Linda, CA 95673. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the District office at (916) 991-1000. Requests must be made as early as possible, and at least one full business day before the start of the meeting

1. CALL TO ORDER, ROLL CALL and PLEDGE OF ALLEGIANCE

2. PUBLIC COMMENT

2.1. Members of the public are invited to speak to the Board regarding items within the subject matter jurisdiction of the District that are not on the agenda or items on the consent agenda. Each speaker may address the Board once under Public Comment for a limit of 2 minutes. (Policy Manual § 2.01.160).

3. CONSENT CALENDAR (Action items: Approve Consent Calendar Items)

3.1. Minutes

June 17, 2019

The Board is being asked to approve the Minutes from the June 17, 2019 Regular Board Meeting.

3.2. Expenditures

The Finance & Administrative Committee recommends the Board approve the May Expenditures.

3.3. Financial Reports

The Finance & Administrative Committee recommends the Board approve the May Financial Reports.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

4.1. Consider approving the draft Request for Proposals (RFP) for Sacramento Regional Water Agencies Collaboration Study.

4.2. GM Report

4.2.1. The General Manager Tim Shaw will provide his monthly report to the Board of Directors.

4.3. District Engineer's Report

4.3.1. The District's Engineer Michael Vasquez will provide his monthly report to the Board of Directors

4.4. Consider approving the contract Terms and Conditions with *Stripe* for processing credit/debit card payments by RLECWD customers.

4.5. Consider designating surplus assets in accordance with District policy.

4.6. Consider authorizing any new Board Member assignments (committees and other) announced by the Chair pursuant to District Policy 2.01.065.

4.6.1. Regional Water Authority (primary assignee)

4.6.2. Sacramento Groundwater Authority (nomination process, nominate a new primary assignee)

4.6.3. Sacramento County Local Agency Formation Commission (nomination process).

4.6.4. Association of California Water Agencies (ACWA) and ACWA-Joint Powers Insurance Authority (JPIA)

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

5.1.1. Water Operations Report

5.1.2. Conservation Report

5.1.3. Status of Economic Feasibility Criteria for Hexavalent Chromium Maximum Contaminant Level (MCL).

5.2. BOARD REPORTS

5.2.1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065

5.2.2. Regional Water Authority – Shaw

5.2.3. Sacramento Groundwater Authority – Harris

5.2.4. LAFCO – Vacant

5.2.5. Executive Committee– Harris, Green

5.2.6. ACWA/JPIA – Ridilla

5.2.7. AD Hoc Committees

5.2.8. Other Reports

6. DIRECTORS' AND GENERAL MANAGER COMMENTS

7. ADJOURNMENT

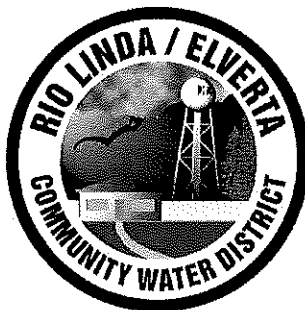
Upcoming meetings:

Executive Committee

August 5, 2019, Monday, 6:00 pm at the Visitor's/Depot Center, 6730 Front Street, Rio Linda, CA 95673.

Regular Board Meeting

August 19, 2019, Monday, 6:30 pm at Visitor's /Depot Center, 6730 Front Street, Rio Linda, CA 95673.



**Consent Calendar
Agenda Item: 3.1**

Date: July 15, 2019

Subject: Minutes

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

N/A -Minutes of Board meetings are not reviewed by committees.

Current Background and Justification:

These minutes are to be reviewed and approved by the Board of Directors.

Conclusion:

I recommend the Board review and approve (as appropriate) the minutes of meetings provided with your Board packets.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

**MINUTES OF THE
JUNE 17, 2019
BOARD OF DIRECTORS REGULAR MEETING
OF THE RIO LINDA/ELVERTA COMMUNITY WATER DISTRICT**

1. CALL TO ORDER, ROLL CALL

The June 17, 2019 meeting of the Board of Directors of the Rio Linda/Elverta Community Water District called to order at 6:30 p.m. at the Visitor's Depot Center located at 6730 Front Street, Rio Linda, CA 95673. General Manager Tim Shaw took roll call of the Board of Directors. Director Harris, Director Jason Green, President John Ridilla, and General Manager Tim Shaw were present. Director Green led the pledge of allegiance. Public member Christopher and Emily Gifford and Robert Reisig introduced themselves to the Board.

2. PUBLIC COMMENT

No public comment.

3. CONSENT CALENDAR

3.1 Minutes

May 20, 2019

It was moved by Director Harris and seconded by Director Ridilla to approve the consent calendar. Directors Green, Harris, and Ridilla voted yes. The motion carried with unanimous vote of 3-0-0.

REGULAR CALENDAR

4. ITEMS FOR DISCUSSION AND ACTION

President Ridilla asked the Board to postpone 4.1 until one of the additional candidates for the position on the Board was going to be late due to traffic. The Board agreed to move onto Agenda Item 4.2.

4.2 General Manager's Report

No public comment.

The Board made no action on this item

4.3 District Engineer's Report – Mike Vasquez

District Engineer Mike Vasquez provided a written report to the Board of projects in the works since the last meeting of the Board. The report highlighted topics of General District Engineering, Well 16 Pumping Station Equipping and Site Design Project, Well 10 Hexavalent Chromium Treatment Project.

No public comment on this item.

The Board made no action on this item

4.1 Consider selecting two new Board Members from the list of applicants having expressed interest in being appointed to fill the vacancies created from resigning directors.

President Ridilla asked each candidate to stand up and state the reason they want to be on the Board. Robert Reisig, Chris Gifford, and Frank Caron each gave a brief description of their involvement in the community,

their work history and what they would like to see in the future for the District. Then each of the individuals were asked to go outside and were then interviewed by the Board individually.

Director Jason Green's nomination was for Chris Gifford and Bob Resisig. Director Harris agreed. President Ridilla concurred with their selections.

It was moved by Director Ridilla and seconded by Director Harris to appoint Robert Reisig and Chris Gifford to the RLECWD Board of Directors. Directors Green, Harris, and Ridilla voted yes. The motion carried with unanimous vote of 3-0-0.

4.4 Consider approving Resolution 2019-07, authorizing revisions to the District Policies on budget adoption processes.

The changes to the budget adoption policies that would be authorized through the adoption of Resolution 2019-07 include associating the public hearing with the final budget adoption, which is more appropriate than associating the public hearing with the preliminary (AKA proposed or draft) budget adoption process. Additional changes include establishing two budget revision processes, one for significant revisions and one for minor revisions which do not impact the overall budgeted expenses, i.e. moving funding from one line item to another.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to approve Resolution No. 2019-07 authorizing revisions to the District Policies on budget adoption processes. Directors Green, Harris, and Ridilla voted yes. The motion carried with unanimous vote of 3-0-0.

4.5 Consider approving the Preliminary Budget for Fiscal Year 2019/2020.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to adopt the Preliminary Budget for Fiscal Year 2019/2020. Directors Green, Harris, and Ridilla voted yes. The motion carried with unanimous vote of 3-0-0.

4.6 Consider approving new policy, Lateral Transfer/Promotion to be added to the Personnel Handbook.

4.7 Consider approving new policy, Vacation Sell Back to be added to the Personnel Handbook.

4.8 Consider approving new policy, Certification Incentive to be added to the Personnel Handbook.

No public comment on this item.

It was moved by Director Harris and seconded by Director Ridilla to approve the Lateral Transfer/Promotion, Vacation Sell Back, Certification Incentive, and Safety Footwear to be added to the Personnel Handbook. Directors Green, Harris, and Ridilla voted yes. The motion carried with unanimous vote of 3-0-0.

4.10 Consider ratifying the contract with Bluefin for processing credit/debit card payments by RLECWD customers.

Bluefin informed the District that to implement the transition from the District paid credit/debit card convenience fees a new contract must be signed. The previous contract, which connotes District agreement with all Bluefin's terms and conditions, was signed by Ralph Felix, but never considered by the RLECWD Board of Directors at a public meeting in September 2016. I have coordinated with Legal Counsel, and provided her with the contract, which has not changed since September 2016.

No public comment on this item.

It was moved by Director Ridilla and seconded by Director Green to ratify the contract with Bluefin for processing credit/debit card payments. Directors Green, Harris, and Ridilla voted yes. The motion carried with unanimous vote of 3-0-0.

4.11 Consider authorizing any new Board Member Assignments (committees and other) announced by the Chair pursuant to District Policy 2.01.065.

President Ridilla announced no new committees.

5. INFORMATION ITEMS

5.1. DISTRICT ACTIVITY REPORT

1. Water Operations Report
2. Conservation Report

5.2. BOARD REPORTS

1. Report any ad hoc committees dissolved by requirements in Policy 2.01.065
2. Regional Water Authority – No meeting this month Agenda, Executive Summary written report.
3. Sacramento Groundwater Authority – Harris - Agenda, Executive Summary written report. Harris gave a verbal report.
4. LAFCO – Vacant
5. Executive Committee – Harris, Green - Minutes provided.
6. ACWA – Ridilla – No Report
7. ACWA JPIA – Ridilla - No Report
8. Other Reports, e.g.

6. DIRECTORS' AND GENERAL MANAGER COMMENTS - No comments.

7. ADJOURNMENT

Direct Ridilla adjourned the meeting at 7:52 p.m.

Respectfully submitted,

Timothy R. Shaw, Secretary

John Ridilla, President of the Board



**Consent Calendar
Agenda Item: 3.2**

Date: July 15, 2019

Subject: Expenditures

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Expenditures for the month of May 2019.

Current Background and Justification:

These expenditures have been completed since the last regular meeting of the Board of Directors.

Conclusion:

I recommend the Board approve the Expenditures for May 2019.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green _____ Gifford _____ Reisig _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District
Expenditure Report
May 2019

Type	Date	Num	Name	Memo	Amount
Liability Check	05/01/2019	EFT	QuickBooks Payroll Service	For PP Ending 04/30/2019 Paydate 05/03/2019	16,813.55
Liability Check	05/03/2019	EFT	CalPERS	For PP Ending 04/30/2019 Paydate 05/03/2019	1,876.56
Liability Check	05/03/2019	EFT	CalPERS	For PP Ending 04/30/2019 Paydate 05/03/2019	1,721.79
Liability Check	05/03/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	05/03/2019	EFT	Nationwide	Deferred Compensation Plan	1,187.29
Liability Check	05/03/2019	EFT	Nationwide	Deferred Compensation Plan	25.00
Bill Pmt -Check	05/03/2019	EFT	Comcast	Phone/Internet	415.97
Bill Pmt -Check	05/03/2019	EFT	Republic Services	Utilities	86.57
Liability Check	05/03/2019	EFT	Internal Revenue Service	Employment Taxes	6,028.94
Liability Check	05/03/2019	EFT	Employment Development	Employment Taxes	1,198.55
Paycheck	05/03/2019	EFT	Voyager Fleet Commander	Transportation Fuel	129.74
Liability Check	05/03/2019	5891	Franchise Tax Board	Employee Garnishment	241.45
Check	05/03/2019	5892	RLECWD	Umpqua Bank Monthly Debt Service Transfer	16,500.00
Bill Pmt -Check	05/03/2019	5893	ACWA/JPIA	EAP	21.15
Bill Pmt -Check	05/03/2019	5894	Buckmaster Office Solutions	Office Equipment Expense	112.34
Bill Pmt -Check	05/03/2019	5895	Oreilly Automotive	Shop Supplies	31.20
Bill Pmt -Check	05/03/2019	5896	Quill	Office Expense	57.37
Bill Pmt -Check	05/03/2019	5897	Rio Linda Elverta Recreation & Park Dist	Meeting Expense	50.00
Bill Pmt -Check	05/03/2019	5898	Rio Linda Hardware and Building Supply	Shop Supplies	269.05
Bill Pmt -Check	05/03/2019	5899	SMUD	Utilities	9,809.45
Bill Pmt -Check	05/03/2019	5900	UniFirst Corporation	Uniforms	214.20
Bill Pmt -Check	05/03/2019	5901	Vanguard Cleaning Systems	Janitorial	195.00
Liability Check	05/15/2019	EFT	WageWorks	FSA	71.00
Check	05/15/2019	EFT	WageWorks	FSA	30.78
Check	05/17/2019	EFT	ARCO	Transportation: Fuel	793.50
Liability Check	05/17/2019	EFT	AFLAC	Employee Paid Insurance	651.04
Liability Check	05/17/2019	EFT	QuickBooks Payroll Service	For PP Ending 05/15/19 Pay date 05/20/19	17,260.75
Liability Check	05/20/2019	EFT	CalPERS	For PP Ending 05/15/19 Pay date 05/20/19	1,721.79
Liability Check	05/20/2019	EFT	CalPERS	For PP Ending 05/15/19 Pay date 05/20/19	1,876.56
Liability Check	05/20/2019	EFT	Internal Revenue Service	Employment Taxes	6,131.94
Liability Check	05/20/2019	EFT	Employment Development	Employment Taxes	1,242.63
Liability Check	05/20/2019	EFT	Nationwide	Deferred Compensation Plan	1,193.62
Liability Check	05/20/2019	EFT	Nationwide	Deferred Compensation Plan	25.00
Liability Check	05/20/2019	EFT	California State Disbursement Unit	Employee Garnishment	397.50
Liability Check	05/20/2019	EFT	Kaiser Permanente	Health Insurance	342.43
Liability Check	05/20/2019	EFT	Principal	Dental & Vision Insurance	1,474.78
Liability Check	05/20/2019	EFT	Western Health Advantage	Health Insurance	12,350.17
Bill Pmt -Check	05/20/2019	EFT	Verizon	Field Communication	428.02
Check	05/20/2019	EFT	RLECWD - Capital Improvement	Current Monthly Transfer	45,835.00
Check	05/20/2019	EFT	RLECWD - SURCHARGE ACCOUNT 1	Current Monthly Transfer	42,500.00
Check	05/20/2019	EFT	RLECWD - Operating	Transfer funds for Security Deposits paid with Credit Card	500.00
Bill Pmt -Check	05/20/2019	EFT	Bankcard Center 7806	Staff Training, Shop Supplies	448.83
Bill Pmt -Check	05/20/2019	EFT	Bankcard Center 6574	Staff Training	60.94
Paycheck	05/20/2019	5902	Employee	For PP Ending 05/15/19 Pay date 05/20/19	92.35



**Rio Linda Elverta Community Water District
Expenditure Report
May 2019**

Type	Date	Num	Name	Memo	Amount
Check	05/20/2019	5903	Postmaster	Bulk Mail Refill	2,163.73
Liability Check	05/20/2019	5904	Teamsters Local #150	Union Dues	552.00
Check	05/20/2019	5905	Customer	Final Bill Refund	12.64
Check	05/20/2019	5906	Customer	Hydrant Meter Deposit Refund	1,000.00
Check	05/20/2019	5907	Customer	Final Bill Refund	62.42
Bill Pmt -Check	05/20/2019	5908	Anthem Blue Cross	Retiree Insurance: Wickham	1,067.31
Bill Pmt -Check	05/20/2019	5910	BSK Associates	Lab Fees	240.00
Bill Pmt -Check	05/20/2019	5910	Churchwell White	Legal	3,186.78
Bill Pmt -Check	05/20/2019	5911	Cintas Corporation	Safety	28.55
Bill Pmt -Check	05/20/2019	5912	CoreLogic Solutions	Metro Scan	134.75
Bill Pmt -Check	05/20/2019	5913	EKI Environment & Water	Engineering	5,000.00
Bill Pmt -Check	05/20/2019	5914	PG&E	Utilities	45.63
Bill Pmt -Check	05/20/2019	5915	RW Trucking	Distribution Supplies	620.33
Bill Pmt -Check	05/20/2019	5916	Sacramento County Utilities	Utilities	113.70
Bill Pmt -Check	05/20/2019	5917	Special District Risk Management Auth.	Workers Compensation Insurance 2019-20	16,053.53
Bill Pmt -Check	05/20/2019	5918	SMUD	Utilities	12,299.97
Bill Pmt -Check	05/20/2019	5919	SPOK, Inc.	Field Communication	15.17
Bill Pmt -Check	05/20/2019	5920	State Water Resource Control Board	License Renewal	90.00
Bill Pmt -Check	05/20/2019	5921	Churchwell White	Capital Improvement: Well 16	739.20
Bill Pmt -Check	05/20/2019	5922	Downtown Ford Sales	Capital Improvement: Truck	25,759.68
Bill Pmt -Check	05/20/2019	5923	Lehr Auto Electric & Emergency Equip	Capital Improvement: Truck	624.79
Check	05/20/2019	EFT	RLECWD	Transfer funds for Capacity Fees to LAIF	159,000.00
Bill Pmt -Check	05/23/2019	EFT	WageWorks	FSA	138.60
Bill Pmt -Check	05/27/2019	EFT	Adept Solutions	Computer Maintenance	1,109.00
Bill Pmt -Check	05/30/2019	EFT	WageWorks	FSA	123.00
Check	05/31/2019	EFT	QuickBooks Payroll Service	Retroactive Pay for PP 11/12/18 through 5/15/19 Paid on 6/3/19	3,684.28
Total 10000 - Bank - Operating Account					<u>426,676.36</u>

**Rio Linda Elverta Community Water District
Expenditure Report
May 2019**

10100 · Security Deposits

Type	Date	Num	Payee	Memo	Amount
Transfer	05/20/2019	EFT	RLECWD - Operating Account	April 2019 Security Deposits Applied	500.00

10100 · Security Deposits

500.00

Type	Date	Num	Payee	Memo	Amount
Check	05/01/2019	EFT	Revenue Refunding Bond Trustee	Loan Payment	112,465.50

10350 · Umpqua Bank

112,465.50

Type	Date	Num	Payee	Memo	Amount
Check	05/03/2019	EFT	RLECWD	Annual Surcharge 2 Surplus Repayment FY 2018-19	435,752.00

10375 · Surcharge Account 2

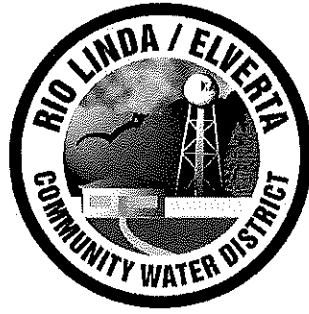
435,752.00

Type	Date	Num	Payee	Memo	Amount
Transfer	05/20/2019	EFT	RLECWD - Operating	CIP Expense Transfer: Refer to operating check numbers: 5921	739.20
Transfer	05/20/2019	EFT	RLECWD - Operating	CIP Expense Transfer: Refer to operating check numbers: 5922 & 5923	26,384.47
Transfer	05/20/2019	EFT	RLECWD - Operating	CIP Expense Transfer: Capacity Fees to LAIF	159,332.02

10455 · Capital Improvement Reserve

186,455.69





**Consent Calendar
Agenda Item: 3.3**

Date: July 15, 2019

Subject: Financial Reports

Staff Contact: Timothy R. Shaw, General Manager

Recommended Committee Action:

The Executive Committee recommends approval of the Districts Financial Reports for the month of May 2019.

Current Background and Justification:

The financial reports are for the District’s balance sheet, profit and loss, and capital improvements year to date.

These financials are to be presented to the Board of Directors in order to inform them of the District’s current financial condition

Conclusion:

I recommend the Board approve the Financial Reports for May 2019.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____
Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Rio Linda Elverta Community Water District
Balance Sheet
As of May 31, 2019



ASSETS

Current Assets

Checking/Savings

100 · Cash & Cash Equivalents

10000 · Operating Account

10005 · Operating Fund 342,318.69

10010 · Operating Reserve Fund 250,000.00

Total 10000 · Operating Account 592,318.69

Surcharge 10100 · Trust/Security Deposit Account 44,762.00

10450 · Capital Improvement

10455 · Capital Improvement Fee Reserve 1,385,323.94

10460 · Vehicle Replacement Reserve 10,000.00

10465 · Cr6 Project 92,368.08

Total 10450 · Capital Improvement 1,487,692.02

10600 · LAIF Account 159,000.00

Total 100 · Cash & Cash Equivalents 2,283,772.71

102 · Restricted Assets

102.1 · Restricted Capital Improvements

10700 · ZIONS Inv/Surcharge Reserve 499,800.56

Total 102.1 · Restricted Capital Improvements 499,800.56

102.2 · Restricted for Debt Service

10300 · Surcharge 1 Account 742,236.98

10325 · Community Business Bank 41,431.61

10350 · Umpqua Bank 23,590.91

10350 · Surcharge 2 Account 94,115.69

Total 102.2 · Restricted for Debt Service 901,375.19

Total 102 · Restricted Assets 1,401,175.75

Total Checking/Savings 3,684,948.46

Accounts Receivable 739.28

Other Current Assets

12000 · Water Utility Receivable 547,087.82

12200 · Accrued Revenue 0.00

12250 · Accrued Interest Receivable 2,558.73

15000 · Inventory Asset 95,018.40

16000 · Prepaid Expense 32,482.95

Total Other Current Assets 677,147.90

Total Current Assets 4,362,835.64

Fixed Assets

17000 · General Plant Assets 707,069.65

17100 · Water System Facilities 20,717,058.49

17300 · Intangible Assets 373,043.42

17500 · Accum Depreciation & Amort -8,702,559.39

18000 · Construction in Progress 1,250,105.87

18100 · Land 496,673.45

Total Fixed Assets 14,841,391.49

Other Assets

19000 · Deferred Outflows 347,606.00

19900 · Suspense Account 0.00

Total Other Assets 347,606.00

TOTAL ASSETS 19,551,833.13

Rio Linda Elverta Community Water District
Balance Sheet
As of May 31, 2019

LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	30,666.33
Credit Cards	2,217.48
Other Current Liabilities	638,893.25
Total Current Liabilities	671,777.06
Long Term Liabilities	
23000 · OPEB Liability	262,349.00
23500 · Lease Buy-Back	755,052.27
25000 · Surcharge 1 Loan	4,536,774.26
25050 · Surcharge 2 Loan	105,000.00
26000 · Water Rev Refunding	2,091,606.00
27000 · Community Business Bank	342,485.52
29000 · Net Pension Liability	1,033,555.00
29500 · Deferred Inflows-Pension	33,279.00
29600 · Deferred Inflows-OPEB	8,293.00
Total Long Term Liabilities	9,168,394.05
Total Liabilities	9,840,171.11
Equity	
31500 · Invested in Capital Assets, Net	7,519,910.46
32000 · Restricted for Debt Service	699,786.24
38000 · Unrestricted Equity	642,702.76
Net Income	849,262.56
Total Equity	9,711,662.02
TOTAL LIABILITIES & EQUITY	19,551,833.13

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
May 2019

9

	<u>Annual Budget</u>	<u>May 19</u>	<u>Jul 18-May 19</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Income					
Total 40000 · Operating Revenue	2,664,429.00	253,598.69	2,344,209.60	87.98%	320,219.40
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	400.00	5.91	400.85	100.21%	-0.85
Surcharge Total 41110 · Investment Revenue	400.00	5.91	400.85	100.21%	-0.85
41120 · Property Tax	70,000.00	37,402.40	87,964.04	125.66%	-17,964.04
Total 41000 · Nonoperating Revenue	70,400.00	37,408.31	88,364.89	125.52%	-17,964.89
Total Income	2,734,829.00	291,007.00	2,432,574.49	88.95%	302,254.51
Gross Income	2,734,829.00	291,007.00	2,432,574.49	88.95%	302,254.51
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	165,979.00	8,067.68	132,829.11	80.03%	33,149.89
60100 · Personnel Services					
60110 · Salaries & Wages	663,114.00	52,050.65	566,472.94	85.43%	96,641.06
60150 · Employee Benefits & Expense	408,099.00	33,193.80	365,037.11	89.45%	43,061.89
Total 60100 · Personnel Services	1,071,213.00	85,244.45	931,510.05	86.96%	139,702.95
60200 · Administration	257,595.00	11,971.34	219,136.59	85.07%	38,458.41
64000 · Conservation	6,748.00	0.00	5,733.00	84.96%	1,015.00
65000 · Field Operations	423,809.00	17,126.54	340,921.53	80.44%	82,887.47
Total 60000 · Operating Expenses	1,925,344.00	122,410.01	1,630,130.28	84.67%	295,213.72
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	133,163.00	80,000.00	133,163.00	100.00%	0.00
69110 · Interest	65,726.00	32,465.50	65,725.80	100.00%	0.20
Total 69100 · Revenue Bond	198,889.00	112,465.50	198,888.80	100.00%	0.20
69125 · AMI Meter Loan					
69130 · Principle	46,818.00	0.00	46,818.03	100.00%	-0.03
69135 · Interest	11,696.00	0.00	11,695.89	100.00%	0.11
Total 69125 · AMI Meter Loan	58,514.00	0.00	58,513.92	100.00%	0.08
Total 69010 · Debt Service	257,403.00	112,465.50	257,402.72	100.00%	0.28
69400 · Other Non-Operating Expense	2,000.00	0.00	0.00	0.00%	2,000.00
Total 69000 · Non-Operating Expenses	259,403.00	112,465.50	257,402.72	99.23%	2,000.28
Total Expense	2,184,747.00	234,875.51	1,887,533.00	86.40%	297,214.00
Net Ordinary Income	550,082.00	56,131.49	545,041.49		
Net Income	550,082.00	56,131.49	545,041.49		

CAPITAL BUDGET VS ACTUAL FISCAL YEAR 2018-2019
July 2018 through May 2019

	GENERAL		CONNECTIONS		CHROMIUM MITIGATION & NEW WELLS		VEHICLE REPLACEMENT	
	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual	Annual Budget	YTD Actual
BEGINNING FUND BALANCE	\$ 1,426,064.00	\$ 1,426,064.00	\$ 129,988.00	\$ 129,988.00	\$ (454,317.00)	\$ (454,317.00)	\$ -	\$ -
FUNDING SOURCES								
Fund Transfers								
Operating Fund Transfers In	550,000.00	504,173.00	-	-	-	-	-	-
CIP Fund Intrafund Transfers	(10,000.00)	(10,000.00)	-	(159,332.02)	-	-	10,000.00	10,000.00
Surcharge 2 Surplus Repayment	-	-	-	-	435,752.00	-	-	-
Contributed Funding								
Capacity Fee Revenue	-	-	40,000.00	28,124.02	-	-	-	-
Contributed Facilities (Developers)	-	-	-	-	-	-	-	-
Grant Revenue	-	-	-	-	20,000.00	-	-	-
Loan Proceeds	35,212.00	25,000.00	18,055.00	18,055.00	2,468,239.00	95,859.18	30,000.00	26,384.47
Investment Revenue	350.00	741.92	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
TOTAL FUNDS AVAILABLE FOR CIP PROJECTS	2,001,626.00	1,945,978.92	188,043.00	16,835.00	2,469,674.00	(358,457.82)	40,000.00	36,384.47
PROJECTS								
A - WATER SUPPLY								
A-1 - Well 10 - Cr6 Treatment	-	-	-	-	40,000.00	-	-	-
A-2 - Well 16	-	-	-	-	2,448,239.00	14,518.00	-	-
A-3 - Well 17	28,000.00	27,649.66	-	-	-	-	-	-
A-4 - Miscellaneous Pump Replacements	40,000.00	-	-	-	-	-	-	-
Total A - WATER SUPPLY	68,000.00	27,649.66	-	-	2,488,239.00	14,518.00	-	-
B - WATER DISTRIBUTION								
B-1 - System Valve Replacements	30,000.00	-	-	-	-	-	-	-
B-2 - Paving Replacements	25,000.00	-	-	-	-	-	-	-
B-3 - Service Replacements	35,000.00	29,609.50	-	-	-	-	-	-
B-4 - Large Meter Replacements	5,000.00	-	-	-	-	-	-	-
Total B - WATER DISTRIBUTION	95,000.00	29,609.50	-	-	-	-	-	-
M - GENERAL PLANT ASSETS								
M-1 - Ice Machine	2,804.00	2,803.96	-	-	-	-	-	-
M-2 - Billing Software Upgrade	25,000.00	25,000.00	18,055.00	16,835.00	-	-	-	-
M-3 - Office Furniture & Equipment	10,212.00	4,446.07	-	-	-	-	-	-
M-4 - Truck	-	-	-	-	-	-	30,000.00	26,384.47
Total M - GENERAL PLANT ASSETS	38,016.00	32,250.03	18,055.00	16,835.00	-	-	30,000.00	26,384.47
C - CONTINGENCY								
C-1 - Contingency (10% of Est A,B,M, & FO)	20,101.60	-	1,805.50	-	248,823.90	-	3,000.00	-
TOTAL BUDGETED PROJECT EXPENDITURES	221,117.60	89,509.19	19,860.50	16,835.00	2,737,062.90	14,518.00	33,000.00	26,384.47
ENDING FUND BALANCE	\$ 1,780,508.40	\$ 1,856,469.73	\$ 168,182.50	\$ -	\$ (267,388.90)	\$ (372,975.82)	\$ 7,000.00	\$ 10,000.00



Items for Discussion and Action Agenda Item: 4.1

Date: July 15, 2019

Subject: RFP for Sacramento Region Water Utility Collaboration Study

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the July 15th Board agenda. The Executive Committee intentionally withheld a recommendation.

Current Background and Justification:

I have been meeting with the General Managers of eight other water agencies in our region and providing updates to the Planning Committee and Board via GM reports. These occasional meetings have spanned the past six months. The objective of the meetings was to explore the feasibility of saving our respective agencies money and time via collaboration. The levels of collaboration discussed have covered the full spectrum of collaboration, from virtually zero up to consolidation/merger.

There are two agencies that are genuinely contemplating or exploring consolidation, Sacramento Suburban and San Juan Water Districts. The now remaining five agencies (Del Paso Manor and Orangevale have dropped out), are unable and/or uninterested in exploring merger/consolidation. The non-consolidation agencies are interested in saving or cost avoidance through collaboration with neighboring agencies. The non-consolidation agencies could benefit via sharing the costs for compliance with existing and future regulatory requirements, group purchasing power, sharing infrequently used facilities, etc.

As one might expect, the scopes of work for a consultant studying consolidation vs. non-consolidation collaboration are different. Accordingly, I have been proposing a tiered approach to allocation of the costs. The costs were originally pro rata allocated on the basis of operating budget and number of service connection. The tiered criterion to reflect consolidation vs. non-consolidation agencies is introduced in the RFP attachment, but the numbers are merely place holders.

The Board Action being requested is to formally express interest. A binding commitment would be inappropriate unless and until the actual numbers are finalized. Even then, the numbers can change if any more of the participants drop out. This is one reason the group of agency GMs is trying to ascertain the level of acceptance from each agency's board, i.e. known disinterested agencies will

change the cost share for remaining agencies and can compound or trend toward further agency drop outs.

Conclusion:

Conditioned on final estimated cost and cost allocation methodologies acceptable to the District, and further subject to review by District Legal Counsel, I recommend the Board vote to support the draft Request for Proposal for Sacramento Region Water Utility Collaboration/Integration Study RFP.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.1

Date

Initial Potential Meeting Date

7/15/19

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

RFP for Sacramento Region Water Utility Collaboration Study

6/28/19

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

7/1/19

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

7/11/19

Actual Meeting Date Set for Agenda Item

7 /15/19

REQUEST FOR PROPOSAL

**CONSULTANT SERVICES FOR
A SACRAMENTO REGION WATER UTILITY COLLABORATION/INTEGRATION
STUDY**

A. INTRODUCTION:

A consortium of nine water supply agencies in the Sacramento Region is seeking a consultant for professional services to assist with the preparation of a Sacramento Region Water Utility Collaboration/Integration Study (Study). The nine agencies consist of Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District, Sacramento Suburban Water District (SSWD) and San Juan Water District (SJWD) (Agencies). For organizational purposes, SSWD will serve as the lead or coordinating agency for an evaluation of collaboration/integration opportunities considered in this feasibility and planning study.

STUDY OBJECTIVE: Identify ways the Agencies can become more efficient in working together to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. As part of the Study, the selected consultant should identify opportunities for coordinating or integrating policies, programs, services, projects and activities to create efficiencies, improve results and achieve an overall cost benefit to the Agencies' customers. The Scope of Work is a threshold study of the range of alternatives, which include potential integration of selected projects, programs and services, up to and including integration or consolidation of two or more of the Agencies into a single organization.

Background

In 2013, SSWD and San Juan Water District entered into an agreement to begin identifying opportunities to improve collaboration and potentially merge operations into one consolidated district. A Phase 1 Study, focused on high-level evaluation of three options, was completed in 2014. A Phase 2A Study, focused on governance and organizational design of one alternative, was completed in 2015.

At the June 2015 Joint Board Meeting, the SSWD Board of Directors made a decision to suspend all work on the consolidation analysis until SSWD coordinated with the SJWD Wholesale Customer Agencies (Citrus Heights Water District, Fair Oaks Water Districts, Orange Vale Water Company, and City of Folsom) to ensure that a process be developed whereby Wholesale Customer Agencies' issues and concerns can be addressed, and evaluate the independent research on SJWD water rights that SSWD commissioned. SSWD has determined that the design of this proposed Study will address these concerns, and SSWD is ready to move forward with further analysis as proposed in this RFP.

In March 2018, SSWD received correspondence from the SJWD General Manager, on behalf of the Board of Directors of SJWD, inquiring about the status of the merger discussions previously conducted by SSWD and SJWD. At SSWD's March 2018 regular Board meeting, the Board approved implementation of a 2X2 Committee to meet with SSWD's General Manager and develop goals and discussion points.

Due to interests of other local water agencies to move forward in discussions pertaining to collaboration/integration opportunities, it has now evolved into a broader level of involvement in the Sacramento Region.

Structure and Meetings

As noted, SSWD will be responsible for administration of the project, and will be the primary contact for the consultant. The project will be overseen by a Steering Committee, composed of at least one executive from each of the Agencies. The consultant will meet with the Steering Committee as necessary, but at least once to initiate the project, and then at the end of each Activity phase. In addition, during the analysis phase of the consultant's work, the consultant will need to communicate with each agency's subject matter expert staff as required.

The consultant will also need to plan to present the results of each Activity phase to a facilitated joint meeting of the Boards of Directors/City Councils of the Agencies (a maximum of 4 meetings total for the Boards/Councils).

The consultant needs to identify in the proposal the intersection points with Agency personnel throughout the Study.

B. REQUESTED SCOPE OF WORK:

1. SERVICES DESIRED:

The following is a requested scope of work to be utilized in submitting a response.

Scope of Work Activity 1: Describe the current environment

(a) Describe the utilities, background

Document the operational responsibilities of the various Agencies related to water services. Document the service standards, policies, procedures and organizational staffing for each agency. Provide an overview of how customers receive their water supplies in the areas served by the Agencies.

(b) Inventory services offered by each Agency

Create a template to be completed by the Agencies to identify the services offered by each Agency (i.e. water treatment and distribution, meter reading and billing, water efficiency on system and per customer basis, budgeting and accounting, etc.) Identify program/service operating goals, operating costs, water supply costs, performance data and key projects that are either planned or in execution.

Inventory Agency Capital Improvement Programs and Advanced Planning Efforts for Infrastructure and Significant Asset Management, including expected future costs.

(c) Inventory current collaborations

Create an inventory of current collaborations between/among the Agencies

(d) Describe existing financial approaches

Prepare a description of the current financial environment of the Agencies, including debt capacity and obligations, credit ratings, rate structure, financial policies, asset base, reserve levels, number of customers, annual revenues, property tax receipts, operating rates and connection fees and other relevant factors. Create a template to be completed by the Agencies to obtain information.

(e) Identify stakeholders

Identify current stakeholders of the Agencies and their interests (including customers (particularly those in Disadvantaged Communities), developers, employees and other stakeholders).

(f) Review and Revise Problem Statements

Evaluate the problem statements defined by the Agencies and recommend any additions or edits. The problem statements will help inform the scope of the Study. The draft list of problem statements accompanies this RFP as Attachment C.

Scope of Work Activity 2: Conduct benchmarking

(a) Conduct peer benchmarking

Conduct a peer benchmarking study to compare key indicators for the Agencies, such as staffing, functions provided, organization structure, and collaborative efforts. Consult with the Agencies in establishing criteria for choosing the peer agencies.

(b) Identify and performance measures to evaluate collaboration/integration alternatives/options

Ascertain evaluative benchmarks for the peer agencies and compare with the Agencies. At a minimum, benchmarks need to cover the following aspects of the projects/programs/organizations being assessed: 1) Legal; 2) Financial; 3) Management/Governance; and 4) Operational.

Scope of Work Activity 3: Identify opportunities for the future

(a) Identify economies of scale

Identify services or purchases that are amenable to savings due to scale.
Describe the potential benefits and challenges of combining such services.

(b) Identify opportunities and challenges for service integration

Identify opportunities and challenges for integrating services within the Agencies. Specify which services could be integrated, the associated costs and benefits, and key factors that would need to be addressed. Recognize that there will be a growth in service connections in the future. Provide a framework for next steps and phasing of implementation.

(c) Identify opportunities and challenges for facilities integration

Identify opportunities and challenges for combining or integrating facilities (i.e., buildings and grounds, but not water treatment and distribution) that would create cost savings to the Agencies and their customers. Describe the potential benefit and the factors that would need to be addressed in integrating such facilities. Recognize that there will be a growth in service connections in the future. Provide a framework for next steps and phasing of implementation.

Deliverables

It is understood that the consultant will begin the Study by completing the scope of work activity #1, followed by activity #2 and finish with activity #3. The consultant shall provide to the Steering Committee a report at the completion of each of the three activities in the scope of work, detailing the information collected, the analysis conducted and any results or recommendations. The consultant shall also provide the Steering Committee a final report, integrating the results of the three activities and a summary of the complete project.

2. MINIMUM QUALIFICATIONS OF CONSULTANT:

It is expected that the proposer will have experience with public sector projects of similar nature and scope, including the ability (whether directly or through a subconsultant) to address relevant legal, financial, management/governance and operational issues. The successful proposer will demonstrate experience with a minimum of three municipally-directed projects pertaining specifically to evaluation of utility services.

3. INSURANCE REQUIREMENTS:

The firm or individual selected to perform the work will be required to provide with the contract insurance and indemnification in the amount shown in Exhibit B within Attachment A.

C. THE PROPOSAL:**1. FORMAT AND REQUIREMENTS:**

The Proposal shall be 8-1/2" by 11", with the pages numbered sequentially, and double-sided. 1" margins shall be provided on all pages. Statements shall be in a 12-point font and may be single or double-spaced.

Statements of Qualifications shall be submitted in electronic format using Adobe Acrobat (.pdf).

2. PROPOSAL CONTENTS:

The Proposal shall include the following:

- A. Letter of Transmittal. Identify the individual or parties, and provide its (their) address along with the name of a contact person and a telephone number (one page maximum).
- B. Include a general statement of the consultant's approach to conducting a financial and operational review of public utilities (two pages maximum).
- C. Describe the Firm's experience with public sector projects of a similar nature and scope. Emphasis should be placed on projects undertaken within the past three years.
- D. Identify all personnel who will be assigned to work on this project. Include brief summaries of their background and experience, as well as the assigned responsibilities for this project.
- E. A general statement of the consultant's approach to conducting the required Study. This discussion should estimate the total cost for the Study (two pages maximum).
- F. Identify any sub-consultants and include the same information as described in "D".
- G. Provide a budget, broken down by each scope of work activity and subtask.
- H. Provide a timeline for completion of the project. Any assumptions regarding turnaround time for review should be clearly noted.
- I. Provide references for your firm's three most representative projects. Include the following:
 - 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.

- 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.
- J. Provide a summary of all past projects involving any Agency. This summary shall include
- 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.
 - 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.

3. PROJECT APPROACH:

Include a brief discussion describing your firm's approach to preparing the Study. Detail your strategy and include your vision for the final deliverable resulting from this Study.

D. THE PROCESS:

Mandatory Proposers Meeting:

A mandatory proposers meeting will be held (**Date/time/location**), to provide all consulting teams with information concerning the Scope of the Study and to ask any questions. Moreover, any written questions should be submitted to Heather Hernandez via email to: hhernandez@sswd.org by no later than **4:00 p.m. on DAY, MONTH AND DATE, 2019**. All questions and answers will be distributed via email by **DAY, MONTH AND DATE, 2019** as well as posted on the (SSWD website?). The name of the consulting team submitting questions will not be identified.

Submittal of the Proposal: The Proposal shall be submitted using Adobe Acrobat (.pdf format) to Heather Hernandez via email hhernandez@sswd.org by no later than **4:00 p.m. on DAY, MONTH AND DATE, 2019**.

Proposal Review: Qualifications will be evaluated by a Steering Committee comprised of staff from the Agencies. Submittals will be evaluated according to project understanding by the consultant, and the qualifications of your firm in providing services of a similar nature and how relevant that experience is to this project.

The top two to six proposals will be invited for one or more interviews during the weeks of (DATES). The interviewing panel will be comprised of a representative from each agency participating in the study.

The Consultant selected to perform the Study will be notified by DATE, 2019.

Award: The top ranked party will be invited to enter into negotiations with the Agencies on the terms of a Consultant contract based on a final proposal to be submitted at that time. The negotiations will occur in MONTH of 2019. If a satisfactory agreement cannot be negotiated, then the same process will be undertaken with the next highest ranked

party on this list until a satisfactory agreement can be reached. The Agencies anticipate executing a contract in MONTH of 2019 to begin providing services immediately.

The Consultant, as an independent contractor, will report to the Steering Committee comprised of staff from the Agencies. SSWD staff will provide contract administration and project coordination. The Agencies reserve the right to reject all proposals, directly contract with any proposer or non-proposer and request additional information.

Conflict of Interest: By submitting a Proposal, the Respondent declares and warrants that no elected or appointed official, officer or employee of the Agencies has been or shall be compensated, directly or indirectly, in connection with the award of the Agreement or any work for the proposed project.

E. CONCLUSION:

If you have any questions, or need additional information, please contact Dan York at dyork@sswd.org or 916-679-3973.

Sincerely,

Dan York
General Manager, SSWD

Attachments: A – Professional Services Agreement
B – Conflict of Interest form
C – Initial list of Problem Statements

**Attachment A
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with eight neighboring water supply agencies in the Sacramento Region; Carmichael Water District, Citrus Heights Water District, City of Folsom, Del Paso Manor Water District, Fair Oaks Water District, Orange Vale Water Company, Rio Linda/Elverta Community Water District and San Juan Water District (collectively, "Agencies"), and _____, (hereinafter referred to as "Consultant").

RECITALS

SSWD requires the services of Consultant to: (insert finalized Scope of Work)

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and facilities necessary to timely perform the services described in this Agreement. Consultant acknowledges that Agencies have relied upon said warranties to retain Consultant.

AGREEMENT

NOW, THEREFORE, SSWD and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. **Retention as Consultant.** SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.

2. **Relationship of Parties – Independent Contractors.** The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.

3. **Description of Services.** Consultant shall provide professional _____ services to identify ways the Agencies can become more efficient in working together to deliver water services to our communities; look for ways to expand coordination and cooperation as well as identify opportunities for integrating programs, services, and activities to create efficiencies, improve results and achieve an overall cost benefit to the community; and study the potential of service coordination and integration as more particularly set forth in Exhibit "A" attached hereto.

4. **Consultant's Responsibilities.** In the performance of services under this Agreement, Consultant shall:

(a) Diligently perform all services required under this Agreement and continuously furnish the necessary personnel to complete such services in a timely manner;

(b) Perform all services under this Agreement in a manner commensurate with industry, professional, and community standards;

(c) At its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted;

(d) Obtain and keep in effect during the term of this Agreement, at its sole cost and expense, all necessary licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession and to provide the services under this Agreement;

(e) Be readily available to the Steering Committee to answer any and all questions, inquiries and correspondence from Agencies or interested persons referred to Consultant by the Steering Committee related to the performance of the services under this Agreement;

(f) Discuss and review all matters related to the performance of services under this Agreement with the Steering Committee in advance of all critical decision points in order to ensure the work proceeds in a manner consistent with the Agencies' goals and policies; and,

(g) Consultant shall keep and maintain records and invoices related to services provided under this Agreement for a minimum period of three (3) years from the date of final payment to Consultant, or for a longer period as may be required by law. Such records and invoices shall include, but not be limited to, financial records, time sheets, work progress reports, bills and project records. All such records and invoices shall be clearly identifiable, and organized in a reasonable manner.

- (1) Consultant shall make such records and invoices immediately available to SSWD or Agencies upon delivery of a written request to examine, audit, or copy such records and invoices.
- (2) Within three (3) business days of the delivery of a written notice by the Steering Committee, Consultant shall prepare and submit a written report to SSWD, with copies for all of the Agencies, identifying the work in progress, charges incurred to date, and the anticipated cost of completion.
- (3) Consultant shall give SSWD thirty (30) days written notice of its intent to destroy or otherwise dispose of the records and invoices to allow SSWD or Agencies an opportunity to take possession.

5. Compensation and Payment.

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$_____ (hereinafter "not to exceed amount"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in Exhibit "A."

(b) SSWD shall pay Consultant no later than 30 days after SSWD receives and verifies a written invoice from Consultant in a form satisfactory to the Steering Committee. At a minimum, Consultant's invoice shall contain a description of the services performed and/or the specific task completed from Exhibit "A". Consultant shall not submit invoices to SSWD more frequently than once a calendar month.

(c) The compensation set forth in this Agreement shall constitute the total compensation for all costs of the services provided by Consultant, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, typing, duplication, computer time, and any and all other costs, expenses, and charges incurred by Consultant, its agents and employees to provide the services described in this Agreement.

6. Extra Services. Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement shall not be more than 10% of the not to exceed amount.

7. Term. The term of this Agreement shall commence on date this agreement is executed by both parties.

8. **Termination by SSWD or Agencies.** Upon thirty (30) calendar days written notice to Consultant, SSWD or Agencies may terminate any portion or all of the services described in this Agreement. In the event of such termination, Consultant shall have the right and obligation to immediately assemble all work in progress for the purpose of winding up the terminated services. All compensation for actual work performed and charges outstanding at the time of termination shall be payable in accordance with Section 5(b) above.

9. **No Assignment.** No portion of this Agreement shall be assigned or subcontracted by Consultant without SSWD's or Agencies' express written consent. The term "assignment" shall include any sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or party to a joint venture, which results in a change of control of Consultant. Control means fifty percent or more of the voting power, or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

10. **Project Manager.** Consultant's services under this Agreement shall be performed under the general direction of a Steering Committee comprised of representatives from the Agencies, Dan York, or such person as the Agencies may designate.

11. **Ownership of Documents.** All drawings, designs, data, photographs, reports and other documentation prepared or obtained by Consultant in the performance of the services contemplated by this Agreement shall be the property of the Agencies and shall be delivered to the Agencies upon demand.

12. **Confidentiality.** Consultant shall not disclose confidential or proprietary information or knowledge received directly or indirectly from the Agencies to anyone other than Consultant's employees necessary to perform the services described in this Agreement. This obligation shall survive termination and remain in full force and effect until the records kept and maintained pursuant to Section 4(g)(3) above, and any copies thereof, are destroyed or returned to the Agencies.

13. **Hold Harmless and Indemnity.** Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, arising out of or in connection with this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

14. Insurance. For the duration of this agreement, Consultant shall procure and maintain, at its own cost, insurance in the amounts and under the terms set forth in Exhibit "B" attached hereto against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work to provide the services described in this Agreement by Consultant, its agents, representatives, or employees. Consultant agrees to comply with any changes in the amounts and terms of such insurance as may be required from time to time by the Agencies, upon reasonable written notice.

15. Acceptance of Final Payment. Consultant's acceptance of final payment made under this Agreement, by negotiating SSWD's check or otherwise, shall release SSWD and Agencies from all claims and liabilities for compensation under this Agreement.

16. Acceptance of Work. The approval, payment and/or acceptance of the work or services performed under this Agreement by SSWD, shall not constitute or be deemed a release of the responsibility or liability of Consultant, its agents, employees, consultants, contractors, and/or subcontractors for the accuracy and competency of the services performed and/or information provided under this Agreement; nor shall such action be deemed an assumption of Consultant's responsibility or liability by SSWD or Agencies for any defect or error in Consultant's services.

17. Waiver; Remedies. A party's failure to insist upon the strict performance of any provision of this Agreement by the other party ("breaching party"), irrespective of the length of time for which such failure continues, shall not constitute a waiver of the non-breaching party's right to demand strict compliance in the future. A waiver shall not be effective or binding unless made in writing by the non-breaching party, and may not be implied from any omissions by the non-breaching party. A written waiver shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Agreement.

All of the remedies permitted or available under this Agreement, or at law or in equity, shall be cumulative and alternative, and the invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.

provisions will nevertheless continue in full force without being impaired or invalidated in any way.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have caused this Agreement to be executed on the date first written above.

CONSULTANT:

By:
Title:

SSWD

Dan York
General Manager

APPROVED AS TO FORM:

SSWD Attorney

Attachments:

Exhibit A – Scope of Work

Exhibit B – Insurance Coverage, Amounts and Terms

Attachment B**INSURANCE COVERAGE**

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:
\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:
\$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability:
\$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by SSWD. At the option of the Agencies, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agencies, their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to SSWD guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Agencies, their officers, officials, employees and designated volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agencies, their officers, officials, employees or volunteers.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agencies, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agencies, their officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect coverage provided to the Agencies, their officers, officials, employees or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agencies.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to SSWD.

Verification of Coverage

Consultant shall furnish SSWD certificates of insurance and endorsement(s) effecting coverage to the Agencies for approval. The endorsements shall be on forms acceptable to SSWD. All certificates and endorsements are to be received and approved by SSWD before work commences. The Agencies reserve the right to require complete, certified copies of all insurance policies required by this sect

Attachment C
Initial List of Problem Statements

Problem Statements

1. Water supplies in the American River basin are becoming more variable and likely less reliable than in the past, due in part to climate change, environmental regulatory requirements and competing demands.
2. The areas served by the participating agencies were extensively developed during the second half of the last century and the water supply infrastructure installed at that time is in need of repair and replacement.
3. During normal to wet years, various water agencies in the Sacramento region have more water available under their water rights and contracts than necessary to meet customer demands, and use of this surplus water is not optimized.
4. Water supply infrastructure among the agencies in this analysis has varying levels of underutilized collection, treatment, storage and delivery capacity.
5. The agencies in this analysis face various financial and operational challenges in providing services to their customers and performing business functions.
6. The agencies in this analysis face increasing operational costs.
7. The sizes of the agencies in this analysis limit their ability to dedicate staff time to legislative, policy and regulatory issues.

Goals

The participating agencies will collaborate to:

1. Enhance water supply reliability by optimizing the use of surface water and groundwater supplies. Plan for and develop resilient responses to changes in water supplies that result from climate change and new regulatory requirements.
2. Repair, replace and improve water supply infrastructure and related agency assets in the most efficient and cost-effective manner possible.

3. Provide excellent service and the best value to customers.
4. Achieve more effective advocacy and the best outcomes possible on legislation and regulations in both Sacramento and Washington, D.C.

ATTACHMENT 2

Regional Collaboration/Integration Project
Cost Allocation

6/12/2019
Total Project Cost: \$ 250,000

Agency - retail only	No. Connections	Operating Budget	% Share by Connections	% Share by Operating Budget	Cost for Agency - by Connections	Cost for Agency - by Budget	Tier	% Share by Tier	Cost for Agency - by Tier
Carmichael Water District	11,912	\$ 7,869,668	9.26	9.91	\$ 23,162	\$ 24,786	2	9	\$ 22,500
Citrus Heights Water District	19,934	\$ 13,073,299	15.50	16.47	\$ 38,761	\$ 41,176	3	18	\$ 45,000
City of Folsom	21,052	\$ 14,201,768	16.37	17.89	\$ 40,935	\$ 44,730	3	18	\$ 45,000
Fair Oaks Water District	14,031	\$ 7,325,500	10.91	9.23	\$ 27,283	\$ 23,072	2	9	\$ 22,500
Rio Linda/Elverta CSD	4,700	\$ 2,200,000	3.66	2.77	\$ 9,139	\$ 6,929	1	2.5	\$ 6,250
Sacramento Suburban WD	46,268	\$ 23,241,000	35.99	29.28	\$ 89,967	\$ 73,200	4	25.5	\$ 63,750
San Juan Water District	10,673	\$ 11,463,700	8.30	14.44	\$ 20,753	\$ 36,106	3	18	\$ 45,000
Totals			100.00	100.00	\$ 250,000	\$ 250,000		100.00	\$ 250,000

Agency - retail and wholesale	No. Connections	Operating Budget	% Share by Connections	% Share by Operating Budget	Cost for Agency - by Connections	Cost for Agency - by Budget	Tier	% Share by Tier	Cost for Agency - by Tier
Carmichael Water District	11,912	\$ 7,869,668	9.26	8.84	\$ 23,159	\$ 22,107	2	8	\$ 20,000
Citrus Heights Water District	19,934	\$ 13,073,299	15.50	14.69	\$ 38,755	\$ 36,724	3	15	\$ 37,500
City of Folsom	21,052	\$ 14,201,768	16.37	15.96	\$ 40,929	\$ 39,894	3	15	\$ 37,500
Fair Oaks Water District	14,031	\$ 7,325,500	10.91	8.23	\$ 27,279	\$ 20,578	2	8	\$ 20,000
Rio Linda/Elverta CSD	4,700	\$ 2,200,000	3.66	2.47	\$ 9,138	\$ 6,180	1	3	\$ 7,500
Sacramento Suburban WD	46,268	\$ 23,241,000	35.98	26.11	\$ 89,953	\$ 65,287	4	25.5	\$ 63,750
San Juan Water District	10,693	\$ 21,084,900	8.32	23.69	\$ 20,789	\$ 59,230	4	25.5	\$ 63,750
Totals			100.00	100.00	\$ 250,000	\$ 250,000		100.00	\$ 250,000



**Items for Discussion and Action
Agenda Item: 4.2**

Date: July 15, 2019
Subject: General Manager's Report
Staff Contact: Timothy R. Shaw

Recommended Committee Action:

N/A this item is not reviewed by committee.

Current Background and Justification:

The General Manager will provide a written report of District activities over the period since the last regular Board meeting. The Board may ask for clarifications and may also provide direction in consideration of the reported activities.

Conclusion:

No Board action is anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.2

Date

Initial Potential Meeting Date

7/15/19

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

General Manager Report

7/11/19

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

7/11/19

Actual Meeting Date Set for Agenda Item

7 /15/19



Date: July 15, 2019

Subject: General Manager Report

Staff Contact: Timothy R. Shaw, General Manager

For the given month, I participated in the following reoccurring meetings and special events: The human resources / personnel component of my responsibilities demanded substantive time spent onboarding the new hire for the Distribution Operator I vacancy. The District does not perform the hiring evolution frequently enough to establish routine practices. Much of the required checks, assignments and documentation requires an update (e.g. forced change of passwords and updating online software applications) just to perform a process that would otherwise require less than an hour of work. Otherwise the month was less busy than prior months. The new consolidated committee helps on time demands. I am thankful to have been able to take a day off on July 5th.

1. On June 18th, I attended the Bhandal Construction meeting Details are in the District Engineers report.
2. On June 21st, I held an informal meeting with senior staff members to discuss the logistics of the Employee Retention Advisory Committee meetings now stipulated in the General Unit MOU.
3. On June 25th four new computer workstations were installed to replace four old, inferior workstations. The evolution lead by Adept Solutions was an all-day (and then some) process.
4. On July 2nd I participated in a meeting with Neopost regarding the annual maintenance contract. The District is contemplating outsourcing the billing process, so an annual commitment for a maintenance contract on a folding machine would be unreasonable unless Neopost agrees to refund a pro rata amount for termination of service prior to the end of the 1-year term.
5. On July 5th I took a day off. It was much needed and much appreciated.
6. On July 8th, met with the Nationwide deferred compensation representative, who was here to onboard the new hire. The District needed to correct some routing /contact information to properly receive routine reports.
7. On July 8th (late morning), Deborah Denning and I met with Umpqua Bank to continue the process of transitioning accounts from California Bank and Trust to Umpqua.

8. On July 11th I attended the Monthly RWA meeting. There was only one action item on the agenda. The action approved was to adopt a resolution approving the Regional Water Reliability Plan. RWA had already approve the plan, but the Chair wanted to elevate the posterity of the plan, which had consumed substantial time and resources to complete. As has been the status for some time, the plan is posted on the RWA website.

Other initiatives in progress are:

Now that the SCADA historian application issues have been resolved, Tesco resumed more routine services to the District, including their annual maintenance evolution. I involved myself to a greater degree than I would otherwise have done. This is because of the suspicious practices of Tesco revealed in the historian issues. In short, I remain deeply concerned and disappointed in the level of service we receive from Tesco. I've been keeping the regions other water agency GM's apprised because the frustration with Tesco has been a topic at the Sacramento Regional Water Utility Collaboration meetings.



**Items for Discussion and Action
Agenda Item: 4.3**

Date: July 15, 2019
Subject: District Engineer's Report
Staff Contact: Mike Vasquez, District Engineer

Recommended Committee Action:

N/A this item is not discussed at committees.

Current Background and Justification:

The District Engineer will provide a written report to the Board of Directors on engineering activities since the previous monthly meeting. The Board may ask for clarifications and may also provide direction in response to the report.

Conclusion:

There is no Board action anticipated for this item.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.3

Date

Initial Potential Meeting Date

7/15/19

Circle High/~~Medium~~/~~Low~~ priority of Item and Identify if in line with Mission/
Goal/~~Strategic Planning~~ issues or state of emergency

District Engineers Report

7/11/19

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

N/A

Review by appropriate Finance/Administration, Projects /Planning or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

7/11/19

Actual Meeting Date Set for Agenda Item

7 /15/19

11 July 2019

DISTRICT ENGINEER'S REPORT

To: Tim Shaw, General Manager, Rio Linda / Elverta Community Water District

From: Mike Vasquez, PE, PLS, Principal (EKI), District Engineer (RL/ECWD)

Subject: **District Engineer's Report for the 15 July 2019 Board of Directors Meeting (EKI Project No. B800130.00)**

The District Engineer is pleased to submit this brief update of duties and tasks performed for the period of 14 June 2019 to 10 July 2019:

1. General District Engineering:

- Updated the District's Capital Improvement Project list and presented it to the Executive Committee on 7/1/2019.
- Met with TESCO at the District office on 6/14/2019 and 6/24/2019 to observe backup of SCADA system data and to observe procedures for Historian Program use.
- Met with Bhandal Construction on 6/18/2019 regarding a potential residential development on Elmwood Avenue. The development may include up to 12 lots depending on project phasing, development requirements, and lot availability. Discussed water main extension from Cypress Street to Elverta Road.
- Attended an Encroachment Permits webinar on 7/9/2019 conducted by ACWA JPIA to review best practices for procurement of encroachment permits involving water utilities.

2. Well 16 Pumping Station Equipping and Site Design Project:

- Reviewed 60% design plans, drainage report, and engineer's estimate of probable construction costs submitted by design consultant Domenichelli & Associates.
- Will meet with Domenichelli & Associates on 7/11/2019 to provide our review comments on their 60% design.
- The project remains on schedule for design completion on 8/30/2019.

3. Well 10 Hexavalent Chromium Treatment Project:

- An updated quarterly report with project schedule and budget for the period of 3/1/2019 to 5/31/2019 was prepared and submitted to the Regional Water Authority.

Formerly known as Eler & Kalinowski, Inc.

Tim Shaw, General Manager, RL/ECWD
District Engineer's Report
11 July 2019
Page 2 of 2



- The revised funding agreement to repurpose DWR Proposition 84 Grant funding from the Well 10 Hexavalent Chromium Treatment project to the Well 16 project remains under review by DWR. Upon DWR approval, the grant funds will be available for Well 16 project use.

Please contact me directly at the office (916) 905-2388, cell phone (530) 682-9597, or email at mvasquez@ekiconsult.com with any questions or require additional information.

Very truly yours,

EKI ENVIRONMENT & WATER, INC.

A handwritten signature in black ink, appearing to read 'Mike Vasquez', written over a faint, larger version of the same signature.

Mike Vasquez, PE, PLS
Principal (EKI)
District Engineer (RL/ECWD)



Items for Discussion and Action Agenda Item: 4.4

Date: July 15, 2019

Subject: Stripe Credit/Debit Card Processing Terms and Conditions

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the July 15th Board agenda with a recommendation for Board approval.

Current Background and Justification:

As discussed at the 6-17-2019 Board meeting, several issues have emerged with the current credit/debit card processing service, Bluefin. In addition to the issues regarding the Bluefin contract, Bluefin's convenience fee shows as a charge from Arkansas. Some credit/debit card banks flag the Arkansas charge as potential fraud, and the RLECWD credit card customers are unnecessarily alarmed. Additionally, the credit card customers payment process is inconveniently prolonged until the customer rectifies the issue with their bank. Payment is delayed or denied until the fraud warning is cured. Further exasperation stems from Bluefin only offering a magnetic strip card reader for our point of sell transaction processing, which is not as secure as the microchip card readers required in most states (evidently not required in Arkansas).

One reason the District's GM contracted with Bluefin in 2016 was the seamless integration of Bluefin with the CUSI billing software. Bluefin/CUSI obviated the need for batch posting of credit/debit card transactions. Therefore, even though the Bluefin contract was oppressive and imbalanced in favor of Bluefin, the GM signed the Bluefin contract in September 2016.

When staff reached out to CUSI for help with the fraud flagging issues associated with the Arkansas based convenience fee charge, CUSI made the District aware of the only other credit/debit card processor that is integrated to eliminate batch postings. Stripe is based in Northern California. The Stripe Terms and Conditions are far better than Bluefin, but not as good as PayGov.US. Legal Counsel was provided a copy of the Stripe Terms and Conditions on June 14th.

Conclusion:

I recommend the Board approve the Stripe Terms and Conditions and direct the General Manager to notify Bluefin to terminate and authorize execution of the Stripe Contract.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.

(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.4

Date

Initial Potential Meeting Date

7/15/19

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Stripe Credit/Debit Card Processing Terms and Conditions

6/28/19

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

7/1/19

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

6/14/19

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

7/11/19

Actual Meeting Date Set for Agenda Item

7 /15/19

<https://stripe.com/legal>

Stripe Services Agreement — United States

Last updated: February 15, 2019.

Welcome to Stripe.

This Stripe Services Agreement (“Agreement”) is a legal agreement between Stripe, Inc. (“Stripe”, “us”, or “we”) and the entity or person (“you”, “your”, or “user”) who registered on the Stripe Account page to receive certain payment processing, data, technology and analytics services, and other business services that may be offered by Stripe and its affiliates (each, a “Service”). This Agreement describes the terms and conditions that apply to your use of the Services.

If you do not understand any of the terms of this Agreement, please contact us before using the Services.

You may not access or use any Services unless you agree to abide by all of the terms and conditions in this Agreement.

Section A: General Terms

1. Overview of this Agreement

This Agreement provides a general description of the Services that Stripe may provide to you, including those that allow you to accept payments from purchasers of your goods or services or donors to your organization (your “Customers”). We provide you with a more detailed description of the Services through published software libraries and application programming interfaces that may be used to access the Services (the “API”) and additional resources we make available to you on our website.

Before using the Services, you must register with Stripe and create an account (a “Stripe Account”).

Section A describes the process of registering for and using your Stripe Account.

Section B describes your use of the API and the Services.

Section C describes the Payment Processing Services, which are one type of Service provided by Stripe.

Section D describes proper handling, management, and use of data generated during your use of the Services, including your Customers’ data.

Finally, Section E describes your liability to Stripe for all losses connected with your Stripe Account, your agreement to resolve all disputes with Stripe by arbitration and not in a lawsuit, and other legal terms that apply to you.

2. Your Stripe Account

a. Registration and Permitted Activities: Only businesses (including sole proprietors), bona fide charitable organizations, and other entities or persons located in the United States are eligible to apply for a Stripe

Agenda Item 4.4

Account to use the Services described in this Agreement. Stripe and its affiliates may provide Services to you or your affiliates in other countries or regions under separate agreements.

To register for a Stripe Account, you or the person or people submitting the application (your “Representative”) must provide us with your business or trade name, physical address, email, phone number, tax identification number, URL, the nature of your business or activities, and certain other information about you that we require. We may also collect personal information (including name, birthdate, and government-issued identification number) about your beneficial owners, principals, and your Stripe Account administrator. Until you have submitted, and we have reviewed and approved, all required information, your Stripe Account will be available to you on a preliminary basis only, and we may terminate it at any time and for any reason.

If you use Payment Processing Services, your name (or the name used to identify you) and URL may appear on your Customers’ bank or other statements. To minimize confusion and avoid potential disputes, these descriptors must be recognizable to your Customers and must accurately describe your business or activities. You may only use Payment Processing Services to facilitate Transactions (as defined below) with your Customers. You may not use Payment Processing Services to send money to others, to conduct any personal transactions, or for any other purposes prohibited by this Agreement.

b. Business Representative: You and your Representative individually affirm to Stripe that (i) your Representative is authorized to provide the information described in this Section A.2 on your behalf and to bind you to this Agreement and (ii) your Representative is an executive officer, senior manager or otherwise has significant responsibility for the control, management or direction of your business. We may require you or your Representative to provide additional information or documentation demonstrating your Representative’s authority. Without the express written consent of Stripe, neither you nor your Representative may register or attempt to register for a Stripe Account on behalf of a user Stripe previously terminated from use of the Services.

If you are a sole proprietor, you and your Representative also affirm that your Representative is personally responsible and liable for your use of the Services and your obligations to Customers, including payment of any amounts owed under this Agreement.

The following special requirements apply in relation to persons that are not at least 18 years old. If you are an individual or sole proprietor, and you are not at least 18 years old, but you are 13 years old or older, your Representative must be your parent or legal guardian. If you are a legal entity that is owned, directly or indirectly, by an individual who is not at least 18 years old, but the individual is 13 years old or older, your Representative must either obtain the consent of your board or of an authorized officer. Any such approving board, authorized officer, parent, or legal guardian is responsible to Stripe and is legally bound to this Agreement as if it had agreed to the terms of this Agreement itself. ****You may not use the Services if you are under 13 years of age. ****

c. Validation and Underwriting: At any time during the term of this Agreement and your use of the Services, we may require additional information from you to verify beneficial ownership or control of the business, validate information you provided, verify you or your Representative’s identity, and assess the risk associated with your business. This additional information may include business invoices, copies of government-issued identification, business licenses, or other information related to your business, its beneficial owners or principals. If you use Payment Processing Services, we may also request that you provide copies of financial statements or records pertaining to your compliance with this Agreement, or require you to provide a personal or company guarantee. Your failure to provide this information or material may result in suspension or termination of your Stripe Account.

You authorize us to retrieve information about you from our service providers and other third parties, including credit reporting agencies and information bureaus and you authorize and direct such third parties to compile and provide such information to us. You acknowledge that this may include your name, addresses, credit history, and other data about you or your Representative. You acknowledge that we may use your information to verify any other information you provide to us, and that any information we collect may affect our assessment of your overall risk to our business. You acknowledge that in some cases, such information may lead to suspension or termination of your Stripe Account. Stripe may periodically update this information as part of our underwriting criteria and risk analysis procedures.

d. Changes to Your Business, Keeping your Stripe Account Current: You agree to keep the information in your Stripe Account current. You must promptly update your Stripe Account with any changes affecting you, the nature of your business activities, your Representatives, beneficial owners, principals, or any other pertinent information. We may suspend your Stripe Account or terminate this Agreement if you fail to keep this information current. You also agree to promptly notify us in writing no more than three days after any of the following occur: you are the subject of any voluntary or involuntary bankruptcy or insolvency application, petition or proceeding, receivership, or similar action (any of the foregoing, a “Bankruptcy Proceeding”); there is an adverse change in your financial condition; there is a planned or anticipated liquidation or substantial change in the basic nature of your business; you transfer or sell 25% or more of your total assets, or there is any change in the control or ownership of your business or parent entity; or you receive a judgment, writ or warrant of attachment or execution, lien or levy against 25% or more of your total assets.

3. Your Relationship with Your Customers

You may only use the Services for legitimate Transactions with your Customers. You know your Customers better than we do, and you are responsible for your relationship with them. Stripe is not responsible for the products or services you publicize or sell, or that your Customers purchase using the Services; or if you accept donations, for your communication to your Customers of the intended use of such donations. You affirm that you are solely responsible for the nature and quality of the products or services you provide, and for delivery, support, refunds, returns, and for any other ancillary services you provide to your Customers.

Stripe provides Services to you but we have no way of knowing if any particular purchase, sale, donation, order, or other transaction (each a “Transaction”) is accurate or complete, or typical for your business. You are responsible for knowing whether a Transaction initiated by your Customer is erroneous (such as a Customer purchasing one item when they meant to order another) or suspicious (such as unusual or large purchases, or a request for delivery to a foreign country where this typically does not occur). If you are unsure if a Transaction is erroneous or suspicious, you agree to research the Transaction and, if necessary, contact your Customer before fulfilling or completing the Transaction. You are solely responsible for any losses you incur due to erroneous or fraudulent Transactions in connection with your use of the Services.

4. Fees and Fines

Stripe will provide the Services to you at the rates and for the fees (“Fees”) described on the [Pricing](#) page, linked here and incorporated into this Agreement. The Fees include charges for Transactions (such as processing a payment) and for other events connected with your Stripe Account (such as handling a disputed charge). We may revise the Fees at any time. However, we will provide you with at least 30 days’ advance notice before revisions become applicable to you (or a longer period of notice if this is required by applicable Law).

Agenda Item 4.4

In addition to the Fees, you are also responsible for any penalties or fines imposed in relation to your Stripe Account on you or Stripe by Stripe or any Payment Method Provider or Payment Method Acquirer (each as defined in [Section C](#)) resulting from your use of Payment Processing Services in a manner not permitted by this Agreement or a Payment Method Provider's rules and regulations.

You are also obligated to pay all taxes, fees and other charges imposed by any governmental authority ("Taxes"), including any value added tax, goods and services tax, provincial sales tax and/or harmonized sales tax on the Services provided under this Agreement. If you are tax-exempt, you will provide us with an appropriate certificate or other evidence of tax exemption that is satisfactory to us.

5. Services and Stripe Account Support

We will provide you with support to resolve general issues relating to your Stripe Account and your use of the Services. This support includes resources and documentation that we make available to you through the current versions of Stripe's [support pages](#), [API documentation](#), and other pages on our [website](#) (collectively, "Documentation"). The most efficient way to get answers to your questions is to review our Documentation. If you still have questions after reviewing the Documentation, please [contact us](#).

You are solely responsible for providing support to Customers regarding Transaction receipts, product or service delivery, support, returns, refunds, and any other issues related to your products and services and business activities. We are not responsible for providing support for the Services to your Customers unless we agree to do so in a separate agreement with you or one of your Customers.

6. Taxes and Other Expenses

Our fees are exclusive of any applicable Taxes, except as expressly stated to the contrary. You have sole responsibility and liability for: (i) determining what, if any, Taxes apply to the sale of your products and services, acceptance of donations, or payments you receive in connection with your use of the Services; and (ii) assessing, collecting, reporting, and remitting Taxes for your business to the appropriate tax and revenue authorities. If we are required to withhold any Taxes, or we are unable to validate any tax-related identification information you provide to us, we may deduct such Taxes from amounts otherwise owed and pay them to the appropriate taxing authority. If you are exempt from payment of such Taxes, you must provide us with an original certificate that satisfies applicable legal requirements attesting to your tax-exempt status. Upon our reasonable request, you must provide us with information regarding your tax affairs.

We may send documents to you and tax authorities for Transactions processed using the Services. Specifically, pursuant to applicable Law (including the Internal Revenue Code), we may be required to file periodic informational return with taxing authorities in relation to your use of the Services. If you use Payment Processing Services, you acknowledge that we will report the total amount of payments you receive each calendar year as required by the Internal Revenue Service. We also may, but are not obliged to, electronically send you tax-related information (including, when you provide us your tax identification number, a Form 1099-K).

7. Service Requirements, Limitations and Restrictions

a. Compliance with Applicable Laws: You must use the Services in a lawful manner, and must obey all laws, rules, and regulations ("Laws") applicable to your use of the Services and to Transactions. As applicable, this may include compliance with domestic and international Laws related to the use or provision of financial

services, notification and consumer protection, unfair competition, privacy, and false advertising, and any other Laws relevant to Transactions.

b. Restricted Businesses and Activities: You may not use the Services to enable any person (including you) to benefit from any activities Stripe has identified as a restricted business or activity (collectively, “Restricted Businesses”). Restricted Businesses include use of the Services in or for the benefit of a country, organization, entity, or person embargoed or blocked by any government, including those on sanctions lists identified by the United States Office of Foreign Asset Control (OFAC).

Please review the list of Restricted Businesses thoroughly before registering for and opening a Stripe Account. If you are uncertain whether a category of business or activity is restricted or have questions about how these restrictions apply to you, please contact us. We may add to or update the Restricted Business List at any time.

c. Other Restricted Activities: You may not use the Services to facilitate illegal Transactions or to permit others to use the Services for personal, family or household purposes. In addition, you may not allow, and may not allow others to: (i) access or attempt to access non-public Stripe systems, programs, data, or services; (ii) copy, reproduce, republish, upload, post, transmit, resell, or distribute in any way, any data, content, or any part of the Services, Documentation, or our website except as expressly permitted by applicable Laws; (iii) act as service bureau or pass-through agent for the Services with no added value to Customers; (iv) transfer any rights granted to you under this Agreement; (v) work around any of the technical limitations of the Services or enable functionality that is disabled or prohibited; (vi) reverse engineer or attempt to reverse engineer the Services except as expressly permitted by Laws; (vii) perform or attempt to perform any actions that would interfere with the normal operation of the Services or affect use of the Services by our other users; or (ix) impose an unreasonable or disproportionately large load on the Service.

8. Suspicion of Unauthorized or Illegal Use

We may refuse, condition, or suspend any Transactions that we believe: (i) may violate this Agreement or other agreements you may have with Stripe; (ii) are unauthorized, fraudulent or illegal; or (iii) expose you, Stripe, or others to risks unacceptable to Stripe. If we suspect or know that you are using or have used the Services for unauthorized, fraudulent, or illegal purposes, we may share any information related to such activity with the appropriate financial institution, regulatory authority, or law enforcement agency consistent with our legal obligations. This information may include information about you, your Stripe Account, your Customers, and Transactions made through your use of the Services.

9. Disclosures and Notices; Electronic Signature Consent

a. Consent to Electronic Disclosures and Notices: By registering for a Stripe Account, you agree that such registration constitutes your electronic signature, and you consent to electronic provision of all disclosures and notices from Stripe (“Notices”), including those required by Law. You also agree that your electronic consent will have the same legal effect as a physical signature.

b. Methods of Delivery: You agree that Stripe can provide Notices regarding the Services to you through our website or through the Dashboard (as defined below), or by mailing Notices to the email or physical addresses identified in your Stripe Account. Notices may include notifications about your Stripe Account, changes to the Services, or other information we are required to provide to you. You also agree that electronic delivery of a Notice has the same legal effect as if we provided you with a physical copy. We will consider a Notice to have been received by you within 24 hours of the time a Notice is either posted to our website or emailed to you.

c. SMS and Text Messages: You authorize us to provide Notices to you via text message to allow us to verify your or your Representative's control over your Stripe Account (such as through two-step verification), and to provide you with other critical information about your Stripe Account. Standard text or data charges may apply to such Notices. Where offered, you may disable text message notifications in the Dashboard by responding to any such message with "STOP", or by following instructions provided in the message. However, by disabling text messaging, you may be disabling important Security Controls (as defined below) on your Stripe Account and may increase the risk of loss to your business.

d. Requirements for Delivery: It should come as no surprise to you that you will need a computer or mobile device, Internet connectivity, and an updated browser to access your Dashboard and review the Notices provided to you. If you are having problems viewing or accessing any Notices, please contact us and we can find another means of delivery.

e. Withdrawing Consent: Due to the nature of the Services, you will not be able to begin using the Services without agreeing to electronic delivery of Notices. However, you may choose to withdraw your consent to receive Notices electronically by terminating your Stripe Account.

10. Termination

a. Term and Termination: This Agreement is effective upon the date you first access or use the Services and continues until terminated by you or Stripe. You may terminate this Agreement by closing your Stripe Account at any time by opening the data tab in your account settings, selecting "close my account" and ceasing to use the Service. If you use the Services again or register for another Stripe Account, you are consenting to this Agreement. We may terminate this Agreement or close your Stripe Account at any time for any reason (including, without limitation, for any activity that may create harm or loss to the goodwill of a Payment Method) by providing you Notice. We may suspend your Stripe Account and your ability to access funds in your Stripe Account, or terminate this Agreement, if (i) we determine in our sole discretion that you are ineligible for the Services because of significant fraud or credit risk, or any other risks associated with your Stripe Account; (ii) you use the Services in a prohibited manner or otherwise do not comply with any of the provisions of this Agreement; (iii) any Law, Payment Method Provider or Payment Method Acquirer requires us to do so; or (iv) we are otherwise entitled to do so under this Agreement. A Payment Method Provider or Payment Method Acquirer may terminate your ability to accept its Payment Method, at any time and for any reason, in which case you will no longer be able to accept the Payment Method under this Agreement.

b. Effects of Termination: Termination does not immediately relieve you of obligations incurred by you under this Agreement. Upon termination, you agree to (i) complete all pending Transactions, (ii) stop accepting new Transactions, and (iii) immediately remove all Stripe and payment network logos from your website (unless permitted under a separate license with the payment network). Your continued or renewed use of the Services after all pending Transactions have been processed serves to renew your consent to the terms of this Agreement. If you terminate this Agreement, we will pay out any remaining funds owed to you in accordance with Section C.

In addition, upon termination you understand and agree that (i) all licenses granted to you by Stripe under this Agreement will end; (ii) subject to Section D.5, we reserve the right (but have no obligation) to delete all of your information and account data stored on our servers; (iii) we will not be liable to you for compensation, reimbursement, or damages related to your use of the Services, or any termination or suspension of the Services or deletion of your information or account data; and (iv) you are still liable to us for any Fees or fines, or other financial obligation incurred by you or through your use of the Services prior to termination.

Section B: Stripe Technology

1. API and Dashboard

Stripe has developed and provides access to the API that may be used to access the Services. You may use the API solely as described in the Documentation to use the Services on websites and through the applications identified in your Stripe Account. You may manage your Stripe Account, connect with other service providers, and enable additional features through the Stripe management dashboard (“Dashboard”).

You may not use the API for any purpose, function, or feature not described in the Documentation or otherwise communicated to you by us. Due to the nature of the Services, we will update the API and Documentation from time to time, and may add or remove functionality. We will provide you Notice in the event of material changes, deprecations, or removal of functionality from the API so that you may continue using the Services with minimal interruption.

We will make publishable and secret API keys for live and test Transactions available to you through the Dashboard. Publishable keys identify Transactions with your Customers, and secret keys permit any API call to your Stripe Account. You are responsible for securing your secret keys – do not publish or share them with any unauthorized persons. Failure to secure your secret keys will increase the likelihood of fraud on your Stripe Account and potential losses to you or your Customers. You should contact us immediately if you become aware of any unauthorized use of your secret key or any other breach of security regarding the Services. We provide more details on proper use of publishable and secret API keys in the Documentation. Information on securing your Stripe Account is available in Section D.

2. Ownership of Stripe IP

As between you and Stripe, Stripe and its licensors exclusively own all rights, title, and interest in the patents, copyrights (including rights in derivative works), moral rights, rights of publicity, trademarks or service marks, logos and designs, trade secrets, and other intellectual property embodied by, or contained in the API, Services, Dashboard, and Documentation (collectively, “Stripe IP”) or any copies thereof. Stripe IP is protected by copyright, trade secret, patent, and other intellectual property Laws, and all rights in Stripe IP not expressly granted to you in this Agreement are reserved.

You may choose to or we may invite you to submit comments or ideas about improvements to the Service, our API, our platform, or any other component of our products or services (“Ideas”). If you submit an Idea to us, we will presume that your submission was voluntary, unsolicited by us, and delivered to us without any restrictions on our use of the Idea. You also agree that Stripe has no fiduciary or any other obligation to you in connection with any Idea you submit to us, and that we are free to use your Ideas without any attribution or compensation to you.

3. License

You are granted a nonexclusive and nontransferable license to electronically access and use the Stripe IP only in the manner described in this Agreement. Stripe does not sell to you, and you do not have the right to sublicense the Stripe IP. We may make updates to the Stripe IP or new Services available to you automatically as electronically published by Stripe, but we may require action on your part before you may use the Stripe IP or new Services (including activation through the Dashboard, or acceptance of new or additional terms). Stripe may revoke or terminate this licence at any time if you use Stripe IP in a manner prohibited by this Agreement.

You may not: (i) claim or register ownership of Stripe IP on your behalf or on behalf of others; (ii) sublicense any rights in Stripe IP granted by us; (iii) import or export any Stripe IP to a person or country in violation of any country's export control Laws; (iv) use Stripe IP in a manner that violates this Agreement or Laws; or (v) attempt to do any of the foregoing.

4. Stripe Marks; References to Our Relationship

We may make certain Stripe logos or marks ("Stripe Marks") available for use by you and other users to allow you to identify Stripe as a service provider. To use Stripe Marks, you must first agree to the [Stripe Marks Usage Agreement](#). Stripe may limit or revoke your ability to use Stripe Marks at any time. You may never use any Stripe Marks or Stripe IP consisting of trademarks or service marks without our express permission, or in a manner that may lead people to confuse the origin of your products or services with ours.

During the term of this Agreement, you may publicly identify us as the provider of the Services to you and we may publicly identify you as a Stripe user. If you do not want us to identify you as a user, please [contact us](#). Neither you nor we will imply any untrue sponsorship, endorsement, or affiliation between you and Stripe. Upon termination of your Stripe Account, both you and Stripe will remove any public references to our relationship from our respective websites.

5. Content

You may use the Services to upload or publish text, images, and other content (collectively, "Content") to your Stripe Account and to third-party sites or applications but only if you agree to obtain the appropriate permissions and, if required, licenses to upload or publish any such Content using the Services. You agree to fully reimburse Stripe for all fees, fines, losses, claims, and any other costs we may incur that arise from publishing illegal Content through the Services, or claims that Content you published infringes the intellectual property, privacy, or other proprietary rights of others.

6. Additional Services

a. Stripe Connect: The terms in this section only apply if you choose to connect your Stripe Account to a platform provider (each a "Platform") using the Stripe Connect service.

Stripe Connect allows Platforms to help you administer your Stripe Account and provide additional services directly to you or your Customers. You can connect your Stripe Account to Platforms when you register for your Stripe Account, or through the Dashboard. To use Stripe Connect, you must also agree to the [Stripe Connected Account Agreement](#). When you connect your Stripe Account to a Platform, you authorize Stripe to permit the Platform to: (i) access your Stripe Account and any Data (as defined in [Section D](#)) contained in your Stripe Account; (ii) assist you with creating and managing Transactions with your Customers; and (iii) deduct amounts (for example, fees for use of the Platform) from funds payable to you from Transactions occurring in connection with the Platform ("Platform Fees"). You must separately agree with the Platform to pay any Platform Fees, and any Platform Fees will be in addition to Fees.

Once you have authorized a Platform to connect to your Stripe Account, the Platform will continue to have access to your Stripe Account and will be authorized to perform the functions described in the Stripe Connected Account Agreement until you specifically withdraw your authorization by changing the Stripe Connect settings in the Dashboard.

b. Stripe Relay: The terms in this section only apply if you choose to publish or accept Transactions through your Stripe Account using Stripe Relay.

You may publish product and service descriptions, SKUs, prices, inventory, images and other information describing your products or services and their variations (collectively, “Product Data”) to online, mobile, off-site or affiliate channels (“Apps”) using Stripe Relay. Stripe Relay also allows you to accept Transactions from your Customers through the Apps, and enables you to manage inventory and purchase information for such Transactions. As used in this section, “Order Data” means the Data (as defined in Section D) transmitted using your systems or systems you control, for the purpose of initiating or completing a Transaction, and which includes Product Data.

We may provide Product Data through the Dashboard to the Apps connected to your Stripe Account, and the connected Apps may publish Product Data publicly as you provided it to us through Stripe Relay. You are solely responsible for obtaining the appropriate rights to publish Product Data through the Apps, and for the accuracy or inaccuracy of any pricing, inventory information, facts, or statements – even those made erroneously – contained in Product Data. You grant Stripe a worldwide, royalty-free, nontransferable license to: (i) publish Product Data through the Apps you have connected your Stripe Account to; (ii) receive and transmit Order Data to you; (iii) use any trademarks, service marks, or Personal Data (as defined in Section D) contained in Product Data or Order Data to the extent required to perform either (i) or (ii); and (iv) authorize Stripe to sublicense such rights to Apps to facilitate your use of Stripe Relay. You agree to fully reimburse Stripe for all fees, fines, losses, claims, and any other costs we may incur that result from your use of Order Data or publication of Product Data through the Apps.

You affirm that you will not knowingly publish any false or misleading Product Data, or use Stripe Relay to sell or attempt to sell any illegal products or services through the Apps, and that you are solely responsible for production, fulfillment, shipping, and provision of any ancillary services related to Transactions you receive through your use of Stripe Relay.

c. Other Services: From time to time we may offer you additional features or services that may be subject to additional or different terms of service. Examples of additional services are Stripe Radar and Stripe Sigma. All such additional features and services form part of the Services, and you may not use these additional services unless you agree to the applicable agreement or terms (if any) for those services.

We may also provide you access to services identified as “beta” or pre-release services. You understand that these services are still in development, may contain bugs or errors, may be feature incomplete, may materially change prior to a full commercial launch, or may never be released commercially. We provide beta services AS IS, and without warranty of any kind, and your use of, or reliance on beta services is at your own risk.

Section C: Payment Processing Services

1. Payment Processing Services Overview

Stripe works with various Stripe affiliates, Payment Method Providers and Payment Method Acquirers to provide you with access to the Payment Methods and Payment Processing Services. Where the Payment Processing Services enable you to submit Charges (as defined below), we may limit or refuse to process Charges for any Restricted Businesses, or for Charges submitted in violation of this Agreement.

Your use of a Payment Method may be subject to separate terms applicable to the Payment Method. For example, Visa and Mastercard require you to enter into an agreement with the Payment Method Acquirer for

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Visa and Mastercard Transactions. The Payment Method Acquirer for Visa and Mastercard Transactions is Wells Fargo Bank, N.A, and you may not submit Visa and Mastercard Charges without first agreeing to the Wells Fargo Financial Services Terms. See Section C.5 and Section C.6 below for more detail.

The following terms used in this Agreement relate to your use of Payment Processing Services:

“Charge” means a credit or debit instruction to capture funds from an account that a Customer maintains with a bank or other financial institution in connection with a Transaction.

“Dispute” means an instruction initiated by a Customer for the return of funds for an existing Charge (including a chargeback or dispute on a payment card network; and disputes on the Automated Clearinghouse (ACH) network).

“Fine” means any fines, levies, or other charges imposed by us, a Payment Method Provider or a Payment Method Acquirer, caused by your violation of Laws or this Agreement, or as permitted by the applicable Payment Method Rules.

“Payment Method Rules” means the guidelines, bylaws, rules, and regulations imposed by the Payment Method Providers and Payment Method Acquirers that operate Payment Methods supported by Stripe (including the payment card network operating rules (“Network Rules”) for the Visa, Mastercard, Discover and American Express networks; and the NACHA operating rules that apply to the ACH network).

“Payment Method” means a type of payment method that Stripe accepts as part of the Payment Processing Services, such as credit card, debit card, and ACH.

“Payment Method Acquirer” means a financial institution that is authorized by a Payment Method Provider to enable the use of a Payment Method by accepting Charges from Customers on behalf of the Payment Method Provider, and routing these Charges to the Payment Method Provider.

“Payment Method Provider” means the provider of a Payment Method, such as Visa, Mastercard, Discover, and American Express.

“Payment Processing Services” are Services that you may use to accept payments from your Customers for Transactions, perform other financial transactions, manage subscriptions, and perform transaction reporting.

“Refund” means an instruction initiated by you to return funds to a Customer for an existing Charge.

“Return” means an instruction initiated by you, a Customer, a Payment Method Provider or a Payment Method Acquirer to return funds unrelated to an existing Charge.

“Reversal” means an instruction initiated by a Payment Method Provider, a Payment Method Acquirer or us to return funds for an existing Charge. Reversals may result from (i) invalidation of a charge by a Payment Method Provider or a Payment Method Acquirer; (ii) funds settled to you in error or without authorization; and (iii) submission of a Charge in violation of the applicable Payment Method Rules, or where submission of the Charge or your use of Payment Processing Services violates this Agreement.

2. Registering for Use of Payment Processing Services

When you register for a Stripe Account, you may be asked for financial information, or information we use to identify you, your Representatives, principals, beneficial owners, and other individuals associated with your Stripe Account. Throughout the term of this Agreement, we may share information about your Stripe Account with Payment Method Providers and Payment Method Acquirers in order to verify your eligibility to use the Payment Processing Services, establish any necessary accounts or credit with Payment Method Providers and Payment Method Acquirers, monitor Charges and other activity, and conduct risk management and compliance reviews. We may also share your Data (as that term is defined below) with Payment Method Providers and Payment Method Acquirers for the purpose of facilitating the compliance of Stripe, the Payment Method Providers, and the Payment Method Acquirers with applicable Laws and Payment Method Rules. We will review and may conduct further intermittent reviews of your Stripe Account information to determine that you are eligible to use the Payment Processing Services. Stripe's use of the information you provide to us under this Agreement is described in more detail in Section D.

Stripe is not a bank and we do not accept deposits, provide loans or extend credit. If you accept payment for products or services (including events such as concerts or other performances) not immediately deliverable to the Customer (a "Preorder"), we may, in our sole discretion, initiate Reversals or hold Reserves for all or a portion of the Charges processed by us for a Preorder. If you would like to receive payment for a Preorder, please contact us before doing so.

3. Processing Transactions; Disputes, Refunds, Reversals

You may only submit Charges through the Payment Processing Services that are authorized by your Customers. To enable us to process Transactions for you, you authorize and direct us, our affiliates, the Payment Method Providers and Payment Method Acquirers to receive and settle any payment processing proceeds owed to you through the Payment Processing Services. You may not, other than as required by the Financial Services Terms or Payment Terms (each as defined below), grant or assign any interest in payment processing proceeds to any third party until such time as the payment processing proceeds are deposited into your Payout Account (as defined below). You appoint Stripe and Stripe Payments Company as your agents for the limited purpose of directing, receiving, holding and settling such proceeds. You agree that Stripe's or Stripe Payment Company's receipt of such proceeds satisfies the relevant end-customer's obligations to make payments to you. We will promptly update your Stripe Account balance to reflect any such proceeds that we receive on your behalf.

Except where Stripe and a Customer have otherwise agreed, you maintain the direct relationship with your Customers and are responsible for: (i) acquiring appropriate consent to submit Charges through the Payment Processing Services on their behalf; (ii) providing confirmation or receipts to Customers for each Charge; (iii) verifying Customers' identities; and (iv) determining a Customer's eligibility and authority to complete Transactions. However, even authorized Transactions may be subject to a Dispute. Stripe is not responsible for or liable to you for authorized and completed Charges that are later the subject of a Dispute, Refund, or Reversal, are submitted without authorization or in error, or violate any Laws.

You are immediately responsible to us for all Disputes, Refunds, Reversals, Returns, or Fines regardless of the reason or timing. We may decline to act upon a Refund instruction, or delay execution of the instruction, if: (i) it would cause your Stripe Account balance to become negative; (ii) you are the subject of Bankruptcy Proceedings; or (iii) where we otherwise believe that there is a risk that you will not meet your liabilities under this Agreement (including with respect to the Charge that is the subject of the Refund instruction).

In many but not all cases, you may have the ability to challenge a Dispute by submitting evidence through the API or the Dashboard. We may request additional information to provide to Payment Method Providers and Payment Method Acquirers to assist you in contesting the Dispute, but we cannot guarantee that your challenge

will be successful. Payment Method Providers and Payment Method Acquirers may deny your challenge for any reason they deem appropriate. Where a challenge is entirely or partially successful, your Stripe Account will, subject to our exercise of our rights under [Section C.9](#) below, be credited with the funds associated with the Charge that is the subject of the Dispute (or a portion thereof). You may not submit a new Charge which duplicates a Transaction that is subject to a Dispute.

Please keep in mind that, as explained in [Section D.3](#), you are liable for all losses you incur when lost or stolen payment credentials or accounts are used to purchase products or services from you. Stripe does not and will not insure you against losses caused by fraud under any circumstances. For example, if someone pretends to be a legitimate buyer but is a fraudster, you will be responsible for any resulting costs, including Disputes, even if you do not recover the fraudulently purchased product.

A Reversal for a Charge may be issued if the Charge is made without the account owner's authorization or in connection with a Restricted Business, violates the applicable Payment Method Rules, or for other applicable reasons. If a Reversal is issued, we will provide you Notice and a description of the cause of the Reversal.

4. Responsibilities and Disclosures to Your Customers

It is very important to us that your Customers understand the purpose, amount, and conditions of Charges you submit to us. With that in mind, when using the Payment Processing Services you agree to: (i) accurately communicate, and not misrepresent, the nature of the Transaction, and the amount of the Charge in the appropriate currency prior to submitting it to the API; (ii) provide a receipt that accurately describes each Transaction to Customers; (iii) provide Customers a meaningful way to contact you in the event that the product or service is not provided as described; (iv) not use Services to sell products or services in a manner that is unfair or deceptive, exposes Customers to unreasonable risks, or does not disclose material terms of a purchase in advance; and (v) inform Customers that Stripe and its affiliates process Transactions (including payment Transactions) for you. You also agree to maintain and make available to your Customers a fair and neutral return, refund, cancellation, or adjustment policy, and clearly explain the process by which Customers can receive a Refund.

The Payment Processing Services may include functionality that enables you to receive recurring or subscription payments from your Customers, and to issue invoices to your Customers. If you use the Payment Processing Services to submit recurring or subscription Charges, you agree to comply with applicable Laws and Payment Method Rules, including clearly informing Customers in advance of submitting the initial Charge that they will be charged on an ongoing basis and explaining the method for unsubscribing or cancelling their recurring billing or subscription. If you use the Payment Processing Services to issue invoices to your Customers, you understand and agree that it is your responsibility to ensure that the form and content of the invoices comply with applicable Laws, and are sufficient to achieve any legal or tax effect that you are trying to achieve.

If you engage in Transactions with Customers who are individuals (i.e. consumers), you specifically agree to provide consumers disclosures required by Law, and to not engage in unfair, deceptive, or abusive acts or practices ("UDAAP").

5. Payment Terms and Financial Services Terms

Your use of the Payment Processing Services is subject to additional terms that apply between you and one or more of Stripe, a Stripe affiliate, and a Payment Method Provider. When these additional terms relate to a specific Payment Method they are "Payment Terms", and when they relate to specific Payment Processing

Services they are “Financial Services Terms”. By using the Payment Processing Services, you agree to the applicable Payment Terms and Financial Services Terms (as set out on our legal page), including those that separately bind you with our affiliates, Payment Method Providers and/or Payment Method Acquirers. Additionally, a Payment Method Provider may enforce the terms of this Agreement directly against you.

We may add or remove Payment Method Providers and Payment Method Acquirers at any time. The Payment Terms and Financial Services Terms may also be amended from time to time. Your continuing use of the Payment Processing Services constitutes your consent and agreement to such additions, removals and amendments.

6. Specific Payment Methods

a. Payment Cards: When accepting payment card payments, you must comply with all applicable Network Rules, including the Network Rules specified by the Visa Rules and Regulations specified by Visa U.S.A., Inc. and Visa International (“Visa”), the Mastercard Rules specified by MasterCard International Incorporated (“Mastercard”), the American Express Merchant Operating Guide specified by American Express, and the Discover Network Rules (please contact Discover for a copy) specified by Discover Financial Services, LLC (“Discover”). Collectively, Visa, Mastercard, American Express and Discover are referred to in this Agreement as the “Networks”.

In addition, for Visa, Mastercard and Discover Transactions, Visa, Mastercard and Discover require that you enter into a direct contractual relationship with Wells Fargo, the Payment Method Acquirer for these types of Transactions, as described in the Wells Fargo Financial Services Terms.

The Network Rules state that you may only accept payments using payment cards for bona fide legal commercial transactions between you and your Customers for goods or services that are free of liens, claims, and encumbrances. You may only use payment network trademarks or service marks consistent with the Network Rules, and the Network Rules also limit your ability to discriminate by card type or charge surcharges for acceptance of payment cards.

The Networks may amend the Network Rules at any time without notice to you, and Stripe reserves the right to change the Payment Processing Services at any time to comply with the Network Rules. We may share with the Networks (and the Payment Method Acquirer) information you provide to us that we use to identify the nature of your products or services, including the assignment of your business activities to a particular payment network merchant category code (MCC).

Customers typically raise payment card network Disputes (also known as “chargebacks”) when a merchant fails to provide the product or service to the Customer, or where the payment card account holder did not authorize the Charge. High Dispute rates (typically those exceeding 1%) may result in your inability to use the Payment Processing Services. Failure to timely and effectively manage Disputes with your Customers may ultimately result in your inability to accept payment cards for your business.

When you accept payment card Transactions, Network Rules specifically prohibit you from (i) providing cash refunds for a Charge on a credit card, unless required by Laws, (ii) initiating a Refund more than five calendar days after issuing a credit to your Customer, (iii) accepting cash, its equivalent, or any other item of value for a Refund, (iv) acting as a payment facilitator, intermediary or aggregator, or otherwise reselling Payment Processing Services on behalf of others, (v) submitting what you believe or know to be a fraudulent Charge or a Charge that has not been authorized by the cardholder, (vi) submitting a Charge where the Transaction has not been completed or the goods or services have not been shipped or provided (except where the cardholder has

paid a partial or full prepayment or the cardholder's consent is obtained for a recurring transaction), (vii) splitting Transactions into multiple Charges unless certain criteria are met, or (vii) using Payment Processing Services in a manner that is an abuse of the payment card networks or a violation of the Network Rules.

If you misuse the Payment Processing Services for payment card Transactions or engage in activity the Networks identify as damaging to their brand, or if we are required to do so by the Network Rules, we may submit information about you, Representatives, your beneficial owners and principals, and other individuals associated with your Stripe Account, to the MATCH terminated merchant listing maintained by Mastercard and accessed and updated by Visa and American Express, or to the Consortium Merchant Negative File maintained by Discover. Addition to one of these lists may result in your inability to accept payments from payment cards. You understand and consent to our sharing this information and to the listing itself, and you will fully reimburse us for any losses we incur from third-party claims, and you waive your rights to bring any direct claims against us that result from such reporting. Our reporting of information under this paragraph is separate from any other right that we may exercise under this Agreement, and we may separately terminate this Agreement or suspend your Stripe Account due to the misuse or damaging activity that caused us to make the report.

If you engage a third party processor to create and deliver a payment card transaction directly to the payment card network, then you may be able to specify that the transaction will be cleared and settled by Stripe via our Payment Processing Services. If you intend to make use of this service with respect to the Stripe Payment Processing Services, you first must notify us. If you engage a third party to deliver this service, and you are permitted to designate Stripe in this manner, then you take the risk of the third party properly delivering the transaction to the payment card network. You understand and agree that Stripe will only clear and settle to you funds for transactions that are actually received by the payment card network. You further assume responsibility for any failure by such third party to comply with the applicable Network Rules.

b. Automated Clearinghouse (ACH): The ACH network is controlled and managed by the National Automated Clearinghouse Association (NACHA) and its member organizations. Where submitting Charges over the ACH network, you are required to comply with the NACHA Operating Rules. NACHA may amend the NACHA Operating Rules at any time, and we may amend this Agreement or make changes to the Payment Processing Services as necessary to comply with the NACHA Operating Rules.

You understand and accept your role as the Originator (as defined in the NACHA Operating Rules). You agree to obtain your Customer's consent to debit or credit their bank account and initiate a Charge over the ACH network. Such consent must be in a form and manner that complies with the NACHA Operating Rules and the Documentation for ACH Transactions. As with other Payment Processing Services, you may not, and may not attempt to send or receive funds to or from a person, entity, or state where such Transactions are prohibited by applicable Law. You also agree to maintain the security and integrity of all information you collect as part of an ACH Transaction.

Any Disputes or unauthorized Charges using the ACH network may result in you becoming unable to accept ACH payments.

c. Money transmission. Certain services offered as part of the Services are money transmission within the meaning of Laws that apply to those Services. To the extent that your use of the Services is money transmission or similarly regulated services, those Services are provided to you by Stripe Payments Company, and not by Stripe, Inc. Please review the Stripe Payments Company Terms carefully, as those are the Financial Services Terms applicable to the Services provided by Stripe Payments Company.

d. American Express conversion. If your American Express Transaction volume exceeds a threshold amount set by a American Express, American Express may convert you to a direct American Express merchant, which

means that your acceptance of American Express Transactions will be governed by American Express' then-current Card Acceptance Agreement, and your pricing and other fees for the acceptance of American Express Transactions will be directly agreed between you and American Express. In the event of such conversion, your relationship with Stripe will not be otherwise affected, and Stripe will continue to process your American Express Transactions in accordance with this Agreement.

7. Settlement and Payout Schedule

a. Your Payout Account: Stripe will, with its banking partners, arrange to settle funds to the bank or other financial institution account that you designate (your "Payout Account"). You affirm that you are authorized to initiate settlements to and debits from the Payout Account, and that the Payout Account is owned by you, and administered and managed by a financial institution located in the United States of America. If you update your Payout Account (including via the Dashboard) then you must ensure that you continue to comply with the requirements of this section. We may require you to provide us with documentary proof demonstrating your compliance with this section, and your failure to provide such proof will constitute a breach of this Agreement.

b. Settlement to Your Payout Account: A positive balance in your Stripe Account will result in settlement to your Payout Account and a negative balance in your Stripe Account will result in a deduction, set-off and/or debit of the amounts owed in accordance with Section C.9 below. We may reduce the amount settled to your Payout Account by the amount of Fees, Fines, and amounts owed to us for any reason. If a settlement or debit is processed via ACH, you acknowledge that the NACHA Operating Rules will apply to the settlement or debit, and you agree to be bound by these rules.

c. Settlement to third party recipients: We may offer you the ability to have funds settled to another person (a "third party recipient") as instructed by you to Stripe (including by transferring all or part of the positive balance in your Stripe Account to the Stripe Account of such third party recipient), instead of settling funds to your Payout Account. If Stripe or Stripe Payment Company settles funds to a third party recipient (or transfers all or part of the balance in your Stripe Account to the Stripe Account of a third party recipient) as instructed by you, you agree that this satisfies Stripe's and Stripe Payment Company's obligations (and any applicable Payment Method Provider's and Payment Method Acquirer's obligations) to settle funds to you, and we will promptly update your Stripe Account balance to reflect such settlement or transfer.

d. Multi-currency Processing. We may offer you the ability to have funds settled to your Payout Account in a currency different from the one in which you accepted payment from a customer ("Multi-Currency Processing"). To use this service, you must provide us with a valid Payout Account for each currency for which you request settlement, based on our list of available settlement currencies. We may add or remove currencies from our list of available settlement currencies at any time. If you use Multi-Currency Processing, we will identify at the time of the Charge (for example, through the API), the conversion rate that will apply to the Charge. If you Refund a Charge, the conversion rate that will apply will be the rate in effect at the time of the Refund, not the Charge. By submitting a Charge or Refund you will be deemed to have accepted the applicable conversion rate. You may choose not to use the Multi-Currency Processing service at any time. You may also change the Payout Account information or other settings associated with your use of Multi-Currency Processing, but any such changes will only affect subsequent Charges.

e. Payout Schedule: The term "Payout Schedule" refers to the time it takes for us to initiate settlement to your Payout Account. Your Payout Schedule is specified in the Dashboard. Stripe may require a holding period before making initial settlement to the Payout Account. After the initial settlement of funds, we will settle funds to the Payout Account according to the Payout Schedule; however, please be aware that a Payment Method Provider, a Payment Method Acquirer, or the financial institution holding your Payout Account, may delay

settlement for any reason. We are not responsible for any action taken by the institution holding your Payout Account to not credit the Payout Account or to otherwise not make funds available to you as you expected.

We reserve the right to change the Payout Schedule or to suspend settlement to you. Examples of situations where we may do so are: (i) where there are pending, anticipated, or excessive Disputes, Refunds, or Reversals; (ii) in the event that we suspect or become aware of suspicious activity; or (iii) where we are required by Law or court order. We have the right to withhold settlement to your Payout Account upon termination of this Agreement if we reasonably determine that we may incur losses resulting from credit, fraud, or other legal risks associated with your Stripe Account. If we exercise our right to withhold a Payout for any reason, we will communicate the general reason for withholding the Payout and give you a timeline for releasing the funds.

f. Incorrect Settlement: The information required for settlement will depend on the financial institution holding the Payout Account. Please make sure that any information about the Payout Accounts that you provide to us is accurate and complete. If you provide us with incorrect information (i) you understand that funds may be settled to the wrong account and that we may not be able to recover the funds from such incorrect transactions and (ii) you agree that you are solely responsible for any losses you or third parties incur due to erroneous settlement transactions, you will not make any claims against us related to such erroneous settlement transactions, and you will fully reimburse us for any losses we incur.

8. Clearing Funds and Reserves

All funds resulting from Charges are held in pooled clearing accounts (the “Clearing Accounts”) with our banking partners. We will settle funds to and from the Clearing Accounts in the manner described in this Agreement; however, you have no rights to the Clearing Accounts or to any funds held in the Clearing Accounts, you are not entitled to draw funds from the Clearing Accounts, and you will not receive interest from funds maintained in the Clearing Accounts.

In certain circumstances, we may require you to place funds in reserve or to impose conditions on the release of funds (each a “Reserve”). We may impose a Reserve on you for any reason if we determine that the risk of loss to Stripe, Customers, or others associated with your Stripe Account is higher than normal. For example, we may hold a Reserve if: (i) your or your Customers’ activities increase the risk of loss to us or to your Customers, (ii) you have violated or are likely to violate this Agreement, or (iii) your Stripe Account has an elevated or abnormally high number of Disputes. If we impose a Reserve, we will establish the terms of the Reserve and provide you Notice of the amount, timing, and conditions upon which the funds in the Reserve will be released to you. In many cases, the Reserve amount will be the entire amount of Charges processed using the Payment Processing Services. We may change or condition the terms of the Reserve based on our continuous assessment and understanding of the risks associated with your Stripe Account, if required to do so by Payment Method Providers or Payment Method Acquirers, or for any other reason. We may fund the Reserve with funds processed through your use of Payment Processing Services, by debiting the Payout Account or another bank account associated with your Stripe Account, or by requesting funds directly from you.

To the extent possible, we prefer to identify the necessity for a Reserve in advance of establishing one. If you are concerned that we will impose a Reserve on you due to the nature of your business activities, please contact us before using the Services.

9. Security Interests, Collection, and Set-Off Rights

a. Security Interests: You grant us a lien and security interest in all funds for Transactions that we process for you, including funds that we deposit into your Payout Accounts, as well as funds held in any other bank

accounts to which such Transaction funds are deposited or transferred. This means that if you have not paid funds that you owe to us, your Customers, or to any of our affiliates, we have a right superior to the rights of any of your other creditors to seize or withhold funds owed to you for Transactions that we process through the Services, and to debit or withdraw funds from any bank account associated with your Stripe Account (including your Payout Accounts). Upon our request, you will execute and deliver any documents and pay any associated fees we consider necessary to create, perfect, and maintain a security interest in such funds (such as the filing of a form UCC-1).

b. Collection and Set-Off Rights: You agree to pay all amounts owed to us and to our affiliates on demand. Your failure to pay amounts owed to us or to our affiliates under this Agreement is a breach and you will be liable for any costs we incur during collection in addition to the amount you owe. Collection costs may include, attorneys' fees and expenses, costs of any arbitration or court proceeding, collection agency fees, any applicable interest, and any other related cost. Where possible, we will first attempt to collect or set-off amounts owed to us and to our affiliates from balances in your Stripe Accounts from your use of the Payment Processing Services or from funds that we hold in Reserve. However, we may collect any amounts you owe us under this Agreement by deducting or setting-off amounts that you owe from the Stripe account balance (or debiting the payout account for such Stripe account) for any Stripe account that we determine, acting reasonably, is associated with your Stripe Account. Similarly, we may deduct or set-off amounts from your Stripe Account balance (or debit your Payout Accounts) in order to collect amounts owed to us in relation to such associated Stripe accounts.

In certain circumstances, we may require a personal, parent or other guarantee (a "Guarantee") from a user's principal, owner, or other guarantor. A Guarantee consists of a legally binding promise by an individual or an entity to pay any amounts the user owes in the event that the user is unable to pay. If we require you to provide us with a Guarantee, we will specifically inform you of the amount of, and the reasons for the Guarantee. If you are unable to provide such a Guarantee when required, you will not be permitted to use the Services.

10. Reconciliation and Error Notification

The Dashboard contains details of Charges, Charge history, and other activity on your Stripe Account. Except as required by Law, you are solely responsible for reconciling the information in the Dashboard generated by your use of Payment Processing Services with your records of Customer Transactions, and for identifying any errors. You agree to review your Stripe Account and immediately notify us of any errors. We will investigate any reported errors, including any errors made by Stripe or a Payment Method Provider, and, when appropriate, attempt to rectify them by crediting or debiting the Payout Account identified in the Dashboard. However, you should be aware that your ability to recover funds you have lost due to an error may be very limited or even impossible, particularly if we did not cause the error, or if funds are no longer available in any Payout Account. For Transaction errors, we will work with you and our Payment Method Providers to correct a Transaction error in accordance with the applicable Payment Method Rules. If you fail to communicate an error to us for our review without undue delay and, in any event, within 60 days after you discovered it and flagged it in the Dashboard, you waive your right to make any claim against us or our Payment Method Providers for any amounts associated with the error.

11. Dormant Accounts

If you leave any funds dormant in a Stripe Account and you do not give us instructions where to send them, we may be required by Law to deem the funds to be abandoned by you, and to deliver them to various government agencies. To the extent required by Law, we will attempt to provide you Notice if we hold funds payable to you in an account beyond the applicable dormancy period for abandoned property. If we are unable to contact you,

we will treat the funds in your Stripe Account to be abandoned, and will deliver them to the appropriate government authority (such as the California Controller's Office).

Section D: Data Usage, Privacy, and Security

1. Data Usage Overview

Protecting, securing, and maintaining the information processed and handled through the Services is one of our top priorities, and it should be yours too. This section describes our respective obligations when handling and storing information connected with the Services. The following terms used in this section relate to data provided to Stripe by you or your Customers, or received or accessed by you through your use of the Services:

“Payment Account Details” means the Payment Method account details for a Customer, and includes, with respect to credit and debit cards, the cardholder’s account number, card expiration date, and CVV2.

“Payment Data” means Payment Account Details, information communicated to or by Payment Method Provider or Payment Method Acquirer, financial information specifically regulated by Laws and Payment Method Rules, and any other information used with the Payment Processing Services to complete a Transaction.

“Personal Data” means information that identifies a specific living person (not a company, legal entity, or machine) and is transmitted to or accessible through the Services.

“Stripe Data” means details of the API transactions over Stripe infrastructure, information used in fraud detection and analysis, aggregated or anonymized information generated from Data, and any other information created by or originating from Stripe or the Services.

“User Data” means information that describes your business and its operations, your products or services, and orders placed by Customers.

The term “Data” used without a modifier means all Personal Data, User Data, Payment Data, and Stripe Data.

Stripe processes, analyzes, and manages Data to: (a) provide Services to you, other Stripe users, and Customers; (b) mitigate fraud, financial loss, or other harm to users, Customers and Stripe; and (c) analyze, develop and improve our products, systems, and tools. Stripe provides Data to third-party service providers, including Payment Method Providers, Payment Method Acquirers, and their respective affiliates, as well as to Stripe’s affiliates, to allow us to provide Services to you and other users. We do not provide Personal Data to unaffiliated parties for marketing their products to you. You understand and consent to Stripe’s use of Data for the purposes and in a manner consistent with this Section D.

2. Data Protection and Privacy

a. Confidentiality: Stripe will only use User Data as permitted by this Agreement, by other agreements between you and us, or as otherwise directed or authorized by you. You will protect all Data you receive through the Services, and you may not disclose or distribute any such Data, and you will only use such Data in conjunction with the Services and as permitted by this Agreement or by other agreements between you and us. Neither party may use any Personal Data to market to Customers unless it has received the express consent from a specific Customer to do so. You may not disclose Payment Data to others except in connection with processing Transactions requested by Customers and consistent with applicable Laws and Payment Method Rules.

b. Privacy: Protection of Personal Data is very important to us. Our [Privacy Policy](#) explains how and for what purposes we collect, use, retain, disclose, and safeguard the Personal Data you provide to us. You agree to the terms of our Privacy Policy, which we may update from time to time.

You affirm that you are now and will continue to be compliant with all applicable Laws governing the privacy, protection, and your use of Data that you provide to us or access through your use of the Services. You also affirm that you have obtained all necessary rights and consents under applicable Laws to disclose to Stripe – or allow Stripe to collect, use, retain, and disclose – any Personal Data that you provide to us or authorize us to collect, including Data that we may collect directly from Customers using cookies or other similar means. As may be required by Law and in connection with this Agreement, you are solely responsible for disclosing to Customers that Stripe processes Transactions (including payment Transactions) for you and may receive Personal Data from you. Additionally, where required by Law or Payment Method Rules, we may delete or disconnect a Customer’s Personal Data from your Stripe Account when requested to do so by the Customer.

If we become aware of an unauthorized acquisition, disclosure or loss of Customer Personal Data on our systems, we will notify you consistent with our obligations under applicable Law. We will also notify you and provide you sufficient information regarding the unauthorized acquisition, disclosure or loss to help you mitigate any negative impact on the Customer.

c. PCI Compliance: If you use Payment Processing Services to accept payment card Transactions, you must comply with the Payment Card Industry Data Security Standards (“PCI-DSS”) and, if applicable to your business, the Payment Application Data Security Standards (PA-DSS) (collectively, the “PCI Standards”). The PCI Standards include requirements to maintain materials or records that contains payment card or Transaction data in a safe and secure manner with access limited to authorized personnel. Stripe provides tools to simplify your compliance with the PCI Standards, but you must ensure that your business is compliant. The specific steps you will need to take to comply with the PCI Standards will depend on your implementation of the Payment Processing Services. You can find more information about implementing Stripe in a manner compliant with the PCI Standards in our [Documentation](#). You will promptly provide us, or any applicable Payment Method Provider or Payment Method Acquirer, with documentation demonstrating your compliance with the PCI Standards upon our request. If you are unable to provide documentation sufficient to satisfy us, the Payment Method Providers, or their Payment Method Acquirers, that you are compliant with the PCI Standards, then Stripe, and any applicable Payment Method Provider or Payment Method Acquirers, may access your business premises on reasonable notice to verify your compliance with the PCI Standards.

If you elect to store or hold “Account Data”, as defined by the PCI Standards (including Customer card account number or expiration date), you must maintain a system that is compliant with the PCI Standards. If you do not comply with the PCI Standards, or if we or any Payment Method Provider or Payment Method Acquirer are unable to verify your compliance with the PCI Standards, we may suspend your Stripe Account or terminate this Agreement. If you intend to use a third party service provider to store or transmit Account Data, you must not share any data with the service provider until you verify that the third party holds sufficient certifications under the PCI Standards, and [notify us](#) of your intention to share Account Data with the service provider. Further, you agree to never store or hold any “Sensitive Authentication Data”, as defined by the PCI Standards (including CVC or CVV2), at any time. You can find information about the PCI Standards on the [PCI Council’s website](#).

3. Security and Fraud Controls

a. Stripe’s Security: Stripe is responsible for protecting the security of Data in our possession. We will maintain commercially reasonable administrative, technical, and physical procedures to protect User Data and

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Personal Data stored in our servers from unauthorized access, accidental loss, modification, or breach, and we will comply with applicable Laws and Payment Method Rules when we handle User and Personal Data. However, no security system is impenetrable and we cannot guarantee that unauthorized parties will never be able to defeat our security measures or misuse any Data in our possession. You provide User Data and Personal Data to Stripe with the understanding that any security measures we provide may not be appropriate or adequate for your business, and you agree to implement Security Controls (as defined below) and any additional controls that meet your specific requirements. In our sole discretion, we may take any action, including suspension of your Stripe Account, to maintain the integrity and security of the Services or Data, or to prevent harm to you, us, Customers, or others. You waive any right to make a claim against us for losses you incur that may result from such actions.

b. Your Security: You are solely responsible for the security of any Data on your website, your servers, in your possession, or that you are otherwise authorized to access or handle. You will comply with applicable Laws and Payment Method Rules when handling or maintaining User Data and Personal Data, and will provide evidence of your compliance to us upon our request. If you do not provide evidence of such compliance to our satisfaction, we may suspend your Stripe Account or terminate this Agreement.

c. Security Controls: You are responsible for assessing the security requirements of your business, and selecting and implementing security procedures and controls (“Security Controls”) appropriate to mitigate your exposure to security incidents. We may provide Security Controls as part of the Services, or suggest that you implement specific Security Controls. However, your responsibility for securing your business is not diminished by any Security Controls that we provide or suggest, and if you believe that the Security Controls we provide are insufficient, then you must separately implement additional controls that meet your requirements. You may review some of the details of our Security Controls on our website.

d. Fraud Risk: While we may provide or suggest Security Controls, we cannot guarantee that you or Customers will never become victims of fraud. Any Security Controls we provide or suggest may include processes or applications developed by Stripe, its affiliates, or other companies. You agree to review all the Security Controls we suggest and choose those that are appropriate for your business to protect against unauthorized Transactions and, if appropriate for your business, independently implement other security procedures and controls not provided by us. If you disable or fail to properly use Security Controls, you will increase the likelihood of unauthorized Transactions, Disputes, fraud, losses, and other similar occurrences. Keep in mind that you are solely responsible for losses you incur from the use of lost or stolen payment credentials or accounts by fraudsters who engage in fraudulent Transactions with you, and your failure to implement Security Controls will only increase the risk of fraud. We may assist you with recovering lost funds, but you are solely responsible for losses due to lost or stolen credentials or accounts, compromise of your username or password, changes to your Payout Account, and any other unauthorized use or modification of your Stripe Account. Stripe is not liable or responsible to you and you waive any right to bring a claim against us for any losses that result from the use of lost or stolen credentials or unauthorized use or modification of your Stripe Account, unless such losses result from Stripe’s willful or intentional actions. Further, you will fully reimburse us for any losses we incur that result from the use of lost or stolen credentials or accounts.

We may also provide you with Data regarding the possibility or likelihood that a Transaction may be fraudulent. We may incorporate any subsequent action or inaction by you into our fraud model, for the purpose of identifying future potential fraud. You understand that we provide this Data to you for your consideration, but that you are ultimately responsible for any actions you choose to take or not take in relation to such Data.

4. Your Use of Data with Stripe Connect and Stripe Relay

When using Stripe Connect or Stripe Relay, you will have the ability to connect your Stripe Account with a Platform or App. Connected Platforms and Apps may take certain actions on your behalf and access Data available through your Stripe Account, including some User Data. By using Stripe Connect or Stripe Relay, you authorize Stripe to share Data with any Platform or App that you connect with your Stripe Account through the Dashboard or the API. You also understand that at any point you may disallow any such sharing by removing the Platform or App from your Stripe Account. You waive your right to bring any claims against Stripe for losses you incur that arise from any actions or use of Data by any Platform or App connected to your Stripe Account, and you will fully reimburse us for any losses we incur that result from your actions or use of such Data by any Platform or App.

5. Provision of Payment Account Details upon Termination

For 30 days after termination of your Stripe Account, you may request in writing that we provide to an alternative payment services provider the Payment Account Details regarding Transactions between you and your Customers that you are entitled to receive. We may require you to provide evidence that the alternative payment services provider has appropriate systems and controls as a precondition to the provision of any Payment Account Details. In addition, for Payment Account Details regarding payment card transactions, the payment services provider must be a PCI-DSS Level 1-certified. Our obligation to comply with a request under this section is limited to the extent commercially reasonable, and we may delay or refuse any request if we believe the payment services provider you have identified does not have systems or controls in place that are sufficient to protect Payment Account Details, that the integrity of Payment Account Details may be compromised, or if Laws or Payment Method Rules prohibit us from providing the Payment Account Details.

Section E: Additional Legal Terms

1. Right to Amend

We have the right to change or add to the terms of this Agreement at any time, solely with prospective effect, and to change, delete, discontinue, or impose conditions on use of the Services by posting such changes on our website or any other website we maintain or own. We will provide you with Notice of any changes through the Dashboard, via email, or through other reasonable means. If you are an existing Stripe user, the changes will come into effect 10 days after we post the changes to our website, and your use of the Services, API, or Data more than 10 days after we publish any such changes on our website, constitutes your acceptance of the terms of the modified Agreement. You can access a copy of the current terms of this Agreement on our website at any time. You can find out when this Agreement was last changed by checking the “Last updated” date at the top of the Agreement.

2. Assignment

You may not assign this Agreement, any rights or licenses granted in this Agreement, or operation of your Stripe Account to others without our prior written consent. If you wish to make such an assignment, please contact us. If we consent to the assignment, the assignee must agree to assume all of your rights and obligations owed by you related to the assignment, and must agree to comply with the terms of this Agreement. Stripe may assign this Agreement without your consent or any other restriction. If we make an assignment, we will provide reasonable Notice to you.

3. Right to Audit

If we believe that a security breach, leak, loss, or compromise of Data has occurred on your systems, website, or app affecting your compliance with this Agreement, we may require you to permit a third-party auditor approved by us to conduct a security audit of your systems and facilities, and you must fully cooperate with any requests for information or assistance that the auditor makes to you as part of the security audit. The auditor will issue a report to us which we may share with our Payment Method Providers and Payment Methods Acquirers.

4. No Agency; Third-Party Services

Except as expressly stated in this Agreement, nothing in this Agreement serves to establish a partnership, joint venture, or other agency relationship between you and us, or with any Payment Method Provider. Each party to this Agreement, and each Payment Method Provider, is an independent contractor. Unless a Payment Method Provider expressly agrees, neither you nor we have the ability to bind a Payment Method Provider to any contract or obligation, and neither party will represent that you or we have such an ability.

We may reference or provide access to third-party services, products, and promotions that utilize, integrate, or provide ancillary services to the Services (“Third-Party Services”). These Third-Party Services are provided for your convenience only and do not constitute our approval, endorsement, or recommendation of any such Third-Party Services for you. You access and use any Third-Party Service based on your own evaluation and at your own risk. You understand that your use of any Third-Party Service is not governed by this Agreement. If you decide to use a Third-Party Service, you will be responsible for reviewing, understanding and accepting the terms and conditions associated with its use. We expressly disclaim all responsibility and liability for your use of any Third-Party Service. Please also remember that when you use a Third-Party Service, our Privacy Policy is no longer in effect. Your use of a Third-Party Service, including those that have a link on our website, is subject to that Third-Party Service’s own terms of use and privacy policies.

5. Force Majeure

Neither party will be liable for any delays in processing or other nonperformance caused by telecommunications, utility, failures, or equipment failures; labor strife, riots, war, or terrorist attacks; nonperformance of our vendors or suppliers, fires or acts of nature; or any other event over which the respective party has no reasonable control. However, nothing in this section will affect or excuse your liabilities or your obligation to pay Fees, Fines, Disputes, Refunds, Reversals, or Returns under this Agreement.

6. Your Liability For Third-Party Claims Against Us

Without limiting, and in addition to, any other obligation that you may owe under this Agreement, you are at all times responsible for the acts and omissions of your employees, contractors and agents, to the extent such persons are acting within the scope of their relationship with you.

You agree to defend Stripe, our affiliates, and their respective employees, agents, and service providers (each a “Stripe Entity”) against any claim, suit, demand, loss, liability, damage, action, or proceeding (each, a “Claim”) brought by a third party against a Stripe Entity, and you agree to fully reimburse the Stripe Entities for any Claims that results from: (i) your breach of any provision of this Agreement; (ii) any Fees, Fines, Disputes, Refunds, Reversals, Returns, or any other liability we incur that results from your use of the Payment Processing Services; (iii) negligent or willful misconduct of your employees, contractors, or agents; or (iv) contractual or other relationships between you and Customers.

Important Note for Sole Proprietors: If you are using Services as a sole proprietor, please keep in mind that the Law and the terms of this Agreement consider you and your business to be legally one and the same. You

are personally responsible and liable for your use of the Services, payment of Fees, Refunds, Reversals, Fines, losses based on Disputes or fraud, or for any other amounts you owe under this Agreement for your failure to use Security Controls, and for all other obligations to us and to your Customers. You risk personal financial loss if you fail to pay any amounts owed. Please take the time to read our Documentation and take any measures appropriate to protect against such losses.

7. Representations and Warranties

By accepting the terms of this Agreement, you represent and warrant that: (a) you are eligible to register and use the Services and have the authority to execute and perform the obligations required by this Agreement; (b) any information you provide us about your business, products, or services is accurate and complete; (c) any Charges represent a Transaction for permitted products, services, or donations, and any related information accurately describes the Transaction; (d) you will fulfill all of your obligations to Customers and will resolve all Disputes with them; (e) you will comply with all Laws applicable to your business and use of the Services; (f) your employees, contractors and agents will at all times act consistently with the terms of this Agreement; (g) you will not use Payment Processing Services for personal, family or household purposes, for peer-to-peer money transmission, or (except in the normal course of business) intercompany Transactions; and (h) you will not use the Services, directly or indirectly, for any fraudulent or illegal undertaking, or in any manner that interferes with the normal operation of the Services.

8. No Warranties

WE PROVIDE THE SERVICES AND STRIPE IP "AS IS" AND "AS AVAILABLE", WITHOUT ANY EXPRESS, IMPLIED, OR STATUTORY WARRANTIES OF TITLE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, OR ANY OTHER TYPE OF WARRANTY OR GUARANTEE. NO DATA, DOCUMENTATION OR ANY OTHER INFORMATION PROVIDED BY STRIPE OR OBTAINED BY YOU FROM OR THROUGH THE SERVICES – WHETHER FROM STRIPE OR ANOTHER STRIPE ENTITY, AND WHETHER ORAL OR WRITTEN – CREATES OR IMPLIES ANY WARRANTY FROM A STRIPE ENTITY TO YOU.

YOU AFFIRM THAT NO STRIPE ENTITY CONTROLS THE PRODUCTS OR SERVICES THAT YOU OFFER OR SELL OR THAT YOUR CUSTOMERS PURCHASE USING THE PAYMENT PROCESSING SERVICES. YOU UNDERSTAND THAT WE CANNOT GUARANTEE AND WE DISCLAIM ANY KNOWLEDGE THAT YOUR CUSTOMERS POSSESS THE AUTHORITY TO MAKE, OR WILL COMPLETE, ANY TRANSACTION.

THE STRIPE ENTITIES DISCLAIM ANY KNOWLEDGE OF, AND DO NOT GUARANTEE: (a) THE ACCURACY, RELIABILITY, OR CORRECTNESS OF ANY DATA PROVIDED THROUGH THE SERVICES; (b) THAT THE SERVICES WILL MEET YOUR SPECIFIC BUSINESS NEEDS OR REQUIREMENTS; (c) THAT THE SERVICES WILL BE AVAILABLE AT ANY PARTICULAR TIME OR LOCATION, OR WILL FUNCTION IN AN UNINTERRUPTED MANNER OR BE SECURE; (d) THAT STRIPE WILL CORRECT ANY DEFECTS OR ERRORS IN THE SERVICE, API, DOCUMENTATION, OR DATA; OR (e) THAT THE SERVICES ARE FREE OF VIRUSES OR OTHER HARMFUL CODE. USE OF DATA YOU ACCESS OR DOWNLOAD THROUGH THE SERVICES IS DONE AT YOUR OWN RISK – YOU ARE SOLELY RESPONSIBLE FOR ANY DAMAGE TO YOUR PROPERTY, LOSS OF DATA, OR ANY OTHER LOSS THAT RESULTS FROM SUCH ACCESS OR DOWNLOAD. YOU UNDERSTAND THAT THE STRIPE ENTITIES MAKE NO GUARANTEES TO YOU REGARDING TRANSACTION PROCESSING TIMES OR PAYOUT SCHEDULES.

NOTHING IN THIS AGREEMENT OPERATES TO EXCLUDE, RESTRICT OR MODIFY THE APPLICATION OF ANY IMPLIED CONDITION, WARRANTY OR GUARANTEE, OR THE EXERCISE OF ANY RIGHT OR REMEDY, OR THE IMPOSITION OF ANY LIABILITY UNDER LAW WHERE TO DO SO WOULD: (A) CONTRAVENE THAT LAW; OR (B) CAUSE ANY TERM OF THIS AGREEMENT TO BE VOID.

9. Limitation of Liability

Under no circumstances will any Stripe Entity be responsible or liable to you for any indirect, punitive, incidental, special, consequential, or exemplary damages resulting from your use or inability to use the Services or for the unavailability of the Services, for lost profits, personal injury, or property damage, or for any other damages arising out of, in connection with, or relating to this Agreement or your use of the Services, even if such damages are foreseeable, and whether or not you or the Stripe Entities have been advised of the possibility of such damages. The Stripe Entities are not liable, and deny responsibility for, any damages, harm, or losses to you arising from or relating to hacking, tampering, or other unauthorized access or use of the Services, your Stripe Account, or Data, or your failure to use or implement anti-fraud measures, Security Controls, or any other data security measure. The Stripe Entities further deny responsibility for all liability and damages to you or others caused by (a) your access or use of the Services inconsistent with the Documentation; (b) any unauthorized access of servers, infrastructure, or Data used in connection with the Services; (c) interruptions to or cessation of the Services; (d) any bugs, viruses, or other harmful code that may be transmitted to or through the Services; (e) any errors, inaccuracies, omissions, or losses in or to any Data provided to us; (f) third-party content provided by you; or (g) the defamatory, offensive, or illegal conduct of others.

You agree to limit any additional liability not disclaimed or denied by the Stripe Entities under this Agreement to your direct and documented damages; and you further agree that under no circumstances will any such liability exceed in the aggregate the amount of Fees paid by you to Stripe during the three-month period immediately preceding the event that gave rise to your claim for damages.

These limitations on our liability to you will apply regardless of the legal theory on which your claim is based, including contract, tort (including negligence), strict liability, or any other theory or basis.

We provide the Services from facilities in the United States. We do not claim, and we cannot guarantee that Services we provide from the United States are or will be appropriate or available for any other location or jurisdiction, comply with the Laws of any other location or jurisdiction, or comply with Laws governing export, import, or foreign use.

10. Responding to Legal Process

Stripe may respond to and comply with any writ of attachment, lien, levy, subpoena, warrant, or other legal order ("Legal Process") that we believe to be valid. We or any Payment Method Provider (including, where applicable, the Payment Method Acquirer for the Payment Method) may deliver or hold any funds or, subject to the terms of our Privacy Policy, any Data as required under such Legal Process, even if you are receiving funds or Data on behalf of other parties. Where permitted by Law, we will make reasonable efforts to provide you Notice of such Legal Process by sending a copy to the email address we have on file for you. Stripe is not responsible for any losses, whether direct or indirect, that you may incur as a result of our response or compliance with a Legal Process.

11. Dispute Resolution; Agreement to Arbitrate

a. Binding Arbitration: In the event that there is a dispute, claim or controversy arising out of or relating to statutory or common law claims, the breach, termination, enforcement, interpretation or validity of any provision of this Agreement, and the determination of the scope or applicability of your agreement to arbitrate any dispute, claim or controversy originating from this Agreement, but specifically excluding any dispute principally related to either party's intellectual property (which such dispute will be resolved in litigation before the United States District Court for the Northern District of California), will be determined by arbitration in San Francisco, California before a single arbitrator. The arbitration will be administered by the American Arbitration Association under its Commercial Arbitration Rules. The Expedited Procedures of the American Arbitration Association's Commercial Arbitration Rules will apply for cases in which no disclosed claim or counterclaim exceeds \$75,000 (exclusive of interest, attorneys' fees and arbitration fees and costs). Where no party's claim exceeds \$25,000 (exclusive of interest, attorneys' fees and arbitration fees and costs), and in other cases in which the parties agree, Section E-6 of the Expedited Procedures of the American Arbitration Association's Commercial Arbitration Rules will apply. The arbitrator will apply the substantive law of the State of California, exclusive of its conflict or choice of law rules. If the American Arbitration Association is no longer in business, or refuses or declines to administer any dispute between the parties brought before it, either party may petition the United States District Court for the Northern District of California to appoint the arbitrator. Nothing in this paragraph will preclude the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The parties acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding the provisions in this paragraph referencing applicable substantive law, the Federal Arbitration Act (9 U.S.C. §§ 1-16) will govern any arbitration conducted pursuant to the terms of this Agreement.

Either party may commence arbitration by providing to the American Arbitration Association and the other party to the dispute a written demand for arbitration, setting forth the subject of the dispute and the relief requested.

b. Service of Process: Each party hereby irrevocably and unconditionally consents to service of process through personal service at their corporate headquarters, registered address, or primary address (for individuals or sole proprietors). Nothing in this Agreement will affect the right of any party to serve process in any other manner permitted by Law.

c. Class Waiver: To the fullest extent permitted by Law, each of the parties agrees that any dispute arising out of or in connection with this Agreement, whether in arbitration or in court, will be conducted only on an individual basis and not in a class, consolidated or representative action. If for any reason a claim or dispute proceeds in court rather than through arbitration, each party knowingly and irrevocably waives any right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this Agreement or any of the transactions contemplated between the parties.

d. Provision of an Award: Subject to the limitations of liability identified in this Agreement, the appointed arbitrators may award monetary damages and any other remedies allowed by the laws of the State of California. In making a determination, the arbitrator will not have the authority to modify any term or provision of this Agreement. The arbitrator will deliver a reasoned written decision with respect to the dispute (the "Award") to each party, who will promptly act in accordance with the Award. Any Award (including interim or final remedies) may be confirmed in or enforced by a state or federal court located in San Francisco, California. The decision of the arbitrator will be final and binding on the parties, and will not be subject to appeal or review.

e. Fees: Each party will advance one-half of the fees and expenses of the arbitrators, the costs of the attendance of the arbitration reporter at the arbitration hearing, and the costs of the arbitration facility. In any arbitration arising out of or related to this Agreement, the arbitrators will award to the prevailing party, if any, the costs and

attorneys' fees reasonably incurred by the prevailing party in connection with those aspects of its claims or defenses on which it prevails, and any opposing awards of costs and legal fees awards will be offset.

f. Confidentiality: The parties will maintain the confidential nature of the arbitration proceeding, the hearing and the Award, except (i) as may be necessary to prepare for or conduct the arbitration hearing on the merits, (ii) in connection with a court application as contemplated above for a preliminary remedy, or confirmation of an Award or its enforcement, (iii) our disclosure of the Award in confidential settlement negotiations, or (iv) as otherwise required by applicable Laws. The parties, witnesses, and arbitrator will treat as confidential and will not disclose to any third person (other than witnesses or experts) any documentary or other evidence produced in any arbitration hereunder, except as required by Law or except if such evidence was obtained from the public domain or was otherwise obtained independently from the arbitration.

g. Conflict of Rules: In the case of a conflict between the provisions of this Section E.11.g and the rules governing arbitration identified in Section E.11.a, the provisions of this Section E.11.g will prevail. If any provision of this Agreement to arbitrate is held invalid or unenforceable, it will be so held to the minimum extent required by Law and all the other provisions will remain valid and enforceable.

12. Entire Agreement

This Agreement and all policies and procedures that are incorporated by reference constitute the entire agreement between you and Stripe for provision and use of the Services. Except where expressly stated otherwise in a writing executed between you and Stripe, this Agreement will prevail over any conflicting policy or agreement for the provision or use of the Services. This Agreement sets forth your exclusive remedies with respect to the Services. If any provision or portion of this Agreement is held to be invalid or unenforceable under Law, then it will be reformed and interpreted to accomplish the objectives of such provision to the greatest extent possible, and all remaining provisions will continue in full force and effect.

13. Cumulative Rights, Construction, Waiver

The rights and remedies of the parties under this Agreement are cumulative, and either party may enforce any of its rights or remedies under this Agreement, along with all other rights and remedies available to it at Law, in equity or under the Payment Method Rules. No provision of this Agreement will be construed against any party on the basis of that party being the drafter. Unless expressly stated otherwise, the use of the term "including" or "such as" is not to be interpreted as limiting the generality of the text preceding the term. The failure of either party to enforce any provision of this Agreement will not constitute a waiver of that party's rights to subsequently enforce the provision.

14. Survival

All provisions of this Agreement that give rise to a party's ongoing obligation will survive termination of this Agreement, including Sections A.3 ("Your Relationship with Your Customers"), A.6 ("Taxes and Other Expenses"), A.7 ("Service Requirements, Limitations and Restrictions"), A.8 ("Suspicion of Unauthorized or Illegal Use"), A.9 ("Disclosures and Notices; Electronic Signature Consent"), A.10.b ("Effects of Termination"), B.2 ("Ownership of Stripe IP"), C.6 ("Specific Payment Methods"), C.7 ("Settlement and Payout Schedule"), C.8 ("Clearing Funds and Reserves"), C.9 ("Security Interests, Collection, and Set-Off Rights"), C.10 ("Reconciliation and Error Notification"), C.11 ("Dormant Accounts"), D.3 ("Security and Fraud Controls"), D.4 ("Your Use of Data with Stripe Connect and Stripe Relay"), D.5 ("Provision of Payment Account Details upon Termination"), E.4 ("No Agency; Third-Party Services"), E.5 ("Force Majeure"), E.6 ("Your Liability for Third-Party Claims Against Us"), E.7 ("Representations and Warranties"), E.8 ("No

Warranties”), E.9 (“Limitation of Liability”), E.10 (“Responding to Legal Process”), E.11 (“Dispute Resolution, Agreement to Arbitrate”), E.12 (“Entire Agreement”), E.13 (“Cumulative Rights, Construction, Waiver”) and E.14 (“Survival”); and any related terms in the Agreement.

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Items for Discussion and Action
Agenda Item: 4.5

Date: July 15, 2019

Subject: Designation of Surplus Assets

Staff Contact: Timothy R. Shaw

Recommended Committee Action:

The Executive Committee forwarded this item onto the July 15th Board agenda with a recommendation for Board approval.

Current Background and Justification:

District policy requires that the Board designate District assets as surplus and authorize staff to disposition the assets through public auction. Since the policy was revised last year, the District has experienced vast improvement in the process. Much of the surplus material that was taking up space at the District office has been dispositioned and the operating account revenue has increased from the sale of these items.

Many of the items of the attached list of proposed surplus assets have been in the office for years, not being used and collecting dust. Some of these items are a result of computer workstation upgrades, which replaced computers that were 7-years old.

Conclusion:

I recommend the Board approve the attached list of proposed surplus assets and authorize staff to disposition these surplus assets in accordance with District policy.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla:____ Harris:____ Jason Green ____ Gifford ____ Reisig____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

Proposed Surplus Assets List 7-15-2019

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Surplus Asset Description	Asset Type	Equipment Age in Years	VIN Number	Fixed Asset Item Name (district use only)
2007 Ford Ranger 2dr SuperCab 3.0L XL	Vehicle	12	1FTYR14U37PA29005	GP.VEH.2007 RANGER_07 - 120
2007 Vac-con VT-FNP Trailer	Heavy Equipment	12	5HZBF17287LG77119	GP.HEQUIP.07VACTRAILER_17 - 121
Avaya Partner Phone System & 1 AT&T Small Business Phone	Office Equipment	10-20		NA
Desktop Printer Lot - 3	Office Equipment	5-10		NA
Computer Monitor Lot - 4	Office Equipment	5-10		NA
Desktop Personal Computers 7 & 2 Network Servers	Office Equipment	5-10		NA
Overhead Projector	Office Equipment	15		NA
Typewriter	Office Equipment	15		NA

RLECWD Agenda Item Checklist

Item 4.5

Date

Initial Potential Meeting Date

7/15/19

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Designation of Surplus Assets

6/28/19

Staff Work Completed

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other Water or special districts, District Engineer, Legal Counsel then laying out business cases, pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff Work

7/1/19

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel Review

N/A

Legal Counsel should have enough time to review all potential legal matters for correctness and legality

GM Review

7/11/19

Actual Meeting Date Set for Agenda Item

7 /15/19



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Items for Discussion and Action Agenda Item: 4.6

Date: July 15, 2019

Subject: Authorize any new Board Member Assignments (committees and other) announced by the Chair pursuant to District Policy 2.01.065

Staff Contact: Timothy R. Shaw

Recommended Committee Action:
N/A

Current Background and Justification:

District Policy and other relevant statutes require that the Board approve any Board Member assignments for committees and other formal assignments.

Due do Board Member resignations this year, many of the customary assignments have been vacant while the District executed the Board Member appointment process to fill the vacancies. Now, that the Board is restored to a five-member status, it is necessary and appropriate to assign the roles.

Some of the assignments needed are entirely within the Board's purview, e.g. Regional Water Authority. Other assignments are a nomination process, i.e. the RLECWD Board votes to nominate a Board Member and another governing body must confirm the nomination. The agenda items (4.6.1 – 4.6.4) designate which assignments are open.

Conclusion:

I recommend the Board consider approving any specific nominations and assignments as may be deemed necessary and appropriate.

Board Action / Motion

Motioned by: Director _____ Seconded by Director _____

Ridilla: _____ Harris: _____ Jason Green _____ Gifford _____ Reisig _____.
(A) Yea (N) Nay (Ab) Abstain (Abs) Absent

RLECWD Agenda Item Checklist

Item 4.6

Date

Initial Potential Meeting Date7/15/19

Circle High/Medium/Low priority of Item and Identify if in line with Mission/
Goal/Strategic Planning issues or state of emergency

Authorize any new Board Member Assignments (committees and other) announced by the Chair
pursuant to District Policy 2.01.065

7/11/19**Staff Work Completed**

(Includes reviewing, researching item with other resources (ACWA, JPIA, RWA, SGA, other
Water or special districts, District Engineer, Legal Counsel then laying out business cases,
pros and cons, options and recommendations based on best information available, etc.

Committee Review of Item and Staff WorkN/A

Review by appropriate Executive or Ad Hoc Committees, to prepare board recommendations

Formal Legal Counsel ReviewN/A

Legal Counsel should have enough time to review all potential legal matters
for correctness and legality

GM Review7/11/19**Actual Meeting Date Set for Agenda Item**7 /15/19



Information Items
Agenda Item: 5.1

Date: July 15, 2019

Subject: District Reports

Staff Contact: Timothy R. Shaw, General Manager

1. DISTRICT ACTIVITY REPORT

1. Operations Report
2. Conservation Report
3. Hex Chrome Economic Feasibility Criteria Status

RIO LINDA/ELVERTA C.W.D. 2019

REPORT OF DISTRICT OPERATIONS

SOURCE WATER DATA

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Water Production (Million Gallons)

January	February	March	April	May	June	Year To Date
35.3	31.1	35.1	46.3	66.8	97.5	
35,329,525	31,146,049	35,054,556	46,348,893	66,841,098	97,476,534	
July	August	Sept.	Oct.	Nov.	Dec.	
						312.10

			Monthly Total			
Gallons = Multiply M.G. by:	1,000,000		97,476,534	Gallons		312,198,655
Cubic Feet = Divide gallons by:	7.48		13,031,622	Cubic Feet		41,737,521
Hundred Cu Ft. = Divide cu. ft. by:	100		130,316	Hundred Cubic Feet		417,376
Acre Ft.= Divide gallons by:	325,829		299.16	Acre Ft.		958

DISTRIBUTION SYSTEM DATA

Water Quality Complaints

Complaints Total (Low Psi Complaints)

January	February	March	April	May	June	Year To Date
2 (1)	1 (1)	2 (2)	0	3 (2)	6 (4)	
July	August	Sept.	Oct.	Nov.	Dec.	
						14

New Services

New Construction	0	0
Existing Homes	0	0
Paid prior to increase. (2 not installed)	0	0
Total of Service Connections to Date ----->		4637

Distribution System Failures/Repairs

Deterioration June 1 thru 30	9	23
Damaged June 1 thru 30	0	2

Bacteriological Sampling

Routine Bacteriological Samples (Distribution System)	16	94
Raw Water Bacteriological Samples (at Wells)	11	23

June 1, 2019 - June 30, 2019

9 - Distribution leaks repaired by District staff, 1 - by Contractor or with contractor assistance.

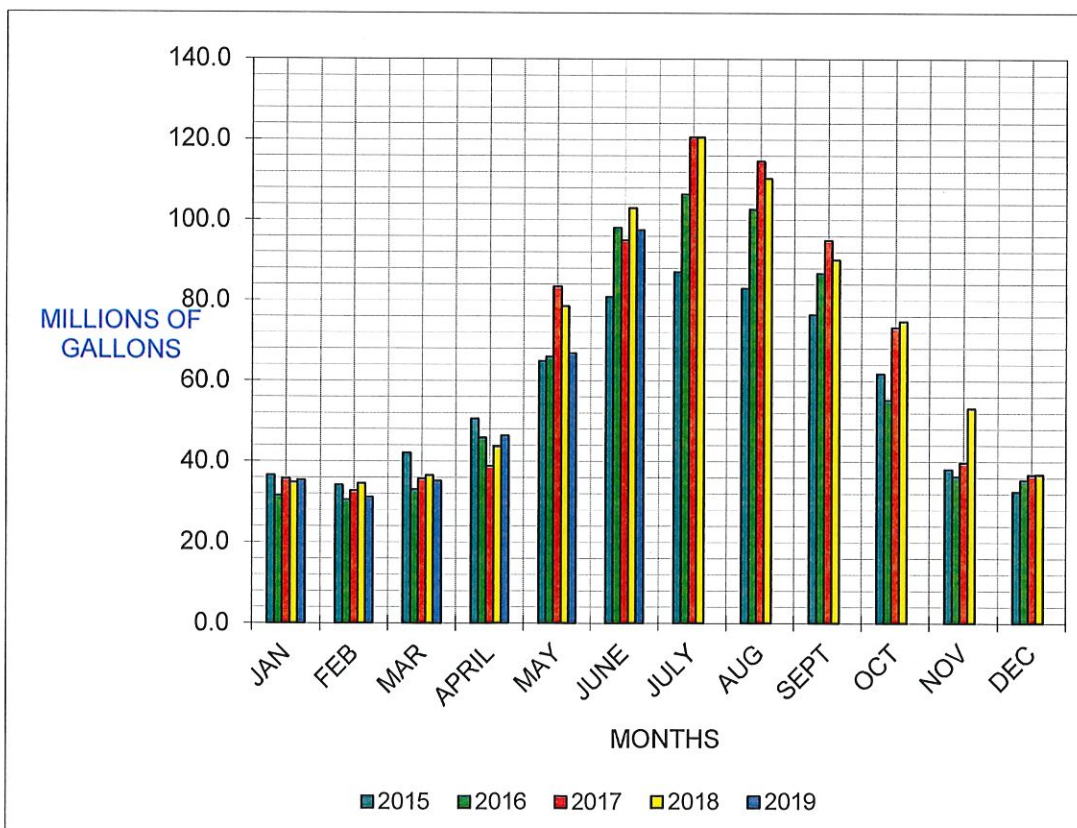
Work Orders Issued - 58	Work Orders Completed - 52	USA's Issued - 79
Change Out Meter - 1	Change Out Meter - 1	
General Complaint - 1	General Complaint - 1	
Flooding In Neighborhood - 1	Flooding in Neighborhood - 1	
Flow Test - 1	Flow Test - 1	
Get Current Read - 2	Get Current Read - 2	
Install New Service - 2	Install New Service - 2	
Other Work - 2	Other Work - 3	
Possible Leak - 21	Possible Leak - 16	
Pressure Complaint - 4	Pressure Complaint - 1	
Tag Property - 10	Tag Property - 10	
Taste or Odor Complaint - 2	Turn Off Service - 6	
Turn Off Service - 6	Turn On Service - 6	
Turn On Service - 5		

RIO LINDA/ELVERTA C.W.D.

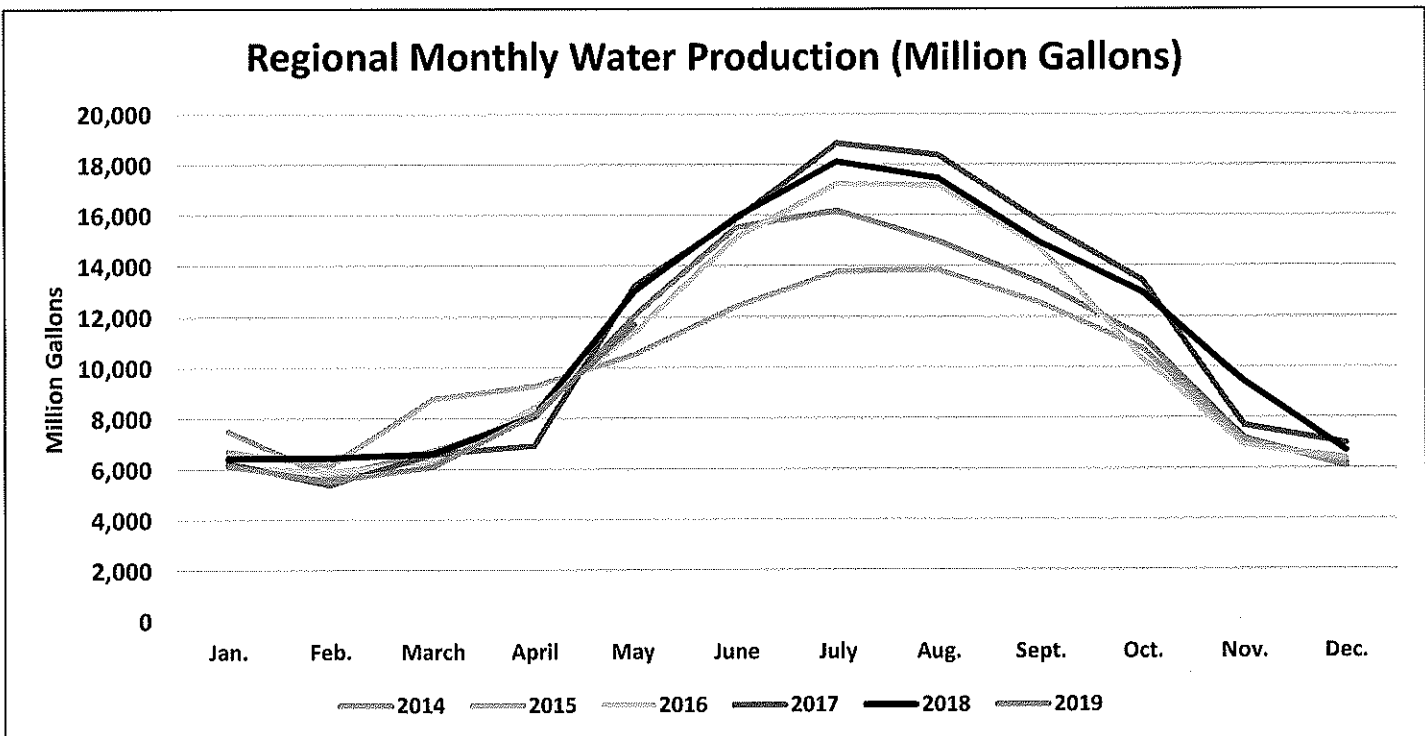
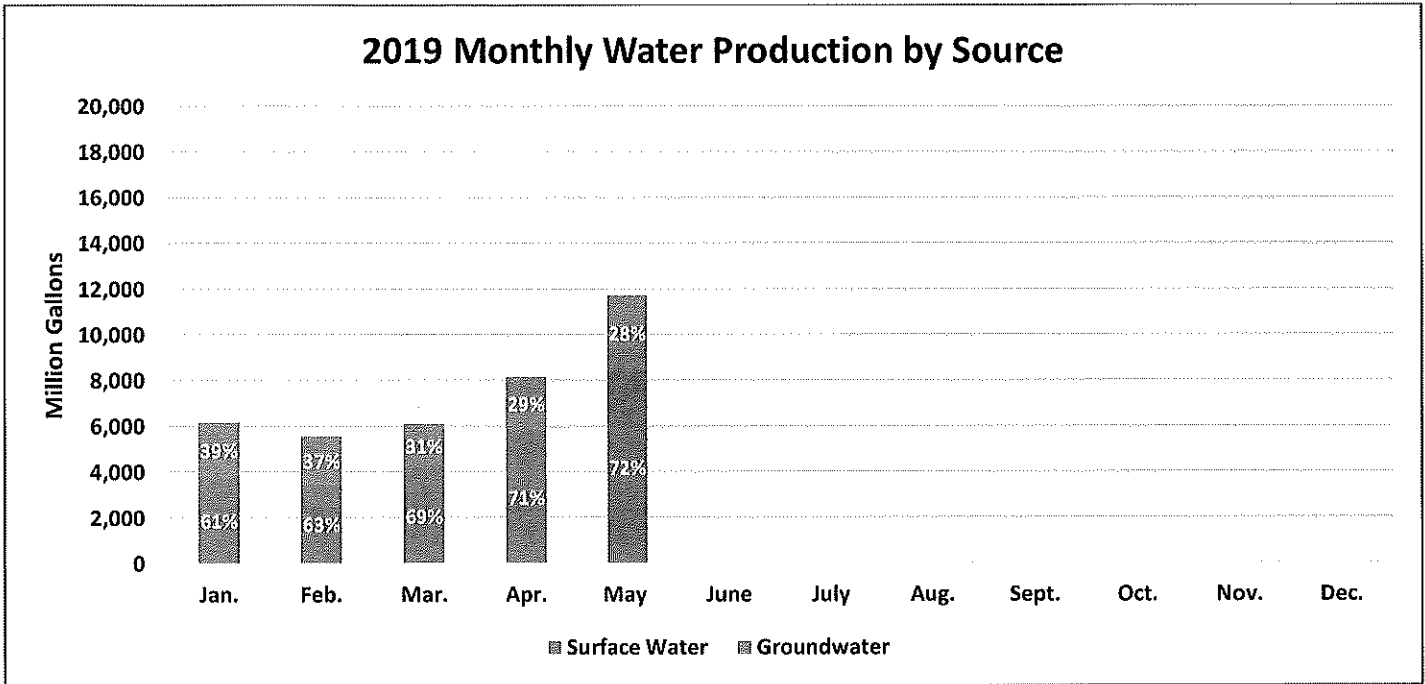
WATER PRODUCTION

2015 \ 2019

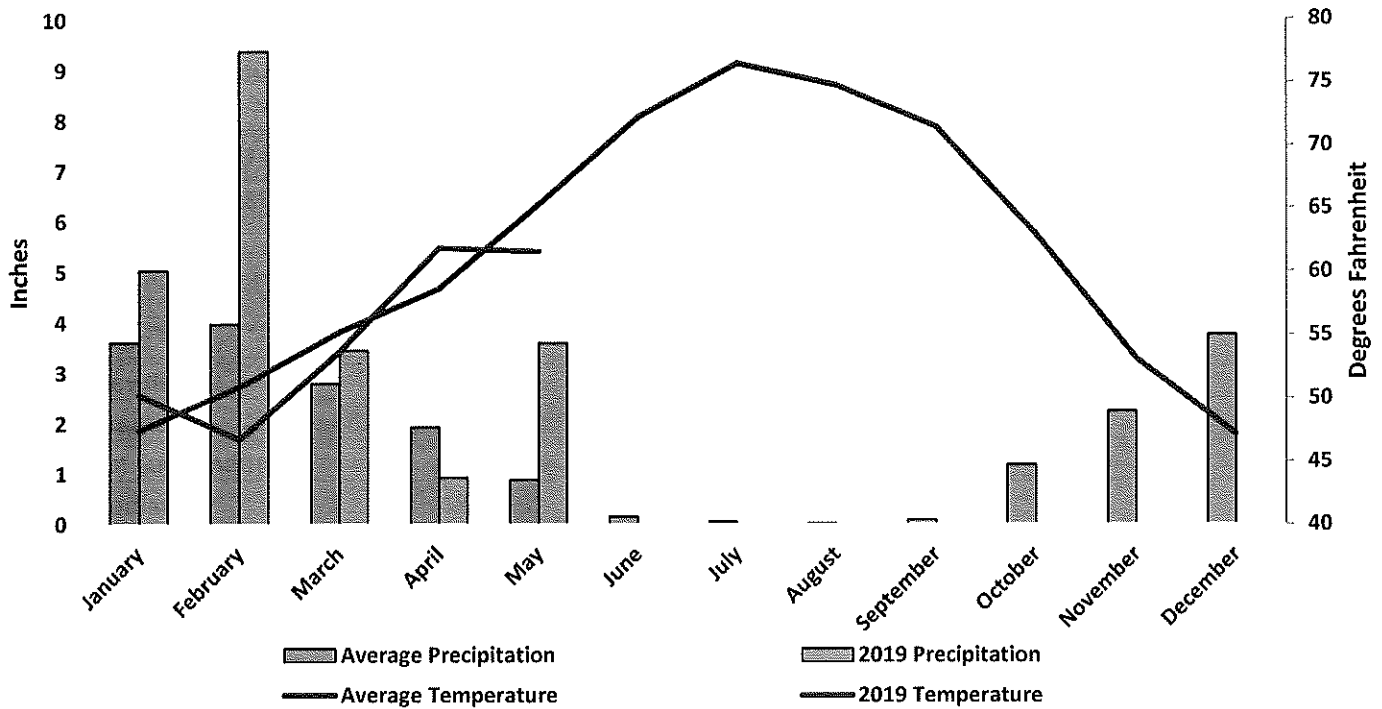
Month	Water Production in Million Gallons						SSWD Water Purchases				
	2015	2016	2017	2018	2019	Avg.	2015	2016	2017	2018	2019
JAN	36.5	31.5	35.6	34.8	35.3	34.7	0.0	0.0	0.0	0.0	0.0
FEB	34.1	30.5	32.7	34.5	31.1	32.6	0.0	0.0	0.0	0.0	0.0
MAR	42.0	33.0	35.6	36.5	35.1	36.4	0.0	0.0	0.0	0.0	0.0
APRIL	50.5	45.8	38.8	43.7	46.3	45.0	0.0	0.0	0.0	0.0	0.0
MAY	64.8	65.9	83.4	78.5	66.8	71.9	0.0	0.0	0.0	0.0	0.0
JUNE	80.8	98.0	94.9	102.9	97.5	94.8	0.0	0.0	0.0	0.0	0.0
JULY	87.0	106.4	120.5	120.5		108.6	0.0	0.0	0.0	0.0	
AUG	83.0	102.6	114.6	110.3		102.6	0.0	0.0	0.0	0.0	
SEPT	76.4	86.7	94.9	90.1		87.0	0.0	0.0	0.0	0.0	
OCT	61.7	55.2	73.2	74.7		66.2	0.0	0.0	0.0	0.0	
NOV	38.0	36.3	39.7	53.1		41.8	0.0	0.0	0.0	0.0	
DEC	32.5	35.4	36.7	36.8		35.4	0.0	0.0	0.0	0.0	
TOTAL	687.3	727.3	800.6	816.4	312.1	757.9	0.0	0.0	0.0	0.0	0.0



2019 Monthly Water Production by Source (Million Gallons)													
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
SW	4,200	3,863	4,197	5,830	8,446	0	0	0	0	0	0	0	26,536
GW	1,974	1,696	1,918	2,333	3,275	0	0	0	0	0	0	0	11,196
Total	6,173	5,559	6,115	8,163	11,721	0	0	0	0	0	0	0	37,732

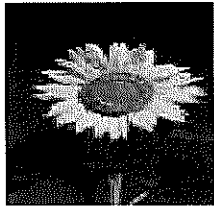


Precipitation and Temperature, Average (1998-2018) and 2019



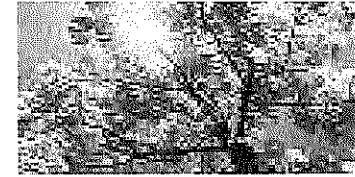
Water Agency	2019 Residential Gallons Per Capita Per Day (R-GPCD)											
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
California American Water	61	59	57	76	92							
Carmichael Water District	84	80	82	121	173							
Citrus Heights Water District	76	72	75	103	147							
City of Davis	47	54	58	84	96							
City of Folsom	82	69	73	108	157							
City of Lincoln	72	61	54	83	119							
City of Roseville	62	62	52	67	115							
City of Sacramento	53	62	70	78	93							
City of West Sacramento	73	58	60	73	93							
City of Woodland	48	51	41	53	81							
City of Yuba City	68	67	69	85	111							
El Dorado Irrigation District	92	85	87	107	161							
Elk Grove Water District	52	55	56	73	104							
Fair Oaks Water District	75	69	74	119	181							
Golden State Water Company	79	73	76	96	139							
Orange Vale Water Company	80	79	82	NR	NR							
Placer County Water Agency	67	62	79	108	134							
Rancho Murieta CSD	83	79	64	105	174							
Rio Linda/Elverta CWD	75	73	72	98	134							
Sacramento County Water Agency	78	73	77	95	127							
Sacramento Suburban WD	63	52	52	80	117							
San Juan Water District	NR	NR	NR	NR	NR							
Sacramento Regional Average	65	65	67	87	119							

NR=Not Reported. San Juan Water District's production and R-GPCD are estimated using 2017 data for regional consistency.



Conservation Report

June 2019



Supplies (kits):	Shower heads (1) Kitchen Aerators (0) Bathroom Aerators (2) Shower Timer (0) Nozzle (0) Toilet Tabs (2) Moisture Meters (0) Water Bottles (0) Toilet Tummy (0) Retro-Fit Kits (0) Welcome Kits (2) Kids Kit (2)
Water Waste (calls, emails, letter, leaks detected/fixed):	2 water waste call 10 contacts about possible leaks using the AMI system - 3 were called, 1 were mailed, 6 were email 0 Conservation kits given and 0 additional dye tablets 4 was confirmed resolved as of 6/30/19
Water Schedule:	Given to customer with all violation letters and new applications
Surveys:	0
Rebates:	Toilets: 0 Washing Machines: 0
Workshops, Webinar, Meetings:	Leak Detection Principles and Water Loss Accountabilty Workshop (6/18/19)
Fines:	NONE
Other Tasks:	<ul style="list-style-type: none">● Assisted with payments and new customers● Printed stamps● Closed accounts and final billed customers● Created/completed work orders● Scanned and uploaded documents into UMS● Mailed out application requests to new owners● Entered ACH Forms into UMS● Processed payments
Grant Updates:	<ul style="list-style-type: none">● None

Status Code	Policy / Significant General Permit	Last Updated / Status	Statewide / Regional Project	Org. Lead
A	NPDES Permit: Miramar Reservoir	2019-02-06 NPDES Permit for the Discharge of Highly Purified Wastewater into the Miramar Reservoir by the City of San Diego. Target Board Meeting: May 8, 2019.	Regional	R9
A	WDR for Hanson Permanente Cement & Lehigh SW Cement – Permanente Quarry & Cement Plant	2018-06-05 Region 2 Water Board to consider on June 13, 2018, adoption of WDR that would regulate wastes and activities that generate wastes that have the potential to impact groundwater and connected surface waters.	Regional	SB
A	2018 Release and Implementation of Overlap Memo	2018-07-10 A memorandum entitled, "Issues Related to Overlap between Pre-1914 and Riparian Water Right Claims in the Delta" (Overlap Memo) was prepared under supervision of the Delta Watermaster. On June 6, 2018, the Overlap Memo was released for public review. The Overlap Memo describes current California water law bearing on the assertion that riparian and pre-1914 water right claims within the Delta can only be distinguished through adjudication of such claims, that is, through an adversarial process resulting in a final decision by a court. The Overlap Memo and the points and authorities cited there in essentially rebut that assertion.	Regional	SB
A	Economic Feasibility Criteria for Hexavalent Chromium and Other MCLs	2018-08-07 Public workshops tentatively proposed for late October/early November.	Regional	SB
A	Renewal of Conditional Waiver of WDRs for Grazing Operations in Tomales Bay Watershed	2018-08-07 This Waiver of WDRs is undergoing public comment and will be considered by the Regional Water Board on Oct. 12, 2018. It will require grazing operations in the Tomales Bay Watershed to implement practices to protect that Bay from bacteria and sediment.	Regional	SB

Chromium-6 Drinking Water MCL

Announcements

MAXIMUM CONTAMINANT LEVEL FOR HEXAVALENT CHROMIUM – COURT'S JUDGMENT INVALIDATING MCL - [Frequently Asked Questions document available](#)

On May 31, 2017, the Superior Court of Sacramento County issued a judgment invalidating the hexavalent chromium maximum contaminant level (MCL) for drinking water. The court ordered the State Water Resources Control Board (State Water Board or Board) to take the necessary actions to delete the hexavalent chromium MCL from the California Code of Regulations and to file with the court by August 15 proof that it has done so ([California Manufacturers and Technology Association, et al. v. California Department of Public Health, et al. \(Super. Ct. Sacramento County, 2017. No. 34-2014-80001850\)](#)).

The change became effective with the Office of Administrative Law filing the change with the Secretary of State, on September 11, 2017. Thus, as of September 11, 2017, the maximum contaminant level for hexavalent chromium is no longer in effect.

The court's primary reason for finding the MCL invalid is that the California Department of Public Health (which was responsible for the drinking water program before it was transferred to the State Water Board) failed to comply with one of the requirements in the Safe Drinking Water Act for adopting an MCL. In particular, the department "failed to properly consider the economic feasibility of complying with the MCL." The court did "not decide whether the MCL is economically feasible." The court did not make any finding about whether the MCL adequately protected public health, nor did it reach a conclusion about whether the MCL was too low or too high. The court merely found that the department did not adequately document why the MCL was economically feasible.

The court also ordered the State Water Board to adopt a new MCL for hexavalent chromium.

While the Board staff disagrees with the court's conclusion, the Board staff's recommendation is to not appeal the trial court's decision. It will likely be more expedient to begin the process of adopting a new MCL, rather than expending time and resources appealing the court's order. The State Water Board hopes that the wealth of data obtained during the nearly three years the MCL has been in place will enable the Board to adopt the new regulation more quickly. While the Board staff disagrees with the court's conclusion, the Board staff's recommendation is to not appeal the trial court's decision. It will likely be more expedient to begin the process of adopting a new MCL, rather than expending time and resources appealing the court's order. The State Water Board hopes that the wealth of data obtained during the nearly three years the MCL has been in place will enable the Board to adopt the new regulation more quickly.

The Board recognizes that many public water systems and their customers have questions about next steps. The State Water Board will not be enforcing any compliance plans that public water

systems entered into for hexavalent chromium, as the MCL will no longer be in effect. However, the MCL for total chromium of 50 parts per billion will remain in place.

Hexavalent chromium remains present in the water supply of many public water systems, and continues to pose a threat to public health. Furthermore, the Board will establish a new MCL for hexavalent chromium, which could be at the same level as the invalidated MCL. The State Water Board commends the many public water systems that diligently tested and monitored for hexavalent chromium, planned and, in some case, completed construction projects to install treatment, and worked with the State Water Board on compliance plans. Those public water systems will be able to use that information and experience in any work necessary to comply with the new MCL when it is adopted. Public water systems that have already installed and are operating treatment systems for hexavalent chromium are encouraged to continue to operate these treatment facilities; however they are not required to do so and may request a change in their operating permit by submitting a permit application to allow such after the regulations are formally withdrawn by the Office of Administrative Law.

The Board has developed a frequently asked questions (FAQ) document which will be kept up to date as additional questions come up. You can access the FAQ here: [September, 2017 FAQs..](#)

Background (The information below is provided for historical background related to the MCL adopted in 2014 prior to the judgment invalidating the hexavalent chromium MCL described above)

In 1999, as part of the process of [reviewing MCLs in response to public health goals \(PHGs\)](#), The California Department of Public Health's (CDPH's) precursor, the California Department of Health Services (CDHS), identified the total chromium MCL (see below) as one for review (CDPH's Drinking Water Program is now the State Water Board's Division of Drinking Water (DDW)).

In particular, DDW sought to determine whether or not an MCL that is specific for chromium-6 would be appropriate. Subsequently, concerns about chromium-6's potential carcinogenicity when ingested resulted in a state law that requires CDPH to adopt a chromium-6-specific MCL (see [chromium-6 timeline](#)).

California's Health and Safety Code guides the development of an MCL for chromium-6: §116365.5 requires the adoption of an MCL for chromium-6 by January 1, 2004. In addition, Health and Safety Code §116365(a) required CDPH to establish an MCL at a level as close as is technically and economically feasible to [the contaminant's PHG](#), which is the concentration of a contaminant in drinking water that does not pose a significant risk to health. PHGs are developed by Cal/EPA's Office of Environmental Health Hazard Assessment (OEHHA).

In July 2011 OEHHA established a [PHG for chromium-6 of 0.02 µg/L](#). The PHG represents a *de minimis* lifetime cancer risk from exposure to chromium-6 in drinking water, based on studies in laboratory animals. OEHHA also prepared a [PHG fact sheet](#). The availability of the chromium-6 PHG enabled CDPH to proceed with setting a primary drinking water standard.

As part of the rulemaking process, in August 2013 CDPH proposed an MCL for chromium-6 of 0.010 milligram per liter (equivalent to 10 µg/L) and [announced the availability of the proposed MCL](#) for public comment. The public comment period closed in October 2013. CDPH reviewed the comments submitted by interested parties and responded to them in the final statement of reasons, which is part of the final hexavalent MCL regulations package. [Documents from the regulation package can be found here.](#)

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On May 31, 2017, the Superior Court of Sacramento County issued a judgment invalidating the hexavalent chromium maximum contaminant level (MCL) for drinking water. (See Announcements above)

Readers interested in the levels of hexavalent chromium in their drinking water should refer to the water systems' annual Consumer Confidence Reports (CCRs). Many CCRs are available from DDW's [Drinking Water Watch](#) website, which also includes other information about drinking water quality.

MCL for Total Chromium

Chromium-6 has been regulated under the 50-µg/L primary drinking water standard (MCL) for total chromium. California's MCL for total chromium was established in 1977, when we adopted what was then a "National Interim Drinking Water Standard" for chromium. The total chromium MCL was established to address exposures to chromium-6, the more toxic form of chromium. Chromium-3 (trivalent chromium) is a required nutrient.

The US Environmental Protection Agency (EPA) adopted the same 50-µg/L standard for total chromium, but in 1991 raised the federal MCL to 100 µg/L. California did not follow US EPA's change and stayed with its 50-µg/L standard.

Additional Information on Chromium-6

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Chromium-6 Drinking Water MCL

Announcements

MAXIMUM CONTAMINANT LEVEL FOR HEXAVALENT CHROMIUM – COURT'S JUDGMENT INVALIDATING MCL - [Frequently Asked Questions document available](#)

On May 31, 2017, the Superior Court of Sacramento County issued a judgment invalidating the hexavalent chromium maximum contaminant level (MCL) for drinking water. The court ordered the State Water Resources Control Board (State Water Board or Board) to take the necessary actions to delete the hexavalent chromium MCL from the California Code of Regulations and to file with the court by August 15 proof that it has done so ([California Manufacturers and Technology Association, et al. v. California Department of Public Health, et al. \(Super. Ct. Sacramento County, 2017. No. 34-2014-80001850\)](#)).

The change became effective with the Office of Administrative Law filing the change with the Secretary of State, on September 11, 2017. Thus, as of September 11, 2017, the maximum contaminant level for hexavalent chromium is no longer in effect.

The court's primary reason for finding the MCL invalid is that the California Department of Public Health (which was responsible for the drinking water program before it was transferred to the State Water Board) failed to comply with one of the requirements in the Safe Drinking Water Act for adopting an MCL. In particular, the department "failed to properly consider the economic feasibility of complying with the MCL." The court did "not decide whether the MCL is economically feasible." The court did not make any finding about whether the MCL adequately protected public health, nor did it reach a conclusion about whether the MCL was too low or too high. The court merely found that the department did not adequately document why the MCL was economically feasible.

The court also ordered the State Water Board to adopt a new MCL for hexavalent chromium.

While the Board staff disagrees with the court's conclusion, the Board staff's recommendation is to not appeal the trial court's decision. It will likely be more expedient to begin the process of adopting a new MCL, rather than expending time and resources appealing the court's order. The State Water Board hopes that the wealth of data obtained during the nearly three years the MCL has been in place will enable the Board to adopt the new regulation more quickly. While the Board staff disagrees with the court's conclusion, the Board staff's recommendation is to not appeal the trial court's decision. It will likely be more expedient to begin the process of adopting a new MCL, rather than expending time and resources appealing the court's order. The State Water Board hopes that the wealth of data obtained during the nearly three years the MCL has been in place will enable the Board to adopt the new regulation more quickly.

The Board recognizes that many public water systems and their customers have questions about next steps. The State Water Board will not be enforcing any compliance plans that public water

systems entered into for hexavalent chromium, as the MCL will no longer be in effect. However, the MCL for total chromium of 50 parts per billion will remain in place.

Hexavalent chromium remains present in the water supply of many public water systems, and continues to pose a threat to public health. Furthermore, the Board will establish a new MCL for hexavalent chromium, which could be at the same level as the invalidated MCL. The State Water Board commends the many public water systems that diligently tested and monitored for hexavalent chromium, planned and, in some case, completed construction projects to install treatment, and worked with the State Water Board on compliance plans. Those public water systems will be able to use that information and experience in any work necessary to comply with the new MCL when it is adopted. Public water systems that have already installed and are operating treatment systems for hexavalent chromium are encouraged to continue to operate these treatment facilities; however they are not required to do so and may request a change in their operating permit by submitting a permit application to allow such after the regulations are formally withdrawn by the Office of Administrative Law.

The Board has developed a frequently asked questions (FAQ) document which will be kept up to date as additional questions come up. You can access the FAQ here: [September, 2017 FAQs](#).

Background (The information below is provided for historical background related to the MCL adopted in 2014 prior to the judgment invalidating the hexavalent chromium MCL described above)

In 1999, as part of the process of [reviewing MCLs in response to public health goals \(PHGs\)](#), The California Department of Public Health's (CDPH's) precursor, the California Department of Health Services (CDHS), identified the total chromium MCL (see below) as one for review (CDPH's Drinking Water Program is now the State Water Board's Division of Drinking Water (DDW)).

In particular, DDW sought to determine whether or not an MCL that is specific for chromium-6 would be appropriate. Subsequently, concerns about chromium-6's potential carcinogenicity when ingested resulted in a state law that requires CDPH to adopt a chromium-6-specific MCL (see [chromium-6 timeline](#)).

California's Health and Safety Code guides the development of an MCL for chromium-6: §116365.5 requires the adoption of an MCL for chromium-6 by January 1, 2004. In addition, Health and Safety Code §116365(a) required CDPH to establish an MCL at a level as close as is technically and economically feasible to [the contaminant's PHG](#), which is the concentration of a contaminant in drinking water that does not pose a significant risk to health. PHGs are developed by Cal/EPA's Office of Environmental Health Hazard Assessment (OEHHA).

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Information Items
Agenda Item: 5.2

Date: July 15, 2019

Subject: Board Reports

Staff Contact: Timothy R. Shaw, General Manager

2. BOARD REPORTS

1. Announce ad hoc committee(s) dissolved by requirements in Policy 2.01.065
2. Regional Water Authority – Shaw
3. Sacramento Groundwater Authority – Harris
4. LAFCO – Vacant
5. Executive Committee – Harris, Jason Green
6. ACWA/JPIA – Ridilla
7. Ad Hoc Committee's
8. Other Reports

**REGIONAL WATER AUTHORITY
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Thursday, July 11, 2019, 9:00 a.m.

5620 Birdcage Street, Suite 110

Citrus Heights, CA 95610

(916) 967-7692

AGENDA

The public shall have the opportunity to directly address the Board on any item of interest before or during the Board's consideration of that item. Public comment on items within the jurisdiction of the Board is welcomed, subject to reasonable time limitations for each speaker. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the Authority's Administrative Office at the address listed above. In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting, please contact the Executive Director of the Authority at (916) 967-7692. Requests must be made as early as possible, and at least one full business day before the start of the meeting. The Board of Directors may consider any agenda item at any time during the meeting.

- 1. CALL TO ORDER AND ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. CONSENT CALENDAR**
 - a. Minutes from the June 13, 2019 RWA regular board meeting
Action: Approve June 13, 2019 RWA Board meeting minutes
- 4. EXECUTIVE COMMITTEE REPORT AND RECOMMENDATIONS**
 - a. Information: Final minutes of the May 22, 2019 Executive Committee meeting
- 5. EXECUTIVE DIRECTOR'S INTRODUCTORY COMMENTS**
Information Presentation: James Peifer, Executive Director
- 6. REGIONAL WATER RELIABILITY PLAN**
Information Update: Rob Swartz, Manager of Technical Services
Action: Approve Resolution 2019-09 to Adopt the RWRP
- 7. WATER EFFICIENCY PROGRAM UPDATE**
Information Update: Amy Talbot, Senior Project Manager
- 8. EXECUTIVE DIRECTOR'S REPORT**
- 9. DIRECTORS' COMMENTS**

ADJOURNMENT

Upcoming meetings:

Next Executive Committee Meetings – Wednesday, July 24, 2019, 8:30 a.m. and August 28, 2019, 8:30 a.m. at the RWA office.

Next RWA Board of Directors' Meetings – September 12, 2019, 9:00 a.m. and November 14, 2019, 9:00 a.m. at the RWA office.

The RWA Board Meeting electronic packet is available on the RWA website at <https://rwah2o.org/meetings/board-meetings/> to access and print the RWA Board electronic packet.

Executive Committee Meeting Minutes

July 1, 2019

Committee Chair Mary Harris opened the meeting at 6:05 PM.

Attendees: Director Jason Green, Director Mary Harris, District Engineer Mike Vasquez and District General Manager Mr. Tim Shaw were present. There were no members of the public in attendance.

Public Comment. Director Harris offered to allow Director Green to chair the meeting. Director Green politely declined.

Agenda Items

1. Review and discuss the expenditures of the District for the Month of May 2019.
 - *Director Harris commented regarding the number of expenditures which include the words, "Employee benefits". The Executive Committee forwarded the item to the July 15th Board agenda with their recommendation for Board approval. Subsequent to the meeting, the GM and Accounting Specialist discussed the descriptions used in the expenditures report and several items were modified.*
2. Review and discuss the financial reports for the Month of May 2019.
 - *The Executive committee forwarded the item onto the July 15th Board agenda with their recommendation for Board approval*
3. Discuss the Terms and Conditions for Stripe credit/debit card processing service.
 - *Following discussion and clarification regarding the relative merits/risks of Bluefin, PayGOV.US and Stripe credit card processing service providers, the Executive Committee forwarded the Stripe Terms and Conditions document (contract terms) onto the July 15th Board agenda with their recommendation for Board approval.*
4. Discuss the recent issuance of refund for capacity fees paid by a relatively small-scale developer many years ago.
 - *The Executive Committee reviewed the staff report and engaged in dialog with the GM regarding the facts and circumstances that enabled payment of the capacity fees long before the homebuilder was ready to build. The Executive Committee agreed that the District's Policy/Practice of only accepting payment of capacity fees "at building permit, ready to build" needs to be emphasized. There is no Board action required for this item.*
5. Continue discussing the Capital Improvement Plan projects list update.
 - *The District Engineer presented the updated CIP projects list included with the Committee packets. The District Engineer summarized the updates and provided substantiation of the construction costs used in the estimates for the Well 12A project. The General Manager reviewed to correlation between the projects' costs, timing and annual capital budget adoption. The next steps are to discuss the timing of the projects*

6. Discuss the logistics and timing of a proposed outsourcing of the billing process, i.e. contracting with a service provider for printing, folding, stuffing and mailing District's bi-monthly bills.

- *The Executive Committee reviewed the staff report and other packet documents related to this item, then the Committee engaged the GM regarding the timing and logistics for transitioning to outsourced printing/folding/mailing. Staff has recently received approximately 6-months supply of paper and envelopes from our local vendor. Accordingly, it would be wasteful to transition prior to using these materials. The GM also apprised the committee regarding staff concerns expressed over suspected motives to eliminate permanent positions due to the decrease in person-hours from outsourced services. The GM directed the Committees attention to the SB-998 material in the packets and explained that the reduction in person hours from outsourced printing/folding/mailing would likely be replaced by new, individualized shut off requirements mandated by SB-998, which must be in place by February 2020 (6-months from now).*

7. Engineer's update on projects underway and planned.

- *The Engineer provided a written report on items.*

8. Surplus District Assets.

- *The Executive Committee forwarded this item onto the July 15th Board agenda with their recommendation for approval. The GM requested direction and preference from the Committee regarding the need for the surplus items list to come to committee prior to being placed on the Board agenda, i.e. streamlining the process due to the routine nature. Director Harris expressed her preference for maintaining status quo.*

9. (Item Added by Unanimous Vote) Sacramento Regional Water Agencies Collaboration Study RFP.

- *The GM advised that this item meets the criteria for urgent addition to the Executive Committee agenda. The item will not wait until the next Executive Committee meeting and the item materialized after the 72-hour deadline for posting the agenda. Directors Harris and Green agreed to add the item.*
- *The Planning Committee and Board have been updated on the meetings among nine area water agency GMs for more than the passed six months. The GM explained that those meeting have now produced a draft RFP for a consultant to explore the feasibility and scope of potential collaboration among the agencies. Just before reaching this point, Del Paso Manor and Orangevale water agencies dropped out of the process. Scope of the study is to address to full spectrum of forms of collaboration, from zero collaboration up to and including full consolidation (merger). However, there are only two agencies (San Juan and Sacramento Suburban) actually interested in exploring consolidation. The remaining five agencies (Citrus Heights, Carmichael, Folsom, Fair Oaks and RLECWD) are interested in reducing costs via sharing equipment, facilities, key personnel, contracting/purchasing coordination etc. Accordingly, the RLECWD GM has recommended the group of area GMs consider introducing a tiered approach to cost sharing for the study consultant charges. Agencies not interested in exploring consolidation would be in one tier and the consolidation agencies in the other.*
- *The Executive Committee forwarded the item onto the July 15th Board agenda. However, the Committee intentionally withheld any recommendation for approval.*

Other items.

Staff anticipates continued discussion on updates to fees, e.g. fee for insufficient funds (bounced check).

The meeting was adjourned at 7: 38 PM



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**PENDING AND COMPLETED ITEMS
6-17-2019 BOARD OF DIRECTORS MEETING**

1. **Credit/Debit Card Convenience Fees:** Effective June 1st, the practice of District paid convenience fees associated with customers paying via credit or debit card was discontinued. The anticipated savings to all District ratepayers/taxpayers is over \$20,000 per year. **Complete**
2. **Strategic Planning:** I have started writing the content requested by the consultant, but the process is a start and stop evolution with all of the other demands for my attention, e.g. negotiations, personnel, contract administration meeting attendance etc. **Pending**
3. **General Unit MOU renewal:** The MOU with the RLECWD General Unit is fully executed. **Complete.**
4. **Disposition of the District assets recently declared as surplus by the Board:** The surplus diesel generator was dispositioned (sold via Public Surplus online auction). Staff will be bringing more items to the July Executive Committee (e.g. the old-analog phone system) asking that the Executive Committee forward the item onto the July Board agenda. **Pending**
5. **Update the District's Capital Improvement Projects List.** The June Executive Committee provided additional direction to staff, which will result in further consideration at the July Executive Committee. **Pending**
6. **New Office Phone System:** The new office phone system has been installed and is online. Staff has been trained. Now unnecessary Comcast phone lines have been terminated resulting in a reduction of our monthly Comcast bill of \$212. **Complete**
7. **Filling Board Member vacancies and replacing assignments on various organizations;** Item 4.1 on tonight's agenda should lead to filling the Board Member vacancies in conformance with the election code and should preclude empowering Sacramento County Board of Supervisors from being authorized to appoint new Board Members of the RLECWD Board. **Pending**