



This meeting has been noticed according to the Brown Act rules. This agenda was posted on Thursday, September 5, 2019.

Administrative Committee

Members:

George Riley, Chair
Molly Evans
Gary Hoffmann

Alternate:

Dave Potter

Staff Contact:

Suresh Prasad

After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda, they will be made available at 5 Harris Court, Building G, Monterey, CA during normal business hours. In addition, such documents may be posted on the District website at www.mpwmd.net. Documents distributed at the meeting will be made available in the same manner.

AGENDA
**Administrative Committee
of the Monterey Peninsula Water Management District**

Monday, September 9, 2019, 4:00 PM

MPWMD Conference Room, 5 Harris Court, Building G, Monterey, CA

Call to Order

Comments from Public – *The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.*

Items on Board Agenda for September 16, 2019

1. Consider Adoption of August 12, 2019 Administrative Committee Meeting Minutes
2. Consider Approving Agreement with Deveera, Inc. for Information Technology Services
3. Status Report on Measure J/Rule 19.8 Spending
4. Discuss Plan to Defeas Mechanics Bank Loan (formerly Rabobank)

Other Items

5. Review Draft September 16, 2019 Regular Board Meeting Agenda

Adjournment

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by 5 PM on September 6. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

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ADMINISTRATIVE COMMITTEE**1. ADOPT MINUTES OF AUGUST 12, 2019 COMMITTEE MEETING**

Meeting Date: September 9, 2019

From: David J. Stoldt,
General Manager

Prepared By: Sara Reyes

SUMMARY: Draft minutes of the August 12, 2019 Administrative Committee meeting are attached as **Exhibit 1-A**.

RECOMMENDATION: The Committee should review the minutes and adopt them by motion.

EXHIBIT

1-A Draft Minutes of August 12, 2019 Committee Meeting



EXHIBIT 1-A

**DRAFT MINUTES
Monterey Peninsula Water Management District
Administrative Committee
August 12, 2019**

Call to Order

The meeting was called to order at 4:04 PM in the District Conference Room.

Committee members present: George Riley – Chair
Molly Evans
Gary Hoffmann (participated by telephone)

Staff present: David J. Stoldt, General Manager
Stephanie Locke, Water Demand Manger
Thomas Christensen, Environmental Resources Manager
Jon Lear, Water Resources Manager
Suresh Prasad, Chief Financial Officer/Administrative Services Manager
Kevan Urquhart, Senior Fisheries Biologist
Maureen Hamilton, Water Resources Engineer
Sara Reyes, Sr. Office Specialist

Oral Communications

None

Items on Board Agenda for August 19, 2019

1. **Consider Adoption of Minutes of July 8, 2019 Committee Meeting**
On a motion by Evans and second by Riley, the minutes of the July 8, 2019 meeting were approved on a vote of 2– 0 by Evans and Riley. Director Hoffman abstained from voting due to his absence at the July 8, 2019 Committee meeting.
2. **Consider Expenditure for Updates to Gardensoft Waterwise Gardening Software**
On a motion by Evans and second by Riley, the committee voted to recommend the Board approve the modernization upgrades and fact sheets for a not-to-exceed expenditure of \$4,650. The motion was approved on a vote of 3 – 0 by Evans, Riley and Hoffman.
3. **Consider Approval of Additional expenditure to Right on Q Hydrogeology (Michael Hutnak) for Technical Support for the Carmel River Basin Hydrologic Model**
The committee unanimously agreed to present this item to the full Board for discussion as an Action Item on the August 12, 2019 Board agenda. No action was taken by the committee.
4. **Consider Expenditure to Contract for Completion of Annual Carmel River Survey (*Exempt from CEQA – Section 15306*)**
On a motion by Evans and second by Hoffman, the committee voted to recommend the Board authorize the General Manager to enter into an agreement with the University Foundation at CSUMB

for a not-to-exceed amount of \$24,839. The motion was approved on a vote of 3 – 0 by Evans, Hoffman and Riley.

5. Consider Augmenting Expenditures for Permitting of a New Carmel River Fish Counting Weir (Exempt under CEQA Guidelines Section 15306 and 15378)

On a motion by Evans and second by Riley, the committee voted to recommend the Board (1) approve an expenditure of \$3,288.75 for the CDFW LSAA five-year permit fee that increased in 2019; (2) authorize the General Manager to augment and extend an existing agreement with Denise Duffy & Associates for a not-to-exceed additional amount of \$5,000 for assistance with remaining permit acquisition; and (3) include a \$1,711.25 contingency for a total expenditure of \$10,000. The motion was approved on a vote of 3 – 0 by Evans, Riley and Hoffmann.

6. Consider Expenditure for Pre-Purchase of Materials Necessary to Construct Santa Margarita Disinfection Facilities

On a motion by Riley and second by Evans, the committee voted to recommend the Board (1) Make a finding under Public Contract Code Section 3400 (c) (2) and (3) that the materials to be purchased under this authorization are required in order to match other products in use within the Cal-Am system and that the necessary materials are available from one source; (2) Authorize the General Manager to enter into a contract with Hopkins Technical Products, Inc. to purchase chemical feed systems for the amount of \$80,469.28, with a 10% contingency for delivery, offloading, and/or storage to be authorized by MPWMD staff, for a total amount not-to-exceed (NTE) \$88,516. The motion was approved on a vote of 2 – 1 by Riley and Evans. Director Hoffmann voted against the motion. The motion included requests for additional information from staff in the report to be presented to the Board at the August 19, 2019 meeting.

6A. Consider Expenditure for the Santa Margarita Water Disinfection Facilities Construction Management Services

On a motion by Evans and second by Riley, the committee voted to recommend this item be placed on the August 19, 2019 as an Action Item and with additional information from staff. The motion was approved on a vote of of 3 – 0 by Evans, Riley and Hoffmann.

7. Status Report on Measure J/Rule 19.8 Spending

This item was presented as information to the committee. No action was required or taken by the committee.

8. Review Fourth Quarter Legal Services Activity Report for Fiscal Year 2018-2019

This item was presented as information to the committee. No action was required or taken by the committee.

9. Review Draft August 19, 2019 Regular Board Meeting Agenda

A revised draft agenda was submitted to the committee for review. No changes were made by the committee.

Adjournment

The meeting was adjourned at 6:03 PM.

ADMINISTRATIVE COMMITTEE

2. CONSIDER APPROVING AGREEMENT WITH DEVEERA, INC. FOR INFORMATION TECHNOLOGY SERVICES

Meeting Date: September 9, 2019 **Budgeted:** No (savings from not hiring IT Manager)

From: David J. Stoldt,
General Manager **Program/
Line Item No. :** Professional Fees

Prepared By: Suresh Prasad **Cost Estimate:** \$82,376.00

General Counsel Review: District Counsel will be reviewing the contracts.

Committee Recommendation: The Administrative Committee reviewed this item on September 9, 2019 and recommended _____.

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: With the recent retirement of District's Information Technology (IT) Manager, there is a need to immediately find a replacement to fill that position. Based on the size and needs of the District, the replacement of a full time IT Manager position can most effectively be filled with the services of a consultant firm.

With only two and half weeks of retirement notice from the outgoing IT Manager, District staff immediately started contacting IT consulting firms in the area to solicit proposals. Three firms were contacted (Rayne Technology, DeVeera, Inc., and Alvarez Technology).

Staff met with all three firms and went over the District's requirements for IT services. All three firms had representatives spend few hours on-site going through the discovery process to gather information. Information gathered during this discovery process was used to compile proposals delivered by the IT firms. Some of the services provided will be monitoring server 24/7, server and work station preventative maintenance, virus and anti-spam protection, network monitoring, and help desk support, etc. All three firms contacted were able to provide proposals within a week's time, attached as **Exhibit 2-A**.

After evaluating the current inventory of the District's IT infrastructure, all three firms recommended the District immediately change its backup and disaster recovery (BDR) system. In the event of catastrophic IT failure, the District's existing BDR system will take weeks to rebuild and recover data. There could potentially be irrecoverable data losses. With the proposed change in the BDR system, the recovery time would be reduced to approximately few hours with no loss of data. The current proposal includes a new BDR system for the District.

Since outsourcing IT services is new to the District, staff would like to try this out on a short term basis and return to the Board towards the end of fiscal year with a long term plan. The proposed

contract term will be from September 1, 2019 to June 30, 2020. Funding for this will come from savings realized by not hiring a full time IT Manager, which was budgeted item in FY 2019-2020.

Based on the proposals received, staff recommends authorizing to enter into an agreement with DeVeera, Inc. The results of the three proposals are as follows:

	Rayne Technologies	DeVeera Inc	Alvarez Technology
One-Time Fee	\$14,247.00	\$0.00	\$0.00
Monthly Fee	\$7,974.50	\$4,612.00	\$11,301.00
Backup, Disaster & Recovery (based on 48TB/60TB of storage)	included	\$2,551.20	not available
Backup, Disaster & Recovery (hardware)	\$13,000.00	included	not available
Hardware Parts (minor, i.e., hard drives, memory cards, etc)	included	excluded	excluded
Total Monthly Costs	\$7,974.50	\$7,163.20	\$11,301.00
One-Time Fee	\$14,247.00	\$0.00	\$0.00
One-Time Hardware	\$13,000.00	included	not available
<u>Notes:</u>			
BDR @48TB from DeVeera will cost \$2196/month			
One-time onboarding fee from Rayne can be amortized over 9 months			
BDR hardware from Rayne will be loaned for 9 months, but will have to be purchased after 9 months			

Since IT services is a crucial function of the District, staff had to engage the services of DeVeera, Inc under the General Manager's authority to fill in the void left by the departure of the IT Manager.

RECOMMENDATION: District staff recommends authorizing the General Manager or the Administrative Services Manager/CFO to enter into an Agreement with DeVeera, Inc. to provide Information Technology services for an amount of \$71,632.00 plus 15% contingency of \$10,744.00, for a not-to-exceed amount of \$82,376.00. The agreement term will be until June 30, 2020.

EXHIBIT

2-A Proposals for IT Services from DeVeera Inc., Rayne Technologies, and Alvarez Technology

This Managed Services Agreement ("Agreement") made between **DeVeera Inc.**, located at 5 Mandeville Ct, Monterey, Ca 93940 ("Service Provider"), and **Monterey Peninsula Water Management District** with principal office 5 Harris Ct Bldg G, Monterey, CA 93940 ("Customer-") is September 1, 2019 ("Effective Date"). The parties agree as follows:

1. Services. Service Provider agrees to provide Customer the services described in Schedule C ("Managed Services") for the Equipment listed in Schedule D to this Agreement ("Equipment"). Service Provider may from time to time change the Services provided to Customer under this Agreement.

2. Term and Termination.

(a) Term. The Initial Term of this Agreement is for a period covered until June 30th commencing on the Effective Date. Thereafter, unless terminated in accordance with the terms of this Agreement, this Agreement will automatically renew.

(b) Termination. This Agreement may be terminated as follows: (i) Either party may terminate this Agreement at the end of a contract term with ninety days' written notice to the other party prior to the end of the initial or additional term; (ii) Upon Service Provider's failure to perform or observe any material term or condition of this Agreement and failure to correct within thirty (30) days after receipt of written notice from Customer of such failure, Customer may terminate the Services affected by such breach; or (iii) Upon Customer's failure to pay any outstanding charges within ten (**10**) days of receipt of written notice from Service Provider of delinquency, Service Provider may terminate this Agreement on 30 days' notice.

(c) Effect of Termination. Upon termination of this Agreement Customer will be liable for all charges incurred as of the date of termination. Sections 2, 6, 10, 11, 12, 14, and 16 shall survive termination of this Agreement.

3. Eligibility. Customer Equipment (workstations and servers) must

(d) Customer acknowledges that from time to time (a) Service Provider may identify additional items that need to be purchased by Customer, and (b) changes in Customer's systems may be required in order for Service Provider to meet Customer's requirements. In connection therewith, Customer agrees to work in good faith with Service Provider to effectuate such purchases or changes. In the event that Service Provider is required to purchase any assets, including computer hardware and/or software, in connection with Service Provider providing the Services, all such assets will remain the sole property of Service

4. Payment.

(a) Fees. Service Provider will charge Customer in advance for services unless an alternate payment schedule is set forth in Schedule B.

(b) Taxes. Amounts payable by Customer hereunder do not include local, state, or federal sales, use, value-added, or other taxes or tariffs of the United States of America or other countries based on the licenses or services provided under this Agreement or Customer's use thereof. Customer will pay all such taxes or tariffs as may be imposed upon Service Provider or Customer, except income taxes imposed on Service Provider by the United States of America or any state or local government therein. Customer will be invoiced for, and Customer will pay, any such taxes or tariffs if Service Provider is required to pay them on Customer's behalf.

(c) Failure to Pay. Customer acknowledges that its failure to pay timely any of the fees payable hereunder, or any portion thereof, will be a material breach of this Agreement for which Service Provider may, in addition to pursuing all other remedies, withhold Services and/or terminate this Agreement.

5. Customer Responsibilities.

(a) Customer Authorized Contact. Customer will identify one individual to be Service Provider's primary Customer contact and another individual to be the secondary contact as noted on

Schedule A. Customer represents that these people have authorization to make decisions on behalf of Customer and may be relied upon by Service Provider when providing the Services.

(b) Provision of Materials and Services to Service Provider. Customer agrees to timely furnish, at its own expense, all personnel, all necessary computer hardware, software and related materials and appropriate and safe work spaces for

purposes of Service Provider performing the Services. Customer will also provide Service Provider with access to all information, passwords and facilities requested by Service Provider that is necessary for Service Provider to perform the Services. Access may be denied for any reason at any time, however if access to information, passwords or facilities is denied, Customer understands that the Service Provider may be unable to perform their duties adequately and if such a situation should exist, the Service Provider will be held harmless.

Provider unless specifically stated otherwise in writing. Customer will be responsible for the quality, completeness and workmanship of any item or service furnished by it and for ensuring that the materials provided to Service Provider do not infringe or violate the rights of any third party. Customer will maintain adequate backup for all data and other items furnished to Service Provider.

(c) Timeliness. Any timetable for the Services is dependent on timely receipt from Customer of all necessary items and authorizations to be supplied by it. In the event of a delay in delivery of any such items by Customer, any estimated completion date will be deferred for a period equal to the time lost by reason of the delay.

(d) Software Installation or Replication. If Service Provider is required to install or replicate Customer software as part of the Services, Customer will independently verify that all such software is properly licensed. Customer's act of providing any software to Service Provider will be deemed Customer's affirmative acknowledgment to Service Provider that Customer has a valid license that permits Service Provider to perform the Services related thereto. In addition, Customer will retain the duty and obligation to monitor Customer's equipment for the installation of unlicensed software unless Service Provider in a written SOW expressly agrees to conduct such monitoring. Customer will indemnify and hold harmless Service Provider against all damages and expenses it may incur (including reasonable attorney's fees and disbursements) related to Customer providing infringing materials to Service Provider or any Customer breach of this Section 5(d).

6. Proprietary Rights.

(a) Service Provider Intellectual Property. The parties acknowledge and agree that Service Provider may use preexisting proprietary computer software, methodology, techniques, software libraries, tools, algorithms, materials, products, ideas, skills, designs, know-how or other intellectual property owned by Service Provider or its licensors, and Service Provider may also create additional intellectual property based thereon in the performance of the Services (all of the foregoing, the - Service Provider Intellectual Property"). Customer agrees that any and all proprietary rights to the Service Provider Intellectual Property, as it existed as of the date hereof and as it may be modified or created in the course of providing the Services, including patent, copyright, trademark, and trade secret rights, to the extent they are available, are the sole and exclusive property of Service Provider, free from any claim or retention of rights thereto on the part of Customer, and Customer hereby assigns to Service Provider any rights it may have in any of the foregoing.

(b) Customer Rights to Deliverables. Service Provider hereby grants to Customer a perpetual, worldwide, royalty-free, nonexclusive, non-transferable right and license to use, execute, reproduce, transmit, display, perform, create derivative works

from, make, have made, sell and import the deliverables provided hereunder, including such Service Provider Intellectual Property solely as it may be incorporated therein, only for its own internal business purposes and to provide services to its customers consistent with the purposes of the Services.

(c) Customer Data Ownership and Responsibility. Customer shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of any data, information or material proprietary to Customer and provided or submitted by Customer to the Services in the course of using the Services (collectively, "Customer Data"), and Service Provider shall not be responsible or liable for the deletion, correction, destruction, damage, loss or failure to store any Customer Data. Customer has, and shall retain, ownership of all Customer Data. In the event that this Agreement is terminated, Service Provider shall return to Customer all of the Customer Data within 30 days of termination if Customer so requests at the time of termination.

(d) Restrictions. Customer will not copy, use, modify, or distribute any Service Provider Intellectual Property except as expressly licensed in this Agreement. Customer will not remove the Service Provider Intellectual Property from any deliverables or cause or permit the modification, distribution, reverse engineering, de-compilation, disassembly or other translation of the Service Provider Intellectual Property. Customer will not alter, change, or remove from the Service

Provider Intellectual Property any identification, including copyright and trademark notices, and further agrees to place all such markings on any copies thereof.

7. Relationship of Parties; No Solicitation of Employees. Service Provider is an independent contractor. Neither party has the right or authority to assume or to create any obligation or responsibility on behalf of the other party. This Agreement shall not be construed to create a joint venture or partnership between the parties. During the term of this Agreement and for a period of one (1) year thereafter, each party to this Agreement will not, without the prior written approval of the other party, solicit for employment any employee(s) of the other party or directly or indirectly induce any such employee to terminate his or her employment with the other party.

8. Services Warranty. Service Provider warrants that it will perform the Services substantially in accordance with the specifications set forth in Schedule C. For any breach of the foregoing warranty, Service Provider will exercise commercially reasonable efforts to re-perform any non-conforming services that were performed within the ten (10) business day period immediately preceding the date of Customer's written notice to Service Provider specifying in reasonable detail such nonconformance. If Service Provider concludes that conformance is impracticable, then Service Provider will refund all fees paid by Customer to Service Provider hereunder, if any, allocable to such nonconforming Services.

9. Third Party Products. Product warranties for third party products, if any, are provided by the manufacturers thereof and not by Service Provider. Service Provider's sole obligation is to act on behalf of Customer to assist in the satisfaction of any such warranty.

10. DISCLAIMERS.

Customer must meet minimum eligibility requirements in order to be eligible for a maintenance program. See Schedule B for minimum eligibility requirements. If a computer does not meet the minimum eligibility requirements Service Provider may provide the services necessary at service rates listed in Schedule B to achieve eligibility on the equipment.

(a) Customer Responsibility for Equipment. Customer shall provide a suitable working environment for any Equipment located at Customer's facility. Such environment includes, but is not limited to the appropriate temperature, static electricity and humidity controls and properly conditioned electrical supply for each piece of Equipment. Customer shall bear the risk of loss of any Equipment located at Customer's facility.

(b) The express remedies set forth in Section 8 will constitute Customer's exclusive remedies, and Service Provider's sole obligation and liability, for any claim (a) that a Service or deliverable provided hereunder does not conform to specifications or is otherwise defective, or (b) that the Services were performed improperly.

(c) Service Provider shall not be responsible for impairments to the Services caused by acts within the control of Customer or its employees, agents, contractors, suppliers or licensees, the interoperability of Customer applications, or other cause reasonably within Customer's control and not reasonably related to services provided under this Agreement.

(d) EXCEPT FOR THE WARRANTIES MADE BY SERVICE PROVIDER IN SECTION 8, WHICH ARE LIMITED WARRANTIES AND THE ONLY WARRANTIES PROVIDED TO CUSTOMER, THE SERVICES AND DELIVERABLES ARE PROVIDED STRICTLY "AS IS." SERVICE PROVIDER DOES NOT MAKE ANY ADDITIONAL WARRANTIES, EXPRESS, IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, OR STATUTORY, AS TO THE DELIVERABLES OR SERVICES PROVIDED HEREUNDER, OR ANY MATTER WHATSOEVER. THE PARTIES DISCLAIM ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, TITLE AND NON-INFRINGEMENT.

(e) SERVICE PROVIDER DOES NOT WARRANT THAT THE SERVICES OR ANY DELIVERABLES WILL MEET ANY CUSTOMER REQUIREMENTS NOT SET FORTH HEREIN, THAT ANY DELIVERABLES WILL OPERATE IN THE COMBINATIONS THAT CUSTOMER MAY SELECT FOR USE, THAT THE OPERATION OF ANY DELIVERABLES WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT ALL ERRORS WILL BE CORRECTED. IF PRE- PRODUCTION (E.G., "ALPHA" OR "BETA") RELEASES OF SOFTWARE ARE PROVIDED TO CUSTOMER, SUCH COPIES ARE PROVIDED "AS-IS" WITHOUT WARRANTY OF ANY KIND.

(h) Except as may be done in accordance with Section 16(b), no statement by any Service Provider employee or agent, orally or in writing, will serve to create any warranty or obligation not set forth herein or to otherwise modify this Agreement in any way whatsoever.

11. LIMITATION OF LIABILITY. SERVICE PROVIDER AND PTS ARE NOT LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES OF ANY KIND. SERVICE PROVIDER'S LIABILITY TO CUSTOMER ON ACCOUNT OF ANY ACTS OR OMISSIONS RELATING TO THIS AGREEMENT SHALL BE LIMITED TO PROVEN DIRECT DAMAGES. PTS IS NOT LIABLE TO CUSTOMER ON ACCOUNT OF ANY ACTS OR OMISSIONS RELATING TO THIS AGREEMENT WHATSOEVER. THESE LIMITATIONS APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, WARRANTY, STRICT LIABILITY OR TORT.

12. Essential Basis of Bargain. Customer acknowledges and agrees that the fees charged by Service Provider in this Agreement reflect the overall allocation of risk between the parties, including by means of the provisions for limitation of liability and exclusive remedies described in this Agreement. Such provisions form an essential basis of the bargain between the parties and a modification of such provisions would affect substantially the fees charged by Service Provider hereunder. In consideration of such fees, Customer agrees to such allocation of risk and hereby waives any and all rights, through equitable relief or otherwise, to subsequently seek a modification of such provisions or allocation of risk.

13. Force Majeure. With the exception of Customer payment for services rendered, neither party shall be responsible for any failure to perform nor delay caused where such failure or delay is due to circumstances reasonably beyond the party's control.

14. Confidentiality. "Confidential Information" means all nonpublic technical or business information, including the terms of this Agreement, disclosed by one party to the other party and marked as proprietary or which is of a nature or presented under circumstances that would cause one to reasonably conclude it should be treated as confidential. The receiving party shall hold such information in confidence for three years after termination of this Agreement, restrict disclosure of such information solely to its employees with a business need to know such information, and use a degree of care no less than the degree of care as it uses for its own proprietary information to prevent the unauthorized disclosure, use or publication of such proprietary information.

15. Insurance.

(a) **Nature and Amounts.** Service Provider agrees to maintain sufficient insurance coverage to enable it to meet its obligations created by this Agreement and by law. Without limiting the foregoing, to the extent this Agreement creates exposure generally covered by the following insurance policies, Service Provider will maintain at its sole cost and expense at least the following insurance covering its obligations under this Agreement: (a) Commercial General Liability including (i) bodily injury, (ii) property damage, (iii) contractual liability coverage, and (iv) personal injury, in an amount not less than One Million Dollars (\$1,000,000) per occurrence; (b) Business Automobile Liability for owned, hired and non-owned vehicles in an amount of not less than One Million Dollars (\$1,000,000) for each accident; (c) Workers Compensation at statutory limits; and (d) Professional Liability Insurance covering errors and omissions and wrongful acts in the performance of the Services. Such insurance will bear a combined single limit per occurrence of not less than One Million Dollars (\$1,000,000).

16. General.

(a) **Entire Agreement.** This Agreement together with the Schedules, which are hereby incorporated herein by this reference, contain all the agreements, representations, and understandings of the parties and supersedes any previous understandings, commitments, or agreements, oral or written, with respect to the subject matter of this Agreement. To the extent there is any inconsistency between a term of this Agreement and a term of any Schedule, the term of (f) No **Third-Party Beneficiaries.** This Agreement is an agreement this Agreement will govern the performance of Services between the Parties, and confers no rights upon any of the Parties' thereunder. employees, agents, contractors or customers, or upon any other person or entity other than PTS.

(b) **Modification.** This Agreement may not be modified or amended except in a writing signed by a duly authorized representative of each party that expressly states the sections of this Agreement to be modified; no other act, usage, or

custom will be deemed to amend or modify this Agreement. Each party hereby waives any right it may have to claim that this Agreement was subsequently modified other than in accordance with this Section 16(b).

(c) No Waiver. No failure on the part of either party to exercise, and no delay in exercising, any right, power, or privilege will operate as a waiver thereof; nor will any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The waiver by either party of any default or breach of this Agreement will not constitute a waiver of any other or subsequent default or breach.

(d) Jurisdiction. This Agreement shall be governed by the laws of the State of California without regard to its choice of law provisions.

(e) Interpretation. Any provision of this Agreement held to be void, illegal, or unenforceable shall be restated to lawfully reflect the parties' original intent to the fullest extent possible. All other provisions shall remain in full force and effect.

(f) Notices. Any notice required under this Agreement shall be sent by registered mail, return receipt requested, facsimile, overnight express mail, or personal delivery to the address of the party set forth at the beginning of this Agreement. Notices sent by registered mail shall be deemed effective on the third business day following mailing. Notices sent otherwise shall be deemed effective on receipt. A party may change its address for notices upon thirty days prior written notice.

(g) Assignment. Neither Customer nor Service Provider may assign its rights or obligations under this Agreement without Service Provider's prior written consent which shall not be unreasonably withheld.

(h) Purchase Orders. Customer may, for purposes of administrative convenience, use Customer's standard form of purchase order to order Services. The parties understand and agree that any terms or conditions on any such purchase order in any way different from or in addition to the terms and conditions of this Agreement will have no effect whatsoever and Service Provider hereby rejects all such terms and conditions.

X

Jay Patel
President, DeVeera Inc.

X

Suresh Prasad
Chief Financial Officer, MPWMD

Schedule A - Customer Contact Information

	Customer Information
Company Name	Monterey Peninsula Water Management District
Billing Contact Name	
Billing Contact Phone Number	
Billing Contact Email	
Address Line 1	5 Harris Court
Address Line 2	Building G
City, St, Zip Code	Monterey, Ca 93940

	Primary Customer Contact Information
Primary Customer Contact	Suresh Prasad
Primary Contact Phone	(831) 658-5614
Primary Contact Email	suresh@mpwmd.net
Primary Contact Schedule	MONDAY – FRIDAY 8:00 AM TO 5:00 PM
Primary Contact After-Hours Phone Number	

	Secondary Customer Contact Information
Primary Customer Contact	
Primary Contact Phone	
Primary Contact Email	
Primary Contact Schedule	
Primary Contact After-Hours Phone Number	

Schedule B - Pricing and Services

Technology Services for New Projects	Rate
<ul style="list-style-type: none"> Software Development and custom application / work flow development. 	\$150 per hour
<ul style="list-style-type: none"> Network Security and Compliance (Security Assessment & Audits, GDPR, HIPAA, PCI, FISMA, SOX) Wireless Networking (Cloud Wi-Fi, routing and firewall / in-wall cabling) Business Phone Solutions (Cloud & on-premises) Security Devices (Cloud managed NVR, Camera, Face-recognition and LPR) General Engineering Services 	Government Rate \$125 per hour / as needed.
<ul style="list-style-type: none"> Project Management 	10% of project cost
<p>Managed Services Daily, weekly, monthly support of servers, workstations, networks, printers, other devices for</p> <ul style="list-style-type: none"> 28 Users & 24 Server 	\$4,612 per month
<ul style="list-style-type: none"> Anti-Virus for all Workstations and Servers Included 	Included in Monthly
<ul style="list-style-type: none"> Back Up Services – 60 TB 	\$2,551.20
<p>TOTAL MONTHLY</p>	\$ 7,163.20
<p>General Terms</p> <ul style="list-style-type: none"> For projects and new work, 50% payment immediately due upon approval of quote. 50% final payment due at completion of project, net 15. 100% payment immediately due upon approval of quote for requested hardware. Standard business day support not covered by a managed services contract will incur a minimum of 1 hour billable. Specific details may vary by client and by contract. 	

Managed IT Services Detail

- **Site Documentation**

A senior engineer will create a DeVeera Care documentation specifically for your company. The documentation will hold important information about your technology infrastructure and will be kept online for easy access by you and DEVEERA Solutions. DeVeera will give Client Representative Portal access for entire site documentation. The Documentation covers important items that are needed for ongoing technology support including:

- Data Backup Schedules
- Hardware and Software Asset Inventory
- ISP and Website information
- Password Inventory for all critical Hardware, Software, and third-party Web Portals
- DNS Records, Website hosting information, Microsoft 365 administration accounts
- Network Map, including all remote sites and VPNs
- NVR and Security Camera System Documentation
- VLANs for Printers and Phone System
- Hardware and Software including licenses, support and warranty

- **Server Monitoring**

This 24x7 monitoring service will allow us to watch your Servers to detect and report problems before they escalate into downtime, data loss, or expensive repair issues. Some of the items we monitor include:

- Operating System/Terminal Server
- Network Services
- Active Directory
- Applications such as Exchange, SQL Server, Citrix
- Critical Event Logs
- **Application** Status
- System Performance Data
- Backup Monitoring and Administration

- **Server and Workstation Preventative Maintenance**

This service allows us to provide preventative maintenance activities on your servers, workstations and laptops to help prevent problems before they escalate into downtime, data loss, or expensive repair issues. We include the following preventative maintenance services on an ongoing basis.

- Patch Management (white-listed Critical Security patches for Microsoft operating systems and applications)
- Temporary File and Internet Debris Removal
- Hard Drive integrity checks (SMART enabled computers only)
- Service Pack Installation
- Third Party Application updates
- Server, network switch and firewall firmware updates

- **Network Device Monitoring**

This 24X7 monitoring service includes availability monitoring for Network Devices such as:

- Local area network IP devices (routers, firewalls, network-enabled printers, etc.)
- Local area network SNMP enabled devices (switches, etc.)
- Gateway VPN tunnels
- Externally hosted web and email servers

- **Virus Protection**

Get comprehensive virus protection for desktops, servers, and e-mail servers without the need for costly software or hardware. We eliminate the trouble of annual maintenance renewals and the risk of expired protection. Virus protection never expires and software is regularly updated while your systems are protected under the Managed Services program.

- **Antivirus Signature Monitoring**

Our Managed Services program makes sure that antivirus software is updated with the most recent virus definitions, helping create a secure environment for your network. While we cannot guarantee complete protection from a virus outbreak (new viruses appear every day), our proactive monitoring is among the best available.

- **Spyware Detection and Removal**

Thanks to a remote filtering service we offer, we can stop most spyware without requiring you to purchase and maintain expensive in-house hardware or software.

- **Remote Access and Support**

Our secure remote support tool enables us to respond more quickly to problems by accessing your network from our office and eliminating the delay of waiting for an engineer to come on site.

- **Guaranteed 1 hour telephone response time during business hours for Technical Problems submitted by telephone from you or your authorized staff members.**

- **UNLIMITED Help Desk Telephone and Remote Support. As Needed On-Site Support**

Our team of knowledgeable, courteous technicians is available to answer basic questions and solve problems quickly over the phone or through remote support. If, after 30 minutes, the Help Desk Technician has not been able to identify a clear path to resolution, or it is determined that an on-site visit is necessary, the support issue will be escalated to a senior Engineer.

- **Server Administration**

Included as part of the Help Desk Telephone and Remote Support service, our technicians will perform a variety of common server administration tasks for no additional fee.

- Create, disable, and maintain user accounts
- Change or reset user account passwords
- Manage security rights and security group membership
- Create and manage directory shares
- On-site Backup tape collection and store at our location

- **Monthly Status Report**

Each month we will provide a comprehensive report of the overall health of your technology, plus any issues and repairs experienced over the previous month. A ticket digest will also be given, which gives information on how many tickets were created and fixed with response times.

- **Quarterly Review and Planning Meeting**

We will use this time to assess your personal comfort level with your current technology, prioritize any outstanding issues, and plan technology needs to support anticipated changes to your business in upcoming months.

- **Local Onsite Support**

If you experience any type of problem that cannot be resolved remotely, our team of technicians will troubleshoot and resolve the issue onsite at **NO ADDITIONAL SERVICE FEE.**

- **24/7 Monitoring and Management**

The Client Site is monitored and managed 24x7 by our Network Operations Center (NOC) Team. If an issue occurs during any backup or with the hardware we are immediately notified and take corrective action. The DEVEERA NOC performs daily tests to verify the integrity of base and incremental images. Should an incremental have a corruption, DEVEERA Engineers copy the corrupt image from the offsite Data Center to the Backup Appliance and run the verification again. If this does not solve the problem then immediate corrective action is taken to get the backup to a consistent state.

- **Annual Technology Audit**

Annually, we will perform an extensive analysis of your network's trends and performance, as well as review your company's goals and technology plan. This annual review will allow us to make specific recommendations for improving your network performance, office productivity, and help you to plan and budget for future IT needs.

Other Services

- **DEVEERA Anti-Spam**

We'll restore confidence in email with managed email threat protection. Our Anti-Spam provides protection against spam, viruses, and phishing exploits outside the corporate network.

Schedule C - Plan Details (Not Covered)*Items Not Covered Under DeVeera Care*

The following items are excluded from the DEVEERA Support Plan:

Hardware and Software

The cost of any hardware or software will be billed in addition to your service plan, including:

- Hardware and/or software required to troubleshoot and resolve break/fix issues
- Hardware upgrades to covered equipment
- Software upgrades to covered operating systems and business applications
- New hardware, software or other equipment

Installation of New Hardware, Software, and Other Equipment Services required to research, select, and implement new hardware, software, and other equipment will NOT be billed on an hourly basis. Once implemented, the maintenance of new hardware, software, and other equipment will be incorporated into your DeVeera Care plan.

Non-Supported Software and Equipment

DEVEERA cannot effectively manage the performance of your network and individual systems when new software and equipment is installed without our knowledge and participation. Software and equipment not explicitly listed Schedule Do this document will not be covered, unless the software or equipment is pre-approved and installed with the participation of a DEVEERA senior technician.

Problems Caused by Non-Supported Software and Equipment

Resolution of problems caused by non-covered software or equipment will be billed on an hourly basis in addition to your service plan at the rates listed in Schedule B of this document. (more than 5 users).

Network Relocation

Server, workstation and printer moves will be billed on an hourly basis if Client is moving from one office to another. If hardware is being moved within the current location is included as part of this contract.

In-Depth Software Training

The DEVEERA helpdesk can be extremely effective in answering quick software "how to" and "what to do" questions. In-depth training quotes will be provided on a case-by-case basis.

The following items are excluded from the DeVeera CarePlan:

Hardware and Software

The cost of any hardware or software will be billed in addition to your service plan

Local Data

Local data may reside on your desktop and laptop machines. If the local machines are not backed up to the server or using our secure desktop package, the data on the local machines will not be backed up.

Managed IT Services Detail

- **Site Documentation**

A senior engineer will create a DeVeera Care documentation specifically for your company. The documentation will hold important information about your technology infrastructure and will be kept online for easy access by you and DEVEERA Solutions. DeVeera will give Client Representative Portal access for entire site documentation. The Documentation covers important items that are needed for ongoing technology support including:

- Data Backup Schedules
- Hardware and Software Asset Inventory
- ISP and Website information
- Password Inventory for all critical Hardware, Software, and third-party Web Portals
- DNS Records, Website hosting information, Microsoft 365 administration accounts
- Network Map, including all remote sites and VPNs
- NVR and Security Camera System Documentation
- VLANs for Printers and Phone System
- Hardware and Software including licenses, support and warranty

- **Server Monitoring**

This 24x7 monitoring service will allow us to watch your Servers to detect and report problems before they escalate into downtime, data loss, or expensive repair issues. Some of the items we monitor include:

- Operating System/Terminal Server
- Network Services
- Active Directory
- Applications such as Exchange, SQL Server, Citrix
- Critical Event Logs
- **Application** Status
- System Performance Data
- Backup Monitoring and Administration

- **Server and Workstation Preventative Maintenance**

This service allows us to provide preventative maintenance activities on your servers, workstations and laptops to help prevent problems before they escalate into downtime, data loss, or expensive repair issues. We include the following preventative maintenance services on an ongoing basis.

- Patch Management (white-listed Critical Security patches for Microsoft operating systems and applications)
- Temporary File and Internet Debris Removal
- Hard Drive integrity checks (SMART enabled computers only)
- Service Pack Installation
- Third Party Application updates
- Server, network switch and firewall firmware updates

- **Network Device Monitoring**

This 24X7 monitoring service includes availability monitoring for Network Devices such as:



The Datto Cloud

Uncompromising Security, Constant Availability



Secure Controls

Datto's data centers are compliant with the Service Organization Control (SOC 1 / SSAE 16 and SOC 2) reporting standards. Renowned as the predominant credential for data centers, the criteria for SOC auditing are set forth by the American Institute of Certified Public Accountants. The operational controls and activities of Datto's facilities are audited annually to maintain compliance.

Secure Management

Datto's Cloud Engineering team proactively monitors and maintains the servers of the Datto Cloud. This includes ensuring the health and optimization of hardware, overseeing OS updates, and conducting reactionary fixes for any security exploits either published or discovered. The Datto Engineering team is on-call 24/7 for emergency support.

- **Encryption:** Data in transit from local Datto devices to the Datto Cloud is encrypted using AES 256-bit encryption. Certain Datto products have an optional local encryption feature that enables customers to encrypt backed-up data on their local devices; this enables them to transmit encrypted data to the Datto Cloud, which is stored in the Datto Cloud in an encrypted manner.
- **Data Access:** Datto Cloud Engineering's access to node servers is granted via RSA SSH keys and two-factor authentication.
- **Physical Access:** Physical access is guarded 24/7 by data center security personnel. Dual biometric and RFID badge scans with activity logging are required to access Man Traps and then the data center floor. Any visitors must be pre-registered, signed in by the site security personnel and escorted.
- **Data Residency and Data Centers for Datto Unified Continuity:** Datto devices that are purchased from Datto resellers located in the United States are typically set to backup to colocation facilities located within the USA, and such data remains in the USA unless the customer later changes such setting. Datto customers also can manage the retention settings associated with backups stored both on the Datto devices and in the Datto Cloud, in conformance with the service level purchased by the customer.

Redundant Data Centers

Datto's cloud is composed of many data centers located in different countries. All US customer data is first synchronized to the primary facility in Pennsylvania.

A secondary location in Utah serves as means of replication for up to 90 days of data for the primary data center for Datto Siris and full, not optional, replication for SaaS Protection 2.0 datasets. All primary sites are capable of providing users remote access to protected files and systems in the case of a disaster.

Reliable Infrastructure

The Datto Cloud colocation facility located in the USA provides for various safeguards focused on fault tolerance and security. Some of those safeguards include:

- **Power:** Utility feed, N+1 generators, and 8 dual-module UPS battery systems supply Datto's servers.
- **Networking:** Multiple physical entry points and load balancing across three Internet Service Providers (ISP).
- **Cooling:** Industry-grade passive and active HVAC systems regulate temperature and humidity.
- **Fire Protection:** Waterless FM200 systems use vapor to extinguish fires in 10 seconds while neither conducting electricity nor causing harm to occupants.
- **Certifications:** One or more of SSAE16/ ISAE3402 SOC 1 Type II, SOC 2 Type II, ISO 27001



Corporate Headquarters

Datto, Inc.
101 Merritt 7
Norwalk, CT 06851
United States
partners@datto.com
www.datto.com
888.294.6312

Global Offices

USA: 888.294.6312
Canada: 877.811.0577
EMEA: +44 (0) 118 402 9606
Australia: +61 (02) 9696 8190
Singapore: +65-31586291

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Valid in the United States only.

datto | UNIFIED CONTINUITY

SIRIS



SIRIS is a reliable, all-in-one BCDR solution purpose-built for MSPs to efficiently prevent data loss and minimize downtime for their customers.

SIRIS is the first fully-featured total data protection platform delivered in a single integrated package. Users can easily protect physical, virtual, and cloud infrastructure running on Windows, Mac, or Linux. SIRIS 4 and 4X appliances deliver record virtualization boot time and performance, resilient backups, and reliable BCDR for MSPs servicing clients of any size, all in a robust, ambient piece of hardware.

- Automated backups as often as every five minutes
- Server images replicated to the Datto Cloud for disaster recovery
- Data restored from any point in time
- Virtualize protected servers locally or in the Datto Cloud

SIRIS can be deployed as a physical or virtual appliance, or as software only.

All deployment options leverage Datto's award-winning core technologies, service, support, and management portal.

SIRIS 4

Hardware (500GB – 100TB)

Get back to business in minutes

Device capacity ranges from 500GB to 100TB, with field upgrades available to provide additional capacity as businesses grow.

SIRIS 4X

All Flash Hardware (1TB – 48TB)

Redefining performance for the BCDR

SIRIS 4X provides the full feature set of the SIRIS platform with the performance of flash for local virtualization of protected servers.

SIRIS 4 and 4X appliances come with:

- Latest generation Intel Xeon and Skylake CPUs to run complex virtualized environments smoothly
- High endurance cache drive with Intel's Optane NVMe SSD for virtualization in as little as 6 seconds
- Error-correcting (ECC) RAM ensuring no data corruption
- World's smallest purpose-built BCDR device is the form of the SIRIS 4X Business

SIRIS Virtual

SIRIS Virtual appliance provides the full feature set of the SIRIS platform for businesses that prefer implementing a virtualized service. SIRIS Virtual supports VMware vSphere and Microsoft Hyper-V and is available in an array of local storage options, ranging from 500GB to 60TB.

In addition, SIRIS is fully integrated with VMware ESX and Hyper-V, enabling Instant Virtualization in VMware instead of the native KVM hypervisor used in SIRIS hardware or imaged appliances.

SIRIS Imaged

SIRIS Imaged is a SIRIS appliance built using a USB imaging tool. It converts a wide array of backup and disaster recovery (BDR) appliances, and other user-provided hardware, into a full feature Datto SIRIS appliance. Simply insert the USB key into available hardware, and SIRIS Imaged will install the entire SIRIS platform.

All-in-One Business Continuity

Built for MSPs to ensure their customer's business is always on and resilient to disasters, SIRIS is an all-in-one solution that includes verified backups, restore options for any scenario, instant virtualization, and ransomware protection. With SIRIS, MSPs don't have to cobble together individual technologies to deliver a complete business continuity offering for their customers. SIRIS is backed by Datto's private cloud so backup, failover, and recovery can be performed locally or in the cloud with no additional configuration. Streamlined business continuity solutions save time, money, and headaches. Every component of the SIRIS stack is built by Datto to seamlessly work together, from the backup agent, to the SIRIS software platform, to the private Datto cloud. One vendor, one stack, one price.

Raising The Bar For Reliability

Reliability issues cost MSPs customers. Extensive restore times from file backups, backup failures and inability to restore data for customers are major pain points. Datto gives MSPs confidence and eliminates those concerns by designing and delivering better backup and restore options that delight customers.

Reliability begins with knowing your backup is always good. Datto eliminates the need to worry if the system will boot or be recoverable by automatically verifying backups will boot with all data intact and no ransomware, giving you 100% confidence in your backups and ability to restore. Partners can keep data in the Datto Cloud indefinitely with Infinite Cloud Retention and perform all restore tasks directly from the Datto Cloud. With backup you can count on and the ability to failover and restore from anywhere, MSPs can rest easy and deliver a higher level of service to their customers.

Get Back To Business Fast

Going beyond simply recovering data, business continuity saves businesses by keeping them online in the face of otherwise devastating issues such as ransomware, malware, natural disasters, network downtime and costly human errors. Datto's breadth of restore tools are fit for any job and designed to get customers back to production faster by taking out the guesswork. Backups are stored so that any snapshot can be used to restore or virtualize. Restore options range from granular restores which can target specific files to full system restores which include instant virtualization to keep your customers online. With the ability to immediately get back up and running from the Datto Cloud, customers even have an edge when local competitors lack the ability to bounce back as quickly.

Built For MSPs

SIRIS is built to save you time without cutting corners by simplifying and automating complex tasks. The product works right out of the box with minimal setup and configuration required. No certifications are required and technicians can easily get up to speed with training available in the same place they manage the products, Datto's Partner Portal. The Partner Portal is a single-pane-of-glass for MSPs to quickly and easily manage all Datto products and services, make purchases, train new employees, manage support tickets, and run marketing campaigns. SIRIS and the Partner Portal also easily integrates with the most common PSA, RMM, and other business tools. That means integration points where you need them most, creating better workflows for efficient management and customer support.

More Than Just A Product

Most vendors don't build an understanding of the day-to-day needs of the MSP into their offerings. Datto's offerings are centered around meeting MSP business needs and powering MSP success. That means going beyond simply offering a product for sale and including training and services that help MSPs set themselves apart from the competition. Datto partners have access to a number of free services including sales content and training, marketing automation, 24/7/365 direct-to-tech support, data seeding, DR testing, and more. With a complete solution designed for MSPs, Datto partners can be more efficient and deliver better services.



SIRIS 4

Protect Anything. Run Anywhere. Restore Anytime.

Business

Model	S-3B500	S-3B1000	S-3B2000	S-3B3000
Capacity	500GB	1TB	2TB	3TB
CPU	Intel Xeon D 1521			
RAM	32 GB			
Array	2 x 500GB (RAID 1)	2 x 1TB (RAID 1)	2 x 2TB (RAID 1)	2 x 4TB (RAID 1)
NICs	2 x 1GbE			
OS Drive	240GB SSD			
Chassis	Desktop			
Output Power	250 W			
Input Voltage	120–240 V			

Professional

Model	S4-P2	S4-P4	S4-P6	S4-P10
Capacity	2TB	4TB	6TB	10TB
CPU	Intel Xeon D2143IT			
RAM	32 GB	48 GB		
Array	2 x 2TB (RAID 1)	2 x 4TB (RAID 1)	2 x 6TB (RAID 1)	2 x 12TB (RAID 1)
NICs	2 x 10GbE			
OS Drive	240GB SSD			
Chassis	1U			
Output Power	560 W			
Input Voltage	120–240V			

Enterprise

Model	S4-E6	S4-E12	S4-E18	S4-E24	S4-E36	S4-E48	S4-E60	S4-E80	S4-E100
Capacity	6TB	12TB	18TB	24TB	36TB	48TB	60TB	80TB	100TB
CPU	2x Intel Xeon Silver 4210		2x Intel Xeon Silver 4214		2x Intel Xeon Silver 4216		2x Intel Xeon Gold 5218		2x Intel Xeon Gold 6240
RAM	64 GB				96 GB	128 GB	256 GB	512 GB	
Array	4 x 4TB's (RAID 6)	6 x 4TB's (RAID 6)	6 x 6TB's (RAID 6)	6 x 8TB's (RAID 6)	9 x 6TB's (RAID 6)	12 x 6TB's (RAID 6)	8 x 12TB's (RAID 6)	10 x 12TB's (RAID 6)	12 x 12TB's (RAID 6)
NICs	2x 10GbE + 2x 1GbE								
OS Drive	240GB SSD								
Chassis	2U								
Output Power (reference only)	2 x 800 W								
Input Voltage	120–240 V								

SIRIS 4X

Flash Powered Business Continuity.

Business

Model	S4-X1	S4-X2	S3-X4
Capacity	1TB (Flash)	2TB (Flash)	4TB (Flash)
CPU	Intel Core i3-7100U		
RAM	16 GB (DDR4)	32 GB (DDR4)	
RAID	—		
NICs	1 x 1GbE		
OS Drive	—		
Chassis	Mini Desktop		

Professional

Model	S4-XP4	S4-XP8	S4-XP12
Capacity	4TB (Flash)	8TB (Flash)	12TB (Flash)
CPU	Intel Xeon D2143IT		
RAM	48GB (DDR4)	64GB (DDR4)	
RAID	RAID 5		
NICs	2 x 10GbE		
OS Drive	240GB SSD		
Chassis	1U		

Enterprise

Model	S4-XE18	S4-XE36	S4-XE48
Capacity	18TB (Flash)	36TB (Flash)	48TB (Flash)
CPU	2x Intel Xeon Silver 4214	2x Intel Xeon Silver 5218	2x Intel Xeon Gold 6240
RAM	64GB (DDR4)	128GB (DDR4)	256GB (DDR4)
RAID	RAID 6		
NICs	2x 10GbE + 2x 1GbE		
OS Drive	240GB SSD		
Chassis	2U		



datto

Corporate Headquarters

Datto, Inc.
101 Merritt 7
Norwalk, CT 06851
United States
partners@datto.com
www.datto.com
888.294.6312

Global Offices

USA: 888.294.6312
Canada: 877.811.0577
EMEA: +44 (0) 118 402 9606
Australia: +61 (02) 9696 8190
Singapore: +65-31586291

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Updated May 2019

Technology Proposal for Monterey Peninsula Water Management District



**Provided By:
Aaron Waters
President
8/27/2019**

Company Biography

Introduction

Rayne Technology Solutions has provided information technology solutions to the SMB market on the Central Coast and Bay Area since 2008. We specialize in educating you in the options available to ease your business' concerns in the 21st century. Our professional scope ranges from designing and supporting networks, security and data protection, project management and implementation, and our most valued service of helping organizations achieve optimal performance.

By coordinating and managing all your technical solutions, vendors and proactively managing your network, you will see the benefits of the ability to completely focus on running your organization.



Channel Futures.
MSP 501
 2018 WINNER



Rayne Technology Solutions Awards and Certifications

Awards and Certifications

- Winner "Services to Business" – 2018 Business Excellence Awards (Monterey Peninsula Chamber of Commerce)
- 2016-2018 MSP 501 Top Managed Service Providers List
- Microsoft Gold Windows and Devices
- Microsoft Silver Datacenter
- Microsoft Silver Small and Midmarket Cloud Solutions
- Microsoft Silver Authorized Education Partner
- Microsoft Certified Partner (MCSA/MCP)
- Apple Consultants Network Member
- Intel Gold Technology Provider
- Sophos Gold Partner
- Low Voltage C-7 Certified, Licensed and Bonded California Contractor

Affiliations

- 2019 Monterey Peninsula Chamber of Commerce Titanium Leadership Circle
- Non-Profit Alliance of Monterey County
- Monterey Peninsula Chamber of Commerce BOD
- New Monterey Business Association BOD

Gold Windows and Devices
 Silver Datacenter
 Silver Small and Midmarket Cloud Solutions

Current Facility Concerns & Solution Summary



Overview

The Monterey Peninsula Water Management District (MPWMD) is a new client that will be receiving a complete revamp of their servers and network. Physical inspections and meetings with the staff were used to compile the results of this solution. A physical evaluation was done on the Local Network, connecting PC's, laptops, servers and other networked devices. The network was inspected to determine their existing configurations and current operation status.

Servers

MPWMD currently has 19 production servers. Rayne Technology Solutions will take over management of the 4 physical host machines, NetApp SAN, Promise Vess SAN, and the 19 virtual services hosted on these resources. As needed over the next several months, some servers will either be moved to cloud, replaced by newer versions, or retired because they are no longer needed. Also, work will be done to fully cutover Exchange to Office 365 to increase security and remove dependence on the local instance. Initially, an intense effort will be done to centrally document all servers, their roles, their maintenance needs, and their expected roadmaps. Each virtual server, physical server, and storage appliance will be individually onboarded to our platform to not only deliver the optimal management, but also help build the strategic IT planning that would need to be adopted after the first several months of management.

Workstations

MPWMD's office is currently operating with mostly Windows 10 desktops, but there are some remaining Windows 7/8 machines in the network. During onboarding, Rayne will engineer the strategy needed to upgrade or replace these machines so the District will eventually all be operating on a universal platform using the latest Windows 10. During onboarding, Rayne will individually onboard each user desktop, laptop, and mobile device onto our platform to deliver the most efficient level of support and asset management.

Current Facility Concerns & Solution Summary



Security

Rayne Technology Solutions will continue to configure the newly acquired SonicWall Firewall appliance. We will develop an internet culture with management to set policies that give the highest security and set expected internet use guidelines for all users. By combining desktop protection with gateway protection, you will receive the highest level of security possible, and will be protected from not only external attacks, but against those that start from within the network as well. With both inbound and outbound network protection and a system that enforces your internal policies and compliance with relevant regulations, you will be protected from any intrusions or attacks and will be provided content filtering.

Backup & Disaster Recovery

MPWMD's backup strategy moving forward will be an automated solution. A BDR backup appliance will provide tape-less backups to the servers and offsite backups to a secure data center to protect against total site disasters. The BDR backup solution offers server virtualization, which will eliminate down time due to a total server loss. The BDR will duplicate the downed server on a virtual machine within the BDR unit until it can be physically replaced or restored.

Network Backbone and Power Management

The network and power management at MPWMD will be individually onboarded and managed as is. Rayne will evaluate a long-term strategy for any optimal changes to the power management system (APC) and network management devices.

Telco & Internet

Dial tone is provided by the Maynard Group and internet is provided by local governiNet. Rayne will manage these services and collaborate for the optimal performance.

Cut Over

All new equipment will be configured at Rayne Technology Solutions. This solution will be coordinated between MPWMD and the Rayne Technology Solutions Project team.



A Complete Managed Service Offering

Upon completion of the onboarding and transition scope, Rayne Technology Solutions will configure MPWMD’s network and all connected servers, routers, switches, PCs and peripherals to allow us the ability to proactively manage and maintain the network environment. The core components that comprise our proactive managed services package include:



Hassle Free Vendor Management

- Manage Technology Relationships
- Single Point-of-Contact for Vendor Issues

Security Management

- Identity and Access Management
- Content Filtering & Reporting
- Intrusion Prevention
- Spyware, Botnets, and Phishing Protection
- VPN – Secure Access for Remote Users

Backup and Disaster Recovery

- Backups Performed Automatically
- Near Instant Virtualization
- Data is Secure in Multiple Places
- Automatic Nightly Offsite Transfer
- Backup Verification and Reporting
- 24x7 Monitoring for Backup Failure

We become 100% responsible for your technology, its care, and its future

Costs:

Onboarding (One-Time):

Backup Appliance Hardware - \$11,718.46
 Onboarding and Transition Services - \$14,250.00
 Sales Tax: \$1,025.37
Total: \$26,993.83

Monthly:

Monthly Managed Services - **\$9,636.50**

Professional Services

- Strategic Technology Planning and Guidance
- Technology Consulting & Solution Engineering
- Quarterly Technology Business Review
- Annual Telco Services Audit
- Proof of Concept Lab Testing
- Training Facilities and Rental Equipment

All Bases Covered

- Remote Assistance
- Onsite Services as Needed
- Replacement Parts
- Help Desk available when you need
- iPhone, Smartphone & Tablet Support

Taking Initiative with Your Network

- Cloud Services Optimization
- Patch and AV Updates
- Proactive Network Management
- Critical Monitoring 24x7x365

Summary of Support & Requirements



Support

Rayne Technology Solutions' technical support team answers service calls directly from Monday through Friday, 8:00AM to 6:00PM, and managed services clients have access to our afterhours emergency support at any time. Our help desk is staffed with experienced technicians ready to address support calls whenever you need. Our managed service agreement clients also benefit from remote support, whereby our technicians utilize remote access tools to connect to your office systems, allowing the ability to diagnose hardware and software failures via dedicated Internet connections. All our service agreement clients receive priority service.

Requirements

Rayne Technology Solutions will require all schematics, drawings, configuration data and easy access to all facility locations. All work possible will be performed during regular business hours. We will try to minimize disruption while performing server migration.

All business who partner with us must become and stay compliant with our optimal business infrastructure standards for all network devices, computers, servers, and cloud services. This guarantees the highest level of business operation, security, and data protection.

Exclusions

This proposal does not include replacement of or parts required for repairs on printers, screens or peripherals, (PDAs, point of sale scanners, digital cameras, smart phones, or any other specialized accessory), unless this equipment was originally provided under this agreement or a pre-existing agreement. All labor required for installation and/or repair of the above devices is covered under this agreement. Onboarding additional infrastructure (equipment, services, and applications) not provided in this project is not covered and will be quoted and invoiced separately. Consumables such as printer maintenance kits, toner, ink, batteries, paper, etc. are not included or covered under this service agreement and will be invoiced separately.

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STATEMENT OF WORK

RTS MasterCare™ Optimal Managed Services v5.8

This Statement of Work (“SOW”) is governed under the Master Service Agreement (the “Agreement”) between **Rayne Technology Solutions, Inc.** (“Rayne”), and the client whose name and authorized signatory appear in the signature block of this SOW (“Client”), below. Capitalized terms in this SOW will have the same meaning as those in the Agreement, unless otherwise indicated below.

Scope of Services

The following services (collectively, “Services”) will be provided to Client:

DESCRIPTION	FREQUENCY
GENERAL	
Hardware and Software Changes Documented	As needed
Technology Business Reviews	Quarterly
SERVERS	
Manage Servers	Ongoing
Check Print Queues	As needed
Server Monitoring and Crucial Services Alerting	Ongoing
Monitor Event Log for potential issues	Ongoing
Monitor Hard Drive free space on Server(s)	Ongoing
Monitor Server Resources	Ongoing
Monitor Active Directory replication	Ongoing
Exchange Server Management	As needed
Manage Group Policy	As needed
Reboot Servers if needed	As needed
After Hours Server Maintenance	As needed
Management of Network Users, Email Accounts & Security/Email Distribution Groups	As needed
Perform Microsoft Updates as per company policy	Ongoing
Install Approved Line of Business Application Updates	As needed
Alert Client to any serious server conditions	As needed
DISASTER RECOVERY	
Monitor Backup Status	Daily
Monitor Nightly Weekly Virtualizations	Daily
Manage Automated Offsite Backups (30 Day Retention)	Daily
Perform Same Day Disaster Virtualization	As needed
File Server Backup and Retention	Continuous

DEVICES

Manage Desktops	Ongoing
Manage Other Networked Devices	As needed
Manage Smartphones	As needed

NETWORKS

Performance Monitoring/Capacity Planning	As needed
Monitor Network Switches and Internet Connectivity	As needed

SECURITY

Check Firewall Logs	As needed
Manage Security Services on the Firewall	As needed
Manage Client Provided Content Filtering Policy	As needed
Manage Email Spam/Virus Filtering Solution	As needed
Manage Client Provided VPN Policy	As needed
Monitor Anti-Virus Agent	Ongoing
Manage Client Provided File Security Policy	As needed
Set up new users including login restrictions, passwords, security, applications	As needed
Set up and change security for users and applications	As needed
Monitor for unusual activity among users	As needed

PROFESSIONAL SERVICES

24x7 Emergency Help Desk Phone Support	As needed
Remote Screen Sharing Desktop Assistance	As needed
Onsite Field Support	As needed
Technology Solution Consulting & Engineering	As needed
Proof of Concept Lab Testing	As needed
Annual Energy* & Telco Audit	Annually
Strategic Business Planning and Budgeting	Annually
Technology Alignment Calls and Account Management Reviews	Monthly

Locations Covered by Services

The Services will be provided at: 5 Harris Court, Building G, Monterey, CA 93940; Any location with Client equipment.

Managed Infrastructure

The Services will be applied to the following assets, hardware, and infrastructure used by Client

NOTE: Additions to the infrastructure will be billed separately for onboarding

Physical Servers/Hosts; Backup and Disaster Recovery (BDR) Servers	5	Firewalls and REDs	4
Virtual Servers (Cloud and On-Premises)	19	Managed Switches	2
Office 365 or G Suite Tenant Accounts	1	Wireless Access Points (APs)	5
Workstations; Desktops	27	Internet-of-Things (IoT) Devices	5
Laptops; Notebooks	3	Supported Web Applications; Software-as-a-Service (SaaS) Applications	3
Remote Access Devices	3	Internet Service Providers (ISP); WAN Providers	2
Network Printers; Copiers; Scanners	4	Domain Name Registrars; DNS; Webhosting Providers	1
Camera Systems; NVRs	1	Managed Backup Battery Units (1000VA+)	2
Supported Business Applications (Hosted on Client's Infrastructure)	6	Network Management Appliance	0

Term; Termination

The Services will commence, and billing will begin, on the date on which the Services are implemented and operational, which will be 9/1/2019 ("Commencement Date").

The Services will continue for a term of one (1) month from the Commencement Date. After the expiration of the initial term, this SOW shall continue on a month-to-month basis, cancelable by either party for any reason upon the provision of one (1) month prior written notice.

Assumptions / Minimum Requirements / Exclusions

The scheduling, fees and provision of the Services are based upon the following assumptions and minimum requirements:

- All servers with Microsoft Windows operating systems must be running Windows Server 2012 R2 and have all the latest Microsoft service packs and critical updates installed.
- All desktop PC's and notebooks/laptops with Microsoft Windows operating systems must be running Windows 10 Professional and have Microsoft service packs and critical updates installed.
- All PC or Mac desktops, laptops, tablets, and servers must be under 5 years of age.
- All server and desktop software must be genuine, licensed, and vendor supported.

- The environment must have a currently licensed, Rayne-supported server-based backup solution that can be monitored and send notifications on job failures and successes.
- All wireless data traffic in the environment must be securely encrypted.
- **After initial onboarding, all new equipment, whether purchased from Rayne or not, must be approved for integration into the infrastructure and coverage under this SOW. Unapproved equipment will incur extra charges for support and standardization.**

Exclusions. The following services are expressly excluded under this SOW, and if required to be performed, will be billed to Client at Rayne’s normal hourly rates or bid as a separate project:

- Customization of third-party applications, or programming of any kind.
- Onboarding and implementation of new software, applications, or integration systems
- Support for operating systems, applications, or hardware no longer supported by the manufacturer.
- Support or repairs for computers systems (desktops, laptops, tablets, servers) older than 5 years.
- Onboarding of additional equipment (printers, tablets, desktops, laptops, phone equipment, networking devices, etc. not already covered) into Client’s environment.
- Data/voice wiring or cabling services of any kind.
- Core Systems equipment installation (on-premises or cloud servers, network infrastructure, permanent satellite/office locations, mounting racks).
- Core Systems equipment relocation (servers, network infrastructure, office locations, mounting racks, MPOEs).
- Cloud/Datacenter migrations.
- The cost to bring the System up to the Minimum Requirements (unless otherwise noted in “Scope of Services” above).
- Hardware repair for Apple® products no longer under AppleCare®, however, we will manage the process with a licensed repair center.

Authorized Contact(s)

In addition to the signatories to this SOW, the following person(s) shall be an Authorized Contact for Client:

• Name: _____

Contact Information: _____

• Name: _____

Contact Information: _____

Service Levels

The Services will be provided on a 24x7x365 basis. Rayne will respond to problems, errors or interruptions in the provision of the Services in the timeframe(s) described below. Severity levels will be determined by Rayne in its reasonable discretion.

Trouble / Severity	Managed Service Plan*	A La Carte / Services not Covered by a Plan
Critical problem: Service not available (all users and functions unavailable)	Remediation efforts will begin within one (1) hours after notification.	Best efforts.
Significant degradation of service (large number of users or business critical functions affected)	Remediation efforts will begin within four (4) business hours after notification.	Best efforts.
Limited degradation of service (limited number of users or functions affected, business process can continue).	Remediation efforts will begin within eight (8) business hours after notification.	Best efforts.
Small service degradation or routine change requests (business process can continue, one user affected).	Remediation efforts will begin within two (2) business days after notification.	Best efforts.

* All time frames are calculated as of the time that Rayne is notified of the applicable issue / problem by Client through Rayne’s designated desktop software agent, email (support@raynetech.com), or by telephone at 831-649-5050. Notifications received in any manner other than described herein may result in a delay in the provision of remediation efforts.

Fees

The fees for the Services will be invoiced monthly to Client as follows:

Item Description	Current Units	Each	Extended Amount
Managed Services			
RTS MasterCare™ Optimal Managed Services (Per User)	27	\$125.00	\$3,375.00
Managed Infrastructure (Servers, Firewalls, Network Equipment, Software, Cloud)	1	\$2,790.00	\$2,790.00
Managed Backup and Disaster Recovery Services (Per Server) (Discounted from \$125.00)	13	\$95.00	\$1,235.00
Onboarding and Professional Services (\$14,247 paid over 9 months)	1	\$1,583.00	\$1,583.00
Product and Licensing Subscriptions			
Microsoft Office – N/A	--	--	--
Management Licensing (Office 365) – N/A	--	--	--
Sophos Central Intercept X Advanced (Anti-Malware Software)	27	\$6.50	\$175.50
Sophos Central Intercept X Advanced for Server	13	\$12.00	\$156.00
Rayne Email Protection and Filtering – N/A	--	--	--
Backup/Archiving for Office 365 email, storage, and team sites	27	\$4.00	\$108.00
Advanced Phishing Threat Protection and Cybersecurity Awareness Training	27	\$5.00	\$135.00

Total Fees

Services	\$8,983.00
Licensing	\$574.50
TOTAL	\$9,557.50

Additional Terms

Additional terms, if any, are attached as Schedule A to this SOW.

RAYNE TECHNOLOGY SOLUTIONS, INC.	Client: Monterey Peninsula Water Management District
Date:	Date:
Signature:	Signature:
Print Name:	Print Name:
Position:	Position:

SCHEDULE A**Additional Provisions****Onboarding and Implementation**

Every asset (digital and physical) that is a part of a Client's infrastructure is managed, supported, protected, and tracked. This allows Rayne to provide the optimal level of comprehensive IT service and consulting. After initial onboarding, each asset that is acquired and needs to be integrated, installed, or in some way deployed into the Client's organization, must undergo the necessary process that onboards the asset into the infrastructure for the organization to use. Rayne then documents and brings the asset on to ongoing management and support, taking all necessary measures to protect the asset, the users, and the organization. Each time a new asset is onboarded, there will be a fixed fee onboarding cost quoted and collected whether the asset is procured through Rayne or some other source. Once the asset is onboarded, the management pricing may change, and any licensing costs will be added to the monthly fee. The new asset is now fully covered and all Services in this SOW's "Scope of Services" now apply to that asset.

Hosted Exchange / Email

Client is solely responsible for the security, confidentiality and integrity of all email, and the content of all email, received, transmitted or stored through the hosted email service ("Hosted Email").

Client shall not upload, post, transmit or distribute (or permit any of its authorized users of the Hosted Email to upload, post, transmit or distribute) any prohibited content, which is generally content that (i) is obscene, illegal, or intended to advocate or induce the violation of any law, rule or regulation, or (ii) violates the intellectual property rights or privacy rights of any third party, or (iii) mischaracterizes you, and/or is intended to create a false identity or to otherwise attempt to mislead any person as to the identity or origin of any communication, or (iv) interferes or disrupts the services provided by Rayne or the services of any third party, or (v) contains Viruses, trojan horses or any other malicious code or programs.

In addition, Client shall not use the Hosted Email for the purpose of sending unsolicited commercial electronic messages ("SPAM") in violation of any federal or state law.

Rayne reserves the right, but not the obligation, to suspend Client's access to the Hosted Email and/or all transactions occurring under Client's Hosted Email account if Rayne believes, in its discretion, that Client's email account is being used in an improper or illegal manner.

SPAM / Junk Mail Filtering

Rayne's service provides email scanning for incoming unsolicited commercial email. Using proprietary algorithms and other technologies, the service scans incoming email for designated keywords, attachments and known blacklisted sites, and filters the email accordingly. From time to time the service may filter email that is not SPAM or junk mail or may block email from legitimate sources. Client is advised to periodically search the filtered Digest Report to ensure that relevant emails are not being filtered improperly and will notify Rayne if the SPAM filter settings require adjustment.

Patch Management

Rayne shall keep all managed equipment and software current with critical patches and updates ("Patches") as such Patches are released generally by the manufacturers of the applicable hardware or software. Patches and updates are developed by third party vendors and, on rare occasions, may make the System, or portions of the System, unstable, or cause the managed equipment or software to fail to operate properly even when the Patches are installed correctly. Rayne shall not be responsible for any downtime or losses arising from or related to the installation or use of any Patch, provided that the Patch was installed in accordance with manufacturer's instructions. Rayne reserves the right, but not the obligation, to refrain from installing a Patch if Rayne is aware of technical problems caused by a Patch, or believes that a Patch may render the System, or any portion of the System, unstable.

Backup (BDR) Services

Rayne's backup and disaster recovery ("BDR") solution uses industry-recognized products and software to help ensure the security and integrity of Client's data. However, Client understands and agrees that all data transmitted over the Internet may be subject to malware and computer contaminants such as viruses, worms and trojan horses, as well as attempts by unauthorized users, such as hackers, to access or damage Client's data. Neither Rayne nor its designated affiliates will be responsible for the outcome or results of such activities. Data recovery time will depend on the speed and reliability of Client's Internet connection.

BDR services require a reliable, always-connected Internet solution. Internet and telecommunications outages will prevent the BDR services from operating correctly. In addition, all computer hardware is prone to failure due to equipment malfunction, telecommunication-related issues, etc., for which Rayne shall be held harmless. Client is strongly advised to use data verification functionality (if available) to ensure the integrity of Client's stored data.

Due to technology limitations, all computer hardware, including communications equipment, network servers and related equipment, has an error transaction rate that can be minimized, but not eliminated. As such, Client understands and agrees that any data sent to or stored by Rayne may become corrupted or lost due to communication or hardware-related failures. Rayne cannot and does not warrant that such data corruption or loss will be avoided, and Client agrees that Rayne shall be held harmless if such data corruption or loss occurs.

Procurement

Equipment and software procured by Rayne on Client's behalf ("Procured Equipment") may be covered by one or more manufacturer warranties, which will be passed through to Client to the greatest extent possible. By procuring equipment or software for Client, Rayne does not make any warranties or representations regarding the quality, integrity or usefulness of the Procured Equipment. Certain equipment or software, once purchased, may be not be returnable or, in certain cases, may be subject to third party return policies and/or re-stocking fees, all of which shall be Client's responsibility in the event that a return of the Procured Equipment is requested.

Rayne is not a warranty service or repair center. Rayne will facilitate the return or warranty repair of Procured Equipment; however, Client understands and agrees that the return or warranty repair of Procured Equipment is governed by the terms of the warranties (if any) governing the applicable Procured Equipment, for which Rayne shall be held harmless.

Technology Business Review; IT Strategic Planning

Suggestions and advice rendered to Client are provided in accordance with relevant industry practices, based on Client's specific needs. By suggesting a service or solution, Rayne is not endorsing any manufacturer or service provider. Rayne is not a warranty service or repair center and does not warrant or guarantee the performance of any third-party service or solution.

Virtual CTO or CIO Services

The advice and suggestions provided by the VCIO will be for Client's informational and/or educational purposes only. The VCIO will not hold an actual director or officer position with Client, and the VCIO will neither hold nor maintain any fiduciary relationship or position with Client. Under no circumstances shall Client list or place the VCIO on Client's corporate records or accounts. At all times the VCIO will be an independent contractor of Client.

Sample Policies, Procedures.

From time to time, Rayne may provide Client with sample (*i.e.*, template) policies and procedures for use in connection with Client's business ("Sample Policies"). The Sample Policies are for Client's informational use only, and do not constitute or comprise legal or professional advice. The Sample Policies are not intended to be a substitute for the advice of competent counsel. Client should seek the advice of competent legal counsel prior to using the Sample Policies, in part or in whole, in any transaction. Rayne does not warrant or guaranty that the Sample Policies are complete, accurate, or suitable for Client's specific needs, or that Client will reduce or avoid liability by utilizing the Sample Policies in its business operations.

IaaS (Infrastructure-as-a-Service)

Client shall use all Rayne-hosted equipment and hardware (collectively, "Infrastructure") for Client's internal business purposes only. Client shall not sublease, sublicense, rent or otherwise make the Infrastructure available to any third party without Rayne's prior written consent. Client agrees to refrain from using the Infrastructure in a manner that unreasonably or materially interferes with Rayne's other hosted equipment or hardware, or in a manner that disrupts, or which is likely to disrupt the services that Rayne provides to its other clientele. Notwithstanding any provision to the contrary, Rayne reserves the right to throttle or suspend Client's access and/or use of the Infrastructure if Rayne believes, in its sole but reasonable judgment, that Client's use of the Infrastructure is violating, or is likely to violate, the foregoing terms or any other provision on the Agreement.

Data Replication

If Client purchases any services that involve data replication at a geographically diverse site, then the following applies to Client's use of that service: The rate by which the data at the primary site can be transferred to the secondary site will vary depending on the amount and type of data, constraints inherent in Client Hosted System, and fluctuations in bandwidth availability. Therefore, at any given time, the secondary site may not be completely up to date. In the event of a failover to the secondary site, the data that has not yet completed the transfer from the primary site will be lost. Rayne may provide Client with some guidelines on latency times based on its understanding of Client's data and system constraints, but these guidelines are not guarantees.

Unsupported Configuration Elements Or Services

If Client requests a configuration element (hardware or software) or hosting service in a manner that is not customary at Rayne, or that is in "end of life" or "end of support" status, Rayne may designate the element or service as "unsupported," "non-standard," "best efforts," "reasonable endeavor," "one-off," "EOL," "end of support," or with like term in the service description (an "Unsupported Service"). Rayne makes no representation or warranty whatsoever regarding any Unsupported Service, and Client agrees that Rayne will not be liable to Client for any loss or damage arising from the provision of an Unsupported Service. Deployment and service level guaranties shall not apply to any Unsupported Service.

Hosting Services

Client agrees that it is responsible for the actions and behaviors of its users of the Services. In addition, Client agrees that neither it, nor any of its employees or designated representatives, will use the Services in a manner that violates the laws, regulations, ordinances or other such requirements of any jurisdiction. Client warrants and represents that all hosted applications will be properly licensed, and that all such licenses shall be maintained by Client throughout the entire term of this SOW.

In addition, Client agrees that neither it, nor any of its employees or designated representatives, will: transmit any unsolicited commercial or bulk email, will not engage in any activity known or considered to be "spamming" and carry out any "denial of service" attacks on any other website or Internet service; infringe on any copyright, trademark, patent, trade secret, or other proprietary rights of any third party; collect, attempt to collect, publicize, or otherwise disclose personally identifiable information of any person or entity without their express consent (which may be through the person or entity's registration and/or subscription to Client's services, in which case Client must provide a privacy policy which discloses any and all uses of information that you collect) or as otherwise required by law; or, undertake any action which is harmful or potentially harmful to Rayne or its infrastructure.

Client is solely responsible for ensuring that its login information is utilized only by Client and Client's authorized users and agents. Client's responsibility includes ensuring the secrecy and strength of user identifications and passwords. Rayne shall have no liability resulting from the unauthorized use of Client's login information. If login information is lost, stolen, or used by unauthorized parties or if Client believes that any hosted applications or hosted data has been accessed by unauthorized parties, it is Client's responsibility to notify Rayne immediately to request the login information be reset or unauthorized access otherwise be prevented. Rayne will use commercially reasonable efforts to implement such requests as soon as practicable after receipt of notice.

SPLA Licensing

As part of the Services, Rayne will acquire certain licenses from Microsoft under a services provider license agreement ("SPLA"). The SPLA incorporates the terms and conditions of another Microsoft document, called the Service Provider Use Rights (or "SPUR"). Rayne's licensing of Microsoft software, and Client's use of such software, must always comply with the terms of the SPLA and SPUR. If Microsoft modifies the terms of the SPLA or the SPUR, Rayne may be required, and will be permitted without prior notice to you, to modify the Services to comply with the modified terms of the SPLA or SPUR, as applicable.



Award Winning California IT Services

Alvarez Technology Group
Monterey Peninsula Water Management District
iTeam Complete Managed Services Proposal and Agreement

Presented by:
Elliott Frutkin
(831) 753-7677 x 1021
efrutkin@alvareztg.com



EXHIBIT A

Complete Services



Client Name: Monterey Peninsula Water Management District

Executive Summary The Alvarez Technology Group (ATG) iTeam™ Service Agreement provides a client with support for their information technology (IT) environment. The Complete program is designed for routine, maintenance support for all users and systems on the Client's network. It includes unlimited remote and onsite work.

ATG will assign a dedicated team of professionals led by the technical account manager (TAM) to manage the Client's technology environment and user needs. ATG will install and maintain monitoring and management tools and configure all the covered devices to be monitored 7x24x365. (See *Onboarding* below.) The tools will alert ATG to any significant problems that arise which will be responded to during normal working hours of the ATG Operations Center (OpsCenter), 6 AM to 6 PM, Monday thru Friday, excluding published holidays. Issues that are identified outside of this time frame will be addressed during the next business day, although Client may request help after normal business hours as noted below.

All service work will be done by the technicians working from the OpsCenter. In addition to responding to alerts, the OpsCenter helpdesk is available to all Client end-users, who may contact the helpdesk for assistance and to ask questions. If the technician determines that the assistance requested is not covered by the agreement, Client will be asked to approve any billable work in advance of the work being performed.

Covered Services

Strategy and Management

Technical Account Manager	Client will be assigned a dedicated Technical Account Manager (TAM) who will be the Client's champion within ATG. The TAM will meet regularly with Client, help identify IT needs, provide proposals and quotes for upgrades and new systems and also serve as the primary point of contact within ATG.
Annual IT Evaluation	After the contract is in effect, once a year on the anniversary of the contract or on a mutually agreeable date, the TAM and designated consultants will review Client's IT environment and create a detailed annual report on the state of existing technology deployments and recommend future enhancements.
Custom Client Portal	Client will have access to an online portal customized to allow access to real-time information on the health of the IT environment as well as important metrics, service information and to check the status of ongoing service tickets
After-hours Hotline	Client will have access to support after normal business hours for an additional fee by contacting the 24x7 ATG Hotline. Client will be charged at a rate of \$200 an hour for all services rendered after hours, with a one-hour minimum.

CyberProtect™ Basic

Endpoint Protection	ATG will install industry-leading, start-of-the-art endpoint software on all Windows and Macintosh workstations and servers to protect against malware, including viruses, Trojans and spyware. Mobile device protection is also available for an additional fee.
CyberProtect™	Cloud-based network security to prevent access to known malware sites, minimize the likelihood of Ransomware attacks and otherwise protect all devices on the network from vulnerabilities like botnets and phishing using a DNS-based firewall powered by Cisco technologies.
iSafe™ Prime	Cloud-based email protection that eliminates spam, malware attachments and embedded viruses before those emails get into your inbox.
Patch Management	The OpsCenter will manage the installation of required operating system patches on all systems, ensuring vital security updates and performance-enhancing upgrades are installed as they are made available.
Security Management	ATG will manage the security systems client has in place to protect the network, from the firewall to end-points, including ensuring that the malware protection software installed on PCs and servers is updated in timely fashion. Recommendations for improvements will be made by the ATG Global Cyber Security Team (GCST).
Disaster Prevention and Limited Disaster Recovery	ATG will use industry best practices to create a disaster prevention and recovery plan and policies to ensure optimal performance of the server or servers. In case of a disaster such as disk failure or virus outbreak, ATG will provide disaster recovery assistance limited to a total of eight hours during any single incident, including remote and onsite support. Additional onsite or remote services will be subject to billing at the reduced billing rates.
RapidRecoverySM Business Continuity Server Backup	A business continuity and disaster recovery solution is deployed at the client site to allow image-based backups of each Windows server so that in case of a catastrophic hardware failure that incapacitates the server for any length of time, we can temporarily get the server up and running in hours instead of days. Client can also choose to add offsite backup to provide additional protection of data in case of a catastrophic loss of a facility or to abide by regulatory requirements.

Support for Users and Infrastructure

OpsCenter Help Desk	All of Client's employees and users may contact the technicians and engineers at the Help Desk at the OpsCenter either by phone or email to request assistance. Unlimited remote assistance will be rendered, including using remote access to tools to try to resolve any issues being experienced by the users. If it is determined that the issue cannot be resolved remotely an engineer will be dispatched onsite.
Dedicated Field Service Team	Client will be assigned a dedicated team of field service technicians and engineers familiar with Client's IT environment and who will be responsible for all onsite work done for Client.



<i>IT Systems Monitoring and Management</i>	The OpsCenter technicians will monitor the health and welfare of all of the devices on the network, configuring them to send alerts to the OpsCenter in case of significant problems. OpsCenter technicians will monitor these alerts and respond as necessary to ensure the Client enjoys maximum uptime, resolving the issues remotely, if possible. If onsite service is required, a member of the Field Service Team will be dispatched.
<i>User Management</i>	Includes adding or deleting users, managing user access to server resources and monitoring user data on the servers.
<i>Email Management</i>	The OpsCenter will monitor the health of email systems hosted on premise or hosted at a cloud-based datacenter, as well as adding or deleting users, managing organization-wide email lists and user quotas.
<i>Backup Monitoring</i>	The OpsCenter will ensure that the backup system works as intended. If problems arise, they will be resolved remotely. If onsite service is required a field engineer will be dispatched.
<i>Routine Maintenance</i>	Manage routine maintenance for all systems, such as deleting temporary files, defragmentation and managing file locations is included.
<i>Application Management</i>	Any applications installed on servers and workstations will be managed remotely by the OpsCenter. (Does not include resolving application specific problems). Client is required to have a separate support contract with the application vendor for such support.)
<i>Reduced Onsite Rates</i>	Remote and onsite services not covered by this contract will be billed at the reduced hourly rate of \$150 during normal business hours and \$200 outside of normal business hours.

Onboarding

In order to properly manage a client's IT infrastructure, steps must be taken to ensure that the network is stable and capable of being remotely managed during the initial 30 to 60 days of the agreement, a period called Onboarding.

The Onboarding process consists of an evaluation of the current state of the network systems, primarily focusing on the servers. The evaluation includes:

- Confirming the health of the server platform, including hardware and operating system.
- Ensuring the servers are patched up to the latest security and performance updates.
- Confirming that the backup system is operating as intended and that the backup system is adequate to the task.
- Confirming that the client's software is legitimately licensed.
- Document the client's network, including creating or updating a network diagram.
- Collect information on client's work environment, including users, phone numbers and other locations.
- Ensure that all CyberProtect™ software and services are installed and configured properly.
- Install and configure remote monitoring and management tools.

During the Onboarding, our engineers may identify simple, minor problems that can be corrected on the spot and will do so. However, any significant problems or issues will be brought to the attention of the client along with a proposal to remedy the problems on a time and materials basis, outside of the contract. If any of these problems are deemed to be serious enough to impact the management of the network, remediation must be accomplished prior to the contract going into effect.



Response Times and Service Level Agreement

ATG wishes to keep Client's IT Infrastructure in peak performance, therefore, we will strive to achieve the following service level agreement (SLA) targets at least 90% of the time:

- a. Low Priority Ticket: Respond within 4 business hours; Resolve within 3 business days
- b. Medium Priority Ticket: Respond within 2 hours; Resolve within 24 business hours
- c. High Priority Ticket: Respond within 1 hour; Resolve the problem within 8 hours

Note: These resolution times assume that replacement equipment is either on hand at Client's site or can be ordered and received such that labor can be performed to meet the SLA.

Exclusions

Client understands and agrees that services required to recover from failures and/or incidents caused by any of the following circumstances are not considered normal maintenance and not covered under this Agreement:

- a. Natural Disasters. This includes floods, storm damage, lightning strikes, earthquakes and other such acts of nature.
- b. Accidental or Intentional Acts. Inadvertent or intentional acts by Client, their employees or third-party contractors that cause damage to the network.
- c. Electrical Problems. Damage to the network as a result of power-related issues, such as spikes, surges and explosions, which reasonable protective measures, such as surge protectors and uninterrupted power supplies, fail to protect against. Note: Typically, the local power company reimburses all expenses related to these problems.

Fee Schedule

The initial monthly fee for the agreement is calculated based on a number of factors, including the number and kind of users, the number of devices in the environment, including servers and workstations, the state of the technology being supported as well as the number of locations for which Client requires support. To simplify potential future changes to the monthly fee, such changes will be based on the increase or decrease of the number of users being supported and their type as defined below, subject to Complete agreement minimum monthly fee of \$1,500.

Power User (\$195/month): Executive and/or senior manager who requires support of multiple devices, including smartphone, tablets, office PC and home PC.

Standard User (\$140/month): Office worker that requires support only in the office environment and typically uses only one system.

Total Recurring Monthly Fee \$ 11,301

CLIENT:

Alvarez Technology Group, Inc.

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____



EXHIBIT B to SERVICE AGREEMENT Addendum



The changes noted below supersede, enhance or otherwise describe situations or services not included in the Service Agreement and/or Exhibit A.

Monterey Peninsula Water Management District

iTeam Complete Managed Services

Location(s) 5 Harris Court, Bldg G
Monterey, CA 93940

Equipment

Workstations: 28
Physical Servers: 6
Virtual Servers: 22
Firewalls: 2

Initial User Counts

Power Users: 2
Standard Users: 26

iSafe CyberProtect

E-mail spam, malware & content filtering: 28 users

RapidRecovery Business Continuity Server Backup

It is the opinion of ATG, that the current backup system at MPWMD is insufficient for reasonable disaster recovery and business continuity. Upon engagement, ATG will undertake a more detailed evaluation of the current system and provide recommendations.

Other Considerations

ATG will provide further discovery and recommendations with regards to reducing the number of servers being hosted on-site.

Start Date: Onboarding and transition from current in-house IT will begin upon execution of this agreement and support services will begin September 1, 2019.

CLIENT:

Alvarez Technology Group, Inc.

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____



SERVICE AGREEMENT



This Service Agreement ("Agreement") is entered into by and between Alvarez Technology Group, Inc. ("ATG") and **Monterey Peninsula Water Management District** ("Client"), on _____ ("Effective Date").

SERVICES

ATG shall provide Client with those services described in **Exhibit A** and **Exhibit B** (optional), which is attached hereto and incorporated as part of this Agreement. ATG's fees for said services are also identified in **Exhibit A**.

TERM

This Agreement shall be in effect and commence on the Effective Date and continue through June 30, 2020 and will renew on a month-to-month basis thereafter.

PROJECTS

Client may occasionally require services outside the scope of the services described herein. Those additional services will be called "Projects" and ATG will provide a detailed scope of work and labor quote, using discounted rates. If Client chooses to have the work done outside of normal onsite business hours discounted rates will increase. Client will sign off on the quote before any work is performed and understands that a separate invoice(s) will be generated for the Project work. Examples of such Projects include PC and server replacements, the installation of a new accounting software package, adding new network devices, the setting up of a new office and consulting. The parties acknowledge and agree that the provisions of this Agreement shall apply to any and all Projects.

TIME AND MATERIALS WORK

Client may purchase third party products and ask ATG to install and configure those products. Because ATG did not provide the product it may not be able to provide a detailed labor quote and such work will be done on a time and materials basis without a scope of work, unless both parties agree otherwise.

CLIENT COOPERATION

Client shall provide reasonable access to its premises and hardware installations to enable ATG the opportunity to maintain the IT Infrastructure. In addition, Client agrees to maintain all support agreements for critical software packages, to include at a minimum virus scanning, anti-spam protection and proprietary software applications as identified by ATG during the Optimization phase of the contract. Client also agrees to assign one employee to be a Liaison or contact person to ATG in order to make communications between both parties effective.

Liaison: Suresh Prasad

Phone: (831) 658-5614

CONFIDENTIALITY

- A. ATG agrees to keep in confidence and not disclose to others the internal structure of Client or its' marketing strategies and the content and nature of any files on Client's network.
- B. ATG agrees that it will not access the content of, nor reproduce, any files stored on Client's network except with prior written authorization of Client, and then only as reasonably necessary to provide service to Client pursuant to this agreement.

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8/30/2019



- C. Client agrees to limit access to the IT Infrastructure to only those employees or consultants who require such access in order to use the Infrastructure in furtherance of the Client's business.
- D. Client shall take all reasonable precautions to maintain the confidentiality of the IT Infrastructure, but not less than what would be employed to protect its' own proprietary information.
- E. ATG conducts annual third-party audits to ensure its business processes and practices are in line with industry best practices. The Unified Communications Standard (UCS) audit results are available upon request.

EXCEPTION TO CONFIDENTIALITY CLAUSE

Consistent with federal and state laws, ATG will report to Client and law enforcement any suspected incidences of child abuse, including child pornography, that is discovered through our performance of services under this agreement. Client agrees to indemnify, defend and hold harmless ATG and its affiliates, officers, directors, employees, agents, successors and assigns, from and against all claims, demands, liabilities, damages and costs, including, without limitation, reasonable attorney's fees, arising from or relating to any report(s) made by ATG of any suspected incidents of child abuse, including child pornography, or any other potential violation of law of Client policies, to law enforcement of Client.

WARRANTIES AND DISCLAIMERS

THE PARTIES ACKNOWLEDGE AND AGREE THAT ATG MAKES NO WARRANTIES OF ANY KIND, EXPRESSED OR IMPLIED, REGARDING THE FUNCTIONALITY OF HARDWARE OR SOFTWARE, AND ALL IMPLIED WARRANTIES INCLUDING ANY WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED. INSTEAD CLIENT SHALL RELY SOLELY ON THE WARRANTIES PROVIDED BY THE MANUFACTURER OF EACH PRODUCT.

LIMITATION OF LIABILITY AND REMEDIES

CLIENT ACKNOWLEDGES AND AGREES THAT UNDER NO CIRCUMSTANCES SHALL ATG BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF ANTICIPATED PROFITS OR LOSS RESULTING FROM CLIENT'S BUSINESS DISRUPTION DUE TO FAULTY EQUIPMENT, EVEN IF ATG HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CLIENT AGREES THAT ITS RIGHT TO COLLECT DAMAGES ARISING IN CONTRACT FROM A BREACH OF ATG'S OBLIGATIONS UNDER THIS AGREEMENT IS CLIENT'S SOLE REMEDY FOR ANY DAMAGE, LOSS OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

INSURANCE

ATG carries sufficient insurance as to ensure that it can protect itself and its employees, including General Liability, Cybersecurity, Worker Compensation and any other insurances as deemed necessary by ATG.

DEFAULTS AND TERMINATION

- A. Client's Termination For Cause. Client may terminate this Agreement if ATG fails to cure a Default within 30 days from the date that ATG receives written notice of Client's description and request to cure a Default as defined herein. For purposes of this Agreement, an ATG "Default" is defined as the occurrence of one of these events:

1. ATG becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects the affairs or property of ATG;
 2. ATG is the subject of a petition or involuntary bankruptcy and such petition is not removed within ninety (90) days; or
 3. ATG fails to materially perform or comply with the terms and conditions of this Agreement.
- B. Client's Default and Termination Without Cause. Client shall be in "Default" if Client fails to make payment of any invoice within thirty (30) calendar days after it is rendered, or Client fails to materially perform or comply with the terms and conditions of the Agreement. A Default shall result in a "Termination Without Cause" by Client if Client fails to cure a Default within 30 days from the date that Client receives written notice of ATG's request to cure Client's Default.
- C. Remedies For Client's Termination Without Cause. Client acknowledges and agrees that ATG relies on Client's promises to pay for the entire duration of the Term when ATG is determining and negotiating its fee schedule. Accordingly, the parties agree that Client's Termination Without Cause will result in damages to ATG and entitle ATG to an award of the sum of all unpaid fees for the remaining balance of the Term, including the accrued interest, legal costs and attorneys' fees. The remedies described herein are cumulative and shall not exclude any other remedies or damages to which ATG may be lawfully entitled.

NON-SOLICITATION OR HIRING OF ATG PERSONNEL PERFORMING SERVICES FOR CLIENT

Client acknowledges and agrees that ATG has spent considerable time and expense in the recruitment, hiring, and training of qualified staff. Accordingly, Client agrees that during the term of this Agreement or any extension and for a period of twelve (12) months immediately following termination, Client shall not directly or indirectly hire, contract with or solicit for employment or contract any person employed by or contracted with ATG who performed services on Client's behalf during the term of this Agreement, or any extension. If Client hires or contracts with any person who performed services on Client's behalf during the period set forth in this paragraph, instead of requiring any proof of damages or losses, Client shall pay ATG the sum of Ten Thousand Dollars and No Cents (\$10,000) as liquidated damages (but not as a penalty.) Neither the breach of this paragraph nor the payment of liquidated damages by Client shall affect the continuing validity or enforceability of this Agreement.

ARBITRATION

Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Monterey County, California before one arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules/JAMS' Streamlined Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.



NOTICES

Any notice given by either party hereto to the other party shall be in writing and shall be signed by the party giving notice. Any notice or other document to be delivered to either party hereto by the other party shall be deemed delivered if mailed postage prepaid to the party to who directed at the address of such party stated as follows:

ATG: 209 Pajaro Street, Suite A Salinas, CA 93901
Client: 5 Harris Court, Bldg G, Monterey, CA 93940

FORCE MAJEURE

ATG shall not be in default under this Agreement because of any failure to perform in accordance with this Agreement if such failure arises from causes beyond its control, including, but not restricted to, acts of God, acts of government, fires, floods, epidemics, quarantine, restrictions, strikes, embargoes, inability to secure raw materials or transportation facilities, acts or omissions of carriers, cyber-attacks or any and all causes beyond control of ATG.

WAIVER

No waiver of a breach, failure of any condition or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy.

ATTORNEYS' FEES

If it is necessary for ATG to employ attorneys for the collection of amounts owed and/or to engage in legal proceedings to enforce or interpret any of the provisions of this Agreement, ATG shall be entitled to recover all costs and expenses incurred, including without limitation, its attorneys' fees and legal costs, and said sums shall be added to the amount payable hereunder and be collected as a part thereof.

GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and construed in accordance with the laws of the State of California. This Agreement was negotiated, formed and executed in the County of Monterey, California, and the parties agree that any litigation, action or proceeding arising out of or relating to this Agreement shall be instituted in the County of Monterey, California.

ASSIGNMENTS

Neither this Agreement nor any rights hereunder may be assigned except with the prior written consent of the other parties hereto.

SEVERABILITY

If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and unenforceability of the remaining provisions shall not in any way be affected or impaired thereby.

JOINTLY DRAFTED

The parties agree that any ambiguities in this Agreement shall be resolved by giving effect to the ascertained intent of the parties and that this Agreement shall be considered jointly drafted by all parties.



LEGAL REPRESENTATION

Each party represents that they have been advised to consult counsel of their own choosing with respect to this Agreement, and have either consulted counsel of their own choosing to advise them about the terms and effect of this Agreement, or that they have been given ample opportunity to do so, but have freely declined that opportunity.

CAPTIONS AND HEADINGS

The captions and headings are inserted in this Agreement for convenience only, and in no event be deemed to define, limit or describe the scope or intent of this Agreement, or of any provision hereof, nor in any way affect the interpretation of this Agreement.

MODIFICATIONS

This Agreement can only be modified by a written Agreement duly signed by authorized representatives of ATG and Client, and variances from or additions to the terms and conditions of this Agreement (in any order or other writing from the Client) will be of no effect. Moreover, in order to avoid uncertainty, ambiguity and misunderstandings in their relationships, ATG and Client have covenanted and agreed not to enter into any oral agreement or understanding inconsistent or in conflict with this Agreement; and ATG and Client further covenant and agree that any oral communication allegedly or purportedly constituting such an agreement or understanding shall be absolutely null, void and without effect.

COUNTERPARTS

This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed an original but which together shall constitute one and the same original. Signatures transmitted by facsimile or e-mail will have the same effect as original signatures.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior contemporaneous written or oral agreements and representations between the parties with respect thereto. This Agreement shall not be deemed to extinguish or mitigate any payments, which are owed to ATG by Client pursuant to the terms of any previous or other existing agreements between ATG and Client.

AUTHORITY

Each Party executing this Agreement on behalf of its respective entity represents that he or she is duly authorized to execute and deliver this Agreement on behalf of said entity and that this Agreement is binding upon said entity in accordance with its terms.

THE PARTIES STATE THAT EACH HAVE CAREFULLY READ THIS AGREEMENT, UNDERSTAND THE CONTENTS HEREOF, AND SIGN THE SAME AS HIS OR HER OWN FREE ACT.

CLIENT

Alvarez Technology Group, Inc.

Signature: _____

Signature: _____

Name: _____

Name: _____

Date: _____

Date: _____

ADMINISTRATIVE COMMITTEE

3. STATUS REPORT ON MEASURE J/RULE 19.8 SPENDING

Meeting Date:	September 9, 2019	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on September 9, 2019.

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: Attached for review is **Exhibit 3-A**, monthly status report on Measure J/Rule 19.8 spending for the period July 2019. This status report is provided for information only, no action is required.

EXHIBIT

3-A Status on Measure J/Rule 19.8 Spending

**Monterey Peninsula Water Management District
Status on Measure J/Rule 19.8 Spending
For the Period July 2019**

	Contract	Date Authorized	Contract Amount	Prior Period Spending	Current Period Spending	Total Expended To Date	Spending Remaining	Project No.
1	Eminent Domain Legal Counsel	12/17/2018	\$ 100,000.00	\$ 55,040.20	\$ 32,587.50	\$ 87,627.70	\$ 12,372.30	PA00002-01
2	Investment Banking Services	2/21/2019	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 30,000.00	PA00002-02
3	Valuation & Cost of Service Study Consulta	2/21/2019	\$ 355,000.00	\$ 125,404.79	\$ 21,838.96	\$ 147,243.75	\$ 207,756.25	PA00002-03
4	Investor Owned Utility Consultant	2/21/2019	\$ 100,000.00	\$ 35,974.94	\$ 30,512.02	\$ 66,486.96	\$ 33,513.04	PA00002-04
5	District Legal Counsel		\$ 30,000.00	\$ 18,794.11	\$ 5,904.50	\$ 24,698.61	\$ 5,301.39	PA00002-05
6	Contingency/Miscellaneous		\$ 35,000.00	\$ 6,070.41	\$ -	\$ 6,070.41	\$ 28,929.59	PA00002-10
	Total		\$ 650,000.00	\$ 241,284.45	\$ 90,842.98	\$ 332,127.43	\$ 317,872.57	

ADMINISTRATIVE COMMITTEE

4. DISCUSS PLAN TO DEFEASE MECHANICS BANK LOAN (FORMERLY RABOBANK)

Meeting Date:	September 9, 2019	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Dave Stoldt	Cost Estimate:	N/A

General Counsel Approval: N/A

Committee Recommendation: The Administrative Committee reviewed this item on September 9, 2019 and recommended _____.

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: On April 1, 2013 the District entered into a \$4,000,000 installment purchase agreement on the Aquifer Storage and Recovery (ASR) Project Santa Margarita facilities. The proceeds were utilized to fund ASR completion and expansion, to replenish District reserves that had been expended for ASR, and to establish a debt service reserve fund of \$219,136. Interest on the borrowing was established at 3.6%.

The current balance of the principal due is \$3,466,312.30

Although the term was nominally established through December 31, 2042 there is a balloon payment due at the "Maturity Date" of June 30, 2023. At the Maturity Date the District must pay all outstanding Installment Payments or refinance the borrowing.

The borrowing is secured by the District's pledge of "Revenues", defined as "the water supply charge levied pursuant to Ordinance 152." The Ordinance 152 Citizens Panel has advised the Board to develop a plan for payment of the loan, emphasizing a desire to pay the loan off at its 2023 maturity or sooner in order to unencumber the Water Supply Charge.

The remaining amortization through the Maturity date is shown at the top of the next page:

		RaboBank Borrowing			
		Amount Due through Maturity Date			
		Principal	Principal	Interest	Total
		<u>Outstanding</u>	<u>Due</u>	<u>Due</u>	<u>Payment</u>
2019	Jun 30	3,512,848.30	46,536.00	63,032.00	109,568.00
	Dec 31	3,466,312.30	47,374.00	62,194.00	109,568.00
2020	Jun 30	3,418,938.30	48,226.00	61,342.00	109,568.00
	Dec 31	3,370,712.30	49,095.00	60,473.00	109,568.00
2021	Jun 30	3,321,617.30	49,978.00	59,590.00	109,568.00
	Dec 31	3,271,639.30	50,878.00	58,690.00	109,568.00
2022	Jun 30	3,220,761.30	51,794.00	57,774.00	109,568.00
	Dec 31	3,168,967.30	52,726.00	56,842.00	109,568.00
2023	Jun 30	3,116,241.30	3,116,241.30	55,893.00	<u>3,172,134.30</u>
Debt Service Reserve Fund Available:					<u>219,136.00</u>
Net Amount Due June 30, 2023:					2,952,998.30

Hence, \$2,952,998.30 will need to be paid or refinanced on June 30, 2023.

The Board has several options:

- 1) Status Quo 1: Make semiannual payments and refinance in 2023.
- 2) Status Quo 2: Make semiannual payments and budget the pay-off from reserves in the FY2022-23 budget.
- 3) Discretionary Set-Asides: Board budgets additional amounts each year beginning FY2020-21 to accumulate a portion of the pay-off balance.
- 4) Sinking Fund Defeasance: Board establishes a sinking fund beginning FY2020-21 to accumulate the full pay-off balance. Assuming a 1-year LAIF investment rate of 2.3%, the Board would need to set aside \$962,202 each July 1st in the next three budgets, in addition to the regular annual principal and interest.
- 5) Full Defeasance: Board budgets to purchase a 3-year negotiable CD from reserves in the FY2020-21 budget to pay the full pay-off balance. At today's 3-year interest rate (2.65%), this would require a set-aside in next year's budget of \$2,730,149 in addition to the annual principal and interest amount.
- 6) Prepayment: Board budgets to prepay on December 31, 2020. This would require a budgeted amount for FY 2020-21 of \$3,431,185.30.

EXHIBIT

None

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month, except in January, February. The meetings begin at 7:00 PM.



DRAFT AGENDA (Current 9/5/2019)
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District

Monday, September 16, 2019

6:00 pm – Closed Session

7:00 pm – Regular Meeting

Conference Room, Monterey Peninsula Water Management District
 5 Harris Court, Building G, Monterey, CA

Staff notes will be available on the District web site at

<http://www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/>

by 5 PM on Thursday, September 12, 2019

The meeting will be televised on Comcast Channels 25 & 28. Refer to broadcast schedule on page 3.

Closed Session – 6 pm

As permitted by Government Code Section 54956 et seq., the Board may adjourn to closed or executive session to consider specific matters dealing with pending or threatened litigation, certain personnel matters, or certain property acquisition matters.

1. Public Comment - Members of the public may address the Board on the item or items listed on the Closed Session agenda.
2. Adjourn to Closed Session
3. Public Employee Performance Evaluation (Gov. Code 54957) – General Manager
4. Adjourn to 7 pm Session

Regular Meeting – 7 pm

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

Board of Directors

Molly Evans, Chair – Division 3
 Alvin Edwards, Vice Chair – Division 1
 George Riley – Division 2
 Jeanne Byrne – Division 4
 Gary D. Hoffmann, P.E. – Division 5
 Mary Adams, Monterey County Board of
 Supervisors Representative
 David Potter – Mayoral Representative

General Manager

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on _____, 2019. Staff reports regarding these agenda items will be available for public review on _____, 2019 at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/. Documents distributed at the meeting will be made available in the same manner. The next regular meeting of the Board of Directors is scheduled for October 21, 2019, 7:00 pm.

ADDITIONS AND CORRECTIONS TO AGENDA - The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

ORAL COMMUNICATIONS - Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session items, or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.

CONSENT CALENDAR - The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes. Unless noted with double asterisks “**”, Consent Calendar items do not constitute a project as defined by CEQA Guidelines section 15378.

1. Consider Adoption of Minutes of the August 19, 2019 Regular Board Meeting
2. Consider Approval of Agreement with DeVera Inc. for Information Technology Services

GENERAL MANAGER’S REPORT

3. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision
4. Update on Development of Water Supply Projects

ATTORNEY’S REPORT

5. Report on 6:00 pm Closed Session of the Board

DIRECTORS’ REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

6. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

DISCUSSION ITEMS - Public comment will be received. Please limit your comment to three (3) minutes per item.

7. Discuss Plan to Defeas Mechanics Bank Loan (formerly Rabobank)
8. Supplies and Demands for Water on the Monterey Peninsula – Past and Future

PUBLIC HEARINGS – Public comment will be received. Please limit your comment to three (3) minutes per item.

9. **Consider Adoption of the Monterey Peninsula, Carmel Bay and South Monterey Bay Integrated Regional Water Management Plan Update**

Action:

10. **Consider Adoption of Resolution No. 2019-12 Modifying Rule 160 – Regulatory Water Production Targets for California American Water System** (Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources.)

Action: The Board will consider modifications to the Regulatory Water Production Targets in Tables XV-1, XV-2 and XV-3 of Rule 160. The modifications reflect the anticipated changes in Cal-Am production limits as set by the State Water Resources Control Board orders and Seaside Basin Adjudication decision for Water Year 2020 (Oct. 1, 2019 through Sept. 30, 2020).

11. **Consider Adoption of October through December 2019 Quarterly Water Supply Strategy and Budget**

Action: The Board will consider approval of a proposed production strategy for the California American Water Distribution Systems for the three-month period of October through December 2019. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water systems.

ACTION ITEMS – Public comment will be received. Please limit your comment to three (3) minutes per item.

12. **Consider Amendment to MPWMD Board Meeting Rule 12 – Establish Board Meeting Start Time as 6 PM**

Action: The Board will consider amending the MPWMD Board Meeting Rules to establish the time for commencement of regular Board meetings as 6 pm.

INFORMATIONAL ITEMS/STAFF REPORTS - The public may address the Board on Information Items and Staff Reports during the Oral Communications portion of the meeting. Please limit your comments to three minutes.

13. Status Report on Measure J/Rule 19.8 Spending
14. Letters Received
15. Committee Reports
16. Monthly Allocation Report
17. Water Conservation Program Report
18. Carmel River Fishery Report for August 2019
19. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting Broadcast Schedule – Comcast Channels 25 & 28	
View Live Webcast at https://www.ampmedia.org/peninsula-tv/	
Ch. 25, Mondays, 7 PM	Monterey, Del Rey Oaks, Pacific Grove, Sand City, Seaside
Ch. 25, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Fridays, 9 AM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside

Board Meeting Schedule			
Thursday, October 3, 2019	Board Closed Session	11:00 am	District conference room
Monday, October 21, 2019	Regular Board Meeting	7:00 pm	District conference room
Tuesday, November 12, 2019	Special Meeting/ Workshop	6:30 pm	TBA
Monday, November 18, 2019	Regular Board Meeting	7:00 pm	District conference room

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred

alternative format or auxiliary aid or service by 5:00 pm on Thursday September 12, 2019. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey CA, 39342. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600. You may also email to arlene@mpwmd.net.

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