

Superstition Fire and Medical District

# Board of Directors

June 17, 2015



Board Chairman Jeff Cross  
Board Clerk Gene Gehrt  
Board Director Todd House  
Board Director Charlie Fox  
Board Director Jason Moeller

## Superstition Fire & Medical District Governing Board Meeting Agenda

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### **PURSUANT TO A.R.S. §38.431.02**

Notice is hereby given to the general public that the Superstition Fire & Medical District Governing Board will hold a meeting on **Wednesday, June 17, 2015**. The meeting will be held at the Superstition Fire & Medical District's Administrative Office, located at 565 N. Idaho Road, Apache Junction, Arizona. The meeting will be open to the public and will begin at 5:30 p.m. local time.

### **AGENDA:**

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call

The following agenda items are scheduled for discussion at the board meeting. The Governing Board may or may not decide to take action on any or all items. The order of the agenda items may or may not be taken in the order listed.

1. Review and approval of the May 2015 financial reports and bank reconciliations. **(BOD #2015-06-04)**
2. Recognition of employee performance, achievements, and special recognition for community members. **(BOD #2015-06-05)**
3. Call to the Public.  
A.R.S. §38-431.01(H) A public body may make an open call to the public during a public meeting, subject to reasonable time, place, and manner restrictions, to all individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter, or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.
4. Consideration and possible approval of all consent agenda items as listed below: **(BOD #2015-06-06)**
  - a) Board Meeting Minutes from May 20, 2015
  - b) Special Board Meeting Minutes from June 10, 2015
  - c) Executive Session Meeting Minutes from June 10, 2015
  - d) Approval of disposition of district property.
  - e) Henry & Horne, LLP engagement letter governing the performance of the required annual audit for the District's FY 2014/2015 financial statements.
  - f) Approval of Wells Fargo Authorization Certificate and Wells Fargo Addendum to Commercial Account Signature Card.
  - g) Addendum to the Tyler Contract #2013-0250
  - h) Renewal of the Employee Assistance Program (EAP ) contract with Aetna
5. City Councilmember Gail Evens, presentation on the City of Apache Junction. **(BOD #2015-06-07)**
6. Discussion and possible approval of Resolution 2015-03; Combined Resolution Affecting County Treasurer Transactions for Fiscal Year 2015/2016 from the Pinal County Treasurer's Office. **(BOD #2015-06-08)**
7. Discussion and possible action regarding transferring funds for the June 30, 2015 Debt Service Payments. **(BOD #2015-06-09)**
8. Discussion and update on out of district responses. **(BOD #2015-06-10)**
9. Discussion and update on the ISO process. **(BOD #2015-06-11)**
10. Discussion and update of the CCU program and Rescue Operations implementation. **(BOD #2015-06-12)**
11. Chief's Report **(BOD #2015-06-13)**
12. Announcements **(BOD #2015-06-n/a)**
13. Adjourn **(BOD #2015-06-14)**



NOTICE: The governing board may go into executive session for the purpose of obtaining legal advice from the fire district's attorney(s) on any of the above agenda items pursuant to A.R.S. 38-431.03(A)(3).

One or more members of the governing board may attend the meeting telephonically.

Governing Board meeting agenda dated and posted (at least 24 hours before the scheduled meeting date and time):

Posted on June 11, 2015

At: 1830 hours

By: Jasmin Jones

The Superstition Fire & Medical District (SFMD) Administrative Office Board Meeting Room is accessible to the handicapped. In compliance with the American with Disabilities Act (ADA), those with special needs, such as large-type face print or other reasonable accommodations may request those through the SFMD Administration Office (480-982-4440) at least twenty-four hours before the board meeting.



## **Governing Board Meeting – June 17, 2015**

**Agenda Item: 1**

**BOD#: 2015-06-04**

### **Agenda Item Title:**

Review and approval of the May 2015 financial reports and bank reconciliations.

### **Submitted By:**

Fire Chief Paul Bourgeois

### **Background/Discussion:**

The district's accounting department staff prepares the monthly financial reports. The district's annual budget, which is adopted by the board each June for the following fiscal year (July 1 – June 30), is formatted to mirror the monthly financial statements. The financial reports provide the board with a monthly recap of expenditures and revenues, along with year-to-date account balance information.

In compliance with A.R.S. §48-807(O), the following reports have been added to the monthly financial statements packet:

1. **Cash Flow – All Governmental Funds.**

The Cash Flow report consists of the combined cash balances of all District Funds. These balances include the General (100), Capital Projects (200), Bond Proceeds (300), Special Revenue (400), Debt Principal (500), and Debt Interest (600) Funds. The Cash Flow report is updated monthly with the actual revenues deposited into and actual expenditures disbursed from the district's cash accounts. It is important to note the revenues and expenditures are reported on a Cash Basis. This report is generated to demonstrate that the fire district maintains sufficient cash available to satisfy the projected expenditures budgeted over the course of the fiscal year.

2. **Fund Account Bank Reconciliations.**

The reconciliation of each of the district's Fund Cash Accounts (General (100), Capital Projects (200), Bond Proceeds (300), Special Revenue (400), Debt Principal (500), and Debt Interest (600) Funds) between the Pinal County Treasurer's monthly bank statement and the District's Fund balance sheet report is provided. To signify board approval of the monthly financial statements and bank reconciliations, the Board Chairman is requested to sign the attached Letter of Acceptance which will be kept on file at the district.

### **Financial Impact(s)/Budget Line Item:**

N/A

### **Enclosure(s):**

Letter of Acceptance of the Fire District's Financial Statements and Bank Reconciliations.

*\*Financial Reports and Bank Reconciliations are under separate cover.*

### **Recommended Motion:**

*"Motion to approve the May 2015 financial reports and bank reconciliations."*



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**Superstition Fire & Medical District**  
**Governing Board Acceptance of Fire District's**  
**Financial Statements and Bank Reconciliations**

Pursuant to A.R.S. §48-807, by the signature(s) below, the Governing Board of the Superstition Fire & Medical District attests to the review and approval of the following financial report(s) of the fire district for the month of **May 2015**:

1. Financial Statement
2. Bank Reconciliations
  - a. General (100) Fund
  - b. Capital Projects (200) Fund
  - c. Bond Proceeds (300) Fund
  - d. Special Projects (400) Fund
  - e. Debt Principle (500) Fund
  - f. Debt Interest (600) Fund

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Jeff Cross, Board Chairman

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Date



## Governing Board Meeting – June 17, 2015

Agenda Item: 2

BOD#: 2015-06-05

### Agenda Item Title:

Recognition of employee performance, achievements, and special recognition for community members.

### Submitted By:

Fire Chief Paul Bourgeois

### Background/Discussion:

This is a recurring monthly item to provide the board with information concerning superior employee performance, achievements, and special recognition for community members.

### June Service Awards: *(presented for 5, 10, 15, 20, and 25 year anniversaries):*

N/A

### June Service Anniversaries:

21 Years of Service	
Battalion Chief / Paramedic	Jeff Cranmer
Fire Engineer / Paramedic	Mike Wolfe
14 Years of Service	
Firefighter	Ryan Elowe
9 Years of Service	
Fire Captain / Paramedic	Alex Dupuis
Firefighter / Paramedic	Bill Tavares
8 Years of Service	
Fire Captain / Paramedic	Geof Shively
Fire Engineer	Brandon Blessum
Firefighter / Paramedic	Ryan Rodriquez



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**Governing Board Meeting – June 17, 2015**

**Agenda Item: 3**

**BOD#: 2015-06-n/a**

**Agenda Item Title:**

Call to the Public

**A.R.S. §38-431.01(H):**

*A public body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body.*

*At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda.*

*However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.*

**Background / Discussion:**

Call to the Public is provided so citizens may address the public body (Governing Board) with matters concerning the fire district. Arizona public meeting law provides that the public body may discuss, consider, or decide only matters listed on the agenda and other matters related thereto. Since the public body will generally not know what specific matters may be raised at call to the public, they will be unable to act until the matter is placed on a subsequent meeting agenda (at the board's discretion). The board may also direct staff to follow up on the issue with the citizen.

**Scheduled:**

None



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## Governing Board Meeting – June 17, 2015

Agenda Item: 4

BOD#: 2015-06-06

### Agenda Item Title:

Consideration and possible approval of all consent agenda items as listed below:

- a) Board Meeting Minutes from May 20, 2015 – **Appendix A**
- b) Special Board Meeting Minutes from June 10, 2015 – **Appendix B**
- c) Executive Session Minutes from June 10, 2015 – **Appendix C**
- d) Approval of disposition of district property – **Appendix D**
- e) Henry & Horne, LLP engagement letter governing the performance of the required annual audit for the District's FY 2014/2015 financial statements.- **Appendix E**
- f) Approval of Wells Fargo Authorization Certificate and Wells Fargo Addendum to Commercial Account Signature Card. - **Appendix F**
- g) Addendum to the Tyler Contract #2013-0250
- h) Renewal of the Employee Assistance Program (EAP) contract with Aetna

### Background/Discussion:

The consent agenda allows the Board of Directors (BOD) to consider contracts, purchases, and other routine administrative matters having authorized funding within the current fiscal year budget as a single decision. Items may be withdrawn from the consent agenda and discussed separately upon request by any member of the BOD or staff. Information for each consent agenda item and corresponding supporting document is within the packet.

### Recommended Motion:

*"Motion to approve the consent agenda items for June 17 2015."*



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**Governing Board Meeting – June 17, 2015**

**Agenda Item: 5**

**BOD#: 2015-06-07**

**Agenda Item Title:**

City Councilmember, Gail Evens, presentation about the City of Apache Junction.

**Submitted By:**

Fire Chief Paul Bourgeois

**Background/Discussion:**

Councilmember Gail Evens from the City of Apache Junction City Council will give a presentation about the City of Apache Junction.

**Financial Impact:**

N/A

**Enclosure(s):**

N/A

**Recommended Motion:**

N/A



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## **Governing Board Meeting – June 17, 2015**

**Agenda Item: 6**

**BOD#: 2015-06-08**

### **Agenda Item Title:**

Discussion and possible approval of Resolution 2015-03; Combined Resolution Affecting County Treasurer Transactions for Fiscal Year 2015/2016 from the Pinal County Treasurer's Office.

### **Submitted By:**

Fire Chief Paul Bourgeois

### **Background/Discussion:**

This combined resolution is required annual by the Pinal County Treasurer's Office. The purpose of the resolution is for the district to provide direction as to who is authorized to approve the following types of transactions on behalf of the District:

1. Investment Resolution: Authorizes the Pinal County Treasurer's Office to invest on behalf of the District any/all excess funds in interest bearing securities as authorized by law.
2. Warrant Resolution: Identifies individuals who are authorized to provide warrant information including wires, voids, and/or stop payments to the Pinal County Treasurer on a daily basis.
3. Fund Transfer Resolution: Identifies individuals who are authorized to request the Pinal County Treasurer to process wire transfers, book transfers and/or EFT payments on behalf of the District.
4. Warrant Signature Resolution: Identifies (and provides specimen signatures) for those authorized to sign warrants on behalf of the District for the Fiscal Year 2015/2016.
5. List of Outside Bank Accounts: Identifies the outside bank accounts maintained by the District.

### **Financial Impact:**

N/A

### **Enclosure(s):**

Combined Resolution Affecting County Treasurer Transactions for Fiscal Year 2015-2016

### **Recommended Motion:**

*"Motion to approve the Combined Resolution Affecting County Treasurer Transactions for Fiscal Year 2015-2016."*



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**COMBINED R E S O L U T I O N AFFECTING  
COUNTY TREASURER TRANSACTIONS  
FOR FISCAL YEAR 2015-2016**

COMES NOW the Governing Board of the Superstition Fire & Medical District of Pinal County, Arizona, and hereby declares that on the 17th day of June, 2015, at a duly called and noticed public board meeting, upon motion duly made, seconded and carried with a vote of \_\_\_\_\_ “Ayes” and \_\_\_\_\_ “Nays” this Board approved one or more of the following Resolutions affecting financial transactions with or by the Pinal County Treasurer for Fiscal Year 2015-2016.

**An authorized initial in one or more boxes acknowledges the Governing Board’s approval of the one or more of the following resolutions:**

☐ WHEREAS, this District periodically has funds on hand that are in excess of any anticipated authorized requirements; and,

WHEREAS, it appears to be in the best interest of the district to authorize the Pinal County Treasurer to invest and keep invested these funds in interest bearing securities as authorized by law; and

WHEREAS, from time to time it will in the best interest of the District, and thus necessary, to authorize the Pinal County Treasurer to sell these securities to provide available funds for current authorized district requirements; and

WHEREAS, Arizona state law permits the Governing Board of this District to request the consent of the Pinal County Board of Supervisors to invest and reinvest all district monies as authorized by law for the fiscal year.

BE IT RESOLVED by that subject to the consent of the Pinal County Board of Supervisors, the Pinal County Treasurer is authorized to purchase, hold, and sell such securities on behalf of this district.

\*\*\*\*\*

☐ WHEREAS, this District issues or will issue warrants drawn on the servicing bank for the Pinal County Treasurer; and,

WHEREAS, it in the best interest of the district to authorize the herein named person,

Roger Wood  
Printed Name

\_\_\_\_\_  
Signature

Jennifer Burke  
Printed Name

\_\_\_\_\_  
Signature

an authorized representative of the district, to provide warrant information including wires, voids and/or stop payments, to the Pinal County Treasurer on a daily basis; and

WHEREAS, the Pinal County Treasurer will submit the warrant information to the servicing bank for valid district purposes and to prevent fraud and/or illegal use of district funds.

BE IT RESOLVED by the Governing Board that subject to the consent of the Pinal County Board of Supervisors, the District will provide the Pinal County Treasurer with warrant information as appropriate in the regular course of district business.

\*\*\*\*\*

☐ WHEREAS, it appears to be in the best interest of the district to authorize

Roger Wood  
Printed Name

\_\_\_\_\_  
Signature

Jennifer Burke  
Printed Name

\_\_\_\_\_  
Signature

as an authorized representative of the district to request the Pinal County Treasurer to process wire transfers, book transfers, ACH and/or EFT payments on behalf of the district.

BE IT RESOLVED that the Governing Board hereby authorizes one or both of the foregoing persons to request that the Pinal County Treasurer process wire transfers, book transfers, ACH and/or EFT payments on behalf of the district on behalf of the district for the fiscal year, 2015-2016.

\*\*\*\*\*

☐ **This resolution is required of those districts authorized by Arizona Statute to issue its own warrants.**

WHEREAS, it appears to be in the best interest of the district to authorize the below specified persons to sign warrants on behalf of the district for the fiscal year, 2015-2016;

BE IT RESOLVED that the Governing Board hereby authorizes the following persons to sign warrants on behalf of the district for the fiscal year, 2015-2016.

Jeff Cross  
Printed Name

\_\_\_\_\_  
Signature

Gene Gehrt  
Printed Name

\_\_\_\_\_  
Signature

Todd House  
Printed Name

\_\_\_\_\_  
Signature

Charlie Fox  
Printed Name

\_\_\_\_\_  
Signature

Jason Moeller  
Printed Name

\_\_\_\_\_  
Signature

REMOVE: Barbara Cobb

☐ WHEREAS, the Pinal County Treasurer's Office shall be advised of any outside bank accounts maintained by the District we hereby give notice of the following account(s):

Wells Fargo  
Bank Name

Phoenix, AZ  
Bank Location (city/st)

Payroll Clearing Account  
Account Purpose

Wells Fargo  
Bank Name

Phoenix, AZ  
Bank Location (city/st)

Electronic Deposit/ACH Payment Account  
Account Purpose

**BY OUR SIGNATURES BELOW WE CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF THE RESOLUTION ADOPTED BY THE GOVERNING BOARD OF THE DISTRICT AND THAT THIS RESOLUTION HAS NOT BEEN AMENDED OR REVOKED BY THE BOARD.**

Dated: \_\_\_\_\_

Approval for Fiscal Year 2015-2016

Jeff Cross, Chairman

Name and Title: (Typed/Printed)

\_\_\_\_\_  
(Signature)

Gene Gehrt, Board Clerk

Name and Title: (Typed/Printed)

\_\_\_\_\_  
(Signature)

Todd House, Director

Name and Title: (Typed/Printed)

\_\_\_\_\_  
(Signature)

Todd House, Director

Name and Title: (Typed/Printed)

\_\_\_\_\_  
(Signature)

Jason Moeller, Director

Name and Title: (Typed/Printed)

\_\_\_\_\_  
(Signature)

**Governing Board Meeting – June 17, 2015**

**Agenda Item: 7**

**BOD#: 2015-06-09**

**Agenda Item Title:**

Discussion and possible action regarding transferring funds for the June 30, 2015 Debt Service Payments.

**Submitted By:**

Fire Chief Paul Bourgeois

**Background/Discussion:**

The District has a Debt Service Principal payment of **\$405,000.00** due on June 30, 2015 to trustee U.S. Bank

Fund Account:	Debt Retirement Principal 2006 – account #6-11642-1407
Budget line item:	500-60-70500-10 titled Debt Service Expenditure – Principal

The current Principal Fund cash balance as of May 31, 2015 is \$422,391.38.

**Interest Payment**

The District has a Debt Service Interest payment of **\$174,668.75** due on June 30, 2015 to trustee U.S. Bank

Fund Account:	Debt Retirement Principal 2006 – account #6-11642-1408
Budget line item:	600-60-70550-10 titled Debt Service Expenditure – Interest

The current Principal Fund cash balance as of May 31, 2015 is \$207,164.02.

**Financial Impact:**

\$405,000.00 / Line item 500-60-70500-10

\$174,668.75 / Line item 600-60-70550-10

**Enclosure(s):**

U.S. Bank Notification – 2006 GADA Debt Service Payments Due

**Recommended Motion:**

*“Motion to authorize payment by executing a letter of direction to Pinal County Treasurer’s Office to wire transfer funds for the GADA debt service payments on June 30<sup>th</sup> due to U.S. Bank on July 1, 2015.”*



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All of **us** serving you™

May 11, 2015

Apache Junction Fire District of Pinal County  
Attn: Paul Bourgeois  
565 N. Idaho Rd.  
Apache Junction, AZ 85219

FAX NUMBER: Roger.wood@ajfire.org  
RE: Greater Arizona Development Authority Infrastructure Revenue Bonds  
(APACHE JUNCTION), Series 2006 B

**For Payment Due Date July 1, 2015**

Outstanding: \$	7,095,000.00
Interest: \$	174,668.75
Principal: \$	405,000.00
<b>Total \$</b>	<b>579,668.75</b>
Less Funds on Hand: \$	2.00
<b>Total Due: \$</b>	<b>579,666.75</b>

**PAYMENT INSTRUCTIONS**

WIRES MUST BE RECEIVED ON THE WIRE DUE DATE BY 11:30 AM CST\*\* IF DEPOSITORY ELIGIBLE OR BY 3:00 PM CST IF NON DEPOSITORY ELIGIBLE \*\*\* CHECKS MUST BE RECEIVED AT LEAST FIVE BUSINESS DAYS PRIOR TO PAYMENT DATE IN ORDER TO RELEASE BONDHOLDER PAYMENTS\*\*\* FUNDS NOT RECEIVED WITHIN THESE TIME FRAMES MAY BE ASSESSED A LATE FEE FOR SPECIAL HANDLING.

**Please Confirm your Receipt of this invoice by phone or e-mail listed below.  
Please confirm how and when funds will be sent.**

**Wire Instructions**

ABA = 091000022 US Bank  
BBK = U.S. Bank N.A.  
BNF = U.S. Bank Trust N.A.  
A/C = 180121167365  
OBI # 784668471

**Check Instructions Overnight**

U.S. Bank National Association  
Lockbox Services--CM9705  
ENER 0106  
1200 Energy Park Drive  
Saint Paul, MN 55108  
784668471

**Check Instructions First Class Mail**

U.S. Bank National Association  
784668471  
Lockbox Services--CM9705  
P.O. Box 70870  
Saint Paul, MN 55170-9705

*Michelle Anderson*

Michelle Anderson  
Trust Officer  
651-466-6139 Telephone  
866-404-8094 Fax  
E-mail: michelle.anderson@usbank.com

CC:  
Angie Valenzuela, phone 602-364-1313, Fax 602-364-1327  
avalenzuela@azwifa.gov  
Pat Beckwith  
pat.beckwith@pinalcountyaz.gov



**Governing Board Meeting – June 17, 2015**

**Agenda Item: 8**

**BOD#: 2015-06-10**

**Agenda Item Title:**

Discussion and update on out of district responses.

**Submitted By:**

Fire Chief Paul Bourgeois

**Background/Discussion:**

Fire Chief Paul Bourgeois will give a brief update on the out of district response project.

**Financial Impact:**

N/A

**Enclosure(s):**

N/A

**Recommended Motion:**

N/A



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**Governing Board Meeting – June 17, 2015**

**Agenda Item: 9**

**BOD#: 2015-06-11**

**Agenda Item Title:**

Discussion and update on the ISO process

**Submitted By:**

Fire Chief Paul Bourgeois

**Background/Discussion:**

Chief Budgeting Officer Mike Farber will give a brief update on the ISO process.

**Financial Impact:**

N/A

**Enclosure(s):**

N/A

**Recommended Motion:**

N/A



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**Governing Board Meeting – June 17, 2015**

**Agenda Item: 10**

**BOD#: 2015-06-12**

**Agenda Item Title:**

Discussion and update of the CCU program and Rescue Operations implementation.

**Submitted By:**

Fire Chief Paul Bourgeois

**Background/Discussion:**

Firefighter / Paramedic Dave Pohlmann will give an update on both the CCU program and the Rescue Operations implementation planning process.

**Financial Impact:**

N/A

**Enclosure(s):**

N/A

**Recommended Motion:**

N/A



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## **Governing Board Meeting – June 17, 2015**

**Agenda Item: 11**

**BOD#: 2015-06-13**

### **Agenda Item Title:**

Chief's Report

### **Background / Discussion:**

This item is for the fire chief to share information with the board of items occurring within, or related to, the fire district. Any item shared is for information only. Upon request of the board, any item shared during this agenda item may be moved to the agenda for future meetings. Board discussion, other than clarifying questions, cannot occur and no action, position, or direction may occur until the specific item is placed on the agenda.

- Statistical Reports for May

## **Governing Board Meeting – June 17, 2015**

**Agenda Item: 12**

**BOD#: 2015-06-n/a**

### **Agenda Item Title:**

Announcements

### **Background / Discussion:**

The BOD and/or staff may share information at this time.

## **Governing Board Meeting – June 17, 2015**

**Agenda Item: 13**

**BOD#: 2015-06-14**

### **Agenda Item Title:**

Adjournment

### **Recommended Motion:**

*"Motion to adjourn the board meeting."*



**Go to Agenda**

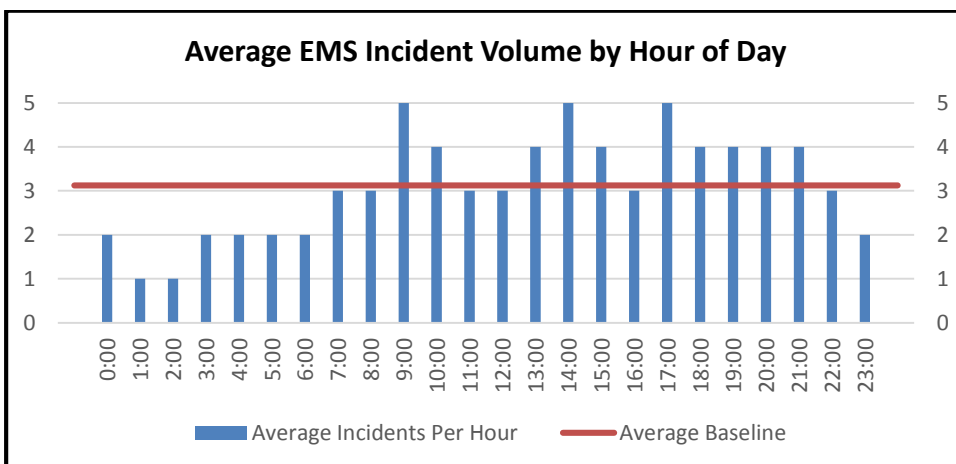
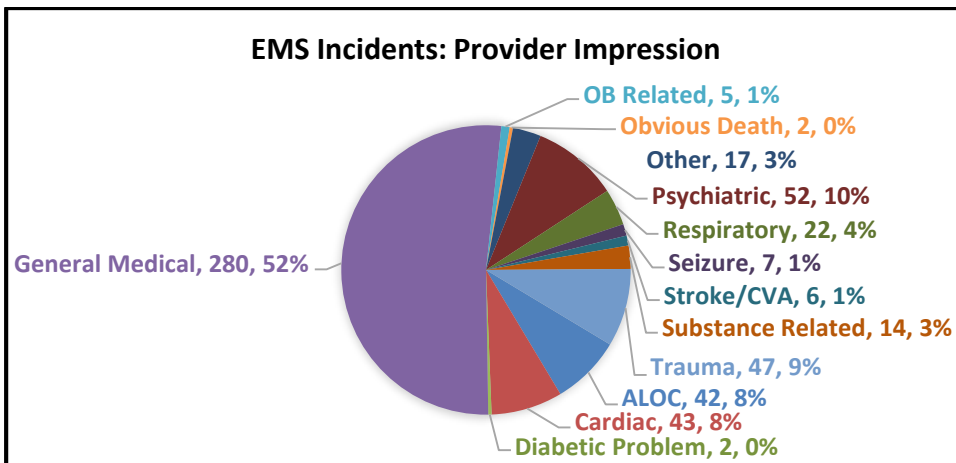
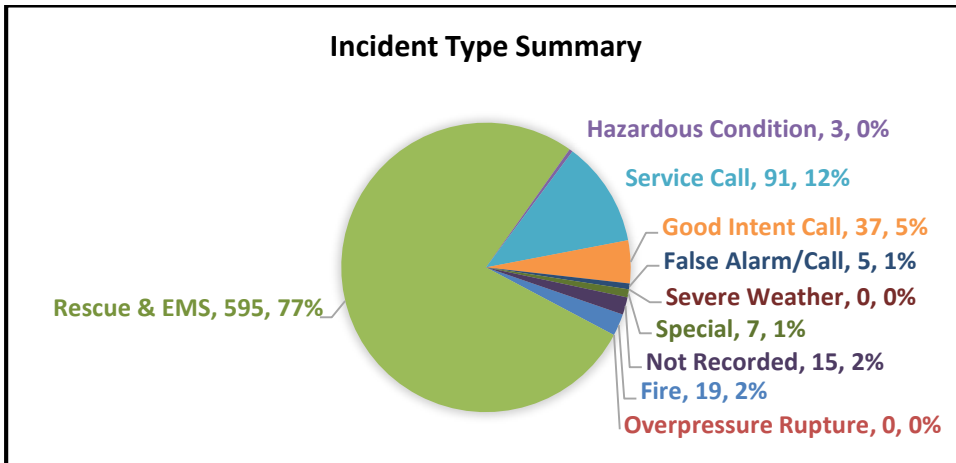
**Go to Monthly Reports**

# Superstition Fire & Medical District

## May 2015 - Monthly Report

Average Travel Time				
	<u>Metro</u>	<u>Urban</u>	<u>Suburban</u>	<u>Rural</u>
Travel Time Goal	5:12	5:12	6:30	13:00
Average Travel Time by Population Density	4:50	4:41	5:07	6:29
Average Travel Time District Wide	5:06			

Dispatches by Unit		
<u>Unit</u>	<u>Dispatches</u>	<u>Fiscal YTD</u>
B261	24	253
E261	228	2928
E262	90	1060
L263	263	3062
L264	115	1084
E265	54	501
CCU263	98	474
TRV263	30	170
U262	2	64
BR262	4	24
BR263	5	47
BR265	5	49
RH264	13	82



Population Density Definitions
<b>Metropolitan</b> An area with a population density of 3,000 or more people per square mile. <b>15%</b>
<b>Urban</b> An area with a population density of 2,000-2,999 people per square mile. <b>8%</b>
<b>Suburban</b> An area with a population density of 1,000-1,999 people per square mile. <b>10%</b>
<b>Rural</b> An area with a population density of 0-1,000 people per square mile. <b>67%</b>

## Superstition Fire & Medical District May 2015 - Operational Report

### Community Services & Activities

Description	May 2015	Fiscal YTD
Blood Pressure Check Events	8	119
Car Seats Installed/Placed	4	76
CCR Demonstrations	0	21
CCR Demo Students	0	700
Community Events/Festivals	5	58
Community PSAs Produced	0	2
CPR & 1st Aid Classes	1	14
CPR & 1st Aid Students	5	111
CPR & AED Classes	2	16
CPR & AED Students	28	255
Fire Investigations	1	26
Fire Station Tours	0	12
Inspections - Business	11	95
Inspections - Specialty/Complaint	56	144
Juvenile Fire Setter Program	0	2
Neighborhood Canvass - Post-Drowning	0	5
Neighborhood Canvass - Post-Fire	1	12
Plan Reviews	11	116
Safety Classes - Fire & Water	3	33
School - Fire Drills	0	16
School - Pub Ed Classes	0	24
Smoke Alarms Placed	12	507

### Injury Report

	May 2015	Fiscal YTD
Injuries	1	14
Exposures	0	13
Sharps	0	3

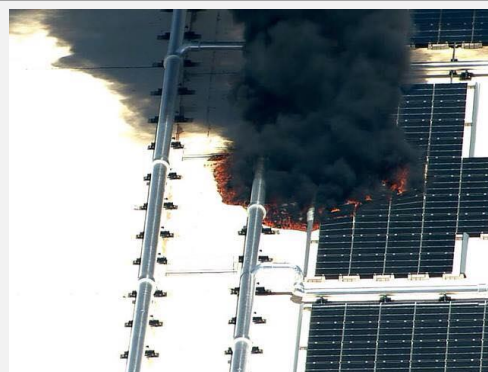
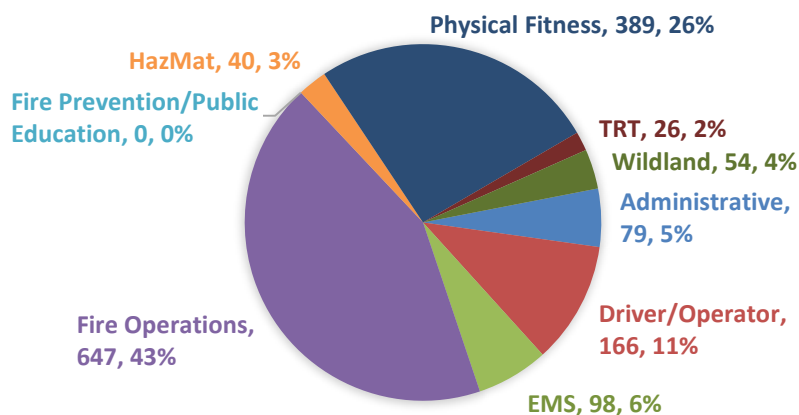


*E262 at Desert Vista Elementary School's Water Day on May 18*



*Fire Chief Paul Bourgeois speaking on KTAR's Sunday morning program, Valley Watch, on May 10. This program public safety topics from across the valley.*

### Training Hours Categories



*ABC15's photo from the Apple facility fire at Signal Butte and Elliot. SFMD assisted MFMD and GFD units on May 26.*

## Appendix A

### a) Board Meeting Minutes from May 20, 2015

**Submitted By:**

Fire Chief Paul Bourgeois

**Background / Discussion:**

The board meeting minutes of the previous meeting(s) are provided for the BOD approval. If the BOD would like to discuss the minutes, they may be removed from the consent agenda. After approval, minutes are signed by the Clerk of the Board and kept as the official public record.

**Financial Impact/Budget Line Item:**

N/A

**Staff Recommendation:**

Staff recommends approval of May 20, 2015 board minutes.

**Enclosure(s):**

May 20, 2015 Board Meeting Minutes



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**Governing Board Meeting Minutes  
May 20, 2015**

PURSUANT TO A.R.S. §38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE & MEDICAL DISTRICT GOVERNING BOARD OF DIRECTORS HELD A MEETING ON WEDNESDAY, MAY 20, 2015. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA.

THIS MEETING WAS OPEN TO THE GENERAL PUBLIC AND BEGAN AT 5:30 P.M.

- A. Chairman Cross called the meeting to order at 5:30 p.m.
- B. The Pledge of Allegiance was led by Director Cobb
- C. Roll Call showed Chairman Jeff Cross, Clerk Gene Gehrt, Director Todd House, Director Charlie Fox, and Director Barbara Cobb as present.

Senior Leadership in attendance: Fire Chief Paul Bourgeois, Assistant Chief Jerome Schirmer, Assistant Chief Mike Farber, Finance Director Roger Wood, and Battalion Chief Richard Mooney were present.

Legal Counsel Donna Aversa, and Executive Assistant acting as Board Secretary Jasmin Jones were also present for the meeting.

**Item 1:** *Review and approval of the April 2015 financial reports and bank reconciliations. (BOD #2015-05-01)*

**Motion** by Director House to approve the April 2015 financial reports and bank reconciliations. Seconded by Director Fox.

**Vote** 5 ayes, 0 nays. Motion passed.

**Item 2:** *Recognition of employee performance, achievements and special recognition for community members. (BOD #2015-05-02)*

Chairman Cross read the list of the following May Service Anniversaries

Firefighter / Paramedic Stephan Wagner	13 Years
Firefighter Paul Garcia	13 Years
Fire Engineer Rob VandeKrol	13 Years
Finance Director Roger Wood	2 Years

Fire Chief Paul Bourgeois presented Director Barbara Cobb with a special award, thanking her for her service on the fire board.

**Item 3:** *Call to the Public. (BOD #2015-05-n/a)*  
None



- Item 4:** *Consideration and possible approval of all consent agenda items listed below:  
(BOD #2015-05-03)*
- a) *Board Meeting Minutes from April 15, 2015*
  - b) *Contract for employee medical insurance with United Healthcare*
  - c) *Renewal of worker's compensation insurance contract with Lovitt & Touche/CopperPoint American Insurance Company*
  - d) *Contract for employee dental insurance with Principal Financial Group*
  - e) *Contract for Employee STD, LTD, Life, AD&D, Group Life, Group AD&D with Cigna*
  - f) *Agreement the City of Mesa for use of their training facilities*
  - g) *Purchase of 5 Stryker Gurneys*

**Motion** by Director Cobb moved to approve consent agenda items for May 20, 2015. Seconded by Clerk Gehrt.

**Vote** 5 ayes, 0 nays. Motion passed.

- Item 5:** *Purchase of (2) LifePak 15 monitors (BOD #2015-05-04)*

Assistant Chief Jerome Schirmer requested the retroactive approval of the purchase of 2 Lifepak 15 cardiac monitors, which were budgeted for in FY 14/15.

**Motion** by Director House to approve the purchase of 2 Lifepak 15 Cardiac Monitors, not to exceed \$70,158.37. Seconded by Director Fox.

**Vote** 5 ayes, 0 nays. Motion passed.

- Item 6:** *Discussion and possible action regarding the appointment of the upcoming vacancy on the SFMD Board of Directors after the resignation of Director Cobb. (BOD #2015-05-05)*

The Board of Directors gave direction to set up the following timeline to assist with the vacancy on the BOD.

- Publish an opening in the newspapers and social media
- Close the application process on Monday, June 8, 2015 at 5:00 p.m.
- Hold a Special Board Meeting on Wednesday, June 10, 2015 at 5:30 p.m. to interview interested citizens.
- Board Members email questions to Ms. Donna Aversa to standardize the interview process

- Item 7:** *Discussion, consideration, and possible action regarding the development of the Fiscal Year 2015/2016 Revenue and Expenditure Budget and adoption of Resolution 2015-02.  
(BOD #2015-05-06)*

Finance Director Roger Wood discussed the Tentative FY 2015/2016 budget that was scheduled to be adopted at the May 20<sup>th</sup> board meeting, in correlation with the opening of a 20-day public comment period, per ARS. At the December 13, 2014 board meeting, the BOD approved a special board meeting for Wednesday, July 8, 2015 to formally adopt the FY 2015/2016 budget.

Mr. Wood presented the budget to the board, explaining that it could still be modified and adjusted if the BOD would like. The budget that was presented represented a tax rate of \$3.19 per hundred dollars of secondary valuation for district operations and the \$.22 special Bond assessment remains the same.

**Motion** by Director House to adopt Resolution 2015-02 adopting a tentative budget of \$21,027,917.61 for fiscal year beginning July 1, 2015 and ending June 30, 2016 and giving notice to the public of the tentative budget, as well as the time and place for a public meeting to hear comments prior to final adoption of the budget as required by law. Seconded by Director Fox.

**Vote** 5 ayes, 0 nays. Motion passed.

**Item 8:** *Discussion and update of the CCU program and Rescue Operations implementation. (BOD# 2015-05-07)*

Firefighter/Paramedic Dave Pohlmann presented a deployment model to the BOD that may be a valuable model. He explained that the financial aspect of the model has not yet been vetted through accounting to see if this is a viable model, more information will be pass along next month. Clerk Gehrt thanked Firefighter Pohlmann for thinking out of the box.

**Item 9:** *Chief's Report. (BOD# 2015-05-08)*

Fire Chief Paul Bourgeois reported on the following

- **Upcoming Events**
  - AFDA Conference June 25<sup>th</sup> – 27<sup>th</sup>
- **SFMD Leadership Academy**
  - 19 different agencies represented
  - 80 + attendees
- **Important Information**
  - Awarded a video conferencing grant
  - There are recent changes in DHS, our district was lucky to receive our CoN when we did, in record time, of 4 months.
  - Special thank you to Assistant Chief Mike Farber and Finance Director Roger Wood for all of their work on the budget.

**Item 9:** *Announcements (BOD# 2015-05-n/a)*

None

**Item 10:** *Adjourn (BOD# 2015-05-09)*

**Motion** by Director House at 7:24 p.m. to adjourn the meeting. Seconded by both Clerk Gehrt and Director Fox.

**Vote** 5 ayes, 0 nays. Motion passed.

### **Governing Board Approval:**

---

Gene Gehrt, Board Clerk

Jasmin Jones

## Appendix B

### b) Special Board Meeting Minutes from June 10, 2015

**Submitted By:**

Fire Chief Paul Bourgeois

**Background / Discussion:**

The special board meeting minutes of the previous special board meeting are provided for the BOD approval. If the BOD would like to discuss the minutes, they may be removed from the consent agenda. After approval, minutes are signed by the Clerk of the Board and kept as the official public record.

**Financial Impact/Budget Line Item:**

N/A

**Staff Recommendation:**

Staff recommends approval of June 10, 2015 special board meeting minutes.

**Enclosure(s):**

June 10, 2015 Special Board Meeting Minutes



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**Special Governing Board Meeting Minutes  
June 10, 2015**

PURSUANT TO A.R.S. §38.431.02, NOTICE IS HEREBY GIVEN TO THE GENERAL PUBLIC THAT THE SUPERSTITION FIRE & MEDICAL DISTRICT GOVERNING BOARD OF DIRECTORS HELD A MEETING ON WEDNESDAY JUNE 10, 2015. THE MEETING WAS HELD AT THE SUPERSTITION FIRE & MEDICAL DISTRICT'S ADMINISTRATION OFFICE, 565 N. IDAHO ROAD, APACHE JUNCTION, ARIZONA.

THIS MEETING WAS OPEN TO THE GENERAL PUBLIC AND BEGAN AT 5:30 P.M.

- A. Chairman Cross called the meeting to order at 5:30 p.m.
- B. The Pledge of Allegiance was led by Director House.
- C. Roll Call showed Chairman Jeff Cross, Clerk Gene Gehrt, Director House, and Director Charlie Fox (telephonically) as present.

Senior Leadership in attendance: Fire Chief Paul Bourgeois, Assistant Chief Dave Montgomery, Assistant Chief Mike Farber, Finance Director Roger Wood, and Battalion Chief Jeff Cranmer were present.

Legal Counsel Donna Aversa, and Executive Assistant acting as Board Secretary Jasmin Jones were also present for the meeting.

**Item 1:** *Executive Session pursuant to ARS §38-461.03(A)(1) for discussion or consideration of appointment of a public officer (BOD #2015-06-01)*

**a)** *Confirmation that the candidate(s) received at least 24 hours advanced notice of this proposed executive session and agenda per ARS §38-461.03(A)(1).*

**b)** *Note that executive sessions are confidential pursuant to ARS §38-461.03(C).*

Chairman Cross asked each of the candidates if they received the notice at least 24 hours in advance regarding the executive session, they all confirmed that they had. Ms. Aversa explained to the Board of Directors (BOD) that at this time before they vote to go into an executive session, they could ask the candidates to step into the lobby, so the BOD could refine and discuss the questions they would ask by each candidate. The candidates stepped into the lobby.

The BOD agreed not to go in to executive session for the interview process. They called each candidate in one at a time, Chairman Cross asked each candidate the same questions during each of their interviews. The order of the candidates were:

1. Mr. Jeffrey Luidhardt
2. Mr. Lee Cooper
3. Mrs. Judy Novalsky
4. Mr. Jason Moeller

The questions asked of each candidate were as follows:

1. Why are you interested in becoming a SFMD Board Member?
2. What specific experience do you have that you believe would be of value to the SFMD Board?

3. Briefly tell us about yourself, what some of your previous volunteer experiences, leadership or governing roles were, and how you think your education, training, and experience have qualified you for this position.

4. Why should we appoint you over other applicants?

5. Assuming you are offered this position;

- a) Does your family (and work obligations) support your board service/commitment?
- b) Are you willing to accept the fiduciary responsibility to represent our Taxpayers best interest above your own personal interest?
- c) Are you willing to complete the mandatory 6 hours of Statutory Training in Governance, Finance, Open Meeting Law, and Ethics and Fiduciary Responsibilities, within one (1) year of your appointment?
- d) Are you willing to commit the time and attend required meetings and the necessary effort to be an involved and effective board member?

After the interviews it was voted to move into executive session for discussion and consideration of an appointment of a public officer.

**Motion** by Director House at 6:09 pm. to go into Executive Session pursuant to ARS §38-461.03(A)(1) for discussion or consideration of appointment of a public officer. Seconded by Clerk Gehrt.

**Vote** 4 ayes, 0 nays. Motion passed.

**Item 2:** *Review, discussion, and possible action to appoint a board member to fill the vacancy and unexpired term created by resignation of Board Member Barbara Cobb. (BOD #2015-06-02)*

Fire Chief Paul Bourgeois welcomed the candidates back into the board room and apologized for not introducing himself or the Board of Directors (BOD) sooner. The candidates were then introduced to the BOD.

Chairman Cross thanked everyone for coming and volunteering their time and participate in this process.

**Regular Session reconvened at 6:47 p.m. and Chairman Cross reminded everyone that items discussed during the Executive Session are confidential.**

Director Fox started by saying he was impressed by the quality of all four (4) of the candidates, they are all qualified, and it will be a tough decision to select only one.

Clerk Gehrt agreed and stated that he appreciates all the candidates desire to be on the Superstition Fire & Medical District Board of Directors, and it will be tough decision to make.

Director House stated that all four (4) of the candidates show the diversity of Apache Junction and the diversity in our community as a whole, all of the candidates have done great volunteer work. He went on to say it will be a tough decision to make and that he appreciates all of the candidates taking the time out of their schedules to participate in the selection process.

Director House asked if Mr. Jason Moeller worked for Pinal County. Mr. Moeller stated he does work for Pinal County Health Department as an RN. Director House asked him if he knew who he was (Director House), Mr. Moeller answered that he recognized Director House from the county. Director House stated that he wanted it on record, he does not know Mr. Moeller and that by working at Pinal County would not be a factor in his decision making to elect a new board member, seeing as Director House is an elected official for Pinal County. Director House went on to say that the BOD needs diversity, currently the BOD has two members who have experience in fire service, however, the BOD does not have anyone with medical experience. Director House

also complimented Mr. Moeller on being an Eagle Scout and participating in the Citizen Leadership Institute (CLI) with the City of Apache Junction.

**Motion** by Director House to nominate Mr. Jason Moeller as Director for the Superstition Fire & Medical District Board of Directors. Seconded by Clerk Gehrt.

**Roll-Call Vote** – Chairman Cross – yes, Clerk Gehrt – yes, Director House – yes, Director Fox – yes. 4 ayes, 0 nays. Motion passed.

Chairman Cross complimented Mr. Moeller on his volunteering throughout our district at the food bank, as an Eagle Scout, and at the Citizen Leadership Institute – just to name a few, this made him stand out.

Director House stated that it was a tough decision to make, all four (4) of the candidates were qualified.

Chairman Cross welcomed the other candidates to stay involved and engaged with the SFMD through the events we host and board meetings.

Mr. Aversa reminded the Board of Directors of the house-keeping – Mr. Moeller's term will expire in 2016, he also needs to have the correct information per ARS before he serves on the board. She asked that Mr. Moeller see Ms. Jasmin Jones for the information at the end of the board meeting.

**Item 3:** *Adjournment. (BOD #2015-06-03)*

**Motion** by Director House to adjourn the meeting at 6:57 p.m. Seconded by Clerk Gehrt.

**Vote** 4 ayes, 0 nays. Motion passed.

### **Governing Board Approval:**

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Gene Gehrt, Board Clerk

*Jasmin Jones*

## Appendix C

### c) Executive Session Meeting Minutes from June 10, 2015

**Submitted By:**

Fire Chief Paul Bourgeois

**Background / Discussion:**

The board meeting minutes of the executive session special board meeting are provided for the BOD approval. If the BOD would like to discuss the minutes, they may be removed from the consent agenda. After approval, minutes are signed by the Clerk of the Board and kept as the official public record.

**Financial Impact/Budget Line Item:**

N/A

**Staff Recommendation:**

Staff recommends approval of June 10, 2015 Executive Session board minutes.

**Enclosure(s):**

June 10, 2015 Executive Session Board Meeting Minutes

\*Under separate cover for individuals who were in the executive session



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## Appendix D

### d) Approval of disposition of district property.

#### **Submitted By:**

Fire Chief Paul Bourgeois

#### **Background / Discussion:**

This item comes before the BOD for approval to designate certain district equipment as surplus property and allow the district to dispose of said equipment through the processes allowed by the adopted *Disposition of Surplus Property* Policy. All usefulness of the listed equipment has been exhausted and any equipment worthy to be repurposed to other needs has been removed for use. The value of this proposed surplus equipment is minimal and does not include any inventoried capital assets.

#### **Financial Impact/Budget Line Item:**

N/A

#### **Staff Recommendation:**

Staff recommends approval of the disposition of district property

#### **Enclosure(s):**

Comprehensive Disposition List



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Qty	Description
6	Recliners
48	Desktop phones
1	Drafting Desk
1	Emerson TV
2	Stand up Screens
1	KDS Computer Monitor
1	HP 1020 Printer
1	Xerox All in one printer
12	Swivel Desk Chairs
1	4 Drawer Filing Cabinet
1	Sony 24" TV

## Appendix E

- e) **Henry & Horne, LLP engagement letter governing the performance of the required annual audit for the District's FY 2014/2015 financial statements.**

**Submitted By:**

Fire Chief Paul Bourgeois

**Background / Discussion:**

Arizona Revised Statutes §48-251 and §48-253 requires special taxing districts with a budget greater than \$1 million to prepare an annual financial report and file the report with the Board of Supervisors for Pinal and Maricopa counties within 240 days of the end of the fiscal year. The audit firm must be independent and must not be affiliated with the district. The audit must be performed by a certified public accountant or someone trained as an auditor.

The district may advertise and use a competitive bidding process or may select an auditor as the service is a "professional service" and not subject to bidding requirements.

The district selected Henry & Horne LLP to conduct the FY 2012/2013 and FY 2013/2014 audits as the result of a competitive bid selection process. It is Staff's position that retaining Henry & Horne LLP for a third year provides efficiencies that warrant the continued relationship. For example, Henry & Horne LLP have provided mid-year, non-audit advice on the creation of the CoN Rescue Operations and CCU Grant accounting structure.

Henry & Horne's quote to perform the FY 2013/2014 audit is \$13,000.

Staff recommends the district retain Henry & Horne to conduct the FY 2014/2015 audit with the stipulation that the audit be completed no later than January 13, 2016. This date is important as it gives Staff an opportunity to have the audit approved by the Governing Board at the January 20th Board meeting, and provides sufficient time to file the required paperwork with Pinal and Maricopa counties on time.

**Financial Impact/Budget Line Item:**

Financial impact is expected to be \$13,000 which is within budgeted parameters of the FY 2015/2016 budget.

**Staff Recommendation:**

Staff recommends approval of engagement letter

**Enclosure(s):**

Henry & Horne LLP Engagement Letter



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**HENRY & HORNE, LLP**  
Certified Public Accountants

May 8, 2015

Board of Directors and Paul Bourgeois, Fire Chief  
Superstition Fire & Medical District  
656 N. Idaho Rd.  
Apache Junction, AZ 85119

We are pleased to confirm our understanding of the services we are to provide Superstition Fire & Medical District (District) for the year ended June 30, 2015. We will audit the financial statements of the governmental activities, each major fund and the aggregate remaining fund information, which collectively comprise the basic financial statements of Superstition Fire & Medical District as of and for the year ended June 30, 2015. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Superstition Fire & Medical District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Superstition Fire & Medical District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of the District's Proportionate Share of Net Pension Liability Cost-Sharing Pension Plans
- 3) Schedule of Changes in the District's Net Pension Liability (Asset) and Related Ratios Agent Pension Plans
- 4) Schedule of District Pension Contributions
- 5) Notes to Pension Plan Schedules

**Tempe**  
2055 E. Warner Road  
Suite 101  
Tempe, AZ 85284-3487  
(480) 839-4900  
Fax (480) 839-1749

**Scottsdale**  
7098 E. Cochise Road  
Suite 100  
Scottsdale, AZ 85253-4517  
(480) 483-1170  
Fax (480) 483-7126

**Casa Grande**  
1115 E. Cottonwood Lane  
Suite 100  
Casa Grande, AZ 85122-2950  
(520) 836-8201  
Fax (520) 426-9432

We have also been engaged to report on supplementary information other than RSI that accompanies Superstition Fire & Medical District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Combining Budgetary Comparison Schedules – Capital Projects Fund
- 2) Combining Budgetary Comparison Schedules – Other Nonmajor Fund

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records of Superstition Fire & Medical District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Superstition Fire & Medical District's financial statements. Our report will be addressed to the Board of Directors of Superstition Fire & Medical District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose.

### **Audit Objectives (Continued)**

If during our audit we become aware that Superstition Fire & Medical District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

### **Management Responsibilities**

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under Government Auditing Standards and such services will not be conducted in accordance with Government Auditing Standards. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services (including but not limited to those listed below) by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

- Preparing financial statements and related notes;
- Proposing entries affecting the financial statements.
- Preparing Governmental Accounting Standards Board Statement No 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*, conversion entries;

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

### **Management Responsibilities (Continued)**

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. You are responsible for the preparation of the supplementary information, if any, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter.

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### **Management Responsibilities (Continued)**

This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures—Internal Controls**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Superstition Fire & Medical District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Engagement Administration, Fees and Other**

Marilyn Mays, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for this engagement are not contingent on the results of our services. Rather, our fees for this engagement will be based on our standard hourly rates, which vary according to the degree of responsibility involved and the experience level of the personnel assigned to your engagement. In addition, you agree to reimburse us for any of our out-of-pocket costs incurred in connection with the performance of our services. We estimate that our fee for these services will be approximately \$13,000. You acknowledge that this estimate is not a limit to the total fees we may charge for our services, and that our fees may actually exceed that estimate. However, in the event that we encounter unusual circumstances that would require us to expand the scope of the engagement, and/or if we anticipate our fees exceeding the aforementioned estimate, we will adjust our estimate, and obtain your prior approval before continuing with the engagement.



### **Engagement Administration, Fees and Other (Continued)**

Our fees and costs will be billed monthly, and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to a 1.5% delinquency charge per month. In the absence of a written objection to any invoice within 30 days of the invoice date, you will be deemed to have accepted and acknowledged, as correct, the services rendered as described in the invoice and the value thereof.

We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent (if not paid within thirty days of the invoice date). In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees. If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through the date of termination.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically on your internet website, you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

It is our policy to retain engagement documentation for a period of seven years, after which time we will commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement, and you will provide us with a receipt for the return of such records. The balance of our engagement file, other than the audited financial statement, which we will provide to you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

### **Engagement Administration, Fees and Other (Continued)**

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our hourly rates, for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs incurred in that regard.

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered by The American Arbitration Association, according to its mediation rules before resorting to litigation. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties. Any litigation arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be asserted within one year from the date any such cause of action accrues, or within three years from the completion of the engagement, whichever is earlier, notwithstanding any statutory provision to the contrary.

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties. If you would like us to provide you with any other services not specifically outlined in this engagement letter, you must make that request of us in writing. If we agree to provide the requested additional services, we will create a separate engagement letter specifically addressing the same, and that engagement letter, upon your signature, will govern our provision of those additional services.

Prior to preparation and execution of this engagement letter, we discussed with you the fact that we provide clients with services specifically focused on identifying and addressing weaknesses in internal controls (internal control review), and on searching for the existence of fraud within your District (fraud audit). We further explained the additional costs associated with such different levels of service. After consideration of such services, you have informed us that you wish to retain us to perform only the audit services described in this letter.

**Engagement Administration, Fees and Other (Continued)**

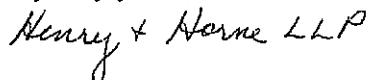
It is not the policy of this firm to voluntarily disclose to third parties any non-public information obtained from or about your District during or as a result of this engagement absent your express consent to do so. Indeed, as professionals, we are obligated to preserve the confidential nature of such information in our possession. However, such information may not be protected from disclosure by an absolute privilege, and therefore, we may be compelled by law or legal process, with or without your consent, to produce documents or testify about facts and circumstances that have come into our possession, or become known to us, during or as a result of this engagement. You should consult with legal counsel to obtain a thorough understanding of the extent and limitations of the confidentiality of information in our possession.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include our report or a disclaimer on the financial presentations that we so specify. Further, you agree to provide us with a printer's proof or master of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name or the name of an employee of the firm and a financial presentation(s) for our approval before it is distributed. During our engagement, certain members of our staff will be assisting you. If you offer one of our staff working on your engagement employment and they choose to accept, we would incur a significant fee to find replacement personnel, and therefore, we would expect reimbursement for such costs. Customarily, the fee approximates 25 – 35% of the first year's salary. In the event that you do hire one of our staff, you agree to reimburse 25% of the first year's salary for the placement service.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Superstition Fire & Medical District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in cursive script that reads "Henry & Horne LLP".

HENRY & HORNE, LLP



## System Review Report

August 8, 2013

To the Partners of Henry & Horne, LLP  
and the Peer Review Committee of the  
California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Henry & Horne, LLP (the firm) in effect for the year ended May 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/PRSummary](http://www.aicpa.org/PRSummary).

As required by standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Henry & Horne, LLP in effect for the year ended May 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Henry & Horne, LLP has received a peer review rating of *pass*.

*RW Group, LLC*

## Appendix F

### f) Approval of Wells Fargo Authorization Certificate and Wells Fargo Addendum to Commercial Account Signature Card

**Submitted By:**

Fire Chief Paul Bourgeois

**Background / Discussion:**

To facilitate updating the Board of Director's (BOD) signature authority on our current Wells Fargo commercial bank accounts, Wells Fargo is requesting the BOD provide signature specimens on the attached Authorization Certificate.

**Financial Impact/Budget Line Item:**

N/A

**Staff Recommendation:**

Staff recommends approval of the Commercial Account Signature Card

**Enclosure(s):**

Wells Fargo Authorization Certificate



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# Authorization Certificate

## Depository Accounts and Treasury Management Services

The undersigned hereby certifies that he or she is the duly appointed authorized representative of Superstition Fire & Medical District

(Account holder's complete legal entity/company name), a political subdivision (description of Account holder's business entity type) ("Customer"), with authority to act on behalf of Customer, and that the following are true and correct resolutions duly adopted by Customer, in accordance with its formation and governing documents, and that these resolutions have not been in any way altered, amended or rescinded, and are now in full force and effect:

The undersigned further certifies that any one of the following named persons, whose signatures are set forth opposite their names (and titles, if applicable):

Add more rows		Remove	
Name	Title (if applicable)	Signature or Facsimile Signature <sup>1</sup>	
#1 <u>Jeff Cross</u>	<u>Board Chairman</u>	X	<u></u>
#2 <u>Gene Gehrt</u>	<u>Board Clerk</u>	X	<u></u>
#3 <u>Todd House</u>	<u>Board Director</u>	X	<u></u>
#4 <u>Charlie Fox</u>	<u>Board Director</u>	X	<u></u>
#5 <u>Jason Moeller</u>	<u>Board Director</u>	X	<u></u>
#6 <u>Roger Wood</u>	<u>Finance Director</u>	X	<u></u>

is individually authorized to, and to designate one or more other Customer officers, agents or employees (each such aforementioned person, officer or designee thereof is referred to herein as an "Authorized Representative") to: (a) open or close one or more deposit and/or securities accounts (the "Accounts") with Wells Fargo Bank, National Association ("Bank"); (b) execute and deliver in Customer's name such agreement(s) regarding the Accounts and the services related thereto as Bank may from time to time require; (c) authorize and execute transactions on the Accounts, including, without limitation, (i) signing checks and other instruments withdrawing funds from the Accounts, including those payable to cash or to persons who sign them, (ii) requesting funds transfers by Bank to and from the Accounts, (iii) entering into arrangements for the processing of automated clearing house ("ACH") debit entries and/or ACH credit entries to and from the Accounts, and (iv) endorsing on behalf of Customer, and otherwise negotiating, checks and other items payable to Customer; (d) incur overdrafts and other obligations in the Accounts at Bank in connection with any of the products, services, or activities authorized by these resolutions; and (e) invest Customer's funds on such terms and conditions as such Authorized Representative deems appropriate.

Customer is authorized to enter into any other arrangements, agreements and documents with respect to any of Bank's deposit and treasury management products and services, in such form and on such terms and conditions as may be agreed to by a Authorized Representative signing such agreements and documents.

Customer shall be bound to Bank by, and Bank may rely upon, any communication or act, including telephone communications, purporting to be done by any partner, employee or agent of Customer provided that Bank believes, in good faith, that the same is done by a person authorized to so act.

The authority hereby conferred is in addition to that conferred by any other certificate heretofore or hereafter delivered to Bank and shall continue in full force and effect until Bank shall have received notice in writing from Customer of the revocation hereof. Any such revocation shall be effective only as to actions which are taken by Customer pursuant to the certifications contained herein, subsequent to Bank's receipt of such notice. The authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the execution of this certificate are hereby approved and ratified.

<sup>1</sup> **Facsimile Signature/Logo and/or Electronic Signature.** Customer authorizes the use of facsimile signatures/logos and/or electronic signatures in connection with its agreements with, and instructions to, Bank if such is provided for on this form. Customer agrees that Bank will have no liability for accepting any agreements or instructions of Customer that bears signatures resembling Customer's facsimile signatures/logos and/or electronic signatures. Customer will provide a sample of any such signature/logo to Bank.



The undersigned further certify that the activities covered by the foregoing certifications constitute duly authorized activities of Customer; that said certifications are now in full force and effect; and that there is no provision in any document pursuant to which Customer is organized and/or which governs Customer's continued existence limiting the power of the undersigned to make the certifications set forth herein, and that the same are in conformity with the provisions of all such documents.

ACKNOWLEDGED & AGREED TO:

By/Signature: \_\_\_\_\_

Printed Name: Jeff Cross

(this individual must be a duly appointed representative of the TIN of record)

Title (if applicable): Board Chairman

Date: \_\_\_\_\_

Tax Identification Number of Customer: 86-0311208

(TIN of the Account holder as assigned by the IRS)

Submit Edits

## Appendix G

### g) Approval of Addendum to the Tyler Contract ID# 2013-0250

**Submitted By:**

Fire Chief Paul Bourgeois

**Background / Discussion:**

The Tyler contract was originally approved at the October 2013 Board Meeting held on October 16, 2013. The contract with Tyler Technologies relates to the purchase of an integrated Accounting / Human Resources / Payroll / Time & Attendance software system.

Staff has negotiated with Tyler Technologies to reach agreement on eliminating the License Fees for the Fixed Assets, Inventory Control, and Work Orders modules that are not being implemented. This results in a one-time reduction in fees of \$6,600.00.

This reduction in fees will be reflected on a revised invoice that the District will be in July 2015.

**Financial Impact/Budget Line Item:**

200-70-73520-15 Computer Software – reduction in cost of \$6,600.00

**Staff Recommendation:**

Staff recommends approval of the addendum to the Tyler Contract

**Enclosure(s):**

Tyler Technologies Amendment to Agreement



**Go to Appendix H**

**Go to Agenda**





## ADDENDUM

Per Agreement 2013-0250, dated November 26, 2013, ("Agreement") between Tyler Technologies, Inc. ("Tyler") and the Superstition Fire and Medical District ("Client"), Client would like to remove the following application and services:

Application Software	QTY	License Fee	Annual Fee
Incode Financial Management Suite	1	6,600	1,452
Fixed Assets			
Inventory Control			
Incode Customer Relationship Management Suite	1	6,600	1,452
Work Orders			
Incode Application Subtotal		13,200	2,904
Preferred Customer Discount (50%)		(6,600)	
Application and System Software Total		\$6,600	\$2,904

Please Note: Client understands no money will be refunded. All terms and conditions of the Agreement not herein amended or superseded shall remain in full force and effect.

IN WITNESS WHEREOF, persons having been duly authorized and empowered to enter into this Addendum hereunto executed this Addendum effective as of the date last set forth below.

Tyler Technologies, Inc.  
Local Government Division

Superstition Fire and Medical District

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix H

### h) Renewal of the Employee Assistance Program (EAP) with Aetna

**Submitted By:**

Fire Chief Paul Bourgeois

**Background / Discussion:**

In July 2012, the District approved a 3-year contract with Aetna to provide employee assistance support for the employees and their dependents.

Staff is recommending that the Board approve a new 3-year contract with Aetna to continue providing EAP services to the District's employee and their dependents. The cost remains the same as before at \$8.67 per employee per month.

**Financial Impact/Budget Line Item:**

The estimated cost for FY15/16 is approximately \$11,448.00, however since it is dependent on the number of employees, the actual cost will vary as the number of employees changes throughout the year. This expense is budgeted for in account 100-10-53940-10.

**Staff Recommendation:**

Staff recommends approval of the renewal of the EAP Contract

**Enclosure(s):**

Aetna Employee Assistance Program Services Agreement  
Aetna HIPAA Business Associate Agreement



**Go to Item 5**

**Go to Agenda**

## **EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

This Employee Assistance Program Services Agreement (hereinafter, the "Services Agreement") is made and entered into by and between Aetna Behavioral Health, LLC, on behalf of itself and its affiliates (hereinafter "Company"), and Superstition Fire & Medical District (hereinafter "Customer").

WHEREAS, Customer has established an employee assistance program ("EAP") for certain eligible individuals; and

WHEREAS, Customer also desires to engage the services of Company to provide EAP services and WorkLife and other additional EAP services which are defined in this Agreement (the "Services"),

THEREFORE, in consideration of the mutual covenants and promises stated herein and other good and valuable consideration, the parties hereby enter into this Services Agreement. This Services Agreement includes and incorporates by reference the attached **General Conditions Addendum, Description of EAP Services Addendum, Description of Work/Life Services Addendum, and Service and Fee Schedule**, and the Business Associate Agreement entered into between Aetna Life Insurance Company, on behalf of itself and its affiliates (including Aetna Behavioral Health, LLC) and Customer, as may be amended from time to time, and is referred to herein as the "Business Associate Agreement".

Customer hereby elects to receive the Services set forth in the **Service and Fee Schedule** attached hereto and made a part hereof. The corresponding Service Fees are specified in the **Service and Fee Schedule**, which shall be amended for future periods, in accordance with Section 3 of the **General Conditions Addendum**, to reflect the Services elected and corresponding Service Fees for such periods.

This Services Agreement (including incorporated addendums) constitutes the complete and exclusive contract between the parties and supersedes any and all prior or contemporaneous oral or written communications or proposals not expressly included herein. Notwithstanding Section 3 of the **General Conditions Addendum**, no modification or amendment of this Services Agreement shall be valid unless contained in a writing signed by a duly authorized representative of Company and a duly authorized representative of Customer. By executing this Services Agreement, Customer acknowledges and agrees that it has reviewed all terms and conditions incorporated into this Services Agreement and intends to be legally bound by the same.

**EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

The initial term of this Services Agreement shall be from 07/01/2015 through 06/30/2018.

IN WITNESS WHEREOF, the parties hereto have caused this Services Agreement to be executed by their duly authorized representatives.

**SUPERSTITION FIRE & MEDICAL  
DISTRICT**

**AETNA BEHAVIORAL HEALTH, LLC**

**Signed By:**

**Signed By:**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Printed Name: Hyong Un, M.D.**

\_\_\_\_\_  
**Title: Head of EAP and Chief Psychiatric Officer**

\_\_\_\_\_  
**Date:**

## EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT

### GENERAL CONDITIONS ADDENDUM

Definitions: In this General Conditions Addendum and in all attachments to this Services Agreement:

- (A) "Employee" means any person eligible to receive Services under this Services Agreement by virtue of being a current employee of Customer, and not designated a temporary employee, and employees of subsidiaries and affiliates of Customer who are reported by Customer, in writing, to Company for inclusion in this Services Agreement.
- (B) "Dependent" means the eligible family members, including domestic partners, household members, and dependents (including adult children up to age 26) of an Employee eligible to receive Services under this Services Agreement as a dependent of an Employee.
- (C) If Applicable, the term "EAP Behavioral Health Professional" may mean EAP Network Provider or EAP Staff Clinician.
- (D) If applicable, the term "EAP Network Providers" shall mean licensed behavioral health professionals, who meet all Company credentialing standards, and who are contracted by Company, as independent contractors, to provide counseling to Members.
- (E) If applicable, the term "EAP Staff Clinicians" shall mean behavioral health professionals who are licensed in the State in which they practice and who are employed by Company to provide clinical services to Members. EAP Staff Clinicians may be part of Company's EAP call center and may provide telephonic clinical services. If applicable, EAP Staff Clinicians may be located at the Customer site and provide counseling at the Customer's location.
- (F) "Members" means Employees and Dependents eligible for Services.
- (G) "Payment Due Date" shall mean the date that payment is required as set forth on the Customer's invoice. Payment Due Date will be 30 days from the invoice generation date for the invoice month(s). Payment is to be made in a form and manner as reasonably determined by Company.
- (H) The term "Service Fees" shall have the meaning set forth in Section 3 of this General Conditions Addendum.
- (I) The term "Services" shall have the meaning set forth in Section 1 of this General Conditions Addendum.

The following are the terms and conditions under which Company agrees to perform Services for Customer:

1. **Purpose.** Customer will purchase and Company will provide to Customer the Services designated in this Services Agreement and such other services Customer requests of Company and Company agrees in writing to perform, as described in the **Service and Fee Schedule** and the **Description of Services Addenda** (the "Services").
2. **Term.** The initial term of this Services Agreement shall commence on the Effective Date and shall continue to the third anniversary of the Effective Date, unless terminated by either party in accordance with Section 4 of this **General Conditions Addendum**. Following the initial term, this Services Agreement shall be automatically renewed from year to year, unless terminated by either party in accordance with Section 4 of this General Conditions Addendum.
3. **Service Fees; Renewals.** The Service Fees payable by Customer to Company for the Services shall be determined in accordance with the **Service and Fee Schedule**. No Services other than those identified in the **Service and Fee Schedule** are included in the Service Fees. Both the Services to be provided by Company and the Service Fees may be amended by Company in accordance with the terms and conditions of the **Service and Fee Schedule**.
4. **Termination.** This Services Agreement may be terminated by Company or the Customer as follows:
  - (A) **Legal Prohibition** - If any state or other jurisdiction enacts a law which prohibits the continuance of this Services Agreement, or an existing law is interpreted to prohibit the continuance of this Services Agreement, this Services Agreement shall terminate automatically as to such state or jurisdiction on the effective date of such law or interpretation; provided, however, that if only a portion of this Services Agreement is prohibited by such law, only that portion of this

## **EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

Services Agreement shall be affected, and this Services Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

**(B) Customer Termination** - Customer may terminate this Services Agreement with respect to all Employees (including their Dependents) or any group of Employees included under this Services Agreement or any subsidiary or affiliate of Customer that is covered under this Services Agreement by giving Company at least ninety (90) days written notice stating when, after the date of such notice, such termination shall become effective.

**(C) Company Termination** -

- (1) Company may terminate this Services Agreement by giving to Customer at least thirty-one (31) days written notice stating when, after the date of such notice, such termination shall become effective.
- (2) Company may terminate this Services Agreement within ninety (90) days of transmitting notice to Customer by mail, facsimile transmission or other means of communication (including electronic mail) if (a) Customer fails to pay Service Fees by the Payment Due Date, (b) Customer fails to provide current Employee counts to Company by each Payment Due Date, (c) Company determines that Customer will not meet its obligation to pay such Service Fees and/or provide current Employee counts by the Payment Due Date, and/or (d) Company determines that Customer is in material default, or substantial breach, of one or more of its obligations under this Services Agreement.
- (3) Any acceptance by Company of funds or Service Fees described in paragraph 3 above, shall not constitute a waiver of Company's right to terminate this Services Agreement in accordance with this section with respect to any other failure of Customer to meet its obligations hereunder.

### **5. Customer's Responsibilities.**

**(A) Employee Count** – If needed and where applicable, on or before the Effective Date, Customer may be requested to furnish to Company a listing of Employees (by zip code of each Employee's place of residence). Thereafter, Customer shall supply to Company, on a monthly basis by the Payment Due Date, current Employee counts in a form and manner as reasonably determined by Company. Company shall not be responsible in any manner for any delay or error in the provision of Services caused by the Customer's failure to furnish accurate Employee counts in a timely fashion. If Customer fails to provide current Employee counts with payment by the Payment Due Date, all Employee counts will be updated and reflected in the next billing and payment cycle. Company will not process Employee counts retroactively nor will Company perform any retroactive fee adjustments due to Customer submitting inaccurate Employee counts.

**(B) Fiduciary Duty** – It is understood and agreed that the Customer, as Plan Administrator, retains complete authority and responsibility for their employee health benefits plan (the "Plan"), its operations, and the benefits provided there under, including EAP (if applicable) and that Company is empowered to act on behalf of Customer in connection with the Plan only to the extent expressly stated in this Services Agreement or as agreed to in writing by Company and Customer.

**(C) Summary Plan Description (SPD)** – If Customer's EAP is part of the Plan, Customer shall provide Company with all Plan documents at least thirty (30) days prior to the Effective Date or such other date mutually agreed upon by the parties. Absent the Customer providing Company with an SPD, Company shall automatically apply its internal policies and procedures to all EAP plans, including but not limited to internal appeals and external review, as applicable. Company does not review Customer's SPD for compliance with applicable law.

**6. Services.** Company shall perform the Services set forth in the **Service and Fee Schedule** and the **Description of Services Addenda**. Customer acknowledges that Company may utilize the services of external contractors in performing these Services. Company and Customer will discharge their obligations under this Services Agreement with that level of reasonable care which a similarly situated EAP Services provider or Plan Administrator under ERISA would exercise under similar circumstances.

**7. Records.** Customer acknowledges and agrees that Company or its affiliates or authorized agents shall have the right to use all documents, records, reports, and data, including data recorded in Company's data processing systems ("Documentation"), subject to compliance with privacy laws and regulations, including without limitation regulations promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996. All Documentation is stored in Company's data warehouses,

## **EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

and may be de-identified as to Members and Customer identity for purposes other than administration of EAP Services, at Company's discretion. Customer is not compensated for any use of de-identified Documentation maintained in Company's data warehouse.

### **8. Indemnification.**

(A) Company shall indemnify and hold harmless Customer, its directors, officers, employees (acting in the course of their employment, but not as Members) for that portion of any third party loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorneys' fees) caused solely and directly by Company's willful misconduct, criminal conduct, breach of this Services Agreement, fraud, breach of fiduciary responsibility, or failure to comply with Section 6 above, related to or arising out of the Services provided under this Services Agreement.

(B) Except as provided in (A) above, Customer shall indemnify and hold harmless Company, its affiliates and their respective directors, officers, and employees for that portion of any third party loss, liability, damage, expense, settlement, cost or obligation (including reasonable attorney's fees): (i) which was caused solely and directly by Customer's willful misconduct, criminal conduct, breach of this Services Agreement, fraud, breach of fiduciary responsibility, or failure to comply with Section 6 above, related to or arising out of this Services Agreement or Customer's role as employer; (ii) resulting from taxes, assessments and penalties incurred by Company by reason of Services performed hereunder, and any interest thereon, provided that Customer shall not be required to pay any net income, franchise or other tax, however designated, based upon or measured by Company's net income, receipts, capital or net worth, (iii) in connection with the release or transfer of Member-identifiable information to Customer or a third party designated by Customer, or the use or further disclosure of such information by Customer or such third party; or (iv) resulting from or arising out of claims, demands or lawsuits brought against Company in connection with Services provided under this Services Agreement.

(C) The party seeking indemnification under (A) or (B) above must notify the indemnifying party within 20 days in writing of any actual or threatened action, suit or proceeding to which it claims such indemnification applies. Failure to so notify the indemnifying party shall not be deemed a waiver of the right to seek indemnification, unless the actions of the indemnifying party have been prejudiced by the failure of the other party to provide notice within the required time period.

The indemnifying party may then take steps to be joined as a party to such proceeding, and the party seeking indemnification shall not oppose any such joinder. Whether or not such joinder takes place, the indemnifying party shall provide the defense with respect to claims to which this Section applies and in doing so shall have the right to control the defense and settlement with respect to such claims.

The party seeking indemnification may assume responsibility for the direction of its own defense at any time, including the right to settle or compromise any claim against it without the consent of the indemnifying party, provided that in doing so it shall be deemed to have waived its right to indemnification except in cases where the indemnifying party has declined to defend against the claim.

(D) Customer and Company agree that, except for counseling services provided by EAP Staff Clinicians: (i) Company does not render medical services or treatments to Members; (ii) neither Customer nor Company is responsible for the health care that is delivered by EAP Network Providers; (iii) EAP Network Providers are solely responsible for the health care they deliver to Members; (iv) EAP Network Providers are not the agents or employees of Customer or Company; and (v) the indemnification obligations of (A) or (B) above do not apply to any portion of any loss, liability, damage, expense, settlement, cost or obligation caused by the acts or omissions of EAP Network Providers with respect to Members.

(E) The indemnification obligations under (A) above shall not apply to that portion of any loss, liability, damage, expense, settlement, cost or obligation caused by Company's act or omission undertaken at the direction of Customer (other than Services described in this Services Agreement). The indemnification obligations under (B) above shall not apply to that portion of any loss, liability, damage, expense, settlement, cost or obligation undertaken by Customer at the direction of Company.

(F) The indemnification obligations under this Section 8 shall terminate upon the expiration of this Services Agreement, except as to any matter concerning which a claim has been asserted by notice to the other party at the time of such expiration or within two (2) years thereafter.

## EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT

9. **Remedies.** Other than in an action between the parties for third party indemnification, neither party shall be liable to the other for any consequential, incidental or punitive damages whatsoever.
10. **Binding Arbitration of Certain Disputes.** Any controversy or claim arising out of or relating to this Services Agreement or the breach, termination, or validity thereof, except for temporary, preliminary, or permanent injunctive relief or any other form of equitable relief, shall be settled by binding arbitration in Hartford, CT administered by the American Arbitration Association ("AAA") and conducted by a sole arbitrator in accordance with the AAA's Commercial Arbitration Rules ("Rules"). The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, to the exclusion of state laws inconsistent therewith or that would produce a different result, and judgment on the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. Except as may be required by law or to the extent necessary in connection with a judicial challenge, or enforcement of an award, neither a party nor the arbitrator may disclose the existence, content, record or results of an arbitration. Fourteen (14) calendar days before the hearing, the parties will exchange and provide to the arbitrator (a) a list of witnesses they intend to call (including any experts) with a short description of the anticipated direct testimony of each witness and an estimate of the length thereof, and (b) premarked copies of all exhibits they intend to use at the hearing. Depositions for discovery purposes shall not be permitted. The arbitrator may award only monetary relief and is not empowered to award damages other than compensatory damages.
11. **Confidentiality.**
- (A) **Business Confidential Information** - Each party acknowledges that performance of this Services Agreement may involve access to and disclosure of Customer and Company identifiable business proprietary data, rates, procedures, materials, lists, systems and information of the other (collectively "Business Confidential Information"). No Business Confidential Information shall be disclosed to any third party other than a party's representatives who have a need to know such Information in relation to administration of the EAP Services, and provided that such representatives are informed of the confidentiality provisions hereof and agree to abide by them. All such information must be maintained in strict confidence. Customer agrees that Company may make lawful references to Customer in its marketing activities and in informing health care providers (including EAP Network Providers) as to the organizations and plans for which Services are to be provided.
- (B) **Company Confidential Information** - Any information with respect to Company or any of its affiliate's fees or specific rates of payment to health care providers (including EAP Network Providers) and any information which may allow determination of such fees or rates any of the terms and provisions of the health care provider's agreement (including EAP Network Providers) with Company or its affiliates are deemed to be Company Confidential Information. No disclosure of any such information may be made or permitted to Customer or to any third party whatsoever, including, but not limited to, any broker, consultant, auditor, reviewer, administrator or agent unless (i) Company has consented in writing to such disclosure and (ii) each such recipient has executed a confidentiality agreement in form satisfactory to Company's counsel.
- (C) **Member Confidential Information** - In addition, each party will maintain the confidentiality of medical records and confidential Member-identifiable patient information ("Member Confidential Information"), and in accordance with the terms of the Business Associate Agreement.
- (D) **Upon Termination** - Upon termination of this Services Agreement, each party, upon the request of the other, will return or destroy all copies of all of the other's Confidential Information in its possession or control except to the extent such Confidential Information must be retained pursuant to applicable law, to the extent such Confidential Information cannot be disaggregated from the Company's databases, or except as otherwise provided under the Business Associate Agreement, provided, however, that Company may retain copies of any such Confidential Information it deems necessary for the defense of litigation concerning the Services it provided under this Services Agreement.
- (E) Customer and Company acknowledge that compliance with the provisions of the foregoing paragraphs are necessary to protect the business and good will of each party and its affiliates and that any actual or potential breach will irreparably cause damage to each party or its affiliates for which money damages may not be adequate. Customer and Company therefore agree that if a party or party's representatives breach or attempt to breach paragraphs (A) through (D) hereof, the other party will not oppose such party's request for temporary, preliminary and permanent equitable relief, without bond, to restrain such breaches, together with any and all other legal and equitable remedies available under applicable



## EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT

law or under this Services Agreement. The prevailing party shall be entitled to recover from the non-prevailing party the attorneys' fees and costs it expends in any action related to such breach or attempted breach.

12. **Relationship of the Parties.** It is understood and agreed that Company is an independent contractor with respect to all Services being performed pursuant to this Services Agreement. Company makes no guarantee and disclaims any obligation to make any specific EAP Network Providers or any particular number of EAP Network Providers available for use by Members.
13. **Subcontractors.** The work to be performed by Company under this Services Agreement may, at its discretion, be performed directly by it or wholly or in part through a subsidiary or affiliate or under a contract with an organization of its choosing. Company will remain liable for Services under this Services Agreement.
14. **Communications.** Company and Customer shall be entitled to rely upon any communication believed by them to be genuine and to have been signed or presented by the proper party or parties.

Neither party shall be bound by any notice, direction, requisition or request unless and until it shall have been received in writing at (i) in the case of Company, 4300 Centreway Place, Mail Code: 756, Arlington, TX 76018, Attention: Head of EAP and Chief Psychiatric Officer, (ii) in the case of the Customer, at the address shown below, or (iii) at such other address as either party specifies for the purposes of this Services Agreement by notice in writing addressed to the other party. Notices or communications shall be sent by certified mail, return receipt requested.

Superstition Fire & Medical District  
Attn. Chief Mike Farber  
565 N. Idaho Road  
Apache Junction, AZ 85219

15. **Force Majeure.** Company shall not be liable for any failure to meet any of the obligations or provide any of the Services or benefits specified or required under this Services Agreement where such failure to perform is due to any contingency beyond the reasonable control of Company, its employees, officers or directors. Such contingencies include, but are not limited to: acts or omissions of any person or entity not employed or reasonably controlled by Company, its employees, officers or directors; acts of God; fires; wars; accidents; labor disputes or shortages; governmental laws, ordinances, rules, regulations, or the opinions rendered by any Court, whether valid or invalid.
16. **Compliance.** Customer and Company shall remain, throughout the term of this Services Agreement, in compliance with all applicable federal and state laws and regulations, including HIPAA, related to this Services Agreement and the Services to be provided hereunder. Accordingly, the parties agree to the terms of the Business Associate Agreement.
17. **Audit Rights.** Customer may perform audits of Company's EAP processes only, during normal business hours upon reasonable written notice. A process audit may not be conducted more than once annually and will not include access to individually identifiable Member information. Any requested payment from Company resulting from the audit must be based upon documented findings, agreed to by both parties, and must be solely due to Company's actions or inactions.
18. **Miscellaneous.** The Services Agreement shall be governed by and interpreted in accordance with applicable federal law, including but not limited to ERISA. To the extent such federal law does not govern, this Services Agreement shall be governed by Connecticut law and the courts in such state shall have sole and exclusive jurisdiction of any dispute related hereto or arising hereunder. No delay or failure of either party in exercising any right hereunder shall be deemed to constitute a waiver of that right. There are no intended third party beneficiaries of this Services Agreement. This Section and Sections 3 through 7 and 9 through 11 shall survive termination of the Services Agreement. The provisions of Section 8 shall survive termination only to the extent stated therein. The headings in this Services Agreement are for reference only and shall not affect the interpretation or construction of this Services Agreement.

## **EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

### **DESCRIPTION OF EAP SERVICES ADDENDUM**

Subject to the terms and conditions of this Services Agreement, the EAP Services selected by Customer and provided by Company are reflected in this **Description of EAP Services Addendum** and the **Service and Fee Schedule** (as modified by Company from time to time pursuant to Section 3 of the **General Conditions Addendum**). Additional EAP Services may be provided at Customer's written request under the terms of this Services Agreement. All Services described in this Services Agreement are available within the United States only. International EAP Services are only available if specifically described and priced separately.

1. **UNLIMITED TELEPHONIC ASSESSMENT AND REFERRAL:** Unlimited telephonic access to the Company EAP call center staff, available 24 hours per day, 7 days per week, 365 days per year for purposes of assessing Member need and referring to appropriate EAP Services.
2. **COUNSELING SESSIONS:** A clinical session with an EAP Network Provider or EAP Staff Clinician. Sessions are intended to assist with emotional, family, personal, or work related behavioral health issues.
  - **COUNSELING SESSIONS WITH EAP NETWORK PROVIDERS AND CONTRACTED TELEVIDEO PROVIDERS:** Counseling sessions can be provided face-to-face, telephonically, or via televideo (when appropriate). Face-to-face or telephonic sessions are provided by an EAP Network Provider. Televideo sessions are provided by one of our specialty telepsychiatry vendors. Each member is entitled, on a contract year, up to the number of counseling sessions per problem as set forth herein in the Service and Fee Schedule (e.g., up to three counseling sessions per member per problem under the 3-Session EAP Model), unless a State regulation requires otherwise. All counseling sessions require prior authorization. The member must contact Company to receive referrals and authorizations for all counseling sessions whether face-to-face, telephonic, or televideo. Marital and/or family sessions are considered one problem for the couple or family and sessions are not authorized individually for each attendee. Face-to-face, telephonic, and televideo counseling sessions count toward the number of counseling sessions per member per problem.
3. **EAP PROVIDER NETWORK:** A nationwide network of licensed behavioral health professionals, who meet all Company credentialing standards, and who are contracted by Company, as independent contractors, to provide counseling to Members. EAP Network Providers include, but are not limited to: social workers, licensed professional counselors, marriage and family therapists, master's level psychiatric nurses and psychologists.
4. **TRAINING AND EDUCATION:** The term "Training and Education" refers to training, provided by Company, or a Company Contracted educator to the Customer, concerning general behavioral health and work/life issues. This includes Employee Orientation Meetings and Supervisor Orientation Trainings. This training may be provided in different ways, i.e. in-person, telephonically, or web-based. Additional fees apply to web-based training over 25 participants (Participants is defined as unique phone lines calling into the webinar). Department of Transportation (DOT) services are excluded from standard Training and Education services. For specialized DOT training, see separate definition under Drug Free Workplace Services.
5. **MANAGEMENT SERVICES:**
  - **MANAGEMENT CONSULTATION:** A telephonic resource for managers, supervisors, and human resources professionals to assist in identifying and resolving workplace issues and promoting a productive workforce. Issues may include but are not limited to employee personal and family issues, behavioral health concerns, workplace conflict, workplace crisis and other disruptions, substance abuse, threats of violence and employee performance concerns. This includes the provisions of guidance to the Customer in making voluntary referrals for employees to the EAP. EAP will coordinate with specialty providers as needed (SAP, DOT, FFD).
  - **MANDATORY REFERRALS:** Case management to assist Customer and employees in addressing significant workplace performance issues. Mandatory referrals are used to monitor compliance with the EAP Behavioral Health Professional's recommendations, wherein the EAP, with appropriate executed release of information forms, confirms the employee's participation in and compliance with the Program.

## **EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

- **DRUG FREE WORKPLACE SERVICES:** Suite of services to assist Customer in managing workplace related employee substance mis-use and/or disclosure of substance abuse in the workplace. Services for general employer industries include Company EAP case management of mandatory referrals related to workplace impacted substance abuse, as well as management consultation services as described above. Services for transportation related industries, such as employers who are regulated by DOT, FMCSA, FAA, FRA, FTA, PHMSA, etc., include substance abuse case management by a Substance Abuse Professional (SAP) for Department of Transportation regulation compliance. Additional service for transportation regulated employees includes DOT training to meet Drug-Free Workplace regulations regarding drug and alcohol awareness available through American Substance Abuse Professionals (ASAP) or comparable SAP provider. A variety of training formats are available, including on-site, on-line or video.
  - **FITNESS FOR DUTY (FFD) CONSULTATION AND COORDINATION:** A Fitness for Duty Evaluation is a forensic evaluation completed by a specially trained psychologist, psychiatrist, outside the EAP, for the purpose of evaluating an employee's ability to safely perform the functions of their job, assess organizational and behavioral risk, and provide a report recommending steps needed to be taken to minimize Customer risk in returning the employee to work. Fitness for Duty Evaluations are outside the scope of EAP, and as such the EAP does not conduct Fitness for Duty Evaluations. Upon specific request, the EAP may assist Customer with locating companies or providers external to the EAP who are capable of performing FFD Evaluations. At all times the Customer is responsible for working directly with the identified FFD provider as well as directly making payment arrangements with that provider for the FFD Evaluation. All decisions, regarding returning to work, retaining or dismissing employees remain with the Customer.
  - **SUBSTANCE ABUSE PROFESSIONAL (SAP) CONSULTATION AND CONTACT INFORMATION:** Upon request of Customer, for drug and alcohol cases that fall under the Department of Transportation (DOT) guidelines, Company shall provide initial and ongoing management consultation on DOT issues. Company will further provide contact information of local providers in our specialized network of qualified Substance Abuse Professionals. The Customer is responsible for choosing and working directly with the SAP, as well as performing Follow-up, Compliance and Aftercare attendance monitoring. The Customer is responsible for payment of the SAP and determines whether the employee or employer pays SAP fees as well as recommended treatment costs.
6. **CRITICAL INCIDENT SUPPORT (Crisis Support/Management Services/Critical Incident Stress De-Briefing (CISD) Services):** An array of services offered by the EAP that helps an organization to prepare for, prevent, or respond to traumatic events. Acts of war are excluded from on-site CISD Services.
- **ON-SITE STANDARD CRITICAL INCIDENT SUPPORT:** On-site attendance response time in greater than two hours for hourly onsite crisis support and Critical Incident Stress De-Briefing (CISD) Services at Customer sites to help an organization prepare for, prevent, or respond to traumatic events.
  - **ON-SITE IMMEDIATE CRITICAL INCIDENT SUPPORT:** On-site attendance response time in less than two hours for hourly onsite crisis support and Critical Incident Stress De-Briefing (CISD) Services at Customer sites to help an organization prepare for, prevent, or respond to traumatic events.
7. **REDUCTION IN FORCE:** The process by which a work organization reduces its work force by eliminating jobs, such as closing subsidiaries or departments.
8. **COMMUNICATION AND PROMOTIONAL MATERIALS:** Information provided to Employees and management about EAP Services, including, in part, how EAP Services can be accessed for consultation and assistance. The communications and promotional resources may include template e-mails, letters, flyers, wallet cards, and posters for Employees and management. Company will provide reasonable quantities of printed materials in support of implementation and/or on an annual basis at Customer's request at no cost. Reasonable quantities are defined as up to 120% of the number of eligible Employees for items such as flyers or brochures; a quantity up to 5% of the number of eligible Employees for items such as posters; and a quantity of up to 20% of anticipated attendees at health fairs for other promotional items. Requests exceeding these quantities may incur an additional fee.

## **EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

9. **MANAGEMENT REPORTS:** A specific collection of data and narrative information designed to inform the Customer about the overall utilization of the program. Customer may receive reports on a quarterly electronic basis. If for any 2 consecutive reporting periods there is less than 1% utilization, reporting frequency will default to annual reporting.
10. **INTAKE MODEL:**
- **STANDARD MODEL:** Initial intake calls answered by a care service associate /customer service representative.
11. **EAP EXCLUSIONS:** The following services are outside the scope of the EAP:
- Counseling services beyond the allowed number of sessions covered by the EAP benefit.
  - Court ordered treatment or therapy, or any treatment or therapy ordered as a condition of parole, probation, custody, or visitation evaluations, or paid for by Workers' Compensation.
  - Formal psychological evaluations which normally involve psychological testing and result in a written report.
  - Diagnostic testing and/or treatment.
  - Visits with psychiatrist, including medication management.
  - Prescription medications.
  - Services for remedial education.
  - Inpatient, residential treatment, partial hospitalizations, intensive outpatient.
  - Ongoing counseling for a chronic diagnosis that requires long term care.
  - Biofeedback.
  - Hypnotherapy.
  - Aversion therapy.
  - Examination and diagnostic services required to meet employment, licensing, insurance coverage, travel needs.
  - Services with a non-contracted EAP provider.
  - Fitness for duty evaluations.
  - Legal representation in court, preparation of legal documents, or advice in the areas of taxes, patents, or immigration, except as otherwise described in this document.
  - Investment advice (nor does plan loan money or pay bills).

## **EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

### **DESCRIPTION OF WORKLIFE SERVICES ADDENDUM**

Subject to the terms and conditions of this Services Agreement, the WorkLife Services selected by Customer and provided by Company are reflected in this **Description of WorkLife Services Addendum** and the **Service and Fee Schedule**, (as modified by Company from time to time pursuant to Section 3 of the **General Conditions Addendum**). Additional WorkLife Services may be provided at Customer's written request under the terms of this Services Agreement.

**1. WEB-BASED CAREGIVING SERVICES:** Services that include information and education in connection with, in part, adoption, child care, parenting, temporary back-up care, summer care, special needs, high-risk adolescents, academic services, education loans, grandparents as parent, adult care, elder care, and disaster resources.

**2. WEB-BASED PERSONAL SERVICES:** Free educational materials and interactive web tools to assist with:

A. Health & Wellness--Children's health; women's health; men's health; seniors' health; weight loss and nutrition; fitness and exercise programs; general health; safety; stress management; information on diseases and conditions; and more.

B. Daily Life--Home improvement; pet care; consumer information; automotive services; relocation; travel; time management; cleaning services; and more.

**3. MEMBER WEBSITE:**

A. **CORE MEMBER WEBSITE:** Access to customizable member website for free webinars, online worklife searches, concierge database, discount program, thousands of articles, videos, and tools on worklife and behavioral health topics.

**EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

**DOMESTIC EAP SERVICE AND FEE SCHEDULE**

Customer hereby elects to receive the Services designated below. The below Service Fees shall be in effect for three (3) years of this Services Agreement, beginning upon the Effective Date of this Services Agreement, and, thereafter, if this Services Agreement is extended by the parties for any additional successive one year term(s), such Service Fees may be revised for each such successive term. Notwithstanding the immediately preceding sentence, the below Service Fees shall be amended by Company, from time to time during the first three (3) years of this Services Agreement and for any future period(s) thereafter, in accordance with the terms of this Service and Fee Schedule.

Services	Service Fees
<b>EAP Session Model</b>	
Unlimited Telephonic Access	\$ 8.67 PE/PM
with	
Up to Ten counseling sessions with an EAP Network Provider or televideo provider, delivered via face-to-face, telephonically, or televideo per problem per contract year	
with	
Web-Based Caregiving and Personal Services, Core Member Website	

## EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT

Services	Service Fees
<p><b>Critical Incident Support/Critical Incident Stress De-Briefing (CISD) Services—Standard Services (On-site attendance response time in greater than 2 hours)</b></p>	<p><b>Bank of Standard CISD Hours:</b> 6 hours of standard CISD services are included in the EAP Session Model PE/PM Rate. Any additional standard CISD sessions are \$250.00 per hour plus travel and preparation expenses reimbursed at a flat rate of \$150.00 per location. Immediate CISD's are subject to the fees described below.</p> <p>CISD hours used, whether fee for service and/or within the bank of standard hours, are calculated based upon the combined total number of hours all clinicians are on-site.</p> <p>If Customer requests a specific crisis counselor, or a counselor with specific qualities, including but not limited to specialized certifications, experience, or language, Customer will be billed the applicable hourly rate "door-to-door" which will include the specialist's travel time. This is in lieu of the flat travel fee.</p> <p>If Customer requests on-site crisis response services in a location which is further than 50 miles from a town with a population of at least 25,000 people, Customer will be billed the applicable hourly rate "door-to-door" which will include the specialist's travel time. This is in lieu of the flat travel fee.</p> <p>If Customer requests on-site support services in response to a large scale disaster area affecting the transportation infrastructure of that area, and/or the availability of local providers, necessitating the assistance of providers from outside the affected areas, Customer will be billed the current hourly rate plus \$50 per hour for each on-site hour. In addition, Customer will be billed \$200 per travel hour from the command center to the intervention site. This is in lieu of the flat travel fee.</p> <p>Any other Customer requested services wherein the crisis counselor incurs non-standard travel (e.g. having to fly to accompany employees affected by a crisis) will be billed at the exact travel costs in addition to the hourly fees.</p>
<p><b>Critical Incident Support/Critical Incident Stress De-Briefing (CISD) Services—Immediate Services (On-site attendance response time in 2 hours or less)</b></p>	<p><b>Fee for Service Immediate CISD Pricing:</b> \$350.00 per hour plus travel and preparation expenses reimbursed at a flat rate of \$150.00 per location.</p> <p>CISD hours used, whether fee for service and/or within the bank of standard hours, are calculated based upon the combined total number of hours all clinicians are on-site.</p> <p>If Customer requests a specific crisis counselor, or a counselor with specific qualities, including but not limited to specialized certifications, experience, or language, Customer will be billed the applicable hourly rate "door-to-door" which will include the specialist's travel time. This is in lieu of the flat travel fee.</p> <p>If Customer requests on-site crisis response services in a location which is further than 50 miles from a town with a population of at least 25,000 people, Customer will be billed the applicable hourly rate</p>

**EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

Services	Service Fees
	<p>“door-to-door” which will include the specialist’s travel time. This is in lieu of the flat travel fee.</p> <p>If Customer requests on-site support services in response to a large scale disaster area affecting the transportation infrastructure of that area, and/or the availability of local providers, necessitating the assistance of providers from outside the affected areas, Customer will be billed the current hourly rate plus \$50 per hour for each on-site hour. In addition, Customer will be billed \$200 per travel hour from the command center to the intervention site. This is in lieu of the flat travel fee.</p> <p>Any other Customer requested services wherein the crisis counselor incurs non-standard travel (e.g. having to fly to accompany employees affected by a crisis) will be billed at the exact travel costs in addition to the hourly fees.</p>
<p><b>Critical Incident Support/Critical Incident Stress De-Briefing (CISD) Cancellation Fee</b></p>	<p>Whenever possible, Customer agrees to provide Company with 24 hours advance notice of cancellation of any requested Workplace Crisis Response Services. Failure to provide Company with 24 hours’ notice of cancellation of any services:</p> <ul style="list-style-type: none"> <li>• <b>Fee for Service CISD Cancellation Fee:</b> Services which are provided on a fee for service basis and which are subject to the hourly rate will result in a charge of \$375.00 per incident.</li> <li>• <b>Bank of Standard CISD Hours Cancellation Fee:</b> Services which are included in the bank of capitated hours described above, will result in the deduction of a number of hours from the bank, equal to the number of cancelled hours.</li> </ul>
<p><b>Reduction in Force</b></p>	<p><b>Fee for Service Reduction in Force Pricing:</b> \$250.00 per hour plus travel and preparation expenses reimbursed at a flat rate of \$150.00 per location.</p>
<p><b>Reduction in Force Cancellation Fee</b></p>	<p><b>Reduction in Force Cancellation Fee:</b> \$375.00 per incident charge for failure to provide Company with 24 hour notice of cancellation of Reduction in Force service.</p>



# EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT

Services	Service Fees
<b>Training and Education</b>	<p><b>Fee for Service On-Site Training Pricing:</b> \$250.00 per hour for the total amount of time that the educator is on site, plus a \$150.00 per location charge for travel and preparation time. If training is not scheduled consecutively or multiple topics are scheduled, additional travel and preparation costs may apply.</p> <p><b>Fee for Service Webinar Training Pricing:</b> \$250.00 per hour, plus a \$150.00 charge for preparation for each web-based training for up to 25 participants. For webinars with more than 25 participants, an additional charge of \$50.00 applies for each additional 25 participants up to a maximum of 200 participants.</p> <p>Sessions less than one (1) hour in duration will count as one (1) hour of Training and Education.</p> <p>If Customer requests a specific educator, or an educator with specific qualities, including but not limited to specialized certifications, experiences or language, Customer will be billed any additional incurred fees beyond the hourly fee above or have hours deducted from bank.</p> <p>In addition, if Customer cannot accommodate the schedule/availability of a local Company contracted educator, requiring that the services of an educator 50 miles away or greater from the Customer location is necessary, then Customer will be billed any additional incurred fees beyond the hourly fee above or have hours deducted from bank.</p>
<b>Training and Education Cancellation Fee</b>	<p>Failure to provide Company three (3) business days' notice of cancellation of a previously scheduled training program may result in a charge of:</p> <ul style="list-style-type: none"> <li>• <b>Fee for Service Training Cancellation Fee:</b> \$375.00 per hour for services which are provided on a fee for service basis and which are subject to the hourly rate.</li> </ul>
<p><b>Drug Free Workplace Services</b></p> <p>Substance Abuse Case Management by a Substance Abuse Professional (SAP) and/or for Department of Transportation regulation compliance</p> <p>and</p> <p>DOT training to meet Drug-Free Workplace regulations regarding drug and alcohol awareness</p>	<p>\$750.00 per case</p> <p>and</p> <p>DOT Alcohol and Drug-Free Workplace for Supervisors Training to meet Drug-Free Workplace regulations regarding drug and alcohol use. Additional fees may be added on to the base rate for DOT training. These fees will be assessed on a case-by-case basis and are dependent upon travel expenses and for classes that exceed 50 participants.</p> <ul style="list-style-type: none"> <li>• DOT Supervisor Training - 2 hours at \$800</li> </ul>

**EMPLOYEE ASSISTANCE PROGRAM SERVICES AGREEMENT**

Services	Service Fees
	<p>DOT Alcohol and Drug-Free Workplace for Employees Awareness Training (Note: this training does not meet Drug-Free Workplace regulations regarding drug and alcohol use.) Additional fees may be added on to the base rate for DOT training. These fees will be assessed on a case-by-case basis and are dependent upon travel expenses and for classes that exceed 50 participants.</p> <p>• DOT Employee Training - 1 hour at \$400</p>

Company also may adjust Service Fees effective as of the date on which any of the following occurs.

- (1) If, for any Service, there is a 20% change in the number of Employees from the number of Employees assumed in Company's quotation as of the Effective Date of this Services Agreement.
- (2) Change in Services—A material change in Services is requested or initiated by the Customer or by legislative action.
- (3) Premium Taxes or Assessments—If legislative or regulatory action results in the assessment of premium taxes or other like charges as it concerns those Services provided under the terms of this Agreement.

## HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) BUSINESS ASSOCIATE AGREEMENT

THIS Business Associate Agreement (“BA Agreement”), effective as of July 1, 2015 (“Effective Date”), is entered into between Aetna Life Insurance Company, on behalf of itself and those of its affiliates (including Aetna Behavioral Health, LLC) providing services in connection with this BA Agreement (“Business Associate”) and Superstition Fire & Medical District on behalf of the Superstition Fire & Medical District Employee Assistance Program (“Covered Entity”). Superstition Fire & Medical District represents that it has the authority to agree to the terms and conditions of this BA Agreement for and on behalf of Covered Entity for which Business Associate provides plan administration services under current or future agreements between the parties (“Services Agreement”). For purposes of this BA Agreement, “Business Associate” includes only those subsidiaries and affiliates of Aetna Life Insurance Company that create, receive, transmit or otherwise maintain Protected Health Information, as defined below, in connection with this Agreement.

In conformity with the Administrative Simplification provisions of Title II, Subtitle F of the Health Insurance Portability and Accountability Act of 1996, as amended, including but not limited to the requirements under the Health Information Technology for Economic and Clinical Health Act (“HITECH”), the implementing regulations at 45 CFR Parts 160-64 (the “Privacy and Security Rules”), and related public guidance issued by the Department of Health and Human Services (all of the foregoing, collectively, “HIPAA”), Business Associate will under the following terms and conditions have access to, maintain, transmit, create and/or receive certain Protected Health Information:

1. Definitions. Capitalized terms used and not otherwise defined in this BA Agreement shall have the meanings assigned to such terms by HIPAA.
  - (a) Individual. “Individual” shall have the same meaning as the term “individual” in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g), but shall be limited to persons who are participants enrolled in, are seeking to become enrolled in, or were previously enrolled in the plan administered under the Services Agreement.
  - (b) Protected Health Information. “Protected Health Information” shall have the same meaning as the term “Protected Health Information”, as defined by 45 CFR 160.103, limited to the information created, maintained, transmitted, or received by Business Associate from or on behalf of Covered Entity.
  - (c) Standard Transactions. “Standard Transactions” means the electronic health care transactions for which HIPAA standards have been established, as set forth in 45 CFR, Parts 160-162.
2. Obligations and Activities of Business Associate
  - (a) Business Associate agrees to not use or disclose Protected Health Information other than (i) for purposes of performing its obligations under the Services Agreement, (ii) as otherwise permitted or required by this BA Agreement, or (iii) as Required By Law.
  - (b) Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this BA Agreement.
  - (c) Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this BA Agreement.
  - (d) Business Associate agrees to report to Covered Entity any use or disclosure of Protected Health Information not provided for by this BA Agreement of which it becomes aware, including a Breach of Unsecured Protected Health Information or a Security Incident.

- (e) Business Associate agrees to report to Covered Entity any Security Incident without unreasonable delay, and in no event later than ten (10) calendar days, after becoming aware that such Security Incident affects Covered Entity's information, except that, for purposes of this Security Incident reporting requirement, the term "Security Incident" shall not include inconsequential incidents that occur on a daily basis, such as scans, "pings" or other unsuccessful attempts to penetrate computer networks or servers containing electronic PHI maintained by Business Associate.
- (f) Business Associate agrees to report to Covered Entity any Breach of Unsecured Protected Health Information without unreasonable delay and in no case later than thirty (30) calendar days after becoming aware that such Breach affects Covered Entity's Protected Health Information. Such notice shall include the identification of each Individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate, to have been, accessed, acquired, or disclosed in connection with such Breach. In addition, Business Associate shall provide any information reasonably requested by Covered Entity for purposes of making the notifications required by 45 CFR 164.404(c) as soon as such information is available to Business Associate. Business Associate's notification of a Breach under this section shall comply in all respects with each applicable provision of 45 CFR Part 164, Subpart D and related guidance issued by the Secretary from time to time.

In addition, if delegated in writing by Covered Entity, Business Associate shall provide such notices to the media and to Individuals affected by the Breach as required by 45 CFR 164.404 and 45 CFR 164.406. Business Associate shall provide Covered Entity with advance copies of such notices prior to distribution. In all cases, Covered Entity shall be responsible for submitting reports of Breaches directly to the Secretary.

- (g) Business Associate shall require any Subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate to agree in writing to restrictions and conditions that are no less protective than those that apply through this BA Agreement to Business Associate with respect to such information, in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable.
- (h) Business Associate shall provide access directly to an Individual, at the request of Covered Entity or an Individual and in a prompt and reasonable manner, including in the electronic form or format requested by the Individual, to Protected Health Information in a Designated Record Set, subject to and consistent with the timing and other provisions of 45 CFR 164.524.
- (i) Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set at the request of Covered Entity or an Individual, subject to and consistent with the timing and other provisions of 45 CFR 164.526.
- (j) Business Associate agrees to make (i) internal practices, books, and records, including policies and procedures, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity, and (ii) policies, procedures, and documentation relating to the safeguarding of Electronic Protected Health Information available to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with the Privacy and Security Rules.
- (k) Business Associate agrees to document disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information, subject to and consistent with 45 CFR 164.528.
- (l) Business Associate agrees to provide to an Individual, at the request of Covered Entity or an Individual, an accounting of disclosures of Protected Health Information subject to and consistent with the timing and other provisions of 45 CFR 164.528.
- (m) With respect to Electronic Protected Health Information, Business Associate shall implement and comply with the administrative safeguards set forth at 45 CFR 164.308, the physical safeguards set

forth at 45 CFR 310, the technical safeguards set forth at 45 CFR 164.312, and the policies and procedures set forth at 45 CFR 164.316 to reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of Covered Entity. Business Associate acknowledges that (i) the foregoing safeguards, policies and procedures requirements shall apply to Business Associate in the same manner that such requirements apply to Covered Entity, and (ii) Business Associate shall be subject to HIPAA enforcement provisions, as amended from time to time, for failure to comply with the Security Rule safeguards, policies and procedures requirements and any guidance issued by the Secretary from time to time with respect to such requirements.

- (n) If Business Associate conducts any Standard Transactions on behalf of Covered Entity, Business Associate shall comply with, and require any Subcontractor to comply with, the applicable requirements of 45 CFR Parts 160-162.
- (o) Business Associate acknowledges that it shall be subject to the HIPAA enforcement provisions, as amended from time to time, for (i) impermissible uses and disclosures, (ii) failure to provide breach notification to Covered Entity, (iii) failure to provide access to a copy of Electronic Protected Health Information to either Covered Entity or the Individual, or the Individual's designee, (iv) failure to disclose Protected Health Information where required by the Secretary to investigate or determine Covered Entity's compliance with HIPAA, and (v) failure to provide the accounting of disclosures required in this BA Agreement.
- (p) To the extent under the Services Agreement or this BA Agreement Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).

### 3. Permitted Uses and Disclosures by Business Associate

#### 3.1 General Use and Disclosure

Except as otherwise provided in this BA Agreement, Business Associate may use or disclose Protected Health Information to perform its obligations under the Services Agreement, provided that such use or disclosure would not violate the Privacy and Security Rules if done by Covered Entity.

#### 3.2 Specific Use and Disclosure Provisions

- (a) Except as otherwise provided in this BA Agreement, Business Associate may use Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
- (b) Except as otherwise provided in this BA Agreement, Business Associate may disclose Protected Health Information for the proper management and administration of Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached in accordance with the Breach and Security Incident notifications requirements of this BA Agreement.
- (c) Business Associate shall not directly or indirectly receive remuneration in exchange for any Protected Health Information of an Individual without Covered Entity's prior written approval and notice from Covered Entity that it has obtained from the Individual, in accordance with 45 CFR 164.508, a valid authorization that includes a specification of whether the Protected Health Information can be further exchanged for remuneration by Business Associate.
- (d) Business Associate may use or disclose Protected Health Information to communicate about a product or service, provided that such communication is made in a manner that does not

constitute marketing as defined in 45 CFR 164.501 or otherwise constitute a use or disclosure that Covered Entity is prohibited from performing itself.

- (e) Business Associate may use Protected Health Information to perform Data Aggregation services.
- (f) Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR 164.502(j).
- (g) The provisions of this BA Agreement notwithstanding, Business Associate is permitted to de-identify Protected Health Information, provided that it does so in accordance with HIPAA de-identification rules. De-identified information does not constitute Protected Health Information, and may be used and disclosed by Business Associate for its own purposes, including, without limitation, for purposes of developing comparative databases, performing statistical analysis and research, and improving the quality of Business Associate's products and services.

#### 4. Obligations of Covered Entity

##### 4.1 Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions

- (a) Covered Entity shall notify Business Associate of any limitation(s) in Covered Entity's notice of privacy practices agreed to in accordance with 45 CFR § 164.520(b)(2), to the extent that such limitation(s) may affect Business Associate's use or disclosure of Protected Health Information.
- (b) Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes affect Business Associate's uses or disclosures of Protected Health Information.
- (c) Covered Entity agrees that it will not impose special limits or restrictions on the uses and disclosures of its Protected Health Information that may impact in any manner the use and disclosure of Protected Health Information by Business Associate under the Services Agreement and this BA Agreement, including, but not limited to, restrictions on the use and/or disclosure of Protected Health Information as provided for in 45 C.F.R. 164.522(a), unless such restrictions are required by 45 CFR 164.522(a). The foregoing notwithstanding, Business Associate agrees to accommodate reasonable requests for alternative means of communications pursuant to 45 C.F.R. 164.522(b).

##### 4.2 Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy and Security Rules if done by Covered Entity except that Business Associate may use Protected Health Information in its possession (i) for Business Associate's proper management and administrative services, or (ii) to provide Data Aggregation services to the Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).

#### 5. Term and Termination

- (a) Term. The provisions of this BA Agreement shall take effect on the Effective Date, and shall terminate upon expiration or termination of the Services Agreement, except as otherwise provided herein.
- (b) Termination for Cause. Without limiting the termination rights of the parties pursuant to the Services Agreement and upon either party's knowledge of a material breach by the other party, the non-breaching party shall either:
  - i. Provide an opportunity for the breaching party to cure the breach or end the violation, or terminate the Services Agreement, if the breaching party does not cure the breach or end the violation within the time specified by the non-breaching party, or
  - ii. Immediately terminate the Services Agreement, if cure of such breach is not possible.

(c) Effect of Termination.

The parties mutually agree that it is essential for Protected Health Information to be maintained after the expiration of the Services Agreement for regulatory and other business reasons. Notwithstanding the expiration of the Services Agreement, Business Associate shall extend the protections of this BA Agreement to such Protected Health Information, and limit further use or disclosure of the Protected Health Information to those purposes that make the return or destruction of the Protected Health Information infeasible.

6. Miscellaneous

- (a) Regulatory References. A reference in this BA Agreement to a section in the Privacy and Security Rules means the section as in effect or as amended, and for which compliance is required.
- (b) Amendment. The Parties agree to take such action to amend this BA Agreement from time to time **as is necessary** for Covered Entity and Business Associate to comply with the requirements of HIPAA.
- (c) Survival. The respective rights and obligations of Business Associate under Section 5(c) of this BA Agreement shall survive the termination of this BA Agreement.
- (d) Interpretation. Any ambiguity in this BA Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Rules. In the event of any inconsistency between this BA Agreement and the Services Agreement, including any other appendices, schedules, exhibits and attachments, the terms and conditions of this BA Agreement shall control.
- (e) No third party beneficiary. Nothing express or implied in this BA Agreement or in the Services Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.
- (f) Governing Law. This BA Agreement shall be governed by and construed in accordance with the governing law provisions of the Services Agreement, subject to applicable federal law.
- (g) Countersignature: This BA Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. In addition, this BA Agreement may contain more than one counterpart of the signature page and this BA Agreement may be executed by the affixing of the signatures of Business Associate and Covered Entity, or Superstition Fire & Medical District on behalf of Covered Entity, to one of such counterpart signature pages. All of those counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.
- (h) Notices: Any notices or communications to be given under this Agreement shall be made to the address and/or fax numbers given below:

To Covered Entity:

\_\_\_\_\_

Attention: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

To Business Associate:

Aetna

HIPAA Member Rights Team

151 Farmington Avenue, RT65

Hartford, CT 06156

Fax: (859) 280-1272

E-mail: \_\_\_\_\_

Email: [HIPAAFulfillment@aetna.com](mailto:HIPAAFulfillment@aetna.com)

**[THE NEXT PAGE IS THE SIGNATURE PAGE]**

**[THIS IS THE SIGNATURE PAGE]**

**AETNA LIFE INSURANCE COMPANY**

**COVERED ENTITY**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

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Title

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