

Agenda
Rio Linda / Elverta Community Water District
Executive Committee

July 08, 2026 @ 6:00 P.M.

THIS MEETING WILL BE PHYSICALLY OPEN TO THE PUBLIC
RLECWD DISTRICT OFFICE
730 L STREET, RIO LINDA CA 95673

Public documents relating to any open session items listed on this agenda that are distributed to the Committee members less than 72 hours before the meeting are available for public inspection on the counter of the District Office, 730 L St, Rio Linda, CA.

The public may address the Committee concerning any item of interest. Persons who wish to comment on either agenda or non-agenda items should address the Executive Committee Chair. The Committee Chair will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability related modification or accommodation to participate in this meeting, then 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.

Call to Order

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Items for Discussion:

1. Public Works Projects Update (Contract District Engineer)
2. Discuss the Annual Direct Assessment for Specified Unpaid Accounts
3. Discuss Digital Method for Meeting Agendas and Packets
4. Discuss Adept Solutions Newly Revised Contract Agreement Proposal
5. Discuss Expenditures for May 2026
6. Discuss Financial Reports for May 2026

Directors' and General Manager Comments:

Next Executive Committee meeting: 08-12-2026, 6:00 P.M. at Visitors / Depot, 6730 Front St Rio Linda, CA

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, if you need special assistance or materials to participate in this meeting, please contact the District Office at 916-991-1000. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting and agenda materials.



Executive Committee Agenda Item: 1

Date: July 8, 2026

Subject: General Status Update from the Contract District Engineer

Contact: Mike Vasquez, PE, PLS, Contract District Engineer

Recommended Committee Action:

Receive a status report on specific focus items currently being addressed by the District Engineer.

Current Background and Justification:

Subjects anticipated for discussion include:

1. Hexavalent Chromium Compliance Planning
 - a. Wells 15, 10, 2A
2. 2025/2026 FY CIP Valve Replacement Project
3. 2026/2027 FY CIP Project
4. 2025 UWMP
5. Water Meter Replacement Project
6. Development Review – Century Palms Estates
7. Water System Operations
8. Rate Study

Conclusion:

I recommend the Executive Committee receive the status report from the Contract District Engineer. Then, if necessary and appropriate, forward an item(s) onto the July 27, 2026 Board of Directors Meeting agenda with recommendations as necessary.



Executive Committee Agenda Item: 2

Date: July 8, 2026

Subject: Discuss the Annual Direct Assessment for Specified Unpaid Accounts

Contact: Felix M. Felix, Interim General Manager

Recommended Committee Action:

The Executive Committee should use this opportunity to seek any clarification needed for this annual process the Board has undertaken.

Current Background and Justification:

Annual direct levy (AKA direct assessment) is one of the means the District has for collecting the cost of providing services. Direct levy places the unpaid balance onto the property tax bill for the property owner with unpaid water bills meeting specified criteria.

The direct levy process entails coordinating with Sacramento County and requires the District to adopt a resolution including specified language and details about the unpaid water bills.

Conclusion:

An agenda item and associated Resolution will be considered by the Board at an upcoming Board meeting.

APN#	Account No.	Balance
214 0063 0	2006001	\$1,199.34
214 0300 0	3076203	\$915.52
206 0324 0	4442000	\$666.31
206 0352 0	5090002	\$888.68
214 0112 0	6107502	\$657.43
206 0222 0	9102007	\$221.35
206 0251 0	9157000	\$439.14
206 0151 0	11015202	\$662.35
206 0183 0	11165003	\$244.37
202 0121 0	13000600	\$271.92
202 0310 0	13211002	\$875.72
206 0344 0	15208009	\$762.30
207 0022 0	19153100	\$1,373.26
207 0012 0	19165003	\$881.26
207 0274 0	21012005	\$143.57
215 0220 0	22234000	\$1,303.45
215 0010 0	24042300	\$891.98
215 0010 0	24078001	\$378.57
215 0130 0	24122004	\$657.42
215 0140 0	24154506	\$1,124.49
207 0240 0	25018003	\$368.10
215 0020 0	25068402	\$585.19
215 0162 0	25136001	\$657.43
215 0101 0	25336103	\$344.30
207 0211 0	25544103	\$657.43
207 0250 0	25622000	\$1,307.92
207 0240 0	26322001	\$2,050.89
208 0041 0	26473001	\$1,454.96

\$21,984.65



Executive Committee Agenda Item: 3

Date: July 8, 2026

Subject: Discuss Digital Method for Meeting Packet and Agendas

Contact: Felix M. Felix, Interim General Manager

Recommended Committee Action:

The Executive Committee should review and discuss the cost savings to the District, then forward onto the upcoming Board agenda.

Current Background and Justification:

The committee previously discussed this topic at the November 13, 2024, meeting. It was recommended the District resume discussion of changes needed to reduce operating costs associated with printing and delivering meeting packets after the election of new Board officers and Committee Assignments.

Changing to digital format will reduce operating costs estimated at \$3,500.00 over a 4-year period after the purchase of tablets for each board director. A quality tablet currently costs approximately \$300.00 and has a 4 –7 year useful life.

Conclusion:

Switching to digital meeting packets reduces paper and printing costs, staff preparation and delivery, improves accessibility, transparency, and allow board members to access packets on District provided tablets. The staff recommends the Executive Committee to forward this on to the next Board agenda for Board approval.

	# Pages	# Packets	# Meetings/Yr	Cost per Page	Total Print Cost	Postage/Yr	Delivery Cost/Yr	Total Annual Cost
Executive Committee	25	2	12	0.04	\$24.00	\$122.40	\$207.00	\$353.40
Board Meeting	120	5	12	0.04	\$288.00	\$122.40	\$414.00	\$824.40
Annual Costs Year 1					\$312.00	\$244.80	\$621.00	\$1,177.80
Annual Cost Year 2								\$1,224.91
Annual Cost Year 3								\$1,273.91
Annual Cost Year 4								\$1,324.86
Total Cost 4 years								\$5,001.49
Initial Cost of Tablets @\$300 each								\$1,500.00
4 Year Cost Savings								\$3,501.49



Executive Committee Agenda Item: 4

Date: July 8, 2026

Subject: Discuss Adept Solutions Newly Revised Contract Agreement Proposal

Contact: Felix M. Felix, Interim General Manager

Recommended Committee Action:

The Executive Committee should review and discuss the newly revised Adept Solutions Contract Agreement Proposal for the District, then forward onto the upcoming Board agenda with the Committee's recommendation.

Current Background and Justification:

In 2025, Adept Solutions endured a change in management, wherein three of their most experienced information technology personnel left the company. Shortly thereafter, RLECWD was introduced to the newly assigned primary representative at Adept Solutions, Jesse Quintero. Jesse Quintero has provided a new Master Services Agreement, Revised Contract Proposal with a monthly total of \$1672.05, and an email to include optional services for Managed Compliance Services of \$1750 per month and an Advanced Email Security Protection package for an additional \$150 per month for Committee review. For comparison, recent invoices for services currently provided have been included.

Conclusion:

The fee increase for the agreement proposal of \$1672.05 is nominal. It is recommended that the Executive Committee forward this on to the next Board agenda for Board approval. The optional fees are discretionary.

2217 - Updated Managed Service Agreement

From Jesse Quintero <noreply@zomentummail.com>

Date Mon 6/29/2026 10:02 AM

To Felix M. Felix <GM@rlecwd.com>

 1 attachment (272 KB)

2217 - Updated Managed Service Agreement.pdf;



Felix,

I hope you're doing well. Attached is your agreement renewal for review. The "Schedule of Services" hyperlink at the bottom of the proposal reflects what is included in our Managed IT Services. Please take a look and let us know if you have any questions.

Additionally, I wanted to highlight the two service enhancements we discussed during our meeting yesterday:

Managed Compliance Services (PCI) – \$1,750/month

- Ongoing PCI compliance management and guidance
- Assistance with documentation, assessments, and reporting requirements
- Proactive monitoring to help maintain compliance readiness

Note: The monthly cost for Managed Compliance Services is based on your PCI compliance classification level. Organizations that qualify for a lower PCI classification generally require less oversight and reporting, which would result in a lower monthly service cost.

Advanced Email Security Protection – \$150/month (\$15 per license/10 license minimum)

- Enhanced protection against phishing and business email compromise attacks
- Advanced threat detection powered by AI-driven analysis
- Additional safeguards beyond traditional spam filtering

Some of the key benefits of the advanced email security platform include:

- o Real-time phishing detection and warning banners
- o Protection against impersonation and spoofed sender attacks
- o Automated analysis of suspicious links and attachments
- o User-friendly reporting and remediation tools
- o Behavioral threat detection to identify sophisticated email attacks
- o Reduced risk of credential theft and account compromise
- o Improved visibility into email security threats across the organization

Feel free to let us know if you would like us to include either or both additional services. Thank you for your continued partnership.

Respectfully,
Jesse

The document will expire on: 07/31/2026

[View Document](#)

Button isn't working? Copy-paste this URL in your browser's address bar:

https://adeptsolutions.zomentum.com/documents/view/522856bc909842c694663806e17d783a?client_user_id=ed24d78728164ce8a26f41766ec89789



Adept Solutions
 990 Klamath Lane
 Suite 6
 Yuba City, CA 95993
 530-751-5100

Date
06/01/2026

Bill To
RLEC Water District 730 L St. Rio Linda, CA 95673 United States

Invoice Number: 154439
Invoice Date Range: 06/01/2026 to 06/30/2026
Payment Terms: Net 14 days
Payment Due: 06/15/2026

Type	Item Description	Quantity	Rate/Cost	Billable Amount
Service	Service: MST-NCE-121-C100-YEAR [06/01/2026 - 06/30/2026] Microsoft Azure Active Directory Premium P1 Yearly Co-Term	1.00	7.20	7.20
Service	Service: MST-NCE-102-C100 [06/01/2026 - 06/30/2026] Microsoft 365 Business Basic [Yearly]	12.00	6.30	75.60
Service	Service: MST-NCE-103-C100-YEAR [06/01/2026 - 06/30/2026] Microsoft 365 Business Premium - Yearly Commitment	6.00	23.10	138.60
Service	Service: Spanning-Active [06/01/2026 - 06/30/2026]	7.00	3.00	21.00

Total Billable Amount	\$242.40
Total Taxes	\$0.00
Grand Total	\$242.40

Invoice balance reflects payments made by Check or ACH only. Credit card payments incur a non-refundable 3% processing fee.



Adept Solutions
 990 Klamath Lane
 Suite 6
 Yuba City, CA 95993
 530-751-5100

Date
07/01/2026

Bill To
RLEC Water District 730 L St. Rio Linda, CA 95673 United States

Invoice Number: 154548
Invoice Date Range: 07/01/2026 to 07/30/2026
Payment Terms: Net 14 days
Payment Due: 07/15/2026

Type	Item Description	Quantity	Rate/Cost	Billable Amount
Service	Service: Network & Backup Management [07/01/2026 - 07/31/2026]	1.00	410.00	410.00
Service	Service: MSA-WS [07/01/2026 - 07/31/2026] Adept Essential Managed Unit 119RLECPOS200 219RLECWS100 319RLECWS101 419RLECWS102 519RLECWS103 6RLECWD106 7RLECWD107 (\$70.00 USD/unit)	7.00	70.00	490.00
Service	Service: Managed Server [07/01/2026 - 07/31/2026] Managed Server 1. APPSVR01 (\$135.00 USD/unit)	1.00	135.00	135.00
Service	Service: Datto ALTO - Per Agent (1Y) [07/01/2026 - 07/31/2026]	2.00	149.00	298.00
Service	Service: Sophos Licensing [07/01/2026 - 07/31/2026]	1.00	30.00	30.00

Total Billable Amount	\$1,363.00
Total Taxes	\$0.00
Grand Total	\$1,363.00

Invoice balance reflects payments made by Check or ACH only. Credit card payments incur a non-refundable 3% processing fee.



Effective August 15, 2025. This Master Services Agreement supersedes and replaces all prior versions.

Master Services Agreement

This Master Services Agreement (the “MSA”) is between Provider and the Client found on the applicable quotation, estimate, statement of work, proposal, or order, (the “Order”) and, together with the Order, the terms and conditions, and relevant Service Attachments forms the Agreement between the parties (the “Terms”). Client accepts these Terms by signing an Order, using the services, or continuing to use the services after being notified of a change to these Terms. If there is a conflict between the Order, this Master Services Agreement, any Service Attachment, or Exhibit, the Order will control.

The parties agree as follows:

STATEMENT OF SERVICES

Service Attachments

The services to be delivered by Provider (the “Services”) and the fees for those Services, and the specific terms applicable to those Services are described in the Order or in one or more Service Attachments referencing this Agreement.

Provider may decline to perform any services requested by Client that are in violation of any applicable law or that are not typically associated with the Services provided by Provider.

FEES FOR SERVICES | PAYMENT TERMS

Service Fees

Fees for Services are set forth in an Order. Unless otherwise indicated in writing, all Services will be performed on a time-and-materials basis at Provider’s then-current rates.

Adjustments to Service Fees

Except as may be specified in an Order, Provider may adjust the Service Fees charged under this Agreement as follows:

- **Increased or Revised Usage or Services.** Provider may increase the fees based on revised or increased Usage or Services as described in the Order or applicable Service Attachments.
- **Surcharges.** At any time after the parties sign an Order, Provider may adjust its rates and charges or impose additional rates and charges to recover tariffs or amounts required or permitted by governmental or quasi-governmental authorities to collect from others or pay to others in support of statutory or regulatory funds or programs. Client shall pay all Service Fees owed as they become due following any such adjustment.

- **Service Fee Rate Increases.** At any time after the parties sign an Order, Provider may elect to raise the fees that it charges under that Order. If the increase is greater than 10% annually, Provider shall give Client no less than thirty (30) days' notice of any such increase in fees to be charged. Within 30 days following Client's receipt of such notice, Client may terminate the Order without incurring any additional charges or penalties, if any, that Client ordinarily would incur for such termination.
- **Third-Party Services.** Client understands and agrees that Provider uses third-party solutions and service providers to perform some or all of the managed services offered to Client ("Third-Party Service Providers"). **PROVIDER IS NOT RESPONSIBLE FOR THE ACTS OR OMISSIONS OF THIRD-PARTY SERVICE PROVIDERS. CLIENT'S RIGHTS REGARDING CLAIMS AGAINST THIRD-PARTY SERVICE PROVIDERS SHALL BE GOVERNED BY SUCH SERVICE PROVIDER'S END USER LICENSE AGREEMENT OR TERMS AND CONDITIONS.** Provider's current Third-Party Service providers and the governing terms and conditions related to those services are listed on the Schedule of Third-Party Services which may be updated by Provider without further notice to Client and is incorporated by reference as if fully set forth in this Agreement.
- **Off-Boarding.** Client's cancellation, termination, or transition of the Services to Client's control or to another service provider ("Off-Boarding") may trigger a billable project. Any Off-Boarding projects will be subject to a separate Order, which will be billed at Provider's then-prevailing rates.
- **Client Delay.** If Provider is unable to commence delivery of the Services on the service start date because of any failure on Client's part including but not limited to the failure to provide access to Client's resources in a timely manner, Client nonetheless will begin to incur Service Fees, which Client shall pay in accordance with the Order, the Service Attachment and the Master Services Agreement.

Reimbursable Expenses

Client shall pay Provider's reasonable out-of-pocket expenses, including incremental third-party service fees, travel expenses, lodging, meals, or other similar expenses, which may be incurred by Provider in performing Services.

Payment Terms

Client shall pay the full amount reflected on any invoice as owed to Provider on or before the due date identified in the invoice (the "Payment Deadline"). Client shall pay a late charge of one-and-one-half percent (1.5%) per month or the maximum lawful rate, whichever is less, for all invoiced amounts not paid by the Payment Deadline.

If Client disputes in good faith all or any portion of the amount owed to us, or if Client otherwise requests any adjustment to an invoiced amount, Client must notify Provider in writing, prior to the Payment Deadline, of the nature and basis of the dispute and/or adjustment. If Provider is unable to resolve the dispute prior to the Payment Deadline, Client nevertheless shall pay the entire invoiced amount by the Payment Deadline. If Provider ultimately determines that such amount should not have been paid, Provider shall apply a credit equal to such amount against any Service Fees owed for the following month.

Special rates may apply for services requested outside of normal business hours or on holidays. Special rates are one-and-one-half (1.5) times normal hourly rates, with a one-hour minimum.

Holiday hour rates are two (2) times normal hourly rates, with a one-hour minimum.

Suspension of Service

If Client fails to pay all amounts owed under this Agreement when due, then upon at least ten (10) business days' prior written notice, and in addition to any other remedies available to Provider, Provider may suspend Services and withhold Confidential Information (defined below) under this Agreement until full payment is made. Following any suspension of service under this provision, and after Client makes full payment to Provider, Provider may restore the Services after validating that all components to be monitored and/or managed under any applicable Order or Service Attachment comply with Provider's level of security, updates, and best practices. Client shall pay a "Reactivation Fee" for such restoration equal to one month of the Service Fees. Provider's right to suspend Services under this section is in addition to Provider's right to terminate this Agreement.

Taxes

Unless otherwise indicated on an invoice, all charges and fees owed under this Agreement are exclusive of any applicable sales, use, excise, or services taxes that may be assessed on the provision of the Services. In the event that any taxes are assessed on the provision of any of the Services, Client shall pay the taxes directly to the taxing authority or shall reimburse Provider for their payment.

TERM AND TERMINATION

Term

This Agreement commences on the Order Effective Date, and it will remain in effect until either party terminates it as permitted below.

Termination

Either party may terminate this MSA for any reason or no reason upon at least thirty (30) days advance, written notice given to the other party. However, termination of this MSA will not, by itself, result in the termination of any Order or Service Attachments, and this MSA will remain in effect notwithstanding any notice of termination unless and until all Orders and/or Service Attachments are terminated or expire according to their terms.

INDEPENDENT CONTRACTOR

Unless otherwise agreed, Provider will perform all Services solely as an independent contractor and not as an employee, agent, or representative of Client.

INTELLECTUAL PROPERTY RIGHTS

Provider Works

Unless specifically identified in a separate Statement of Work, any writing or work of authorship, regardless of medium, created or developed by Provider for Client in the course of performance under this Agreement and related to existing works owned by Provider is a "Provider Work," is not to be deemed a "work made for hire," and is and will remain the sole, exclusive property of Provider. To the extent any Provider Work for any reason is determined not to be owned by Provider, Client hereby irrevocably assigns and conveys to Provider all of its copyright in such Provider Work. Client further hereby irrevocably assigns to Provider all of its patent, copyright, trade secret, know-how, and other proprietary and associated rights in any Provider Work.

License to Provider Works

If any Provider Work is located on hardware or equipment owned by Client, Provider hereby grants Client a perpetual, non-exclusive, revocable, royalty-free license to use any Provider Work during the term of this Agreement (“Limited License”). The Limited License will be immediately and automatically revoked without the need for notice in the event that either party terminates the Services or this Agreement.

Ownership of Deliverables

To the fullest extent permitted by law, Client retains ownership in all deliverables, including but not limited to video footage, music, images, and other components for its future use, upon full payment for the Services. Client shall retain sole ownership of all original material it provides to Company for use within the Deliverables. After this MSA and all Service Attachments and Orders are terminated, and upon full payment for any works in process, in no event will Company be liable for any claims related to or arising from Client’s improper use of the Deliverables, works in process, or the music, images, and other components that comprise the Deliverables or works in process.

License Restrictions

Client shall not:

- Modify, copy, or create derivative works based on the Services or on the Provider Technology;
- Build a product or service using similar ideas, features, functions, or graphics of the Service, or
- Copy any ideas, features, functions, or graphics of the Service.

Additional license restrictions may be set forth in the Service Attachments.

Improvements to Services

Client hereby assigns to Provider any and all suggestions, ideas, enhancement requests, feedback, recommendations, or other information provided by Client or Client’s users relating to any proposed improvements of or modifications to the Services.

NON-DISCLOSURE AND CONFIDENTIALITY

Confidential Information

During the course of performance under this Agreement, either party may be exposed to or may acquire the other’s proprietary or confidential information. Each party shall hold all such “Confidential Information” in strict confidence and shall not disclose any such information to any third party.

Confidential Information includes but is not limited to: (a) with respect to Provider, Provider’s unpublished prices for Services, audit and security reports, server/network configuration designs, firewall and other hardware configurations, passwords, all business plans, technical information or data, product ideas, methodologies, calculation algorithms and analytical routines, and other proprietary technology, (b) with respect to Client, content transmitted to or from, or stored by Client on, Provider’ servers, and (c) with respect to both parties, other information that is conspicuously marked as “confidential” or if disclosed in non-tangible form, is verbally designated as “confidential” at the time of disclosure.

Non-Confidential Information

Notwithstanding the preceding provision, Confidential Information does not include:

- Information that at the time of disclosure is, without fault of the recipient, available to the public by publication or otherwise;
- Information that either party can show was in its possession at the time of disclosure and was not acquired, directly or indirectly, from the other;
- Information received from a third party with the right to transmit same without violation of any secrecy agreement with the other party; and
- Information that must be disclosed pursuant to court order or permitted by law.

Agreement Confidentiality

No copy of the Order, this MSA, any Service Attachment or Schedule of Services, discussions, negotiations, terms or conditions relating to the Order, the MSA, Service Attachment, or any other information relating to the Order, this MSA, or any Service Attachment may be disclosed to any third party, except by reason of legal, accounting or regulatory requirements, without the prior written consent of the parties hereto.

Information Releases

Notwithstanding the preceding provisions, Provider may publicly refer to Client, orally and in writing, as a Client of Provider. Any other reference to Client by Provider may be made only pursuant to a written agreement between the parties.

PROVIDER-SUPPLIED EQUIPMENT

“Equipment” means any computer, networking or telephony equipment, racking, or associated hardware, or other equipment (if any) that Provider installs on Client’s premises or that Provider ships to Client’s location to facilitate the delivery of Services. Equipment does not include any hardware or devices that Provider may sell to Client or that Provider procures on Client’s behalf.

Provider is and will remain the sole owner of any Equipment, which is provided on a rental or temporary basis only. This agreement transfers to Client no Equipment ownership rights of any kind.

Provider retains sole discretion to determine the appropriate Equipment and associated software and/or technology, if any, to be used at Client’s location, provided that Provider’s determination does not materially impair the availability or delivery of services under this Agreement. Provider also retains sole discretion to determine the necessity of maintenance, repairs, and/or improvement of the Equipment.

Except as otherwise may be specified in an applicable Service Attachment, Provider makes no independent representations or warranties with respect to the Equipment. Any third-party warranties are Client’s exclusive remedies with respect to such Equipment. In the event of an Equipment malfunction, Provider will take commercially reasonable steps to ensure that Client receives the benefit of any manufacturer warranties applicable to the Equipment in use at Client’s location.

Client shall take reasonable care of the Equipment and shall not damage it, tamper with it, move or remove it, attempt to repair it, or attempt to install any software on it. Client is financially responsible, up to the full replacement value of all Equipment, for all damage to or loss of the

Equipment used at Client's location, other than loss or damage caused by Provider. In addition, Client shall obtain and maintain insurance with a reputable insurer for the full replacement value of the Equipment. Such policy or policies of insurance must cover the Equipment against loss or damage (including, without limitation, accidental loss or damage) and must name Provider as an insured beneficiary with respect to the Equipment. Upon demand, Client must produce evidence that such insurance is being maintained and is valid.

Client is responsible for providing the necessary power, network connection, and appropriate environment to support the Equipment.

Client shall not remove any sign, label, or other marking on the Equipment identifying Provider as the owner of the Equipment. Client does not acquire and will not acquire any rights of ownership in the Equipment by virtue of this Agreement, and Client does not have and will not have, by operation of law or otherwise, any lien or other similar right over or in relation to the Equipment.

On termination of any Agreement pursuant to which Client obtained any Provider-owned Equipment, Client shall allow Provider and its employees and contractors reasonable access to its premises to remove the Equipment. Alternatively, upon Provider's request, Client shall return the Equipment to Provider via the carrier of Provider's choice, for which Provider will pay all applicable shipping charges. Upon termination, Client is responsible for removing all Client Data from the equipment. Upon pickup or return of equipment to Provider, Provider will not be responsible for lost Client Data.

PROVIDER-SUPPLIED SOFTWARE

"Software" means all and any software installed on the Equipment or provided by Provider for installation on Client's computer equipment to facilitate the delivery of the Services.

This Agreement does not transfer any right, title, or interest in the Software to Client. Client's use of the Software is subject to all applicable terms of any end-user license agreement pertaining to the Software, a copy of which will be made available to Client, upon request.

Client shall not, and shall not permit any third party, to:

- distribute or allow others to distribute copies of the Software or any part thereof to any third party,
- tamper with, remove, reproduce, modify, or copy the Software or any part thereof,
- provide, rent, sell, lease, or otherwise transfer the Software or any copy or part thereof or use it for the benefit of a third party, or
- reverse assemble, reverse compile or reverse engineer the Software or any part thereof, or otherwise attempt to discover any Software source code or underlying proprietary information except as may be permitted by law.

CLIENT COVENANTS AND OBLIGATIONS

Assistance

Client shall provide in a timely and professional manner, and at no cost to Provider, assistance, cooperation, complete and accurate information and data, equipment, access to applicable computer and telecommunications facilities, networks, firewalls, servers, programs, files, documentation, passwords, a suitable work environment, and other resources requested by

Provider to enable it to perform the Services (collectively, "Assistance"). Provider shall not be liable for any deficiency in performing the Services if such deficiency results from Client's failure to provide full Assistance as required hereunder. Assistance includes, but is not limited to, designating a project manager or contact person to interface with Provider during the course of Services.

Software Licensing

Unless specifically otherwise agreed to in an applicable Order, Client represents and warrants that Client has title to or has a license or the right to use or modify the Software and has a license or right to permit Provider to use, access, or modify any software that Client has requested Provider to use, access, or modify as part of the Services.

It is the Client's responsibility to independently ensure that **ALL** software in use by Client is properly licensed, and Client agrees to maintain records of applicable licenses. Provider will not promote the use of, or knowingly support software which is not properly licensed by Client. Assistance with software audits or licensing compliance matters are billable at Provider's then-prevailing hourly rates.

Unsupported Software

Provider shall not be responsible or liable to Client for any consequences from the use of software no longer under manufacturer product support or no longer supported by the software publisher ("Unsupported Software"). **THEREFORE, CLIENT AGREES TO HOLD PROVIDER HARMLESS FROM ANY LOSS, INJURY, OR DAMAGE TO CLIENT OR ANY HARDWARE, SOFTWARE, AND/OR COMPUTER DATA OF CLIENT CAUSED BY ANY USE OF UNSUPPORTED SOFTWARE.**

Provider Access

Client shall supply Provider necessary access to its personnel, appropriate documentation and records, and facilities in order for Provider to timely perform the Services.

Broadband Internet access must be provided. Provider must be provided with remote access (via VPN or other reasonable remote access) to covered equipment. Appropriate cabling to all covered computers and devices must be provided. Appropriate air conditioning and ventilation for all covered computers and devices must be provided, in order to maintain temperature and air quality as specified by the applicable hardware manufacturers. Power surge protection must be provided for all covered computers and devices. Provider must be allowed convenient and timely access to the Equipment covered under this Agreement, adequate working space and facilities within a reasonable distance of the equipment, and access to and use of all information, internal resources, and facilities determined necessary to service the equipment. Client may be required to conduct preliminary diagnostic steps or provide additional information related to a support request, prior to a technician being dispatched to Client's facility. Client must agree to assign one employee to be liaison or contact person to Provider in order to make communications between both parties effective.

Remote Access

Client grants to Provider the explicit right to remotely access Client's network systems without the need to obtain expressed permission or consent each time remote access is established.

Third-Party Service Provider Fees

Unless expressly undertaken by Provider in writing, Client is responsible for any Third-Party Service Provider service fees, charges and to arrange for disconnection or termination and

payment of charges related to the disconnection or termination of any related services with Client's current carrier(s) or service provider(s).

Network Security and Malicious Events

Unless specifically otherwise agreed to in an applicable Order, it is Client's sole responsibility to determine whatever actions deemed necessary to make Client's data and voice networks and circuits secure from unauthorized access. Hardware firewall must be in place. Wireless data traffic in the environment must be securely encrypted. Provider is not responsible for the security of Client's network and circuits from third parties, or for any damages that may result from any unauthorized access to Client's network.

Client has an affirmative obligation to protect Client's network environment, and to train its employees for spam, malware, phishing, virus protection, and prevention from criminal acts of third parties. **Provider is not responsible for criminal acts of third parties, including but not limited to hackers, phishers, crypto-locker, and any network environment subject to ransom.**

If a security system for Client's network is included within the Services to be provided by Provider, Provider agrees to use commercially reasonable efforts to protect Client's network from malicious attacks by computer viruses, computer worms, and/or computer hackers (collectively, "malicious activities"). However, Client understands that no security system can guarantee complete protection against malicious activities as such attacks often involve the intentional action by third parties to invade and injure computer systems. **UNLESS CAUSED BY PROVIDER'S NEGLIGENCE OR WILLFUL MISCONDUCT, CLIENT AGREES TO HOLD PROVIDER HARMLESS FROM ANY LOSS, INJURY, OR DAMAGE TO CLIENT OR ANY HARDWARE, SOFTWARE, AND/OR COMPUTER DATA OF CLIENT CAUSED BY SUCH MALICIOUS ACTIVITIES.**

Third-Party Criminal Activity

Provider is not responsible for criminal acts of third parties, including but not limited to intrusions or unauthorized access of any kind, hackers, phishers, crypto-locker, and any network environment subject to ransom. **CLIENT AGREES TO HOLD PROVIDER HARMLESS FOR ANY ACTIVITY AFFECTING NETWORK SECURITY ON CLIENT'S ENVIRONMENT RELATED TO THIRD-PARTY CRIMINAL ACTIVITY, NETWORK SECURITY, OR PRIVACY.** Any costs or fees to rebuild or service machines will be billed at Provider's then-prevailing hourly rates.

Theft of Service

Client shall notify Provider immediately, in writing, by electronic mail or by calling the Provider customer support line, if Client becomes aware at any time that the Services are being stolen or used fraudulently. Failure to do so in a timely manner may result in the immediate termination of the Services and additional charges billed to Client. Client will be liable for all use of the Service using Equipment stolen from Client and any and all stolen Service or fraudulent use of the Services. Credits will not be issued for charges resulting from fraud that arises out of third parties hacking into any Equipment. This includes, but is not limited to, modem hijacking, wireless hijacking, or other fraud arising out of a failure of Client's internal/corporate procedures. Provider will not issue credit for invoiced charges for fraudulent use resulting from Client's negligent or willful acts or those of an authorized user of Client's service. **THEREFORE, CLIENT AGREES TO HOLD PROVIDER HARMLESS FROM ANY LOSS, INJURY OR DAMAGE TO CLIENT, OR ANY THEFT OF SERVICE CAUSED BY SUCH THEFT OF SERVICE.**

Hardware Equipment

Client equipment must be in working order and maintained under a manufacturer's warranty or maintenance contract. Provider is not responsible for Client equipment that is not maintained under manufacturer's warranty or maintenance contract or that is otherwise out of order. All Service Fees assume equipment is under manufacturer's warranty or maintenance contract or is in working order.

Provider in its reasonable opinion and supported by manufacturer information, may designate certain equipment as obsolete or defective, and therefore exclude it from coverage under this Agreement.

Physical Security

Client is responsible for the physical security of its on-premises hardware and software systems.

Independent Backup

Unless specifically otherwise agreed to in an applicable Order or Service Attachment, Client must maintain an independent backup of all files that are sent to either the cloud or a data backup service. A backup solution must be in place, with backup copies stored off-site. It is the Client's responsibility to verify that backups are made regularly, as well as the integrity of the backups. Provider shall not be held liable in the event of data loss, backup software failure, backup selection, backup hardware failure, backup media failure, or backup system failure even in the event that Provider was tasked to perform the backups. Client will be solely responsible for all lost data.

Malware

An anti-malware solution must be in place, and updated with valid update subscription. Provider is not responsible for any harm that may be caused by Client's access to third-party application programming interfaces or the execution or transmission of malicious code or similar occurrences, including without limitation, disabling devices, drop dead devices, time bombs, trap doors, Trojan horses, worms, viruses, and similar mechanisms. Any costs or fees to rebuild or service machines are provided and sold separately by Provider.

Hardware and Software Configurations

All Hardware and Software Configurations implemented by Provider shall belong to Provider, and shall constitute Provider's Confidential Information.

Client Data Security & Privacy

In addition to its other confidentiality obligations under an applicable Service Attachment, Provider shall not use, edit, or disclose to any party other than Client any Client Data (defined below), except as otherwise requested by Client, or required by court order or applicable law. For purposes of this provision, all data stored on the virtualized machines assigned to Client, including locally stored personal data of individual employees, will be considered Client Data by Provider.

As between Provider and Client, all Client Data is owned exclusively by Client. Client Data constitutes Confidential Information subject to the Terms. Provider may access Client's User accounts, including Client Data, solely to respond to service or technical problems or otherwise at Client's request.

Security and Regulatory Recommendations

Although it is under no obligation to do so, from time to time, Provider may make

recommendations regarding regulatory compliance, safety, and security related to Client's network and practices (e.g., multi-factored authentication). If Client fails to adopt or implement the recommended protocols, Client is responsible for any and all damages related to regulatory, security, privacy, or data protection, including but not limited to fines, data breach notification, malware or ransomware costs, restoration, forensic investigation, restoring backups, or any other costs or damages related to Client's refusal to implement the recommended protocols.

Artificial Intelligence

Client uses artificial intelligence ("AI") services or tools at its own risk. Provider is not responsible for any Client use of AI.

Password-Management Services

If Provider provides password management services to Client, Client shall be responsible and liable for any unauthorized use of passwords. **THEREFORE, CLIENT AGREES TO HOLD PROVIDER HARMLESS FROM ANY LOSS, INJURY, OR DAMAGE TO CLIENT OR ANY THEFT OF PASSWORDS CAUSED BY SUCH USE OF THE PASSWORD SERVICES BY CLIENT.**

PROVIDER REPRESENTATIONS AND WARRANTY

Internal Network Security Compromise Policy

Provider monitors the availability and performance of its internal firewall and network security. This process involves monitoring for intrusion attempts and potential security breaches. In order to minimize a possible compromise of security, all services and applications exposed to the Internet on Provider's servers are updated with all commonly available security hotfixes and best practices. As appropriate, Provider proactively evaluates, investigates, and reports security-related incidents to the appropriate authorities. Provider also monitors and proactively manages the anti-virus protection of its servers and applications using industry-recognized anti-virus software systems.

Service Warranty

We warrant that the Services will be performed in a professional and workmanlike manner and as described in an applicable Service Attachment or Schedule of Services. All Services will be deemed to be accepted unless Client notifies Provider in writing within ten (10) working days after performance that the Services did not conform to this warranty. Provider promptly will correct any non-conformities and will notify Client in writing that the non-conformities have been corrected.

DISCLAIMER OF WARRANTY

PROVIDER DOES NOT WARRANT THAT THE SERVICES WILL BE PERFORMED ERROR-FREE OR UNINTERRUPTED, THAT PROVIDER WILL CORRECT ALL SERVICES ERRORS, OR THAT THE SERVICES WILL MEET CLIENT'S REQUIREMENTS OR EXPECTATIONS, OR THAT THE SERVICE WILL BE COMPLETELY SECURE. THERE ARE RISKS INHERENT IN INTERNET CONNECTIVITY THAT COULD RESULT IN THE TEMPORARY LOSS OF SERVICE AVAILABILITY. PROVIDER IS NOT RESPONSIBLE FOR ANY ISSUES RELATED TO THE PERFORMANCE, OPERATION, OR SECURITY OF THE SERVICES THAT ARISE FROM CLIENT'S CONTENT OR THIRD-PARTY CONTENT, OR SERVICES PROVIDED BY THIRD PARTIES. PROVIDER SHALL HAVE NO OBLIGATION WITH RESPECT TO A WARRANTY CLAIM (i) IF NOTIFIED OF SUCH A CLAIM AFTER THE WARRANTY PERIOD

OR (ii) IF THE CLAIM IS THE RESULT OF THIRD-PARTY HARDWARE OR SOFTWARE FAILURES, OR THE ACTIONS OF CLIENT OR A THIRD PARTY.

FOR ANY BREACH OF THE SERVICES WARRANTY, CLIENT'S EXCLUSIVE REMEDY AND PROVIDER'S ENTIRE LIABILITY SHALL BE THE CORRECTION OF THE DEFICIENT SERVICES THAT CAUSED THE BREACH OF WARRANTY, OR, IF PROVIDER CANNOT SUBSTANTIALLY CORRECT THE DEFICIENCY IN A COMMERCIALY REASONABLE MANNER, CLIENT MAY END THE DEFICIENT SERVICES AND PROVIDER WILL REFUND TO CLIENT THE FEES FOR THE TERMINATED SERVICES THAT CLIENT PRE-PAID TO PROVIDER FOR THE PERIOD FOLLOWING THE EFFECTIVE DATE OF TERMINATION.

TO THE EXTENT NOT PROHIBITED BY LAW, CLIENT ACKNOWLEDGES THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS BY THE PROVIDER OR ANY THIRD-PARTY VENDORS INCLUDING FOR SOFTWARE, HARDWARE, SYSTEMS, NETWORKS OR ENVIRONMENTS, OR FOR MERCHANTABILITY, SATISFACTORY QUALITY, AND FITNESS FOR A PARTICULAR PURPOSE, AND THAT THOSE THIRD-PARTY VENDORS DISCLAIM ANY AND ALL LIABILITY, WHETHER DIRECT, INDIRECT, OR CONSEQUENTIAL, ARISING FROM THE SERVICES.

PROVIDER MAY LINK TO OR OFFER THIRD-PARTY SERVICES FOR RESALE. ANY PURCHASE, ENABLING, OR ENGAGEMENT OF THIRD-PARTY SERVICES, INCLUDING BUT NOT LIMITED TO IMPLEMENTATION, CUSTOMIZATION, CONSULTING SERVICES, E-MAIL, WEB HOSTING, SERVER HOSTING, PHONE SERVICE, AND ANY EXCHANGE OF DATA BETWEEN CLIENT AND ANY THIRD-PARTY SERVICE, IS SOLELY BETWEEN CLIENT AND THE APPLICABLE THIRD-PARTY SERVICE PROVIDER AND IS SUBJECT TO THE TERMS AND CONDITIONS OF SUCH THIRD-PARTY PROVIDER. PROVIDER DOES NOT WARRANT THIRD-PARTY SERVICES AND IS NOT RESPONSIBLE OR LIABLE FOR SUCH SERVICES OR ANY LOSSES OR ISSUES THAT RESULT FROM CLIENT'S USE OF SUCH SERVICES. IF CLIENT PURCHASES, ENABLES, OR ENGAGES ANY THIRD-PARTY SERVICE FOR USE IN CONNECTION WITH THE SERVICES, CLIENT ACKNOWLEDGES THAT PROVIDER MAY ALLOW THIRD-PARTY SERVICES PROVIDERS TO ACCESS CLIENT DATA USED IN CONNECTION WITH THE SERVICES AS REQUIRED FOR THE INTEROPERATION OF SUCH THIRD-PARTY SERVICES WITH THE SERVICES. CLIENT REPRESENTS AND WARRANTS THAT CLIENT'S USE OF ANY THIRD-PARTY SERVICE SIGNIFIES CLIENT'S INDEPENDENT CONSENT TO THE ACCESS AND USE OF CLIENT'S DATA BY THE THIRD-PARTY SERVICE PROVIDER, AND THAT SUCH CONSENT, USE, AND ACCESS IS OUTSIDE OF PROVIDERS'S CONTROL. PROVIDER WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY DISCLOSURE, MODIFICATION, OR DELETION OF DATA RESULTING FROM ANY SUCH ACCESS BY THIRD-PARTY SERVICE PROVIDERS.

COMPLIANCE WITH LAWS

Provider shall comply with all laws applicable to Provider in its role as a Managed IT Provider. For the avoidance of doubt, unless otherwise provided in an Order, Provider is not responsible for complying with the laws applicable to Client or Client's industry. Client shall comply with all laws applicable to Client or in Client's industry.

Although it is under no obligation to do so, from time to time, Provider may make recommendations regarding legal requirements and regulatory compliance protocols related to Client's network and practices. If Client fails to adopt or implement the recommended legal requirements or regulatory compliance protocols, Client is responsible for any and all damages related to legal and regulatory compliance. Even if Client does take Provider's advice regarding legal requirements and regulatory compliance protocols, Provider does not take responsibility for any legal requirements and regulatory compliance protocols or audits.

NO HIRING

Neither party shall solicit, recruit, hire, or otherwise pay any employee or contractor of the other party during the Term of this Agreement and for twelve (12) months following termination of this Agreement.

Each party acknowledges that injury resulting from any breach of this provision would be significant and irreparable and that it would be extremely difficult to ascertain the actual amount of damages resulting from such breach. Therefore, in the event of a violation of this provision, in addition to any other right the non-hiring party may have at law or in equity, the hiring party shall make a one-time payment to the non-hiring party in the amount of one hundred percent (100%) of the affected employee's or contractor's payments from the non-hiring party for the preceding one year, which accurately reflects the reasonable value of the employee's time and costs. The parties agree that such amount is not intended as a penalty and is reasonably calculated based upon the projected costs the injured party would incur to identify, recruit, hire, and train suitable replacements for such personnel.

DISPUTE RESOLUTION

Arbitration Procedures

Each party shall attempt to settle amicably by mutual discussions any disputes, differences, or claims related to this Agreement within sixty (60) days of the date any such dispute arises. Failing such amicable settlement, any such dispute, including claim related to the existence, validity, interpretation, performance, termination, or breach of this Agreement, is to be settled by arbitration in accordance with the Arbitration Rules of the American Arbitration Association ("AAA"). The arbitration will be conducted in English and will have one (1) arbitrator. The Arbitrator will not have the authority to award punitive damages to either party. Each party will bear its own expenses but shall share equally the expenses of the Arbitration Tribunal and the AAA. Any arbitration award will be final, and judgment thereon may be entered in any court of competent jurisdiction. The arbitration will be held in Yuba City, California, or at another location upon which the parties may agree. Notwithstanding the foregoing, Provider may make claims for injunctive relief and for Client's failure to pay for Services in a state or federal court in the United States with jurisdiction over the subject matter and parties.

Period for Bringing Claim

No claims may be made more than six (6) months after the date by which the fault or failure should reasonably have been discovered; failure to make such a claim within the six (6) month period shall forever bar the claim.

Continued Service

Unless Provider is bringing an action for Client's failure to make payments for Services not

otherwise in dispute, Provider will continue to provide Services under this Agreement, and Client shall continue to make payments to us, in accordance with this Agreement, during the period in which the parties seek resolution of the dispute.

Attorneys' Fees

In the event that there is any dispute, difference, or claim related to this Agreement that is resolved either through arbitration or through litigation, the prevailing party will be entitled to an award of reasonable attorneys' fees incurred while defending or prosecuting such dispute, difference, or claim.

INDEMNIFICATION

By Client

Client shall defend, indemnify, and hold Provider harmless against all costs and expenses, including reasonable attorney's fees, associated with the defense or settlement of any claim that:

- Provider's use, access, or modifications of any software that Client has requested that Provider use, access, or modify as part of the Services infringes any patent, copyright, trademark, trade secret, or other intellectual property right;
- Any claim related to software licensing and software licensing compliance; or
- Any claim related to any federal, state, or international law or regulation involving data privacy, data protection, or data breach to which Client is subject.

Client shall pay any judgments or settlements based on any such claims.

By Provider

Subject to the limitation of liability set forth in the section titled LIMITATION OF LIABILITY, Provider agrees to indemnify and hold Client harmless from and against all loss, liability, and expense including reasonable attorney's fees caused by Provider's:

- negligent act, error, omission, or misrepresentation;
- breach of any contractual term implied by law;
- other act, error, or omission giving rise to civil liability arising out of business activities performed for Client.

Provider shall pay any judgments or settlements based on any such claims.

LIMITATION OF LIABILITY

EXCEPT AS MAY BE DESCRIBED IN AN APPLICABLE SCHEDULE OF SERVICES OR IN A SERVICE AGREEMENT FOR PROJECT SERVICES, PROVIDER'S LIABILITY UNDER THIS AGREEMENT IS LIMITED TO ANY ACTUAL, DIRECT DAMAGES INCURRED BY CLIENT AND WILL NOT EXCEED THE GREATER OF (1) THE PROCEEDS OF PROVIDER'S PROFESSIONAL LIABILITY INSURANCE MAINTAINED BY PROVIDER UNDER ITS APPLICABLE INSURANCE POLICIES, OR (2) THE AMOUNTS PAID BY CLIENT TO PROVIDER UNDER THIS AGREEMENT AND ALL SERVICE DESCRIPTIONS IN THE SCHEDULE OF SERVICES DURING THE SIX (6) MONTH PERIOD IMMEDIATELY PRECEDING THE ACCRUAL OF ANY SUCH CLAIM. IN THE EVENT OF AN INSURANCE

COVERAGE DISPUTE, PROVIDER IS NOT REQUIRED TO DISPUTE THE COVERAGE DETERMINATION AND IS NOT REQUIRED TO FILE A DECLARATORY JUDGMENT ACTION.

IN NO EVENT IS EITHER PARTY TO BE HELD LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT, OR PUNITIVE DAMAGES OR CLAIMS, INCLUDING BUT NOT LIMITED TO LOST PROFITS, LOST SAVINGS, LOST PRODUCTIVITY, LOSS OF DATA, LOSS FROM INTERRUPTION OF BUSINESS, LOSS OF PROGRAMS OR INFORMATION, AND THE LIKE THAT RESULT FROM THE USE OR INABILITY TO USE THE SERVICES OR FROM MISTAKES, THE SERVICES NOT MEETING CLIENT'S REQUIREMENTS OR EXPECTATIONS, OMISSIONS, TRANSLATIONS AND SYSTEM WORDINGS, FUNCTIONALITY OF FILTERS, MIGRATION ISSUES, INTERRUPTIONS, DELETION OF FILES OR DIRECTORIES, HARDWARE FAILURES, UNAVAILABILITY OF BACKUPS, ERRORS, DEFECTS, DELAYS IN OPERATION, TRANSMISSION, SECURITY BREACH, OR THIRD-PARTY SERVICE FAILURES, EVEN IF PREVIOUSLY ADVISED OF THEIR POSSIBILITY AND REGARDLESS OF WHETHER THE FORM OF ACTION IS IN CONTRACT, TORT, OR OTHERWISE. PROVIDER WILL NOT BE LIABLE FOR ANY KIND OF AUTHORIZED ACCESS OR ANY HARM THAT MAY BE CAUSED BY CLIENT'S ACCESS TO THIRD-PARTY APPLICATION PROGRAMMING INTERFACES OR THE EXECUTION OR TRANSMISSION OF MALICIOUS CODE OR SIMILAR OCCURRENCES, INCLUDING WITHOUT LIMITATION, DISABLING DEVICES, DROP DEAD DEVICES, TIME BOMBS, LOGIC BOMBS, TRAP DOORS, TROJAN HORSES, WORMS, VIRUSES, HACKERS, PHISHERS, CRYPTO-LOCKERS, RANSOMWARE, AND SIMILAR MECHANISMS. CLIENT AGREES THAT THE TOTAL LIABILITY OF PROVIDER AND CLIENT'S SOLE REMEDY FOR ANY CLAIMS FOR DAMAGES REGARDING THE SERVICES UNDER THIS AGREEMENT, INCLUDING ANY SCHEDULE, OR OTHERWISE IS LIMITED TO PROCEEDS OF APPLICABLE INSURANCE COVERAGE.

CLIENT ACKNOWLEDGES AND AGREES THAT PROVIDER WOULD NOT ENTER INTO THIS AGREEMENT FOR THE CONSIDERATION GIVEN BY CLIENT BUT FOR THE LIMITATIONS OF LIABILITY AND DAMAGES CONTAINED IN THIS AGREEMENT. CLIENT ACKNOWLEDGES AND AGREES THAT THE RIGHT TO RECEIVE THE SERVICES IN EXCHANGE FOR THE LIMITATIONS IN THIS AGREEMENT AND THE OTHER CONSIDERATION GIVEN BY CLIENT FOR THE SERVICES CONSTITUTES A BARGAIN THAT IS FAIR AND REASONABLE.

THE PARTIES ACKNOWLEDGE AND REPRESENT THAT THEY HAVE READ, ARE FAMILIAR WITH, AND UNDERSTAND THE RIGHTS PROVIDED BY CALIFORNIA CIVIL CODE SECTION 1542, AND SHALL BE DEEMED TO HAVE EXPRESSLY WAIVED ANY AND ALL PROVISIONS, RIGHTS, AND BENEFITS CONFERRED BY CALIFORNIA CIVIL CODE SECTION 1542 AND ANY STATUTE, RULE, AND LEGAL DOCTRINE SIMILAR, COMPARABLE, OR EQUIVALENT TO CALIFORNIA CIVIL CODE § 1542, WHICH READS AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

INSURANCE

Client Obligations

Client shall maintain a minimum of One Million Dollars (US \$1,000,000) in insurance coverage through its respective carriers. Such insurance must include, at a minimum, commercial general liability, workers' compensation coverage, and first-party cyber liability.

Provider Obligations

Provider agrees to maintain during the Term, professional liability insurance including errors and omissions with aggregate limits of at least One Million Dollars (US \$1,000,000). Client's insurance shall be primary over Provider's insurance. Client agrees to waive and to require its insurers to waive any rights of subrogation or recovery they may have against Provider, its agents, officers, directors, and employees.

Upon request by Client, Provider may assist Client with: 1) the preparation of applications for insurance; or 2) provide technical assistance to Client in connection with providing information for the underwriting of insurance. Client acknowledges and agrees that Client is solely responsible for reviewing the information for accuracy and Client will be solely responsible for adverse actions taken by insurance carriers in connection with underwriting or claims administration.

DATA PRIVACY & PROTECTION

Client Data

Provider agrees that any electronic data or personal information submitted by Client to Provider as a part of the Service ("Client Data") remains the property of Client and/or its end-user or other third party. Provider agrees that it will comply with all applicable United States data privacy and data security laws that the Services are subject to and as stated herein.

Compliance with Privacy and Data Security Laws

Client agrees not to provide any consumer or other third-party data subject to privacy regulation under international, federal, state, or local laws ("Regulated Data") to Provider including but not limited to HIPAA, GLBA, CMMC, GDPR, the California Consumer Privacy Act ("CCPA"), etc. without first entering into an appropriate Order with Provider that specifically references the Regulated Data and the law to which the Client Data is subject.

Data Processing Agreement

For Clients who require the processing of Regulated Data, Client must enter into an applicable Order with Provider, together with a data processing agreement (the "Data Processing Agreement" or "DPA"). Each data privacy or data protection regulation may contain its own separate addendum (or combined addendum) depending on Provider or Client's regulated activities.

GENERAL

Observed Holidays

Provider reserves the right to identify observed holidays and adjust its holiday schedules from time to time. When a holiday falls on a weekend, Provider may close on the closest business day in observance of that holiday. After-hours emergency support is still available during these times, and Client will be charged for Services at Provider's then-prevailing Holiday support rates.

Notices

Except as otherwise provided under this Agreement, all notices, demands or requests to be given by any party to the other party shall be in writing and shall be deemed to have been duly given on the date delivered in person, or sent via fax, courier service, electronic mail, or on the date of the third business day after deposit, postage prepaid, in the United States Mail via Certified Mail, return receipt requested, and addressed as set forth on the applicable Order.

The address to which such notices, demands, requests, elections or other communications are to be given by either party may be changed by written notice given by such party to the other party pursuant to this Section.

Force Majeure

Provider will not be liable for any failure of performance of the Services due to causes beyond its reasonable control, including, but not limited to, fire, flood, electric power interruptions, national or regional emergencies, epidemics, pandemics, public health emergencies, stay-at-home orders, furloughs, quarantines, or other restriction or prohibition, civil disorder, acts of terrorism, riots, strikes, Acts of God, or any law, regulation, directive, or order of the United States government, or any other governmental agency, including state and local governments having jurisdiction over Provider or the Services provided hereunder (the "Affected Performance").

Any party whose performance is so affected shall give written notice to the other party describing the Affected Performance. The parties promptly shall confer, in good faith, to agree upon equitable, reasonable action to minimize the impact on both parties of such condition. If the delay caused by the force majeure event lasts for a period of more than thirty (30) days, the parties shall attempt to negotiate an equitable modification to the Agreement pertaining to the Affected Performance. If the parties are unable to agree upon an equitable modification, then either party may serve thirty (30) days' written notice of termination on the other party with respect only to the portion of the Agreement relating to the Affected Performance. Client shall pay Provider for that portion of the Affected Performance that was completed or that was in the process of being completed through the effective termination date of the Affected Performance.

Waiver

No delay in exercising, no course of dealing with respect to, and no partial exercise of, any right or remedy hereunder will constitute a waiver of any right or remedy, or future exercise thereof.

Assignment

Neither party may assign this Agreement, in whole or in part, or any of its rights or obligations hereunder without the prior written consent of the other party. However, Provider may assign or otherwise transfer its rights, interests, and obligations under this Agreement without Client's consent in the event of a change in control of 50% or more of the equity of Provider, the sale of substantially all the assets of Provider, or the restructuring or reorganization of Provider or its affiliate entities. If Client transfers its rights, interests, and obligations under this Agreement without Provider consent, then such assignment will not be valid, and Client shall remain responsible for all Fees under this Agreement and any Attachment regardless of whether Client continues to derive any benefit from the Services. In addition, unless otherwise agreed, Provider may contract with third parties to deliver some or all of the Services, and no such third-party contract is to be interpreted as an assignment of this Agreement. However, Provider will use commercially reasonable efforts to ensure that any and all such third parties abide by all of the terms of this Agreement, and, except as otherwise agreed, Provider will remain solely responsible for the fulfillment of all of Provider's obligations under this Agreement. This

Agreement is binding upon the parties, their successors, and permitted assigns.

Marketing

Client hereby grants Provider the right to reference Client's name, industry, logo, and URLs in its marketing literature, website, and/or correspondence to potential new Clients, so as to identify Client as a customer of Provider for marketing purposes and for Provider's benefit. Such information is not considered Confidential Information subject to non-disclosure.

Notifications and Alerts

Client hereby grants Provider the right to utilize Client information to send alerts, notifications, news, and general correspondence to Client to provide the Services.

Survival

The parties' respective duties and obligations with respect to proprietary rights, intellectual property rights, and non-disclosure and confidentiality will survive and remain in effect, notwithstanding the termination or expiration of this Agreement.

Amendment

Provider may, from time to time, in its sole discretion, and for any reason, amend the Order, the Master Services Agreement and any Service Attachments, Schedules, or other terms and conditions identified on the Order.

Governing Law

This MSA is to be governed by and construed in accordance with the laws of California.

Litigation Holds, Testimony, and E-Discovery

If Client sends a clear, unambiguous litigation hold or a request for assistance with litigation matters or e-discovery, Provider will make reasonable efforts to comply with the request. There may be additional fees for assistance with litigation holds, testimony, and e-discovery requests, as none are included in the scope of Services. Provider takes no responsibility for ambiguous requests, or for compliance with litigation holds, litigation assistance, discovery requests, or court orders, which remain the sole responsibility of Client.

Severability

If any term or provision of this agreement is declared invalid by a court of competent jurisdiction, the remaining terms and provisions will remain unimpaired, and the invalid terms or provisions are to be replaced by such valid terms and provisions that most nearly fulfill the parties' intention underlying the invalid term or provision.

Third-Party Beneficiaries

This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein is to be construed to give any person or entity, other than the parties hereto and their respective successors and permitted assigns, any legal or equitable rights hereunder.

No Disparagement

Neither Party, nor any of its respective partners, principals, shareholders, members, officers, directors, employees, affiliates, subsidiaries, agents, or representatives, shall initiate or participate in any action or conduct tending to injure, bring into disrepute, ridicule, damage, or destroy the goodwill of Provider or Client, or the others' affiliates. The foregoing shall not be construed to prevent or prohibit a Provider or Client, or any of its respective partners, principals,

shareholders, members, officers, directors, employees, affiliates, subsidiaries, agents, or representatives, from: (i) exercising its rights under this Agreement; (ii) complying with a legal obligation or a professional responsibility; or, (iii) reporting, providing, or disclosing information to federal, state, municipal, or local government agencies, authorities, or officials in the ordinary course of business or as required by law. Further, in the event Provider or Client or any of its respective partners, principals, shareholders, members, officers, directors, employees, affiliates, subsidiaries, agents, or representatives breach this Section, the non-breaching party and its respective partners, principals, shareholders, members, officers, directors, employees, affiliates, subsidiaries, agents, and representatives shall no longer be bound by the obligations set forth under this Section.

Entire Agreement

This Master Services Agreement, the Order, the Service Attachments or Descriptions, and any other attachments thereto (collectively, the "Agreement") set forth Provider's entire understanding with respect to the subject matter hereof and are binding upon both parties, their successors, and their permitted assigns, in accordance with the terms of the Agreement. There are no understandings, representations, or agreements other than those set forth herein. Each party, along with its respective legal counsel, has had the opportunity to review this agreement. Accordingly, in the event of any ambiguity, such ambiguity will not be construed in favor of, or against either party.

Contract for RLEC Water District



990 Klamath Lane
Yuba City CA, 95993

Prepared For

Felix Felix

RLEC Water District
730 L St.
Rio Linda CA, 95673

Phone: 9169911000
Email: ffelix@rlecwd.com

Quote Rep

Jesse Quintero

Prepared By

Jesse Quintero

Adept Solutions
Phone: 530-751-5100
Email: sales@adept-solutions.net

Quote Information

Quote#	1447
Created	08/15/2025
Expires	07/31/2026

Dear client,

Our partnership exemplifies the tremendous value of what strategic technology utilization can accomplish.

Your *Master Services Agreement* and serviceable *Managed IT* agreement has been updated. Please take the time to review all linked documents below.

Managed Services			
Total: \$1,399.65		All Mandatory	
Description	Price	Qty.	Amount
<div style="border: 1px solid #ccc; border-radius: 10px; padding: 2px; display: inline-block;">Monthly Recurring</div> MSA-PU Managed IT Services - Per user at the time of invoice	\$71.75 Each	6	\$430.50

1. Deborah Denning
2. Kimberly Bassett
3. Frank Chacon
4. Renita Lehman
5. Sara Michel
6. Felix M. Felix

Monthly Recurring

MSA-WS	\$73.50	7	\$514.50
Managed Workstations	Each		
<ol style="list-style-type: none"> 1. 19RLECWS101 2. 19RLECWS102 3. 19RLECWS103 4. RLECWD106 5. RLECWD107 6. 19RLECPOS200 7. 19RLECWS100 			

Monthly Recurring


Managed Server	\$141.75	1	\$141.75
Managed Servers	Each		
<ol style="list-style-type: none"> 1. APPSVR01 			

Monthly Recurring

Datto - Single Agent Alto	\$156.45	2	\$312.90
Datto - Single Agent Alto	Each		

Licenses

Total: \$272.40

 All Mandatory

Description	Price	Qty.	Amount
<p>Monthly Recurring</p> <p>Kaseya Spanning Active Licenses</p> <p>Kaseya Spanning Active Licenses</p>	\$3.00	7	\$21.00
	Each		
<p>Monthly Recurring</p> <p>Microsoft 365 Business Premium</p>	\$23.10	6	\$138.60

Commitment Term End Date: 05/15/2027

Per Month



Monthly Recurring

Microsoft 365 Business Basic

\$6.30

12

\$75.60

Commitment Term End Date: 05/15/2026

Per Month



Monthly Recurring

Microsoft Entra ID P1

\$7.20

1

\$7.20

Commitment term end date: 06/24/2026

Each

Monthly Recurring

Sophos Firewall Xstream Protection License (Subscription)

\$30.00

1

\$30.00

Sophos Firewall Xstream Protection License (Subscription)

Each

Monthly

\$1,672.05

Tax

\$0.00

Total

\$1,672.05

One-Time Total: \$0.00

Monthly Total: \$1,672.05

Provider reserves the right to correct any errors, inaccuracies or omissions, and to change or update information or cancel orders if any information, including Services or pricing is inaccurate.

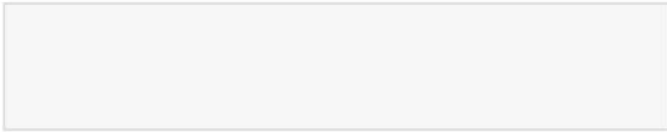
Acceptance and Incorporation by Reference

This Order together with the Master Services Agreement and Service Attachments and other terms and conditions identified on Exhibit A, all of which are incorporated herein by reference (collectively, the "Agreement") is between Adept Solutions (sometimes referred to as "we," "us," "our," or "Provider"), and the customer identified on the Order (sometimes referred to as "you," "your," or "Client"). This Agreement is effective as of the date the Client accepts the Order (the "Effective Date").

By signing or accepting this Order, Client acknowledges, represents, and warrants that it has read and agrees to the terms and conditions identified on Exhibit A to this Order which are incorporated as if fully set forth herein.

The parties hereby agree that electronic signatures to this Order shall be relied upon and will bind them to the obligations stated herein. Each party hereby warrants and represents that it has the express authority to execute this Agreement(s).

Provider may make changes to the Agreement at any time. If there are changes, Provider will revise the date at the top of the document. Provider may or may not provide Client with additional notice regarding such changes. Client should review the terms and conditions regularly. Unless otherwise noted, the amended terms and conditions will be effective immediately, and your continued use of the Services thereafter constitutes your acceptance of the changes. If you do not agree to the amended terms and conditions, you must stop using the Services immediately. Please note, you may incur a termination fee or other third-party fees, if applicable. You may access the current version of the terms and conditions at any time by visiting <https://adept-solutions.net/legal>.



(Felix Felix)

Name: Felix Felix

Date:

Exhibit A

Master Services Agreement

Service Attachment for Managed Services

Service Attachment for Compliance Services

Service Attachment for AI Services

Schedule of Services

Data Processing Agreement

Service Level Objectives

Schedule of Third-Party Services

END OF DOCUMENT



Executive Committee Agenda Item: 5

Date: July 08, 2026

Subject: May 2026 Expenditure Report

Staff Contact: Felix M. Felix, Interim General Manager

Recommended Committee Action:

The Executive Committee should review the Expenditures of the District for the month of May 2026, then forward the report onto the upcoming Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The Expenditures report summarizes all payments made by the District for the reporting period.

Conclusion:

Consistent with District policies, Expenditures are to be reviewed by this committee and presented to the Board of Directors to inform Board Members and the public of all expenditures of public funds.

Cash Basis

**Rio Linda Elverta Community Water District
Expenditure Report
May 2026**

EFT's and Checks

Date	Num	Name	Memo	Amount
05/13/2026	EFT	QuickBooks Payroll Service	For PP Ending 05/09/26 Pay date 05/14/26	19,859.56
05/14/2026	EFT	CalPERS	For PP Ending 05/09/26 Pay date 05/14/26	3,591.87
05/14/2026	EFT	CalPERS	For PP Ending 05/09/26 Pay date 05/14/26	557.75
05/14/2026	EFT	Internal Revenue Service	Employment Taxes	7,255.48
05/14/2026	EFT	Employment Development	Employment Taxes	1,495.88
05/14/2026	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,112.08
05/14/2026	EFT	ABS Direct	Printing/Postage	301.68
05/14/2026	EFT	ACWA/JPIA Powers Insurance Authority	EAP	17.36
05/14/2026	EFT	BSK Associates	Lab Fees	5,853.18
05/14/2026	EFT	Cater, Doug	Backflow Testing	3,700.00
05/14/2026	EFT	Columbia Bank Credit Card	April 2026	7,403.25
05/14/2026	EFT	Comcast	Telephone-Landline	132.71
05/14/2026	EFT	CoreLogic Solutions	Subscription	109.27
05/14/2026	EFT	Direct Hit Pest Control	Building Maintenance	95.00
05/14/2026	EFT	Employee Relations, Inc.	Employee Background	69.65
05/14/2026	EFT	Felix and Associates LLC	Interim General Manager Contract	3,076.92
05/14/2026	EFT	GW Demolition	Contract Repairs	3,000.00
05/14/2026	EFT	ICONIX Waterworks	Distribution Supplies	3,155.46
05/14/2026	EFT	Kaiser	Health Insurance	2,832.00
05/14/2026	EFT	Pacific Shredding	Office Expense	77.28
05/14/2026	EFT	PG&E	Utilities	30.53
05/14/2026	EFT	Ramos Oil Inc.	Transportation Fuel	598.09
05/14/2026	EFT	Rawles Engineering	New Service Connection Contractor	13,500.00
05/14/2026	EFT	Republic Services	Utilities	221.13
05/14/2026	EFT	Rio Linda Hardware & Building Supply	Shop Supplies	569.12
05/14/2026	EFT	RW Trucking	Distribution Supplies	810.99
05/14/2026	EFT	Sacramento Metro Air Quality Management	Permit	1,975.09
05/14/2026	EFT	Sierra Chemical Company	Treatment	1,533.84
05/14/2026	EFT	SMUD	Utilities	17,914.22
05/14/2026	EFT	Streamline	Website	105.00
05/14/2026	EFT	Two Brothers Cathodic Services	Tank Maintenance	1,000.00
05/14/2026	EFT	UniFirst Corporation	Uniforms	683.75
05/14/2026	EFT	Van Dermyden Makus Law Corp	Legal -April 2026	560.50
05/14/2026	EFT	Vanguard Cleaning Systems	Janitorial	195.00
05/14/2026	EFT	Vasquez Engineering	Engineering	6,260.00
05/14/2026	EFT	Verizon Connect	Field IT	63.80
05/14/2026	EFT	Verizon Business	Internet	45.02
05/14/2026	EFT	Verizon Wireless	Field Communication	546.42
05/14/2026	EFT	Western Health	Health Insurance	12,159.00
05/14/2026	EFT	Customer	Hydrant Meter Deposit & payment overage refund	1,229.38
05/14/2026	EFT	Customer	New Service Connection Overage Refund	1,500.00

Cash Basis

**Rio Linda Elverta Community Water District
Expenditure Report
May 2026**

05/14/2026	EFT	Rawles Engineering	Capital Improvement - Meter Replacements	38,880.00
05/18/2026	EFT	Principal Financial	Dental/Vision Insurance	1,709.72
05/20/2026	EFT	QuickBooks Payroll Service	For PP Ending 05/10/26 Pay date 5/19/26	18,563.90
05/21/2026	EFT	Internal Revenue Service	Employment Taxes	3,275.70
05/21/2026	EFT	Employment Development	Employment Taxes	270.22
05/26/2026	EFT	Wageworks	FSA Administration Fee	86.75
05/27/2026	EFT	QuickBooks Payroll Service	For PP Ending 05/10/26 Pay date 5/23/26	46,030.50
05/28/2026	EFT	Internal Revenue Service	Employment Taxes	10,488.84
05/28/2026	EFT	Employment Development	Employment Taxes	1,446.90
05/28/2026	EFT	CalPERS	For PP Ending 05/10/26 Pay date 5/23/26	3,354.43
05/28/2026	EFT	CalPERS	For PP Ending 05/10/26 Pay date 5/23/26	557.75
05/28/2026	EFT	Empower	Deferred Compensation Plan: Employer & Employee Share	2,570.90
05/28/2026	EFT	Felix and Associates LLC	Interim General Manager Contract	9,230.76
05/28/2026	EFT	Kronick Moskovitz, Tiedermann & Girard	Legal - April 2026	7,248.75
05/28/2026	EFT	Liebert Cassidy Whitmore	Legal - April 2026	5,528.50
05/28/2026	EFT	Rio Linda Elverta Recreation & Park	Meeting Expense	100.00
05/28/2026	EFT	Sacramento County Utilities	Utilities	138.70
05/28/2026	EFT	Sierra Chemical Company	Treatment	648.86
05/28/2026	EFT	USA BlueBook	Safety & Shop Supplies	4,552.95
Total 10020 - Operating Account Budgeted Expenditures				280,881.39

Board Member Compensation

Date	Meeting Date	Name	Memo	Amount
05/14/2026	04/27/2026	Jason Green	RLECWD Board Meeting	100.00
05/14/2026	03/11/2026	Vicky Young	Executive Committee Meeting	100.00
05/14/2026	03/23/2026	Vicky Young	RLECWD Board Meeting	100.00
05/14/2026	04/08/2026	Vicky Young	RLECWD Special Board Meeting	100.00
05/14/2026	04/27/2026	Vicky Young	RLECWD Board Meeting	100.00
05/28/2026	05/19/2026	Jason Green	RLECWD Board Meeting	100.00
Total Credit Card Expenditures				600.00

Credit Card Transactions

Date	Num	Name	Memo	Amount
04/01/2026	CC	Walmart	Office Expense	210.24
04/01/2026	CC	Sacramento Business Journal	Annual Subscription	220.00
04/01/2026	CC	USPS	Postage	156.00
04/01/2026	CC	Mitch's Certified Classes	Staff Training	1,500.00
04/01/2026	CC	Mitch's Certified Classes	Staff Training	1,400.00
04/02/2026	CC	EasyID Card	Office Expense	25.00
04/02/2026	CC	Walmart	Office Expense	55.61
04/05/2026	CC	Amazon	Office Expense	1,034.32
04/06/2026	CC	USPS	Postage	10.20
04/07/2026	CC	Carbon Health	Office Expense	220.00
04/07/2026	CC	Hi-Tech Wireless	Office Expense	10.76

Cash Basis

**Rio Linda Elverta Community Water District
Expenditure Report
May 2026**

04/09/2026	CC	Walmart	Office Expense	46.28
04/14/2026	CC	Zoom Video Communications	Computer Systems - Zoom monthly subscription	16.99
04/14/2026	CC	RDO Equipment Co.	Vacuum Trailer Repair	1,063.34
04/14/2026	CC	Galco Industrial Electronics	Pumping Maintenance	329.04
04/15/2026	CC	CA-NV Section AWWA	Staff Training	385.00
04/17/2026	CC	Walmart	Office Expense	104.11
04/22/2026	CC	Intuit	Payroll Service Fee	29.50
04/22/2026	CC	Crexendo Business Solutions	Telephone	80.20
04/23/2026	CC	Walmart	Office Expense	79.06
04/23/2026	CC	Adobe Inc.	Computer Systems	114.51
04/23/2026	CC	USPS	Postage	10.20
04/27/2026	CC	Nor-Cal Logos	Uniforms	302.89
Total Credit Card Expenditures				7,403.25

Employee Paid Pass-throughs

Date	Num	Name	Memo	Amount
05/14/2026	EFT	Teamsters	Union Dues	561.00
05/14/2026	EFT	California State Disbursement Unit	Employee Garnishment	332.00
05/15/2026	EFT	AFLAC	Employee Funded Premiums	401.94
05/28/2026	EFT	California State Disbursement Unit	Employee Garnishment	332.00
05/31/2026	EFT	WageWorks	FSA Expenditures - Employee Funded	2,863.24
Total 10020 · Operating Account Non-Budgeted Expenditures: Employee Paid Pass-throughs				4,490.18

Other Expenditures

Transfers

Date	Num	Memo	Account	Amount
05/14/2026	Transfer	Monthly Debt Service Transfer	10020 · Operating Fund	(17,000.00)
05/14/2026	Transfer	Monthly Debt Service Transfer	10350 · Umpqua Bank Debt Service	17,000.00
05/14/2026	Transfer	Monthly CIP Transfer	10020 · Operating Fund	(54,092.00)
05/14/2026	Transfer	Monthly CIP Transfer	10480 · General	54,092.00
05/14/2026	Transfer	CIP Checks Written from Operating Account	10480 · Capital Improvement: General	(38,800.00)
05/14/2026	Transfer	CIP Checks Written from Operating Account	10020 · Operating Fund	38,800.00

Loan Payments

05/01/2026	EFT	Bi-Annual Revenue Bond Loan Payment	10350 · Umpqua Bank Debt Service	(113,661.17)
05/01/2026	EFT	Bi-Annual Revenue Bond Loan Payment	69100 · Revenue Bond	113,661.17



Executive Committee Agenda Item: 6

Date: July 08, 2026

Subject: May 2026 Financial Statements

Staff Contact: Felix M. Felix, Interim General Manager

Recommended Committee Action:

The Executive Committee should review the Financial Reports of the District for the month of May 2026, then forward the report onto the upcoming Board agenda with the Committee's recommendation for Board approval.

Current Background and Justification:

The financial reports are the District's balance sheet, profit and loss, budget performance, and capital improvements year to date. This report provides a snapshot of the District's fiscal health for the period covered.

Once each quarter staff provides an expanded version of the Finance Reports to provide additional finance details to the Board and public.

Conclusion:

Consistent with District policies, these financials are to be reviewed by this committee and presented to the Board of Directors to inform the Board Members and the public on the District's financial condition.

Balance Sheet
As of May 31, 2026

ASSETS

Current Assets

100 · Cash & Cash Equivalents	
10000 · Operating Account	
10020 · Operating Fund	1,196,223.96
Total 10000 · Operating Account	<u>1,196,223.96</u>
10475 · Capital Improvement	
10480 · General	1,042,559.43
10485 · Vehicle Replacement Reserve	47,948.49
Total 10450 · Capital Improvement	<u>1,090,507.92</u>
Total 100 · Non-Restricted Cash & Cash Equivalents	2,286,731.88

102 · Restricted Assets

102.2 · Restricted for Debt Service	
10700 · ZIONS Inv/Surcharge 1 Reserve	567,484.72
10300 · Surcharge 1 Account	1,253,440.63
10350 · Revenue Bond	25,632.19
10380 · Surcharge 2 Account	790,663.68
Total 102.2 · Restricted for Debt Service	<u>2,637,221.22</u>

102.4 · Restricted Other Purposes	
10385 · Available Funding Cr6 Projects #1	464,131.01
10481 · Available Funding Cr6 Projects #2	439,965.75
10491 · Future Capital Imp Projects	2,321,668.11
10492 · Cr6 Settlement	4,254,766.57
10600 · LAIF Account - Capacity Fees	1,062,344.06
10650 · Operating Reserve Fund	340,055.57
Total 102.4 · Restricted Other Purposes	<u>8,882,931.07</u>

Total 102 · Restricted Assets	11,520,152.29
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Accounts Receivable	662.08
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Other Current Assets

12000 · Water Utility Receivable	598,998.18
12200 · Accrued Revenue	0.00
12250 · Accrued Interest Receivable	4,616.37
16000 · Prepaid Expense	46,196.64
16075 · OPEB GASB 75	25,135.00

Total Other Current Assets	<u>674,946.19</u>
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Total Current Assets	14,482,492.44
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Capital Assets

17000 · General Plant Assets	670,138.83
17100 · Water System Facilites	26,493,804.48
17300 · Intangible Assets	383,083.42
17500 · Accum Depreciation & Amort	-13,245,957.33
18000 · Construction in Progress	325,195.83
18100 · Land	576,672.45

Total Capital Assets	<u>15,202,937.68</u>
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Other Assets

18500 · ADP CalPERS Receivable	380,000.00
19000 · Deferred Outflows	562,294.00
19900 · Suspense Account	0.00

Total Other Assets	<u>942,294.00</u>
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TOTAL ASSETS	30,627,724.12
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Rio Linda Elverta Community Water District

Balance Sheet
As of May 31, 2026

LIABILITIES & NET POSTION

Liabilities

Current Liabilities

Accounts Payable	113,418.98
Other Current Liabilities	985,457.50

Total Current Liabilities	1,098,876.48
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Long Term Liabilities

23500 · Lease Buy-Back	410,267.27
25000 · Surcharge 1 Loan	1,910,290.67
25050 · Surcharge 2 Loan	1,580,040.16
26000 · Water Rev Refunding	1,017,460.00
26500 · ADP CalPERS Loan	350,000.00
29000 · Net Pension Liability	934,369.00
29500 · Deferred Inflows-Pension	106,857.00
29600 · Deferred Inflows-OPEB	28,354.00

Total Long Term Liabilities	6,337,638.10
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Total Liabilities	7,436,514.58
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Net Position

31500 · Invested in Capital Assets, Net	10,531,059.46
31800 · Restricted for OPEB Asset	25,135.00
32000 · Restricted for Debt Service	705,225.24
38000 · Unrestricted	11,414,085.51
Net Revenue	515,704.33

Total Net Position	23,191,209.54
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TOTAL LIABILITIES & NET POSTION	30,627,724.12
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Accrual Basis

Rio Linda Elverta Community Water District
Operating Profit & Loss Budget Performance
May 2026

	<u>Annual Budget</u>	<u>May 26</u>	<u>Jul 25 - May 26 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Ordinary Income/Expense					
Revenue					
Total 40000 · Operating Revenue	3,407,931.00	323,222.41	2,816,418.81	82.64%	591,512.19
41000 · Nonoperating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	35.00	3.04	37.88	108.23%	-2.88
Total 41110 · Investment Revenue	35.00	3.04	37.88	108.23%	-2.88
41120 · Property Tax	137,000.00	56,170.27	141,486.27	103.28%	-4,486.27
Total 41000 · Nonoperating Revenue	137,035.00	56,173.31	141,524.15	103.28%	-4,489.15
Total Operating & Non-Operating Revenue	3,544,966.00	379,395.72	2,957,942.96	83.44%	587,023.04
Expense					
60000 · Operating Expenses					
60010 · Professional Fees	503,200.00	60,295.93	407,575.47	81.00%	95,624.53
60100 · Personnel Services					
60110 · Salaries & Wages	934,612.00	108,443.62	861,350.13	92.16%	73,261.87
60150 · Employee Benefits & Expense	564,386.00	30,343.49	466,099.39	82.59%	98,286.61
Total 60100 · Personnel Services	1,498,998.00	138,787.11	1,327,449.52	88.56%	171,548.48
60200 · Administration	288,590.00	15,524.02	259,224.14	89.82%	29,365.86
64000 · Conservation	500.00	0.00	0.00	0.00%	500.00
65000 · Field Operations	810,400.00	90,988.33	613,438.21	75.70%	196,961.79
Total 60000 · Operating Expenses	3,101,688.00	305,595.39	2,607,687.34	84.07%	494,000.66
69000 · Non-Operating Expenses					
69010 · Debt Service					
69100 · Revenue Bond					
69105 · Principle	169,641.00	97,000.00	169,641.00	100.00%	0.00
69110 · Interest	34,408.00	16,661.17	34,408.33	100.00%	-0.33
Total 69100 · Revenue Bond	204,049.00	113,661.17	204,049.33	100.00%	-0.33
69200 · PERS ADP Loan					
69205 · Principle	30,000.00	0.00	0.00	0.00%	30,000.00
69210 · Interest	1,406.00	0.00	0.00	0.00%	1,406.00
Total 69100 · PERS ADP Loan	31,406.00	0.00	0.00	0.00%	31,406.00
Total 69010 · Debt Service	235,455.00	113,661.17	204,049.33	86.66%	31,405.67
69400 · Other Non-Operating Expense	2,300.00	0.00	0.00	0.00%	2,300.00
Capital A Total 69000 · Non-Operating Expenses	237,755.00	113,661.17	204,049.33	85.82%	33,705.67
Total Operating & Non-Operating Expense	3,339,443.00	419,256.56	2,811,736.67	84.20%	527,706.33
Net Revenue	205,523.00	-39,860.84	146,206.29		

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
 CAPITAL BUDGET 2025-2026
 May 2026

Description	Annual Budget	May 26	YTD		% of Annual Budget	YTD Budget Balance
			Jul 25-	May 26		
Raising/Lowering Valve Covers	60,000.00	0.00	57,900.00		96.50%	2,100.00
Well 15 Cr6 Treatment Design and CEQA	140,070.00	0.00	49,630.75		35.43%	90,439.25
Vacuum Trailer	90,000.00	0.00	0.00		0.00%	90,000.00
Total Continued Ongoing Projects	290,070.00	0.00	107,530.75		37.07%	182,539.25
Annual Miscellaneous Pump Replacements	30,000.00	0.00	17,978.34		59.93%	12,021.66
Annual Small Meter Replacements	150,000.00	64,800.00	131,777.40		87.85%	18,222.60
Annual Large Meter Replacements	5,000.00	0.00	0.00		0.00%	5,000.00
Annual Pipeline Replacement	245,000.00	0.00	0.00		0.00%	245,000.00
Total New Annual Projects	430,000.00	64,800.00	149,755.74		34.83%	280,244.26
Well 15 Cr6 Treatment Bidding and Construction	1,100,000.00	0.00	0.00		0.00%	1,100,000.00
2025 Urban Water Management Plan	85,000.00	0.00	0.00		0.00%	85,000.00
District Office Roof	40,000.00	0.00	0.00		0.00%	40,000.00
Total New Projects	1,225,000.00	0.00	0.00		0.00%	1,225,000.00
Total	\$1,945,070.00	\$64,800.00	\$257,286.49		13.23%	\$1,687,783.51

Accrual Basis

**Rio Linda Elverta Community Water District
Cr6 Settlement Profit & Loss Budget Performance
May 2026**

	<u>Annual Budget</u>	<u>May 26</u>	<u>Jul 25 - May 26 YTD</u>	<u>% of Annual Budget</u>	<u>YTD Annual Budget Balance</u>
Income					
41000 · Non-Operating Revenue					
41110 · Investment Revenue					
41112 · Interest Revenue	120,000.00	9,347.79	116,026.22	96.69%	3,973.78
	<u>120,000.00</u>	<u>9,347.79</u>	<u>116,026.22</u>	<u>96.69%</u>	<u>3,973.78</u>
44110 · Other Non-Operating Revenue	0.00	0.00	0.00	0.0%	0.00
Total Income	<u>120,000.00</u>	<u>9,347.79</u>	<u>116,026.22</u>	<u>96.69%</u>	<u>3,973.78</u>
Gross Income	<u>120,000.00</u>	<u>9,347.79</u>	<u>116,026.22</u>	96.69%	3,973.78
Net Income	<u>120,000.00</u>	<u>9,347.79</u>	<u>116,026.22</u>		

NOTE:	Date	Amount
Beginning Balance	4/30/2026	4,245,418.78
Interest	5/31/2026	<u>9,347.79</u>
GL 10492 Cr6 Settlement	5/31/2026	4,254,766.57