

VERSION 1.0

May 16, 2023



BOARD OF DIRECTORS MEETING

May 16, 2023

SUPERSTITION FIRE & MEDICAL DISTRICT BOARD

KATHLEEN CHAMBERLAIN, BOARD CHAIRMAN

CONNIE VAN DRIEL, BOARD CLERK

JEFF CROSS, BOARD DIRECTOR

JASON MOELLER, BOARD DIRECTOR

SHAWN KURIAN, BOARD DIRECTOR



Superstition Fire & Medical District

Serving the Communities of Apache Junction and Gold Canyon since 1955

Phone | (480) 982-4440

Website | sfmd.az.gov

BOARD OF DIRECTORS MEETING AGENDA FOR MAY 16, 2023

Call in Phone Number: 480-646-1864

Access Pin: 1234

The Board will hold a meeting on Tuesday, May 16, 2023. 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.

- 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 April 2023 financial reports and bank reconciliations.**
- 2. Recognition of employee performance, achievements, and special recognition for community members.**
- 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 listed below:**

- A. Board Meeting Minutes from April 12, 2023
- B. Executive Session Minutes from April 12, 2023
- C. FY2022/2023 Baker Tilley Audit Engagement Letter
- D. Professional Services Agreement with Crest
- E. Delta Dental Contract
- F. Life Scan Wellness Agreement
- G. Server 5-Year Replacement – Capital Project

- 5. Presentation, discussion and possible direction of Fiscal Year 2023/2024 Budget Development.**

Administration Office
565 North Idaho Road
Apache Junction, AZ 85119

Regional Training Center
3700 East 16th Avenue
Apache Junction, AZ 85119

Fleet Services
1455 East 18th Avenue
Apache Junction, AZ 85119

6. Reports.

Senior Leadership Team (SLT):

Fire Chief John Whitney

Assistant Chief Brian Read

Transportation Services Director Billy Warren

Assistant Chief Richard Mooney

Administrative Services Director Anna Butel

Finance Director Roger Wood

Captain John Walka

7. New Business / Future Agenda Items.

8. Announcements and Document Signing.

9. Adjourn

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: May 11, 2023

At: 1500 Hours

By: Sherry Mueller

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 24-hours before the Board Meeting.

Governing Board Meeting – May 16, 2023

Agenda Item: 1

Agenda Item Title

Review and approval of the April 2023 financial reports and bank reconciliations.

Submitted By

Finance Director Roger Wood

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), Transport Services (150), Capital Projects (200), 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), Transport Services (150), Capital Projects (200), 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)

*Monthly Financials provided under separate cover

Recommended Motion

"Motion to approve the April 2023 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 **April 2023**:

1. Financial Statement
2. Bank Reconciliations
 - a. General (100) Fund
 - b. Transport Services (150) Fund
 - c. Capital Projects (200) Fund
 - d. Special Projects (400) Fund
 - e. Debt Principle (500) Fund
 - f. Debt Interest (600) Fund

Kathleen Chamberlain, Board Chair

Date



April 2023

Governing Board Meeting – May 16, 2023

Agenda Item: 2

Agenda Item Title

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

Submitted By

Fire Chief John Whitney

Assistant Chief Brian Read

Assistant Chief Richard Mooney

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.

May Anniversaries

21 Years of Service

Firefighter **Paul Garcia**

Firefighter / Paramedic **Stephan Wagner**

7 Years of Service

Firefighter / Paramedic **Kevin Montgomery**

2 Years of Service

Fire Chief **John Whitney**

Firefighter **Michael Gallagher**

1 Year of Service

Paramedic **Amanda Valles**

Annual Award Winners for 2023

Jay Nelson, Captain / Paramedic – **Officer of the Year**

Zachary Leon, Firefighter / Paramedic – **Firefighter of the Year**

Ryan Markham, Paramedic – **Transportation Services Employee of the Year**

Lauren Daniel, Information Systems Coordinator – **Civilian Employee of the Year**

Monte Fuller, Engineer – **Chief's Award for Outstanding Service**

Roger Nasello, Fire Mechanic II - **Chief's Award for Outstanding Service**

Special Recognition for the Firefighter of the Year - Zachary Leon

By:

Commander Bill Johnson

American Legion

Apache Post 27



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Promotion

Sean Matuszewski, Captain

Promoted on 5/8/2023

Retirement

Captain / Paramedic **Craig Horvath** – 1999 to 2023



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Governing Board Meeting – May 16, 2023

Agenda Item: 3

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 – May 16, 2023

Agenda Item: 4

Agenda Item Title

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

- A. Board Meeting Minutes from April 12, 2023 – **Appendix A**
- B. Executive Session Minutes from April 12, 2023 - **Appendix B**
- C. FY2022/2023 Baker Tilly Audit Engagement Letter - **Appendix C**
- D. Professional Services Agreement with Crest - **Appendix D**
- E. Delta Dental Contract - **Appendix E**
- F. Life Scan Wellness Agreement – **Appendix F**
- G. Server 5-Year Replacement – Capital Project – **Appendix G**

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 May 16, 2023.”



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Governing Board Meeting – May 16, 2023

Agenda Item: #5

Agenda Item Title

Presentation, discussion, and possible direction of Fiscal Year 2023/2024 Budget development.

Submitted By

Fire Chief John Whitney

Finance Director Roger Wood

Background/Discussion

A high-level presentation of the major new and on-going initiatives will be provided in support of the District's FY 2023/2024 suppression and ground transportation operations, capital replacement plans, and bond debt payment plans.

Financial Impact(s)/Budget Line Item

N/A

Enclosure(s)

Presentation will be provided to the Board at the Board Meeting

Recommended Motion

"N/A"



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Agenda Item Title

Reports

Background / Discussion

This item is for the fire chief and his staff 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.

- **Senior Leadership Team**
- **Labor**

Recommended Motion:

N/A



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Governing Board Meeting – May 16, 2023

Agenda Item: 7

Agenda Item Title

New Business / Future Agenda Items

Financial Impact

N/A

Enclosure(s)

N/A

Recommended Motion:

"TBD"



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Governing Board Meeting – May 16, 2023

Agenda Item: 8

Agenda Item Title

Announcements and Document Signing

Background / Discussion

The BOD and staff may share and discuss items to be placed on future BOD agendas.

Recommended Motion:

N/A



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Agenda Item Title

Adjournment

Recommended Motion:

“Motion to adjourn the Board meeting.”



Appendix A

A. Board Meeting Minutes from April 12, 2023

Submitted By

Board Secretary Sherry Mueller

Background / Discussion

The board meeting minutes of the previous meeting(s) are provided for the BOD to approve. 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

Enclosure(s)

April 12, 2023 Board Meeting Minutes





Superstition Fire & Medical District

Serving the Communities of Apache Junction and Gold Canyon since 1955

Phone | (480) 982-4440

Website | sfmd.az.gov

Governing Board Meeting Minutes

APRIL 12, 2023

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, APRIL 12, 2023. 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 PM.](#)

A. Call to Order

Chairman Chamberlain called the meeting to order at 5:30 PM.

B. Pledge of Allegiance

The Pledge of Allegiance led by

C. Roll Call

Board Members in attendance were Chairman Kathleen Chamberlain, Clerk Connie Van Driel, Director Jeff Cross, Director Jason Moeller and Director Shawn Kurian.

Senior Leadership Team in attendance were Fire Chief John Whitney, Assistant Chief Brian Read, Transportation Services Director Billy Warren, Administrative Services Director Anna Butel, Finance Director Roger Wood, Chief Dave Pohlmann and Captain John Walka. Also in attendance was Sherry Mueller, Human Resources Generalist / Board Secretary and Attorney William Whittington

1. Review and approval of the March 2023 financial reports and bank reconciliations.

Motion by Director Moeller to approve the March 2023 financial reports and bank reconciliations.

Seconded by Director Cross

Vote 5 ayes, 0 nays, MOTION PASSED.

Administration Office
565 North Idaho Road
Apache Junction, AZ 85119

Regional Training Center
3700 East 16th Avenue
Apache Junction, AZ 85119

Fleet Services
1455 East 18th Avenue
Apache Junction, AZ 85119

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

April Anniversaries

30 Years of Service

Captain / Paramedic **Mark Gomez**

19 Years of Service

Fire Inspector & CRR Specialist **Tina Gerola**

6 Years of Service

Paramedic **Ryan Tonelli**

5 Years of Service

Paramedic **Michael Bigg**

4 Years of Service

Paramedic **Levi Unzeitig**

Community Appreciation – Large Animal Rescue Operation

Thank you to Jim Burczewski of DeJulios / Simply Sorbet for supporting SFMD in providing tuition for one of our members to participate in the *Large Animal Rescue Operation* 2-day course in Phoenix. The course content was shared with the SFMD Technical Rescue Team members for use as it relates to the large equine population here in The District.

3. **Call to the Public.**

None

4. **Consideration and possible approval of all consent agenda items listed below:**

- A. Board Meeting Minutes from March 15, 2023
- B. Executive Session Minutes from March 15, 2023
- C. EMS Equipment Purchase – 2 Lucas Compression Devices and 3 LP15 Modems

Motion by Director Kurian to approve all consent agenda items for April 12, 2023.

Seconded by Director Moeller

Vote 5 ayes, 0 nays, MOTION PASSED

5. **Discussion and possible approval of changes to Policy 1200: Procurement Policy to ensure compliance with Federal Grant Procurement Standards / Guidelines, Single Audit Requirements, and GASB 87 - Leases requirements.**

Federal Grant Procurement Standards / Guidelines, Single Audit Requirements.

Staff is recommending changes to Policy 1200 – Procurement Policy to document and ratify the steps necessary for compliance with the Uniform Guidance at 2 Code of Federal Regulations (2CFR) Part 200, §200.311 – Real Property, §200.313 - Equipment, §200.318 - General Procurement Standards, and §200.214 - Suspension and Debarment.

Compliance with these Parts of 2CFR is required to ensure a successful outcome of the Single Audit, which the District will be subject to for Fiscal Year 2022 / 2023. The District has received grant funds from various jurisdictions and will be subject to a Single Audit if grant funds from federal sources, or the total of grant funds received from federal and non-federal sources who require a Single Audit, exceeds \$750,000.

NOTE: The District signified its intent to be in compliance with these Parts of 2CFR when it signed the Sub Recipient Agreement with Pinal County Board of Supervisors for ARPA funding at the November 2022 Board meeting.

GASB 86 – Leases.

Changes to Policy 1200 are recommended to establish the threshold governing when operating leases need to be reclassified and recorded at capital leases for audit purposes. The \$100,000 threshold represents the consensus between Baker Tilly LLP audit firm and SFMD Finance.

GASB 96 – Subscription-based Information Technology Arrangements (SBITA).

Lastly, changes to Policy 1200 are recommended to define which of the District’s IT software agreements or arrangements, if any, qualify as an SBITA for compliance with GASB 96.

Staff recommend approval of the recommended changes to Policy 1200.

Motion by Director Moeller to approve the recommended changes to sections 4.8, 4.9, 5 and 6 of Policy 1200: Procurement Policy with an effective date of April 12, 2023

Seconded by Director Kurian

Vote 5 ayes, 0 nays, **MOTION PASSED**

6. Senior Leadership Team Reports

Fire Chief Report

- Boys & Girls Club Yesteryear Event
- Elks Lodge Youth Activities Fundraiser – E263 & BC261
- DFFM Director Nomination support
- Legislative process tracking
- Awards process – May meeting
- Budget
- Benefits
- AJ Library Poetry
- Community Development Coalition

KUDOS:

- Apache Junction Police Dispatch
- Mesa Regional Dispatch Center
- Phoenix Regional Dispatch

KUDOS Continued:

- Administrative Services
 - Anna Butel
 - Lauren Daniel
 - Lori Hlavin
 - Sherry Mueller
 - Lena Sampson

Emergency Services

- Captains' Quarterly Meeting
- Coordinating Ropes Operational Technician I Class
 - 10 members from SFMD
 - Augment certifications for REMS (Rapid Extraction Module Support)
- Budget process FY 23/24
- East Valley AC Meeting
- LPGA – Met with the lead representative – Operational review

Significant Incidents:

- 4/2 - MVA requiring 3 extrication units to extract immediate patients from the vehicle
- 4/2 – Mutual aid request for a major medical – BC261 and M262 responded. 8 patients total – 4 immediate and 4 delayed
- 4/4 – Defensive Fire – fully involved upon arrival. Fire contained to the primary structure. No civilian or firefighter injuries
- 4/9 – Residential fire – contained to single room with no extensions. No civilian or firefighter injury
- Monthly Incident Call Volume

Training

- Firefighter Recruits EVRA 23-1
 - Weeks 10 thru 15: Two-Story Fire, Basement Fire, Night Burn, Extrication, TRT Fundamentals, FF I & II Test Final Exam
- Regional Training
 - Ladder Operations – Extrication
 - TRT Block II Rope Rescue
 - Mayday Training – Firefighter Survivability – Save Your Own
- Monthly and Year-to-date Training Hours

EMS

- Renaissance Festival completed
 - 213 Contacts and 9 transports for March 2023
 - 521 Contacts and 30 transports – totals for the event
- Lost Dutchman Marathon Debrief with the City of Apache Junction
- Regional Meetings – East Valley Agency and EMS ROCC
- LPGA support
- Lucas Compression Device in service

Transportation Services

- Budget work
- Applied for AZDHS Automatic Rate Increase (3.95%)
- AEMS Educational Meeting
- AEMS Function Group Meeting
- East Valley Agency Meeting
- EMS ROCC – Ambulance billing sub-committee meeting
- Monthly Transportation Volume
- CON Compliance through March 2023

Support Services

Meetings & Events:

- ROCC Regional Maintenance Meeting
- LPGA Site Inspections & Pinal County Meetings
- St. Patrick's Day Parade at Golden Vista RV Resort
- Bike Week at Superstition Harley Davidson
- Easter Carnival at Mountain Lutheran Church
- Gold Canyon Chamber Business Fair
- Firefighter Speaker at Mountain Brook Coffee & News
- Station 263 Tour with Students from PS Academy

Fire Prevention:

- Plan Reviews – 9
- Inspections – 9
- Citizen Requests or Assistance – 5
- Environmental Requests, Permits, Concerns and Knox Box Assistance – 5

Community Risk Reduction:

- Community Events – 5
- Fire Safety Presentations – 1
- Car Seat Placements – 3
- School Pub Ed Presentations – 0
- AED/CCR Presentations – 6

Administrative Services

Grants:

- Applied for Gila River Indian Community (no match) Grant \$403,971
- Received \$411,285 ARPA funding from Pinal County
- Closed out Firehouse Subs Grant

UKG:

- System of Record – Human Resources Module
- Accruals – Signoff (UKG building and testing)
- Configuration of Benefits for Open Enrollment
- Completed the Payroll Discovery Document and Sign Off

Human Resources:

- Out of Class Pay
- Meet and Greet with the James Vincent Group
- Civilian Cancer Screenings
- 7710 / Industrial Commission – Cancer Claim Accepted (previously denied)
- Fire Mechanic I Recruitment

Technology:

- National Fire Information Reporting System (NFIRS) – SFMD in compliance
- Computer and laptop replacements for FY 2022/2023 are complete

Financial Services

- Budget preparation / coordination
 - Meetings schedule builds and updates
- Research Federal Grant, GASB, and GAAP requirement to facilitate update to Procurement Policy
- Coordinate FY 2022/2023 audit preparation with Baker Tilly (Engagement Letter, and establish submission calendar and fieldwork timing)
- Attended JVG Kick-off meeting

7. Possible vote to go into Executive Session for personnel matters pursuant to A.R.S. § 38-431.03(A)(1) and legal advice pursuant to A.R.S. § 38-431.03(A)(3) and possible instructions to legal counsel pursuant to A.R.S. § 38-431.03(A)(4) re: Fire Chief John Whitney's employment contract.

Motion by Director Moeller to go into Executive Session for personnel matters pursuant to A.R.S. § 38-431.03(A)(1) and legal advice pursuant to A.R.S. § 38-431.03(A)(3) and possible instructions to legal counsel pursuant to A.R.S. § 38-431.03(A)(4) re: Fire Chief John Whitney's employment contract.

Seconded by Director Kurian

Vote 5 ayes, 0 nays, MOTION PASSED

8. Public Session. Discussion and possible revision to the Fire Chief's employment contract.

Motion by Director Moeller to approve the third amendment to the employment contract for Fire Chief John Whitney and authorize that it be tendered to Chief Whitney for review and execution.

Seconded by Director Kurian

Vote 5 ayes, 0 nays, MOTION PASSED

9. New Business / Future Agenda Items

10. Announcements / Document Signing

- Pinal County to suspend the issuance of Open Burn Permits beginning April 30, 2023
- Battle of the Badges Softball Game – Saturday, April 15th at 9:00 a.m.
- Clerk Van Driel announced there will be a Rock-Concert performed in Apache Junction in June in memory of the 10 year anniversary of the 19 fallen Firefighters from Granite Mountain Interagency Hotshots who lost their lives fighting the Yarnell Hill Fire in Yavapai County on June 20, 2013.
- Clerk Van Driel announced that the tent in Gold Canyon has an extended temporary use permit until May, 2023.

11. Adjourn

Motion by Clerk Van Driel to adjourn the board meeting at 6:39 p.m.

Seconded by Director Kurian

Vote 5 ayes, 0 nays, MOTION PASSED

Governing Board Approval:

Connie Van Driel, Board Clerk

Appendix B

B. Executive Session Minutes from April 12, 2023

Submitted By

Board Secretary Sherry Mueller

Background / Discussion

Executive Meeting Minutes are not provided to the public

Financial Impact/Budget Line Item

N/A

Enclosure(s)

No Enclosures



Appendix C

C. FY2022 / 2023 Baker Tilley Audit Engagement Letter

Submitted By

Fire Chief John Whitney

Finance Director Roger Wood

Background / Discussion

Baker Tilly US, LLP (formerly known as Henry & Horne) is the District's external audit firm. To facilitate the audit of the District's Fiscal Year 2022 / 2023 financial statements, Baker Tilly and SFMD need to enter into an Engagement Letter which outlines the roles and responsibilities of both parties. The Engagement Letter also defines the estimated cost of the audit, barring any unexpected efforts that would require additional audit testing by Baker Tilly staff.

The cost of the Fiscal Year 2022 / 2023 audit is being budgeted for in the Fiscal Year 2023 / 2024 budget.

Staff recommends that the Board approve the Engagement Letter with Baker Tilly for the audit of the District's Fiscal Year 2022 / 2023 financial statements.

Financial Impact/Budget Line Item

\$16,400 100-10-61260-12 CPA Audit Services

\$ 5,100 150-10-61260-12 CPA Audit Services

\$21,500 in total

Enclosure(s)

Baker Tilly US, LLP Engagement Letter for Audit of Financial Statements Ending June 30, 2023 (FY 2022 / 2023)



Baker Tilly US, LLP
2055 E Warner Road
Suite 101
Tempe, AZ 85284
United States of America

T: +1 (480) 839 4900
F: +1 (480) 820 8726

bakertilly.com

May 10, 2023

Board of Directors and
Fire Chief, John Whitney
Superstition Fire & Medical District
565 N. Idaho Rd.
Apache Junction, AZ 85119

Thank you for using Baker Tilly US, LLP (Baker Tilly, we, our) as your auditors.

The purpose of this letter (the Engagement Letter) is to confirm our understanding of the terms and objectives of our engagement and the nature of the services we will provide as independent accountants of the Superstition Fire & Medical District (the Organizations, Client, you, your).

Services and Related Report

We will audit the financial statements of the Organization as of and for the year ended June 30, 2023, and the related notes to the financial statements. Upon completion of our audit, we will provide the Organization with our audit report on the financial statements and supplementary information referred to below. If, for any reasons caused by or relating to the affairs or management of the Organization, we are unable to complete the audit or are unable to or have not formed an opinion, or if we determine in our professional judgment the circumstances necessitate, we may withdraw and decline to issue a report as a result of this engagement.

The following supplementary information accompanying the financial statements will also be subjected 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 our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

- > Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules
- > Schedule of Expenditures of Federal and State Awards (if applicable this year)

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis, to supplement the Organization'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 the Organization'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 response 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:

- > Management's Discussion and Analysis
- > Budget Comparison Schedule - General Fund
- > Schedule related to the organizations pensions and/or OPEB reporting requirements

We will read the following other information accompanying the financial statements to identify any material inconsistencies with the audited financial statements; however, the other information will not be subjected to the auditing procedures applied in our audit of the financial statements and our auditor's report will not provide an opinion or any assurance on that other information:

- Introductory Section
- Statistical Schedules

Our report does not include reporting on key audit matters.

Our Responsibilities and Limitations

The objective of a financial statement audit is the expression of an opinion on the financial statements. The objective also includes reporting on:

- > Internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a direct and material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (i) 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 or on compliance, and (ii) 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.

We will be responsible for performing the audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and 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 and other procedures we consider necessary to enable us to express such an opinion and to render the required reports.

We also will provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations and the provisions of grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We will also:

- > Identify and assess the risks of material misstatement of the financial statements and supplementary information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements and supplementary information that we have identified during the audit.
- > Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements and supplementary information, including the disclosures, and whether the financial statements and supplementary information represent the underlying transactions and events in a manner that achieves fair presentation.
- > Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing accounting principles used and significant estimates made by management, and evaluating the overall financial statements presentation. Our audit does not relieve management or those charged with governance of their responsibilities. Our audit is limited to the period covered by our audit and does not extend to any later periods during which we are not engaged as auditor.

The audit will include obtaining an understanding of the Organization and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to determine the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management or those charged with governance internal control matters that are required to be communicated under professional standards. We will also inform you of any other matters involving internal control, if any, as required by *Government Auditing Standards* and the *State Single Audit Guidelines*.

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*.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with the provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures 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*.

We are also responsible for determining that those charged with governance are informed about certain other matters related to the conduct of the audit, including (i) our responsibility under GAAS, (ii) an overview of the planned scope and timing of the audit, and (iii) significant findings from the audit, which include (a) our views about the qualitative aspects of your significant accounting practices, accounting estimates, and financial statement disclosures; (b) difficulties encountered in performing the audit; (c) uncorrected misstatements and material corrected misstatements that were brought to the attention of management as a result of auditing procedures; and (d) other significant and relevant findings or issues (e.g., any disagreements with management about matters that could be significant to your financial statements or our report thereon, consultations with other independent accountants, issues discussed prior to our retention as independent auditors, fraud and illegal acts, and all significant deficiencies and material weaknesses identified during the audit). Lastly, we are responsible for ensuring that those charged with governance receive copies of certain written communications between us and management including written communications on accounting, auditing, internal controls or operational matters and representations that we are requesting from management.

The audit will not be planned or conducted in contemplation of reliance of any specific third party or with respect to any specific transaction. Therefore, items of possible interest to a third party will not be specifically addressed and matters may exist that would be addressed differently by a third party, possibly in connection with a specific transaction.

Management's Responsibilities

Our audit will be conducted on the basis that the Organization's management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- For the preparation and fair presentation of the financial statements and supplementary information in accordance with accounting principles generally accepted in the United States of America;
- For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements and supplementary information that are free from material misstatement, whether due to fraud or error; and
- To provide us with:
 - Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements and supplementary information such as records, documentation, and other matters;
 - Additional information that we may request from management for the purpose of the audit; and
 - Unrestricted access to persons within the Organization from whom we determine it necessary to obtain audit evidence

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 above. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or 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.

You are responsible for the preparation of the supplementary information in conformity with GAAP. 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. You further agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) 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 (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

If applicable this year, you are responsible for preparation of the schedule of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance and the You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in a written representation letter that (a) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance and the (b) that you believe the schedule of expenditures of federal awards including its form and content, is fairly presented in accordance with the Uniform Guidance and the (c) that the methods of measurement or presentation have not changed from those used in the prior year (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of federal awards.

Management is responsible for (i) adjusting the basic financial statements to correct material misstatements and for affirming to us in a management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period under audit are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole, and (ii) notifying us of all material weaknesses, including other significant deficiencies, in the design or operation of your internal control over financial reporting that are reasonably likely to adversely affect your ability to record, process, summarize and report external financial data reliably in accordance with GAAP. Management is also responsible for identifying and ensuring that the Organization complies with the laws and regulations applicable to its activities.

As part of our audit process, we will request from management and, when appropriate, those charge with governance written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

Prior to or as part of our audit engagement, it may be necessary for us to perform certain nonattest services. For purposes of this letter, nonattest services include services that *Government Auditing Standards* refers to as nonaudit services.

Nonattest services that we will be providing are as follows:

- > Preparing financial statements and related notes
- > Proposal entries affecting the financial statements

None of these nonattest services constitute an audit under generally accepted auditing standards including *Government Auditing Standards*.

We will not perform any management functions or make management decisions on your behalf with respect to any nonattest services we provide.

In connection with our performance of any nonattest services, you agree that you will:

- > Continue to make all management decisions and perform all management functions, including approving all journal entries and general ledger classifications when they are submitted to you.

- > Designate an employee with suitable skill, knowledge and/or experience, preferably within senior management, to oversee the services we perform.
- > Evaluate the adequacy and results of the nonattest services we perform.
- > Accept responsibility for the results of our nonattest services.
- > Establish and maintain internal controls, including monitoring ongoing activities related to the nonattest function.

On a periodic basis, as needed, we will meet with you to discuss your accounting records and the management implications of your financial statements. We will notify you, in writing, of any matters that we believe you should be aware of and will meet with you upon request.

Other Documents

GAAS requires that we read any annual report that contains our audit report. The purpose of this procedure is to consider whether other information in the annual report, including the manner of its presentation, is materially inconsistent with information appearing in the financial statements. We assume no obligation to perform procedures to corroborate such other information as part of our audit.

If you intend to reproduce or publish the financial statements, and make reference to our firm name in connection therewith, you agree to publish the financial statements in their entirety. In addition, you agree to provide us, for our approval and consent, proofs before printing and final materials before distribution.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We will provide copies of our reports to the Organization, however, management is responsible for distribution of the reports and the financial statements. Copies of our reports are to be made available for public inspection unless restricted by law or regulation or if they contain privileged and confidential information.

The documentation for this engagement, including the workpapers, is the property of Baker Tilly and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to federal or state agencies for purposes of a quality review of the audit, to resolve audit findings or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Baker Tilly personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records; so we will return such records to you at the completion of the services rendered under this engagement. When such records are returned to you, it is the Organization's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to regulators, the Organization hereby authorizes us to do so.

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

Resolution of Disagreements

In the unlikely event that differences concerning services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association (AAA) under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.

If mediation does not settle the dispute or claim, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from Judicate West, AAA, Judicial Arbitration & Mediation Services (JAMS), the Center for Public Resources or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within fifteen (15) days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well-reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrator(s) upon a showing of substantial need. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrator(s) shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrator(s) shall be empowered to interpret the applicable statutes of limitations.

Our services shall be evaluated solely on our substantial conformance with the terms expressly set forth herein, including all applicable professional standards. Any claim of nonconformance must be clearly and convincingly shown.

Limitation on Damages and Indemnification

The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Engagement Letter shall not exceed two times (2x) the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the gross negligence, willful misconduct or fraudulent behavior of Baker Tilly relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays or interruptions arising out of or related to this Engagement Letter even if the other party has been advised of the possibility of such damages.

As Baker Tilly is performing the services solely for your benefit, you will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorney's fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the services, or this Engagement Letter.

Because of the importance of the information that you provide to Baker Tilly with respect to Baker Tilly's ability to perform the services, you hereby release Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the services, that arise from or relate to any information, including representations by management, provided by you, the Organization personnel or agents, that is not complete, accurate or current, whether or not management knew or should have known that such information was not complete, accurate or current.

Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Engagement Letter are material bargained for bases of this Engagement Letter and that they have been taken into account and reflected in determining the consideration to be given by each party under this Engagement Letter and in the decision by each party to enter into this Engagement Letter.

The terms of this section shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of you, Baker Tilly or others), but these terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These terms shall also continue to apply after any termination of this Engagement Letter.

You accept and acknowledge that any legal proceedings arising from or in conjunction with the services provided under this Engagement Letter must be commenced within twelve (12) months after the performance of the services for which the action is brought, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

Timing and Fees

Completion of our work is subject to, among other things, (i) appropriate cooperation from the Organization's personnel, including timely preparation of necessary schedules, (ii) timely responses to our inquiries, and (iii) timely communication of all significant accounting and financial reporting matters. When and if for any reason the Organization is unable to provide such schedules, information and assistance, Baker Tilly and you may mutually revise the fee to reflect additional services, if any, required of us to complete the audit. Delays in the issuance of our audit report beyond the date that was originally contemplated may require us to perform additional auditing procedures which will likely result in additional fees.

Certain changes in the Organization's business or within its accounting department may result in additional fees not contemplated as part of the original engagement quote provided below. Examples of such changes include but are not limited to: implementation of new general ledger software or a new chart of accounts; the creation of new entities, divisions or subsidiaries; other significant changes in business operations; new financing arrangements or modifications to existing financing arrangements; significant federal or state funding programs or changes that affect the amount of audit effort from external sources, new accounting and auditing standards that become effective that increase the scope of our audit procedures; business combinations; significant new employment or equity agreements; consultations with our National Office; and significant subsequent events. Any additional fees associated with these business or accounting changes would not be expected to be recurring in nature.

For new business transactions or changes in business operations or conditions, financial reporting and/or auditing standards may require us to utilize the services of internal or external valuation or tax specialists. This includes matters such as business combinations, impairment evaluations, and going concern evaluation, among other potential needs for specialists. The time and cost of such services are not included in the fee estimate provided below.

Revisions to the scope of our work will be communicated to you and may be set forth in the form of an "Amendment to Existing Engagement Letter." In addition, if we discover compliance issues that require us to perform additional procedures and/or provide assistance with these matters, fees at our standard hourly rates apply.

We estimate that our fees will be \$21,500 for the financial statement audit and \$5,000 for each required major program tested for the Single Audit, if needed.. In addition to professional fees, our invoices will include our standard administrative charge, plus travel and subsistence, and other out-of-pocket expenses related to the engagement. A charge of 1.5 percent per month shall be imposed on accounts not paid within thirty (30) days of receipt of our statement for services provided. In accordance with our firm policies, work may be suspended if your account becomes thirty (30) days or more overdue and will not be resumed until your account is paid in full. SFMD may terminate this Agreement pursuant to the provisions of A.R.S. §38-511. If either party elects to terminate our services for nonpayment, or any other reason permitted by this Agreement, our engagement will be deemed to have been completed upon written notice 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 out-of-pocket expenditures through the date of termination. In the event that collection procedures are required, the Organization agrees to be responsible for all expenses of collection including related attorneys' fees.

Client may also terminate the Agreement in whole or in part at any time. Upon receipt of the written notice, the Baker Tilly shall promptly stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and make commercially reasonable efforts to minimize all further costs to the Client. In the event of termination under this paragraph, our engagement will be deemed to have been completed upon written notice 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 out-of-pocket expenditures through the date of termination. In the event that collection procedures are required, the Organization agrees to be responsible for all expenses of collection including related attorneys' fees.

We may use temporary contract staff to perform certain tasks on your engagement and will bill for that time at the rate that corresponds to Baker Tilly staff providing a similar level of service. Upon request, we will be happy to provide details on training, supervision and billing arrangements we use in connection with these professionals. Additionally, we may from time to time, and depending on the circumstances, use service providers (e.g., to act as a specialist or audit an element of the financial statements) in serving your account. We may share confidential information about you with these contract staff and service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all contract staff and service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the contract staff or third-party service provider. Furthermore, the firm will remain responsible for the work provided by any such contract staff or third-party service providers.

To the extent the services require Baker Tilly receive personal data or personal information from Client, Baker Tilly may process any personal data or personal information, as those terms are defined in applicable privacy laws, in accordance with the requirements of the applicable privacy law relevant to the processing in providing services hereunder. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor in relation to Client personal data and personal information, as those terms are defined respectively under the CCPA/GDPR. Client is responsible for notifying Baker Tilly of any data privacy laws the data provided to Baker Tilly is subject to and Client represents and warrants it has all necessary authority (including any legally required consent from data subjects) to transfer such information and authorize Baker Tilly to process such information in connection with the services described herein. Client agrees that Baker Tilly has the right to generate aggregated/de-identified data from the accounting and financial data provided by Client to be used for Baker Tilly business purposes and with the outputs owned by Baker Tilly. For clarity, Baker Tilly will only disclose aggregated/de-identified data in a form that does not identify Client, Client employees, or any other individual or business entity and that is stripped of all persistent identifiers. Client is not responsible for Baker Tilly's use of aggregated/de-identified data.

Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or breaches related to this agreement, Client should timely notify Baker Tilly via email at dataprotectionofficer@bakertilly.com.

Additionally, we may from time to time, and depending on the circumstances, use service providers (e.g., to act as a specialist or audit an element of the financial statements) in serving your account. We may share confidential information about you with these service providers, but are committed to maintaining the confidentiality and security of your information.

Any additional services that may be requested and we agree to provide will be the subject of a separate engagement letter.

We may be required to disclose confidential information to federal, state and international regulatory bodies or a court in criminal or other civil litigation. In the event that we receive a request from a third party (including a subpoena, summons or discovery demand in litigation) calling for the production of information, we will promptly notify the Organization, unless otherwise prohibited. In the event we are requested by the Organization or required by government regulation, subpoena or other legal process to produce our engagement working papers or our personnel as witnesses with respect to services rendered to the Organization, so long as we are not a party to the proceeding in which the information is sought, we may seek reimbursement for our professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

We may be required to disclose confidential information with respect to complying with certain professional obligations, such as peer review programs. All participants in such peer review programs are bound by the same confidentiality requirements as Baker Tilly and its employees. Baker Tilly will not be required to notify the Organization if disclosure of confidential information is necessary for peer review purposes.

No significant SAS's are outstanding.

We would expect to continue to perform our services under the arrangements discussed above from year to year, unless for some reason you or we find that some change is necessary. We will, of course be happy to provide the Organization with any other services you may find necessary or desirable.

Insurance Requirements:

Baker Tilly shall purchase and maintain from a company or companies lawfully authorized to do business in Arizona insurance that will have the following insurance policy limits:

1. Worker's Compensation Insurance that meets the statutory obligations with Employer's Liability limits of at least \$100,000 each accident, \$500,000 disease policy limit, and \$100,000 disease each employee.
2. **Commercial General Liability Insurance.** The policy shall be on an "occurrence" basis, shall include contractual liability coverage and provide coverage limits at least equal to \$1,000,000 per claim and \$2,000,000 aggregate. The Client shall be named an "additional insured" on Baker Tilly's policy.
3. **Professional Liability Insurance** providing coverage for the claims that arise from the errors of Consultant or its sub-consultants, omissions of Baker Tilly or its sub-consultants, failure to render a professional service by Baker Tilly or its sub-consultants, or the negligent rendering of the professional service by Baker Tilly or its sub-consultants at coverage limits at least equal to \$1,000,000 per claim and \$2,000,000 for all claims that arise during the coverage period.
4. **Commercial Automobile Liability insurance** covering all owned, non-owned and hired automobiles at coverage limits at least equal to \$ \$1,000,000 aggregate for all claims arising from the same occurrence.

Baker Tilly shall submit to Client, if requested by Client, a certificate evidencing such insurance coverage. Baker Tilly shall provide Client with 30 days notice prior to the cancellation or nonrenewal of any of the foregoing policies during the course of the project. Where applicable, the foregoing insurance policies shall be maintained and in force during the life of the project and for at least six (6) months after the date of completion of services anticipated under this Agreement.

Other Matters

Neither this Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Engagement Letter.

Our dedication to client service is carried out through our employees who are integral in meeting this objective. In recognition of the importance of our employees, it is hereby agreed that the Organization will not solicit our employees for employment or enter into an independent contractor arrangement with any individual who is or was an employee of Baker Tilly for a period of twelve (12) months following the date of the conclusion of this engagement. If the Organization violates this nonsolicitation clause, the Organization agrees to pay to Baker Tilly a fee equal to the hired person's annual salary at the time of the violation so as to reimburse Baker Tilly for the costs of hiring and training a replacement.

The services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

Baker Tilly US, LLP, trading as Baker Tilly, is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

This Engagement Letter and any applicable online terms and conditions or terms of use ("Online Terms") related to online products or services made available to Organization by Baker Tilly ("Online Offering") constitute the entire agreement between the Organization and Baker Tilly regarding the services described in this Engagement Letter and supersedes and incorporates all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. For clarity and avoidance of doubt, the terms of this Engagement Letter govern Baker Tilly's provision of the services described herein, and the Online Terms govern Organization's use of the Online Offering. This Engagement Letter's provisions shall not be deemed modified or amended by the conduct of the parties.

The provisions of this Engagement Letter, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties, including any successors or assignees. If any provision of this Engagement Letter is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Engagement Letter shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law or applicable professional standards.

If because of a change in the Organization's status or due to any other reason, any provision in this Engagement Letter would be prohibited by, or would impair our independence under laws, regulations or published interpretations by governmental bodies, commissions or other regulatory agencies, such provision shall, to that extent, be of no further force and effect and this agreement shall consist of the remaining portions.

Baker Tilly warrants that it complies with any state and federal laws, rules and regulations which mandate that all persons, regardless of race, color, creed, religion, sex, genetic information, age, national origin, disability, familial status or political affiliation, shall have equal access to employment opportunities, including but not limited to the Americans with Disabilities Act. Baker Tilly shall take affirmative action to ensure that it will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VII of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and community development Act of 1974, the Age Discrimination Act of 1975, and the Genetic Information Nondiscrimination Act of 2008.

Baker Tilly is required to comply with A.R.S §41-4401, and hereby warrants that it will, at all times during the term of this Agreement, comply with all federal immigration laws applicable to the employment of their respective employees, the requirements of A.R.S. §41-4401, and with the e-verification requirements of A.R.S. §23-214(A) (together the "state and federal immigration laws"). Baker Tilly further agrees to ensure that each subcontractor that performs any work under this Agreement likewise complies with the state and federal immigration laws.

A breach of a warranty regarding compliance with the state and federal immigration laws in relation to this Agreement shall be deemed a material breach of the Agreement and the party who breaches may be subject to termination of the Agreement.

Client shall have the right to submit a Survey Audit Questionnaire regarding Baker Tilly's compliance with state and federal immigration laws regarding any employees working under the terms of this Agreement.

This Agreement shall be subject to available funding for the Client, and nothing in this Agreement shall bind the Client to expenditures in excess of funds appropriated and allotted for the purposes outlined in this Agreement.

This Agreement in no way restricts either party from participating in similar activities with other public or private agencies, organizations, and individuals.

Nothing in this Agreement shall be construed as limiting or expanding the statutory responsibilities of the parties.

In the performance of the services described herein, Baker Tilly shall act solely as an independent contractor and nothing here in or implied herein shall at any time be construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between the Client and Baker Tilly.

Though the Services may include the Baker Tilly's recommendations or advice, all decisions regarding the implementation of such advice or recommendations shall be the responsibility of, and made by, the Client.

This Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the parties hereto. This Agreement is the result of negotiations between, and has been reviewed by, each of the parties hereto and their respective counsel. Accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of, or against any one of, the parties hereto.

This agreement shall be governed by and construed in accordance with the laws of the state of Arizona, without giving effect to the provisions relating to conflict of laws.

We appreciate the opportunity to be of service to you.

If there are any questions regarding the Engagement Letter, please contact Brian Hemmerle, the engagement partner on this engagement who is responsible for the overall supervision and review of the engagement and for determining that the engagement has been completed in accordance with professional standards. Brian Hemmerle is available at 480 752 4307, or at Brian.Hemmerle@bakertilly.com.

Sincerely,



BAKER TILLY US, LLP

The services and terms as set forth in this Engagement Letter are agreed to by:

Board Chair

Date

Fire Chief

Date

Partner, Baker Tilly US, LLP

Date



MOSSADAMS

Report on the Firm's System of Quality Control

October 28, 2021

To the Partners of Baker Tilly US, LLP and the
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Baker Tilly US, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under FDICIA; audits of broker-dealers; and examinations of service organizations [SOC 1® and SOC 2® engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Baker Tilly US, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended March 31, 2021, 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*. Baker Tilly US, LLP has received a peer review rating of *pass*.

Moss Adams LLP

Appendix D

D. Professional Services Agreement with Crest

Submitted By

John Whitney, Fire Chief

Anna Butel, Admin Services Director

Background / Discussion

SFMD has retained Crest as our benefits consultant for several years. The Crest team brings valuable consulting to SFMD in strategic benefits planning, benefit design, administration, funding advisement, and communications. As SFMD transitions to the IAFF Health and Wellness Trust, it is beneficial to retain Crest as our consultant. The term of this agreement is July 1, 2023, through June 30, 2024.

Financial Impact/Budget Line Item

\$30,000

Enclosure(s)

Crest Professional Services Agreement



CREST Employee Benefits Services

Brokerage Consulting Fee Agreement Disclosure

Summary of this document's purpose in plain language:

This Consulting Agreement, hereinafter referred to as "Agreement" is between Superstition Fire and Medical District, hereinafter referred to as "Client" and **Crest Insurance Group, LLC** hereinafter referred to as "Consultant."

WHEREAS, Client wishes to obtain the assistance of Consultant with strategic benefit planning, design, funding, administration, and communication with respect to its employee benefit programs;

WHEREAS, Consultant has knowledge and expertise in assisting employers with designing and servicing employee benefit plans; and

WHEREAS, the parties wish to set forth their respective expectations;

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree as follows:

Scope of Services Provided to Client

Consultant will provide Client with consulting and brokerage services for the following employee compensation and benefit programs listed below:

- Medical Insurance ☐ Retiree Plan ☐ Other Medical Plan(s) _____
- Prescription Drug Program (if applicable/segregated from Medical plan)
- Dental Insurance
- Vision Insurance
- Disability Insurance
- Group Life Insurance
- Employee Assistance Program
- Voluntary Worksite Benefits

A. Strategic Benefit Planning. Consultant will provide assistance in developing overall plan strategy and targets to ensure that the plan meets the objectives of Client and its employees.

B. Benefit Design. Consultant will help to ensure that benefit designs are consistent with the strategic goals and targets set forth in the strategic benefit planning process.

C. Administration. Consultant will identify core administrative services, assess vendor performance, and manage vendor relationships to provide appropriate program administration.

D. Funding. Consultant will advise and counsel regarding program funding alternatives, including review fee proposals, recommend budget rates, employee/other plan contribution rates, and COBRA rates; and monitor program costs against expectations as requested.

E. Communications. Consultant will create and forward for Client approval communications material as necessary to summarize Client's benefit plans to members, including open enrollment presentations, ☐ print ☐ digital benefit guide, ☐ EASE ☐ Employee Navigator ☐ N/A benefit administration platform.

E. Meetings with Client and Vendors. Services will include attendance at and facilitation of regular meetings with Client and Vendors as needed.

F. Crest will assist the client with insurance coverage dispute resolution.

Consulting Fee and/or Commission Payment Structure

Consultant will provide Client with medical plan consulting and brokerage services for the following compensation:

☐ (Medical Insurance) A fee of \$30,000 per year, paid quarterly to Crest Insurance Group. Services shall be invoiced by Crest quarterly, beginning September 1, 2023, December 1, 2023, March 1, 2024, and June 1, 2024 in payments of \$7,500 per quarter.

Payment shall be made within 30 days and mailed to: Crest Insurance Group
Attn. Accounting
5285 E Williams Circle Ste. 4500
Tucson, AZ 85711

(All other lines) Standard Commissions calculated into all other plan premiums (excluding Medical)

* Voluntary and worksite ancillary products are commission-based (as commissions are difficult to quantify and remove, due to state insurance department rate filing protocols). Please also note that Crest Insurance reserves the right to any contingency or override income that is paid based on our aggregate book of business, and not assignable to any one account or line of business.

Disclosure, Licensing, Record Keeping and Business Associate Agreement

A. Full Disclosure. Client has the right to approve any arrangements and/or the utilization of any intermediaries in connection with, or arising out of, or in any way related to Client's insurance program.

B. Record Keeping. Consultant will maintain accurate and current files including, but not limited to, insurance policies and correspondence with insurers or brokers in accordance with industry standard record retention practice or as otherwise directed by Client.

C. Licensing. Consultant warrants that Consultant currently holds all appropriate and required licenses, registrations and other approvals necessary for the lawful furnishing of services.

D. Business Associate Agreement is herein included as a part of this contract, and mutually agreed and entered into by and between Consultant and Client.

Term & Termination of Agreement

A. Term. This initial term of this Agreement shall be 1 year(s), commencing on July 1, 2023, ("Initial Term"). Thereafter, this Agreement will remain in effect until terminated as described below.

B. Termination. This Agreement may be terminated by either party only as follows:

- 1) Effective upon thirty (30) days advance written notice to the other party stating that such other party is in breach of any of the provisions of this Agreement, provided such breach (if able to be cured) is not cured within fifteen (15) days after the notice is received;
- 2) Effective upon sixty (60) days advance written notice to the other party given with or without reason; provided such notice is given after the Initial Term; or
- 3) By mutual written agreement of the parties.

Consultant Personnel, Role as Independent Contractor, and Advisor

Consultant will assign its personnel according to the needs of Client and according to the disciplines required to complete the appointed task in a professional manner. Consultant retains the right to substitute personnel with reasonable cause.

It is understood and agreed that Consultant is engaged by Client to perform services under this Agreement as an independent contractor. Consultant shall use its best efforts to follow written, oral, or electronically transmitted instructions from Client as to policy and procedure.

Client's Responsibilities

Client acknowledges receipt of Crest Insurance Group's Compensation Disclosure. In the event a signed Disclosure is not received from Client within 15 days of provision by Crest, the agreement will be deemed acknowledged and accepted by Client unless explicitly refused.

Client will make available such reasonable information as required for Consultant to conduct its services. Such data will be made available as promptly as possible. It is understood by Consultant that the time of Client's personnel is limited, and judicious use of that time is a requirement of this Agreement. Client will make timely payments of the service fees as set forth elsewhere in this Agreement.

Client acknowledges that Consultant has no discretionary authority or discretionary control respecting the management of any of the Client's employee benefit plans or the disposition of the assets within. Consultant is performing services pursuant to this Agreement in a non-fiduciary capacity and agrees to submit (or cause its agent, consultants, or vendors to submit) all information in its (or their) control reasonably necessary for Consultant to perform the services covered by this Agreement.

Client will make available such reasonable information as required for Consultant to conduct its services. Such data will be made available as promptly as possible. It is understood by Consultant that the time of Client's personnel is limited, and judicious use of that time is a requirement of this Agreement. Client will make timely payments of the service fees as set forth elsewhere in this Agreement.

Superstition Fire and Medical District

Crest Insurance Group, LLC

Kathleen Chamberlain

Responsible Party Name

Ed Gussio

Crest Insurance Producer/Executive Name

SFMD Board Chairperson

Responsible Party Title or Role

Partner

Producer/Executive Title

Signature & Date

Signature & Date

Appendix E

F. Delta Dental Contract

Submitted By

John Whitney, Fire Chief

Anna Butel, Admin Services Director

Background / Discussion

The SFMD leadership team has been working in conjunction with our health insurance broker, Crest, on the 2023/24 employee benefits package. The agreement with Delta Dental is July 1, 2023, through June 30, 2024. Rates are based on employee plan selection and number of family members the employee covers. With an annual cost to the District of

Staff recommends that the Board approve the Delta Dental agreement.

Financial Impact/Budget Line Item

\$2,303.22

Enclosure(s)

Group Delta Dental Contract





Delta Dental of Arizona
5656 W. Talavi Blvd.
Glendale, Arizona 85306

An Arizona dental and optometric service corporation

Fully Insured Group Dental Contract For Superstition Fire & Medical District

This renewal Contract ("Contract") is entered into by and between Superstition Fire & Medical District (the "Group") and Arizona Dental Insurance Service, Inc. dba Delta Dental of Arizona ("Delta Dental"). This is a legally binding contract between the Group and Delta Dental, replacing any previous Declarations, Section I, with the balance of such Contract continued as if fully set forth herein.

SECTION I - DECLARATIONS

The Benefits afforded are only with respect to such benefits as are indicated in this Contract, including the Summary of Benefits. Delta Dental's liability is limited to the Benefits stated herein; subject to all the terms of this Contract having reference thereto. This Declarations Section and the Summary of Benefits supersedes any contrary provision of the subsequent sections of this Contract.

- A. **Effective Date:** July 1, 2023
- B. **First Renewal Date:** July 1, 2025
- C. **Client Number:** 37074-10001710, 19901710
- D. **Rate(s):**
Subscriber only - \$39.44 per month per Subscriber
Subscriber and spouse - \$80.85 per month per Subscriber
Subscriber and child(ren) - \$92.68 per month per Subscriber
Subscriber, spouse and child(ren) - \$124.95 per month per Subscriber
- E. **Rate Guarantee(s):** This contract has a two year rate guarantee.
- F. **Minimum Participation Requirement:** These rates are contingent upon the enrollment of a minimum of 70% of the eligible members of the defined group and their eligible dependents.
- G. **Group Contribution:** The Subscriber pays the full cost of this plan.

DELTA DENTAL OF ARIZONA

BY: 
President and CEO

DATE: April 12, 2023

GROUP

BY: _____
(Authorized Signature)

(Title)

DATE: _____

SECTION II - DEFINITIONS

The following words and terms have the following meanings unless the context or use clearly indicates another meaning or intent. Capitalized words and terms not defined below are defined in the Certificate.

CONTRACT means this document, including the Certificate, applicable Summary(ies) of Benefits, Appeals Packet (if applicable), the Group's Master Application (the terms of which are incorporated herein), and if applicable any appendices, supplements, riders, successor agreements, renewal letters, or renewals now or hereafter issued or executed. This Contract may be changed in whole or in part. No change in this Contract will be valid unless it is approved in writing by Delta Dental's Chief Executive Officer and given to the Group for attachment to this contract. No agent has the authority to change this Contract or to waive any of its provisions.

EFFECTIVE DATE means the date this Contract will be effective as specified in the Declarations Section provided Delta Dental has received payment for the first monthly premium.

RATE means the amount, per Subscriber and Subscriber classification, the Group agrees to pay Delta Dental each month. This amount, or the information necessary to compute it, is specified in the Declarations Section.

SECTION III - ELIGIBILITY AND ENROLLMENT

A. Eligibility Requirements and Waiting Periods for Enrollees

1. Eligibility requirements and waiting periods for Enrollees are set forth in the Certificate and the applicable Summary(ies) of Benefits.
2. The Group will provide for and administer the annual open enrollment period and any special enrollment periods required by law. New Enrollees may be added from time to time in accordance with the terms of the Contract.
3. The Group agrees to comply with the underwriting requirements that Delta Dental reasonably requires from time to time. Delta Dental will give the Group 60 days' notice of any changes.

B. General Eligibility Rules

No person will be eligible for Benefits under this Contract unless the Group has either currently enrolled that person as a Subscriber or currently listed or acknowledged that person as a Dependent. Unless otherwise required by law or this Contract, Group shall provide Delta Dental with eligibility information relating to open enrollment no later than 15 days after the renewal date of this coverage. Unless otherwise required by law, Group shall provide Delta Dental with eligibility information relating to any special enrollments within 31 days of the event qualifying the Enrollee for coverage.

C. Arizona Eligibility Rules for Dependent Children

1. Newborn, Adopted, or Placement for Adoption. Benefit coverage for a Dependent Child under this Contract shall be payable with respect to a newly born child of a Subscriber from the instant of such child's birth, to a child adopted by the Subscriber regardless of the age at which the child was adopted, and a child who has been placed for adoption or foster care and for whom the application and approval procedures for adoption pursuant to Arizona law have been completed. If payment of a specific premium is required to provide coverage for a child, notification of birth, adoption or adoption placement of the child and payment of the required premium must be furnished to Delta Dental within 31 days after the birth, adoption, or adoption/foster care placement in order to have the coverage continue beyond the 31-day period.
2. Exception to Termination with Attainment of Limiting Age. Coverage for a Dependent Child that has attained the limiting age shall not operate to terminate coverage of such child while the child is and continues to be both (a) incapable of self-sustaining employment by reason of intellectual disability or physical disability, and (b) chiefly dependent on the Subscriber for support and maintenance. Proof of such incapacity and dependency shall be furnished to Delta Dental within 31 days of the child's attainment of the limiting age and subsequently as required by Delta Dental, but not more frequently than annually after the 2-year period following the child's attainment of the limiting age.

D. Termination of Eligibility

Eligibility for Benefits will terminate for all Enrollees under this Contract at the earlier of:

1. The termination of this Contract; or
2. Midnight of the last day of the month for which payment has been made if the Group fails to make the payments required by this Contract.

Eligibility of an individual Enrollee will also terminate under the following circumstances:

1. The Enrollee ceases to meet the definition of an Enrollee or a Dependent as defined by this Contract;

2. The Enrollee fails to comply with the eligibility requirements of this Contract; or
3. The Enrollee commits fraud or misrepresentation in the submission of any claim.

An Enrollee whose eligibility is terminated may not continue group coverage under this Contract, except as required by the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, or comparable, non-preempted state law, including Arizona Revised Statutes ("ARS") Section 20-2330 ("COBRA"). If the Enrollee qualifies for Arizona conversion coverage, Delta Dental also may offer coverage under an individual direct payment policy to an Enrollee whose eligibility is terminated.

E. Loss of Eligibility During Treatment

1. If an Enrollee loses eligibility while receiving dental treatment, only Covered Services received while that person was eligible under the Contract will be payable.
2. Certain services begun before the loss of eligibility may be covered if they are completed within a 30 day period measured from the date of termination. In those cases, Delta Dental evaluates those services in progress to determine what portion may be paid by Delta Dental.

F. Continuation Coverage – COBRA

The other provisions of this Contract notwithstanding, eligibility for Benefits will continue for a person who is required to be provided with and elects continuation coverage pursuant to COBRA or other applicable law, including Arizona Mini-COBRA, provided:

1. Continuation coverage is required to be provided under COBRA, the person elects COBRA coverage and the Group notifies Delta Dental that the person is eligible for Benefits under COBRA. Not all employers are subject to the continuation coverage requirements contained in COBRA. For those that are not, this Section III.F. does not apply. Group should consult with its legal counsel to determine how and when the law applies.
2. Continuation coverage shall only be in effect up to the first day of the month after the person notifies the Group that he or she no longer wants coverage from Delta Dental, the date a COBRA premium payment was due and was not remitted by the end of the COBRA Grace Period, or until the end of that person's continuation coverage period, whichever occurs first.
3. Further, if the Group fails to make payments required by this Contract, continuation coverage shall only remain in effect until the last day of the month for which payment has been made to Delta Dental by the Group; provided, however, that any payment for COBRA continuation coverage received during a period that is 30 days following the date the COBRA premium payment was due (the "COBRA Grace Period") will provide continuation coverage from the due date. A person's coverage may be retroactively reinstated for the 60-day COBRA "election" period if the Group pays the applicable rate for the period within the 45-day period following the date of the COBRA election. Delta Dental may, at its sole option and without notice, continue coverage, if legally required.
4. Continuation coverage will not continue beyond the termination of this Contract.
5. The person who is receiving continuation coverage is responsible for the costs of any services provided after he or she is no longer eligible for continuation coverage under this Section III.F.
6. Group shall be solely responsible for identifying Enrollees entitled to COBRA continuation coverage. Group shall provide all required notices, collect all necessary payments, and otherwise administer all facets of its COBRA program. In the event that Group continues to provide eligibility information to Delta Dental for a Enrollee during the COBRA election period, as opposed to terminating coverage and then retroactively reinstating the Enrollee upon the Enrollee's election of COBRA coverage, Group shall be liable for any Benefits paid or Rates due during that period if the Enrollee ultimately does not elect COBRA coverage.
7. The monthly Rate that must be paid on behalf of any person who is provided coverage under this Section III.F. will be based on the COBRA continuation coverage rates in effect during that month.
8. A person who continues coverage will be considered to be an Enrollee under this Contract and the dental care certificate as long as coverage is provided under this Section III.F.
9. Delta Dental does not assume any of the obligations assigned by COBRA to the Group or any employer (including the obligation to notify potential beneficiaries of their rights or options under COBRA), and the Group agrees that it will perform those obligations in full.

10. If A.R.S. Section 20-2330 ("AZ Mini Cobra") is applicable to Group and Enrollee, to the extent there is a conflict between the requirements of AZ Mini-Cobra and any provision of this Section III.F, the requirements of AZ Mini-Cobra shall prevail.

G. Arizona Conversion Coverage

1. Permanent Arizona resident Enrollees may qualify for Arizona conversion coverage as set forth in the Certificate.

SECTION IV - Benefits

Delta Dental agrees to provide Benefits to Enrollees in accordance with the terms and conditions set forth in this Contract and the policies and procedures of Delta Dental.

SECTION V - Agreements

A. Delta Dental Agrees:

1. To provide all claims processing, service, and administration of Benefits to Enrollees of the Group subject to the terms and conditions of this Contract.
2. To furnish to the Group, a Certificate of the Benefits provided pursuant to this Contract, and a copy of the Summary(ies) of Benefits, Delta Dental's Notice of Privacy Practices, and if applicable, Delta Dental's Appeals Packet for distribution to Subscribers at the Group's expense.
3. To provide continuation coverage to the Group's former employees and/or dependents who are entitled to such coverage under COBRA, or other applicable law. The obligation of Delta Dental to provide continuation coverage is contingent on the timely remittance by the Group of premiums on behalf of such persons electing COBRA continuation coverage.
4. Consistent with any applicable law protecting the confidentiality of a patient's health records, data, or information, to make standard reports available to the Group upon request for no additional charge and to provide agreed-to, non-standard reports on a time and materials basis.

B. Group Agrees:

1. That it is responsible for premium payments for each Enrollee, beginning on the Enrollee's enrollment date and ending when such Enrollee's coverage terminates. Group is liable for the cost of benefits for covered services provided to a Enrollee following termination of the Enrollee's coverage under this Contract if the Group fails to provide notice to Delta Dental of the termination as required by this Contract.
2. Unless otherwise stated in the Declarations Section of this Contract, Group agrees to pay Delta Dental the monthly Rate specified in the Declarations Section of this Contract as billed by Delta Dental, with no payment adjustments for updates not yet reflected on the monthly invoice. To ensure timely coverage, unless otherwise stated in the Declaration Section of this Contract, the amount to be paid will be due by the 5th of the month of the intended coverage. For example, the premium for April coverage is due on April 5.
3. Unless otherwise stated in the Declarations Section of this Contract, this Contract has a Grace Period for the monthly payment of premium through the end of the intended coverage month. The Grace Period will be granted for the payment of each premium falling due after the first premium. If payment is not received by the expiration of the Grace Period, Delta Dental shall, at its sole discretion, have the right to suspend claims processing. Additionally, Delta Dental will have the right to terminate the Contract effective on the first day of the coverage month in which the premium first became due, in which case the Group is responsible for the cost of covered services rendered to Enrollees during the Grace Period.

If this Contract is canceled for non-payment of premium, Delta Dental is not liable for the payment of claims incurred after the date of cancellation of this Contract. This Contract will not be eligible for reinstatement and Delta Dental will not issue a new contract for a minimum of 12 months following the date of cancellation.

If Delta Dental terminates the Contract for non-payment of premium and the Group pays all outstanding premium (including premium for the Grace Period) within 60 days following termination, the Group may avoid its liability for the covered services rendered to the Enrollees during the Grace Period. This payment will not, however, reinstate the Contract.

4. Delta Dental reserves the right to put a Group on a "hold" status for any of the following reasons:
 - a. Non-payment of premium.
 - b. Unsigned contract and/or amendments.
 - c. Non-compliance with the terms of this Contract.

Hold status will result in the denial of any claims submitted for Group's Enrollees during this period and resubmission will be required for denied claims upon resolution of the hold.

5. Delta Dental may, at its sole option, send notification to the Group of an adjustment in Rates, Benefits, Coinsurance, or copayments to correct potential adverse group experience resulting from the following:

- a. Information provided upon enrollment proves to be in error; or
- b. Terms and provisions of the Contract are materially violated; or
- c. Initial size or composition of the group changes by 10% or more unless otherwise set forth in the Declarations Section of this Contract; or
- d. Monthly invoices are not paid as billed.

Delta Dental will provide the Group written notice 45 days prior to implementing any adjustment. If the Group refuses to accept this adjustment, Delta Dental may, in its sole discretion, terminate this Contract.

6. To pay all premiums in accordance with this Section V.B, irrespective of any Enrollee contributions or COBRA payments. Delta Dental shall not be responsible for collecting Enrollees' contributions or COBRA payments.
7. To enroll as Enrollees with Delta Dental all eligible employees, retirees or members of the Group, including that employee's, retiree's or member's Dependents, who enroll for Benefits during the enrollment periods set forth in the Certificate. Group shall not enroll any employees, retirees or members of the Group, or any such person's Dependents, at any time other than during the enrollment periods set forth in the Certificate. Group shall provide to Delta Dental, in a format requested by Delta Dental, an initial enrollment file prior to the initial Effective Date of this Agreement.
8. To provide Delta Dental with all eligibility data needed to process claims under this Contract. Eligibility data shall be provided in a timely manner, which in the case of electronic eligibility files shall in no event be less than monthly, and in the format requested by Delta Dental. Delta Dental will not accept additions, terminations, and/or retroactive eligibility updates more than 2 months after the date of an Enrollee's change in eligibility. Notwithstanding the foregoing, if the Group requests that an Enrollee's eligibility be terminated retroactively and a claim was incurred for that Enrollee or any Dependent of the Enrollee after the requested termination date, eligibility for that Enrollee and the Dependents of the Enrollee will continue at the expense of the Group until the end of the month in which the claim was incurred. In no event will any Rate adjustments for time periods greater than 60 days be made for retroactive terminations, and no credits will be issued for any month in which claims were incurred.
9. To permit Delta Dental, by its auditors or other authorized representatives, on reasonable advance written notice, to inspect the Group's records to verify the accuracy of the eligibility data submitted to Delta Dental. In the event of a discrepancy, Group agrees to reconcile any errors in payment with Delta Dental.
10. To pay any premium tax deficiencies assessed against Delta Dental with respect to the Group's coverage under this Contract, whether such deficiencies are assessed during the term of this Contract or following its termination. If federal or state law impacting premium rates is implemented or amended during the term of this Contract, Delta Dental may adjust (retroactively or prospectively) the premiums in effect accordingly.
11. To distribute to each Subscriber the Certificate, the applicable Summary(ies) of Benefits, the Appeals Packet (if applicable), and all privacy notices and other notices from Delta Dental as may be required by any applicable federal or state law, at such intervals as may be required by law from time to time. Notice given to Group is considered to be notice to the Enrollee. Notice to the Group is considered to be notice to all subsidiaries and sublocations of the Group. Group agrees to indemnify Delta Dental against any penalties resulting from Group's failure to deliver notices required by law.
12. To notify Enrollees of Arizona conversion coverage in this Plan and outlined in the Certificate, if applicable.
13. To notify Enrollees when this Contract terminates that their coverage has ended, however, coverage will terminate even if such notice is not given by Group.
14. That this Contract is not a plan document for purposes of ERISA, that the Certificate is not a summary plan description, and that Delta Dental is not the plan administrator. The Group is the plan administrator, if applicable for purposes of COBRA and ERISA (or comparable provisions of other state and federal laws) and that it will provide all COBRA administrative services to its Enrollees as described in the Certificate and this Contract.
15. That Group authorizes Delta Dental to use Group's intellectual property when instructed by Group to use for Delta Dental's fulfillment of obligations under this Contract such as placing Group logo on identification cards and similar use when requested by Group.

16. That Group and Enrollees will not access or use portals, toolkits and other services provided by Delta Dental from anywhere outside the United States.
17. To pay for any agreed-to, non-standard reports on a time and materials basis.
18. To consult as necessary with its own legal counsel regarding the selected covered benefits and to be responsible for determining all potential tax consequences relating to the covered benefits it selects.

SECTION VI - General Provisions

- A. **Independent Contractors.** Dentists providing services are independent contractors, and neither the Group nor Delta Dental will be liable for any act or omission of any Dentist, his or her employees or agents, or any person providing dental or other professional services to Enrollees.
- B. **Binding Effect.** All Enrollees, by enrolling in this Plan, are bound by the terms and conditions of this Contract.
- C. **HIPAA.** Capitalized terms used in this Section VI.C. and not otherwise defined elsewhere in this Contract shall have the meaning set forth under the Health Insurance Portability and Accountability Act of 1996 and its regulations thereunder.
 1. If the Group performs Plan Administration Functions and needs access to Enrollees' Protected Health Information, the Group certifies to Delta Dental that the plan document has been amended to comply with the requirements of 45 C.F.R. Section 164.504(f)(2) and 45 C.F.R. Section 164.314(b), including, but not limited to: (a) prohibiting use or disclosure of Protected Health Information for employment related actions, and (b) ensuring adequate separation of records. The amendment provides the required satisfactory assurance that Group will appropriately safeguard and limit the use and disclosure of Enrollees' Protected Health Information that Group may receive from Delta Dental to perform Plan Administration Functions.
 2. The Group shall ensure that it obtains, or assists Delta Dental in obtaining, any authorization which may be necessary for Delta Dental to perform its obligations under this Contract. Additionally, the Group shall be responsible for ensuring that it has in place contracts with Business Associates which may include the Plan's designated utilization review agent, designated broker, benefits consultant, and auditor.
- D. **Proof of Loss; Claim Filing**
 1. Proof of loss is a sworn statement that usually must be furnished by the Enrollee to an insurer before any loss under a policy may be paid. This form is usually used in the settlement of first-party losses and includes the date and description of the occurrence and the amount of loss. A claim is a demand by an insured or another party for indemnification of a loss under an insurance contract or bond; sometimes, the actual or estimated amount of a loss.
 2. Proof of Loss must be provided within 90 days after the termination of care for which benefits are payable. If that is not possible, it must be provided as soon as is reasonably possible, but, not later than 1 year after the date of service. If the Proof of Loss is filed outside of these limits, the claim will be denied. These limits will not apply should the Enrollee lack legal capacity.
 3. At the Enrollee's expense, it is necessary to submit completed claim statements, with the Enrollee's signed authorization for Delta Dental to obtain information, and any other items we may reasonably require in support of the claim. This information may be obtained from any provider or insurance company. Delta Dental reserves the right to reject or suspend a claim based on lack of dental information or records.
 4. Claims should be filed on Delta Dental forms. If Delta Dental does not provide the requested forms within 15 days after the request is made, the claim may be submitted in a letter which provides written proof of the claim covering the occurrence, the character, and the extent of the loss. The requirements for proof of loss will be considered satisfied if Delta Dental receives the Delta Dental claim forms or a written statement as outlined above within the timeframe set forth in Section VI. D.
 5. Before approving a claim, Delta Dental will be entitled to receive, as the law allows, any information from any examining Dentist who is providing dental services to that Enrollee and any records of treatment provided to an Enrollee, as may be required to administer the claim.
 6. Delta Dental may investigate an Enrollee's claims at any time. At Delta Dental's expense, we may have a dental professional of our choice examine the Enrollee and/or review X-rays and other dental services information. Delta Dental may deny or suspend payment of dental benefits if the Enrollee or the Dentist providing care fails to cooperate with a review or examination by the dental professional that Delta Dental selects.
- E. **Payment of Benefits; Assignment.** After proof of loss is established, Delta Dental will pay all dental benefits directly to the Delta Dental Participating Dentist, and unless otherwise provided in the Declarations Section of this Contract, if an Enrollee receives services from a Nonparticipating Dentist, Delta Dental will pay the dental benefits to the

Enrollee unless the Enrollee assigns the benefits payable to the Nonparticipating Dentist, in which case Delta Dental will pay the Nonparticipating Dentist directly on behalf of the Enrollee. No other Benefits may be assigned or transferred.

- F. **Claim Submission.** Delta Dental will make no payment for services or supplies if a claim for such has not been received by Delta Dental within 90 days after termination of care for which benefits are payable, and in no event, later than 1 year following the date the services or supplies were furnished. Claims submitted outside of these time periods will be denied.
- G. **Right to Review Published Materials.** Group agrees not to publish or distribute any materials containing the logo, trademark, or business mark of Delta Dental, or containing a change in the benefits to be administered under this Contract, until Delta Dental reviews and, with respect to the use of Delta Dental's logo, trademark, or business mark, approves the materials. This provision does not apply to materials that Delta Dental has provided to Group for distribution.
- H. **Legal Action.** Unless otherwise prohibited by applicable state or federal law, no action or legal claim arising out of or related to this Contract shall be brought against Delta Dental unless Group, or the Enrollee, has first provided Delta Dental with at least 60 days advance written notice of such claim. Notwithstanding the foregoing, in any event, no action shall be brought by either Party or an Enrollee more than 3 years after the legal claim first arose, or after expiration of the applicable statute of limitations, whichever is shorter.
- I. **Indemnification.**
1. Group agrees to indemnify and hold harmless Delta Dental, its affiliates, directors, officers, and employees from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses related to the defense of any claims) resulting from or arising out of: (i) a breach of this Contract by Group, its officers, directors, employees, agents or Enrollees; or (ii) any negligent or willful act or omission by Group, its officers, directors, employees, agents or Enrollees.
 2. Delta Dental agrees to indemnify and hold harmless Group, its affiliates, directors, officers, and employees from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses related to the defense of any claims) resulting from or arising out of: (i) a breach of this Contract by Delta Dental, its officers, directors, employees or agents; or (ii) any negligent or willful act or omission by Delta Dental, its officers, directors, employees or agents.
 3. A Party seeking indemnification shall (i) promptly notify the indemnifying Party in writing of the claim, suit or proceeding for which indemnification is sought; (ii) permit the indemnifying Party to control the defense or settlement of the claim, suit or proceeding; (iii) reasonably cooperate with the indemnifying Party (at the indemnifying Party's expense); and (iv) have the right to provide for its separate defense at its own expense. In no event, shall the indemnifying Party settle a claim, suit or proceeding without first obtaining the written consent of the other Party. Any release obtained as a result of settlement must contain a release of all claims against the non-indemnifying Party as well as its officers, directors, and employees.
- J. **Dispute Resolution.** Delta Dental will establish procedures for resolving all questions raised by a Dentist, a Group, or an Enrollee in regard to claims for Benefits allowed or denied under the terms of this Contract. These procedures will be used both for the initial determination of those questions and for the resolution of appeals made on the basis of those initial determinations. To the extent the benefit plan sponsored by the Group is governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the procedures established for determining the Benefits to which an Enrollee is entitled will, at a minimum, comply with the requirements set forth in ERISA Section 503 as applicable to a limited scope dental benefit plan, and the regulations thereunder, for providing a "full and fair review" of all benefit claims. The claims procedures will be set forth in detail in the Certificate that is to be distributed to Enrollees and that describes the Benefits under this Contract. All determinations made according to this procedure will be final and binding on the Dentist, the Group, and the Enrollee; provided, however, that the Enrollee may exercise his or her legal rights after this determination as described in the Claims Appeal Procedure contained in the Certificate.
- K. **Severability.** If any provision of this Contract is in violation of the laws of the State in which this Contract was issued, that provision shall be deemed to be void, but the invalidation of that provision will not otherwise impair or affect the rest of the Contract. When any provision in this Contract is in conflict with such laws, the rights, duties and obligations of Delta Dental, the Group and all Enrollees shall be governed by such laws.
- L. **Compliance with Applicable Law.** This Contract is subject to change if, in the future, federal and state laws and regulations require Delta Dental or the Group to comply with such laws and regulations. Should any such change to this Contract be necessary by law, the Group will receive written notice from Delta Dental informing the Group of the reasons for any change to the Contract and the process by which the Group will receive an amended Contract.
- M. **Additional Services.** Delta Dental may from time to time provide additional services or coverage by rider or other notice. Delta Dental may withdraw those services or coverage at any time after giving notice.
- N. **Notices.** Any notice required or permitted to be given by this Contract will be considered given if in writing and personally delivered, or if in writing and deposited in the United States mail with postage prepaid, addressed to the

person at their last address of record. Notice to the broker, agent, or consultant designated by the Group will constitute notice to the Group.

- O. **Amendment and Assignment.** No agent has authority to change any part of this Contract. No changes to this Contract will be valid unless it is approved in writing by Delta Dental's Chief Executive Officer and given to the Group for attachment to this Contract. Delta Dental shall have the discretion to assign its rights and responsibilities under this Contract to an affiliated entity. If Delta Dental chooses to assign its rights and responsibilities, it shall assign them to an appropriately licensed entity capable of performing similar functions at similar levels as Delta Dental. Delta Dental shall serve written notice of the assignment to Group and said notice shall provide the name and address of the assignee. Neither this Contract nor any part of it shall be assigned by Group without the prior written consent of Delta Dental, and any attempt at assignment by Group without such consent by Delta Dental shall be null and void. Subject to the foregoing limitation, this Contract shall be binding upon the parties and their respective successors and assigns.
- P. **Right of Recovery Due to Fraud.** If Delta Dental pays for services or supplies that were sought or received under fraudulent, false, or misleading pretenses or circumstances, pays a claim that contains false or misrepresented information, or pays a claim that is determined to be fraudulent due to the acts of the Group, and/or Enrollee, it may recover that payment from the person or entity that committed such fraud. Delta Dental may recover any payment determined to be based on false, fraudulent, misleading, or misrepresented information by deducting that amount from any payments properly due to the person(s) or entity(ies) that committed such fraud. Delta Dental will provide an explanation of the payment being recovered at the time the deduction is made.
- Q. **Force Majeure.** Unless otherwise stated in the Declarations Section of this Contract, neither Delta Dental (including its agents, directors, officers, and employees) nor Group shall be liable for delays in performance due to circumstances beyond their reasonable control. Each party shall be excused from performance under this Contract and shall have no liability to the other party for any period during which it is prevented from performing any of its obligations (other than payment obligations), in whole or in part, as a result of delays caused by the other party or by an act of God, war, terrorism, civil unrest, civil disturbance, court order, labor dispute, or other cause beyond its reasonable control, and such nonperformance shall not be a default under or grounds for termination of this Contract. Notwithstanding the foregoing, Force Majeure shall not excuse Group's payment obligations under this Contract.
- R. **Governing Laws and Venue.** This Contract will be governed by and interpreted under the laws of the State of Arizona and applicable federal law without regard to conflicts of laws principles. The Parties consent to the jurisdiction of and to venue for any dispute involving this Contract in the state courts of the State of Arizona, Maricopa County or the United States District Court for the District of Arizona – Phoenix.
- S. **Legally Mandated Benefits.** If any applicable law requires broader coverage or more favorable treatment for an Enrollee than is provided by this Contract, that law shall control over the language of this Contract.
- T. **Entire Contract.** This Contract as defined herein constitutes the entire contract of insurance between the Parties.
- U. **Effect of Errors on Coverage.** Typographical or administrative errors shall not deprive an Enrollee of Benefits. Neither shall such errors create any rights to additional benefits not in accordance with all of the terms, conditions, limitations, and exclusions of this Contract.
- V. **Bankruptcy or Insolvency.** Group shall notify Delta Dental immediately in the event of bankruptcy or other insolvency. Delta Dental reserves all rights and remedies with respect to the Group's bankruptcy or other insolvency, including but not limited to, the right to automatically terminate or modify performance under this Contract to the extent permitted by applicable law.
- W. **Other Goods and Services.** In accordance with Arizona law, from time to time, Delta Dental may offer or provide Enrollees certain goods and services, including discounts on dental services provided by Participating Dentists in addition to the dental coverage (including without limitation toothbrushes, dental floss and other oral hygienic devices/products). Delta Dental also may arrange for third party vendors to provide goods and services at a discount to Enrollees. Though Delta Dental may make the arrangements, the third party vendors are solely liable for providing the goods and services. Delta Dental shall not be responsible for providing or failing to provide the goods and services to Enrollees. Further, Delta Dental shall not be liable to Enrollees for negligent provision of the goods and services by third party vendors. Delta Dental reserves the right to terminate or change these goods or services at any time.
- X. **Relationship to Delta Dental Plans Association.** Delta Dental of Arizona is an independent corporation that is a member of the Delta Dental Plans Association ("DDPA"), an association of independent Delta Dental Enrollee Companies. DDPA licenses the use of certain Delta Dental Service Marks to Delta Dental of Arizona in the State of Arizona. Group expressly acknowledges its understanding that this Contract constitutes a contract solely between Group and Delta Dental of Arizona, that Delta Dental of Arizona is not contracting with Group as an agent of the association, and that only Delta Dental of Arizona is accountable or liable to Group for any of the obligations under this Contract.

SECTION VII - Coordination of Benefits

All Benefits under this Contract shall be subject to the Coordination of Benefits provision set forth in the Certificate. If any services covered under this Contract are also provided under any other Group dental coverage, Delta Dental will pay no more than the total cost of such dental services than is required by the Enrollee's Summary of Benefits. This practice is consistent with state and/or federal law and industry standards (including the National Association of Insurance Commissioners Group Coordination of Benefits Model Regulation). Upon request, the Group will assist Delta Dental in obtaining information necessary to coordinate and avoid duplication of benefits.

SECTION VIII - Term and Termination

This Contract shall remain in full force and effect for the initial term commencing on the Effective Date and continuing until the First Renewal Date, as specified in the Declarations Section. Thereafter, the Contract may be renewed for subsequent terms as specified in the Declarations Section or in a renewal letter, unless Group or Delta Dental provides written notice of its intent not to renew at least 45 days prior to the expiration of the then current term. Delta Dental shall have the option of terminating this Contract if:

- A. The Group fails to make a required payment before expiration of the Grace Period specified; or
- B. Delta Dental cancels pursuant to Section V.B. of this Contract; or
- C. The size of the group changes by 10% or more, or the composition of the group materially changes from the time of initial application, and Delta Dental elects not to exercise its rating rights as set forth in Section V.B.; or
- D. The Group permits Enrollees and/or Dependents to enroll in this Plan outside of the Open Enrollment Period and/or the Special Enrollment Periods set forth in the Certificate; or
- E. The Group has otherwise materially breached this Contract; or
- F. At the end of the contract period for any reason.

Unless otherwise stated in the Declarations Section of this Contract, the Group may terminate this Contract without cause by providing Delta Dental with 45 days prior written notice.

Upon termination of this Contract, the Group is liable to Delta Dental for any Rate that was then due and unpaid. In the event this Contract terminates mid-month, Group shall be liable to Delta Dental for all premiums due and owing through the end of the month in which termination occurs.

SECTION IX - Confidentiality and Disclosure

- A. The Parties acknowledge that in the course of performing under this Contract each Party may be provided with or given access to information, in oral, recorded or written form, that is proprietary and confidential to the other Party (collectively referred to as the "Confidential Information"). Such Confidential Information includes, but is not limited to: information regarding the other Party's management, business, organizational structure, policies, procedures, business relationships, intellectual property, copyrights, patents, trademarks, software, data, databases, system designs, specifications, documentation, code, architecture, structure, algorithms, techniques, processes, protocols, product materials, notes, slides, ideas, Maximum Approved Fees, Allowed Amounts, preferred provider reports, actuarial formulas, providers' personal information, and financial terms of this Contract.
- B. Confidential Information shall not include any information that:
 - a. Is already known to the Party at the time of the disclosure (as evidenced by written documentation existing at that time);
 - b. Is generally available to the public or becomes publicly known through no wrongful act of a Party; or
 - c. Is received by a Party from a third-party who had a legal right to provide it (as evidenced by written documentation existing at that time).
- C. The Parties each will make all reasonable, necessary and appropriate efforts to safeguard each other's Confidential Information. Each Party will safeguard the other's Confidential Information to the same extent that it safeguards information relating to its own business, which in no event will be less than the safeguards that a reasonably prudent business would exercise under similar circumstances.
- D. Each Party agrees not to use, distribute or exploit each other's Confidential Information, in whole or in part, for its own benefit or that of any third party and will not disclose such Confidential Information to any other person or entity without each other's prior written consent. A Party shall be responsible for any breach of this Contract by its employees, authorized subcontractors, agents or representatives.

- E. Notwithstanding anything to the contrary in this Section, the Parties shall be permitted to disclose Confidential Information as required by order of a court of law, administrative agency, or other governmental body; provided, however, the Party shall provide reasonable advance written notice to the other Party to the extent allowed by law in order to allow that Party the opportunity to seek a protective order or otherwise limit such disclosure, and the disclosing Party shall reasonably cooperate with the other Party to limit any such disclosure or to seek a protective order. If a Party is nonetheless required to disclose the other Party's Confidential Information, said Party shall only disclose the minimum information necessary to respond to the legal request. Notwithstanding the foregoing, Delta Dental shall not be required to provide Group notice prior to responding to governmental agency subpoenas regarding potential provider fraud or abuse.

SECTION X - Web Portal License

- A. Delta Dental grants to Group the License to access and use Delta Dental's web portals solely for the purpose of administering and/or viewing Enrollee Benefits as set forth in this Contract, subject to any additional terms and conditions appearing on such web portals. Under this license grant, Group's Enrollees are permitted to access and use Member Portal, and Group and its officers, directors, employees, contractors and agents ("Admin End Users") are permitted to access and use Benefit Manager Toolkit as necessary solely for the purposes of administering Group's dental plan.
- B. Group is solely responsible for managing access to the web portals, for securing the usernames and passwords of its Admin End Users and Enrollees (together "End Users") who use or access such web portals, and for any violation of this Contract by any such End Users. Delta Dental shall not be liable for Group's or Group's End Users' failure to properly secure their usernames or passwords and, unless otherwise exempt by law, Group shall indemnify and hold harmless Delta Dental, its affiliates, members, officers, employees and agents, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses related to the defense of any claims) resulting from or arising out of i) Group's or its End Users' failure to properly manage access or secure usernames and passwords, ii) any breach of this Contract by Group or its End Users; or (iii) any negligent or willful misuse of Delta Dental's web portals by Group or its End Users.
- C. Group agrees that, to the extent its Admin End Users will be entering eligibility data into Benefit Manager Toolkit on Group's behalf, Group shall be solely responsible for the accuracy and completeness of the eligibility data entered. Unless otherwise exempt by law, Group shall indemnify and hold harmless Delta Dental, its affiliates, members, officers, employees and agents, from and against any and all losses, claims, damages, liabilities, costs, and expenses (including reasonable attorneys' fees and expenses related to the defense of any claims) resulting from or arising out of any eligibility data entered by Group's Admin End Users.
- D. Group acknowledges that Delta Dental's web portals permit Enrollees to view and access their Protected Health Information ("PHI"), as that term is defined by the Health Insurance Portability and Accountability Act ("HIPAA"). Group therefore certifies that, when using the web portals, it and its End Users will abide by the provisions of HIPAA and all other applicable laws regarding protection of individually identifiable health information. As such, Group agrees that Enrollees may access the portals for the sole purpose of viewing their Benefits, and Group and its Admin End Users shall access and use Delta Dental's web portals for the sole purpose of viewing summary health information and/or performing plan administration/settlor functions on behalf of Group.
- E. Group recognizes and agrees that Delta Dental retains sole title, right and interest in the intellectual property rights of its web portals including, but not limited to, any applicable patents, trademarks and/or copyrights. Group understands that the license granted herein transfers neither title nor proprietary rights to Group with respect to any web portals. As such, neither Group nor any of its End Users shall attempt to reproduce, modify, reverse assemble, reverse compile or reverse engineer the source code of Delta Dental's web portals.
- F. Delta Dental reserves the right to terminate this license grant at any time with or without cause. This license grant shall terminate immediately upon termination of the Contract.



**Delta Dental PPO plus Premier™
Summary of Benefits
for Group# 37074-10001710, 19901710
Superstition Fire & Medical District**

This Summary of Benefits should be read along with your Certificate. Your Certificate provides additional information about your Group's dental plan administered by Delta Dental, including information about plan exclusions and limitations. If a statement in this Summary conflicts with a statement in the Certificate, the statement in this Summary applies to you and you should ignore the conflicting statement in the Certificate. The percentages below are applied to your Group's dental plan allowance for each service and it may vary due to the dentist's network participation.*

Group – Superstition Fire & Medical District

Benefit Year – January 1 through December 31

Deductible – None.

Benefit Maximum Payment – \$3,000 per person total per Benefit Year on all services except orthodontic services. \$1,000 per person total per lifetime on orthodontic services.

Child Age Limit – To age 26

Student Age Limit – To age 26

Covered Services –

	Delta Dental PPO™ Dentist	Delta Dental Premier® Dentist	Nonparticipating Dentist
	Plan Pays	Plan Pays	Plan Pays*
Diagnostic & Preventive			
Diagnostic and Preventive Services – exams, cleanings, fluoride, and space maintainers	100%	100%	100%
Sealants – to prevent decay of permanent teeth	100%	100%	100%
Radiographs – X-rays	100%	100%	100%
Periodontal Maintenance – cleanings following periodontal therapy	100%	100%	100%
Basic Services			
Emergency Palliative Treatment – to temporarily relieve pain	90%	80%	80%
Minor Restorative Services – fillings	90%	80%	80%
Oral Surgery Services – extractions and dental surgery	90%	80%	80%
Other Basic Services – misc. services	90%	80%	80%
Major Services			
Crown Repair – to individual crowns	60%	50%	50%
Endodontic Services – root canals	60%	50%	50%
Periodontic Services – to treat gum disease	60%	50%	50%
Major Restorative Services – crowns	60%	50%	50%
Relines and Repairs – to bridges and dentures	60%	50%	50%
Prosthodontic Services – bridges, implants, and dentures	60%	50%	50%
Orthodontic Services			
Orthodontic Services – braces	50%	50%	50%
Orthodontic Age Limit –	from the age of 8 - No Age Limit	from the age of 8 - No Age Limit	from the age of 8 - No Age Limit

* When you receive services from a Nonparticipating Dentist, the percentages in this column indicate the portion of Delta Dental's Nonparticipating Dentist Fee that will be paid for those services. The Nonparticipating Dentist Fee may be less than what the dentist charges and you are responsible for that difference.

Frequencies and Limitations

- Oral exams are payable twice per calendar year.
- Prophylaxes (cleanings) are payable twice per calendar year. Scaling (equivalent to one cleaning) is payable once in any two-year period. Full mouth debridement (equivalent to one cleaning) is payable once in any five-year period.
- Fluoride treatments are payable twice per calendar year for people age 17 and under.
- Sealants are payable once per tooth in any two-year period for bicuspids and first and second molars for people age 18 and under. The surface must be free from decay and restorations. Preventive resin restoration on molars is payable once per lifetime for people age 15 and under with moderate to high caries risk. Treatment of an active, non-symptomatic carious lesion by topical application of a caries arresting or inhibiting medicament is payable twice per tooth per calendar year for people age 18 and under.
- Bitewing X-rays are payable once per calendar year. Full mouth X-rays (which include bitewing X-rays) or a panorex are payable once in any five-year period.
- Six periapical X-rays are payable per calendar year.
- Space maintainers, including distal shoe space maintainers, and recement or rebond of space maintainers are payable once per area in any three-year period for people age 13 and under.
- Endodontic treatment is payable once per tooth per lifetime. Endodontic retreatment is payable once per tooth in any three-year period.
- Root planing and scaling is payable once per quadrant in any two-year period. Only two quadrants of root planing and scaling can be performed on the same day.
- Full and partial dentures are payable once in any seven-year period.
- Bridges are payable once in any seven-year period.
- Crowns over implants are payable once per tooth in any seven-year period. Services related to crowns over implants are payable.
- Implants are payable once per tooth in any seven-year period. Implant-related services are payable. Prefabricated and custom fabricated abutments are payable once in any seven-year period.
- Silver amalgam and composite resin (white) restorations are payable once per surface in any two-year period.
- Porcelain and resin facings on crowns are optional treatment.
- Crowns, onlays, and substructures are payable once per tooth in any seven-year period.
- Oral surgery, including simple and surgical extractions, is payable.
- Fabrication of athletic mouthguard is payable once in any two-year period for people age 18 and under. Occlusal guards are not payable.

Payment for Orthodontic Service – When orthodontic treatment begins, your Dentist will submit a treatment plan to Delta Dental based upon your projected course of treatment. In accordance with the agreed upon treatment plan, Delta Dental will make an initial payment to you or your Participating Dentist upon insertion of the appliances or initial banding, equal to 50% of Delta Dental's stated Copayment on the Maximum Payment for Orthodontic Services as set forth in this Summary of Benefits. Provided Member has current eligibility on the date of service 12 months from the date the appliances or initial banding were placed, Delta Dental will make an additional payment equal to the balance of Delta Dental's stated Copayment on the Maximum Payment for Orthodontic Services. Maximum Payment for Orthodontic Services equals the lesser of Delta Dental's total Copayment for Orthodontic Services, the Maximum Payment per person total per lifetime on orthodontic services or the fee charged by your provider for orthodontic services.

Eligible People – As defined by the Employer Group. The Subscriber pays the full cost of this plan.

Enrollees and dependents choosing this dental plan are required to remain enrolled for a minimum of 12 months. Should a Subscriber or Dependent choose to drop coverage after that time, he or she may not re-enroll prior to the date on which 12 months have elapsed. Dependents may only enroll if the Subscriber is enrolled (except under COBRA) and must be enrolled in the same plan as the Subscriber. An election may be revoked or changed at any time if the change is the result of a qualifying event as defined under Internal Revenue Code Section 125.

Dual Spouse – If you and your Spouse are both eligible to enroll in this Dental Plan as Subscribers, you may be enrolled together on one application or separately on individual applications, but not both. Your Dependent Children may only be enrolled on one application. Delta Dental will not coordinate benefits between your coverage and your Spouse's coverage if you and your Spouse are both covered as Subscribers under this Dental Plan.

Coverage ends at the end of the month that the Subscriber and/or Dependent is no longer eligible.

Customer Service Toll-Free Number: 800.352.6132 (TTY users call 711)

www.deltadentalaz.com

July 1, 2023

Appendix F

F. Life Scan Wellness Agreement

Submitted By

John Whitney, Fire Chief

Anna Butel, Administrative Services Director

Background / Discussion

SFMD has joined the IAFF Health & Wellness Trust for the 2023/24 fiscal year. The Trust includes an agreement with Life Scan Wellness Centers which provides 1582 physicals. The 1582 physicals are required annually for fire suppression personnel.

Staff recommends that the Board approved the Life Scan Agreement. This will save the District approximately \$50,000.0 annually.

Rank	# Assigned
Chiefs	9
Captains	21
Engineers	18
Firefighters	50
Total	98

Financial Impact/Budget Line Item

na

Enclosure(s)

Agreement Between Life Scan Wellness Centers and IAFF Health & Wellness Trust Participating Employer



AGREEMENT BETWEEN
LIFE SCAN WELLNESS CENTERS

AND

IAFF HEALTH & WELLNESS TRUST PARTICIPATING EMPLOYER

THIS AGREEMENT is made between Superstition Fire & Medical District, a contributing employer to the IAFF Health & Wellness Plan of the Northwest Fire Fighters Benefits Trust (hereinafter the "Employer"), and Life Scan Wellness Centers (hereinafter "Life Scan").

WHEREAS, the IAFF Health & Wellness Trust ("IAFF HWT") and Life Scan have entered into a Professional Services Agreement (hereinafter "PSA") to provide annual NFPA 1582 / 1583 physicals to eligible IAFF HWT participants;

WHEREAS, the PSA provides that the IAFF HWT will compensate Life Scan for each NFPA 1582 / 1583 physical performed;

WHEREAS, the PSA provides that Life Scan and the Employer will mutually agree to a time and place to perform the NFPA 1582 / 1583 physicals;

WHEREAS, the PSA further provides that Life Scan and the Employer may agree that Life Scan is to perform additional work at the Employer's request;

NOW THEREFORE, in furtherance of the above, the Parties agree to the following:

1. Life Scan will perform 98 NFPA 1582 / 1583 physicals at (3700 E. 16th Avenue, Apache Junction, AZ 85119) between (January and May 2024). Employer agrees to communicate the availability of the NFPA physicals to its employees and to identify to Life Scan all employees that will be receiving an NFPA 1582 /1583 physical.

2. Employer agrees that it will be financially responsible for the cost of the NFPA 1582 physical (\$650.00) if: (1) an IAFF HWT participant employed by the Employer fails to appear for his or her NFPA 1582 / 1583 physical and (2) after being provided an opportunity to reschedule, is either non-responsive to the request to reschedule or fails to appear at the rescheduled time slot.

3. Employer and Life Scan agree that will Life Scan will perform the following additional work (insert X for any additional service Employer request Life Scan to perform):

_____ Chest X-Ray, 2 view with radiologist review \$81.00

_____ Lumbar X-Ray, 2 view with radiologist review \$81.00

_____	Hazmat Cholinesterase \$82.00
_____	Hazmat Heavy Metals \$82.00
_____	Hepatitis A Screening Test \$60.00
_____	Hepatitis A Titer \$39.00
_____	Hepatitis B Screening Test \$60.00
_____	Hepatitis B Titer \$39.00
_____	Hepatitis C Screening Test \$60.00
_____	HIV Test, Gen 4 \$29.00
_____	PPD TB Skin Test \$24.00
_____	QuantiFeron Gold TB Blood Test \$72.00
_____	Tdap (Tetanus, Diphtheria, Pertussis) Titer \$32.00
_____	Tdap (Tetanus, Diphtheria, Pertussis) Vaccine, single dose \$86.00
_____	MMR Booster \$86.00
_____	MMR Titer \$86.00
_____	Varicella Vaccine \$22.00
_____	Varicella Titer \$130.00
_____	Polio Booster \$32.00
_____	Polio Titer \$65.00
_____	OSHA Respirator Mask Fit Testing (Portacount) \$43.00
_____	Drug Screen, I CUP \$51.00
_____	Drug Rescreen with confirmation \$59.00
_____	Medical Review Officer (MRO) as indicated/secondary review \$119.00
_____	On-site blood draw fee \$26/draw

Life Scan Wellness Centers	IAFF HEALTH & WELLNESS TRUST PARTICIPATING EMPLOYER:
By: _____ <i>(signature)</i>	Employer: _____
Print Name: _____	By: _____ <i>(signature)</i>
Its: _____	Print Name: _____
DATE: _____	Its: _____
	DATE: _____

Appendix G

G. Server 5-Year Replacement – Capital Project

Submitted By

Lauren Daniel, Information Systems Coordinator

Background/Discussion

The DFS server at SFMD HQ has reached its 5-year replacement date. This project was included in the approved FY 2022/2023 budget as a capital project in the 200 Fund.

SFMD Tech Services and PNI, our IT contractor, keep a 5-year replacement schedule for items related to technology infrastructure. This server syncs the District's network files/folders between the SFMD local area network and the district's central servers, which are hosted offsite.

The original budget amount for this project was \$38,696. Current pricing has come in more than \$11,000 lower than anticipated, for a total of \$27,198.

Financial Impact/Budget Line Item

Account	Amount
200-70-73515-15 – Computer Hardware	\$24,171.86
200-70-73520-15 – Computer Software	\$3,025.81
Total	\$27,197.57

Enclosure(s)

Purchasing/Procurement Form for Board Approval

PNI Quote for DFS Server Replacement



We have prepared a quote for you

Admin Server Replacement

Quote # SV002052 Version 1










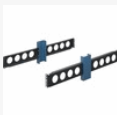

Prepared for:

**Superstition Fire & Medical
District**



Prepared by:

Shannon Valsonis

Hardware

Description		Price	Qty	Ext. Price
HPE ProLiant DL380 G10 2U Rack Server - 1 x Intel Xeon Gold 5218R 2.10 GHz - 32 GB RAM - Serial ATA/600 Controller - 2 Processor Support - Up to 16 MB Graphic Card - 10 Gigabit Ethernet - 8 x SFF Bay(s) - Hot Swappable Bays - 1 x 800 W - Intel Optane Memo		\$3,976.72	1	\$3,976.72
HPE SmartMemory 32GB DDR4 SDRAM Memory Module - For Server - 32 GB (1 x 32GB) - DDR4-2933/PC4-23466 DDR4 SDRAM - 2933 MHz - CL21 - 1.20 V - Registered - 288-pin - DIMM		\$372.00	3	\$1,116.00
HPE 800W Flex Slot Platinum Hot Plug Low Halogen Power Supply Kit - 800 W - 230 V AC		\$167.11	1	\$167.11
HPE 480 GB Solid State Drive - 2.5" Internal - SATA (SATA/600) - Mixed Use - Server Device Supported - 3.5 DWPD - 520 MB/s Maximum Read Transfer Rate - 3 Year Warranty		\$364.25	3	\$1,092.75
HPE 1.92 TB Solid State Drive - 2.5" Internal - SATA (SATA/600) - Mixed Use - Server Device Supported - 3.1 DWPD - 520 MB/s Maximum Read Transfer Rate - 3 Year Warranty		\$1,177.89	5	\$5,889.45
HPE Ethernet 1Gb 4-Port 331T Adapter - PCI Express x4 - 4 Port(s) - 4 x Network (RJ-45) - Twisted Pair - Full-height, Low-profile - 10/100/1000Base-T - Standup		\$374.00	1	\$374.00
HPE DL38X Gen10 High Performance Temperature Fan Kit - Server		\$281.60	1	\$281.60
HPE Smart Array P408i-a SR Gen10 Controller - 12Gb/s SAS, Serial ATA/600 - PCI Express 3.0 x8 - Plug-in Module - RAID Supported - 0, 1, 5, 6, 10, 50, 60, 1 ADM, 10 ADM RAID Level - 2 - 8 SAS Port(s) Internal - Linux, PC - 2 GB Flash Backed Cache		\$866.67	1	\$866.67
HPE Battery - For RAID Controller - Battery Rechargeable		\$126.67	1	\$126.67
Innovation Relay Rack Mount Kit		\$170.24	1	\$170.24
Aruba 2930M 48G POE+ 1-Slot Switch - 48 Ports - 3 Layer Supported - Modular - Twisted Pair		\$5,353.33	1	\$5,353.33

Hardware

Description		Price	Qty	Ext. Price
Aruba Proprietary Power Supply - 120 V AC, 230 V AC Input - 54 V DC Output - 1050 W		\$1,246.48	1	\$1,246.48
Eaton 5P 1950 VA Tower/Rack Mountable UPS - 2U Rack/Tower - 3 Minute Stand-by - 110 V AC Input - 132 V AC Output - 8 x NEMA 5-20R		\$1,596.68	1	\$1,596.68
Subtotal:				\$22,257.70

Software

Description	Price	Qty	Ext. Price
Windows Server 2022 Standard - 2 Core License Pack (NCE COM BAS PER 1TM)	\$134.00	10	\$1,340.00
Windows Server 2022 Remote Desktop Services - 1 User CAL (NCE COM BAS PER 1TM)	\$145.00	5	\$725.00
VMware vSphere Essentials Kit	\$721.20	1	\$721.20
Subtotal:			\$2,786.20

Admin Server Replacement



Prepared by:

Prophet Network Integration, Inc.

Shannon Valsonis

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Fax 480-775-6069

svalsonis@pniaz.com

Prepared for:

Superstition Fire & Medical District

565 N. Idaho Rd.

Apache Junction, AZ 85219

Lauren Daniel

(480) 982-4440

lauren.daniel@sfmd.az.gov

Quote Information:

Quote #: SV002052

Version: 1

Delivery Date: 05/01/2023

Expiration Date: 05/28/2023

One Time Price Summary

Description	Amount
Hardware	\$22,257.70
Software	\$2,786.20
Subtotal:	\$25,043.90
Estimated Tax:	\$2,153.77
Total:	\$27,197.67

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Prophet Network Integration, Inc.

Superstition Fire & Medical District

Signature:

Shannon Valsonis

Name:

Shannon Valsonis

Title:

Operations Manager

Date:

05/01/2023

Signature:

Name:

Initials:

Date:

IP Address:

Email Address:

PO Number:

PURCHASING/PROCUREMENT FORM BY PURCHASE ORDER (PO)

BOD # _____

PO # 024186

LIMITS	SIGNATURE APPROVALS REQUIRED
<input type="checkbox"/> Goods & Services: \$0 - \$4,999.99	Budget Manager
<input type="checkbox"/> Goods & Services: \$5,000 - \$24,999.99	Budget Manager, Finance Director, and Fire Chief
<input checked="" type="checkbox"/> Goods & Services: \$25,000 or more	Budget Manager, Finance Director, and Fire Chief + Governing Board Approval

LIMITS	PROCUREMENT FORM & WRITTEN BID REQUIREMENTS
<input type="checkbox"/> Goods: \$0 - \$7,499.99 OR Services: \$0 - \$9,999.00	No Procurement Form or Written Bids Required
<input type="checkbox"/> Goods: \$7,500 or more OR Services: \$25,000 or more	Procurement Form and 3 Written Bids Required
<input checked="" type="checkbox"/> Waive Competitive Pricing (select reason below)	Procurement Form Required, No bids required
<input type="checkbox"/> State Contract/Intergovernmental (State Contract Number or Government Agency must be on Purchase Order)	
<input type="checkbox"/> Sole Source Procurement (Support documentation must be with Purchase Order)	
<input type="checkbox"/> Emergency Action (Explanation sent to Governing Board must be with Purchase Order)	
<input type="checkbox"/> Competition solicited with no offers	
<input checked="" type="checkbox"/> Standardization/compatibility requirements for equipment	

Quote #1	Vendor Name: <u>PNI</u>	Vendor Phone #: _____
	Vendor Address: _____	
	Quote Description: <u>DFS Server 5-year Replacement</u>	
	See Attached Quote - \$ <u>27,197.67</u>	
Quote #2	Vendor Name: _____	Vendor Phone #: _____
	Vendor Address: _____	
	Quote Description: _____	
	See Attached Quote - \$ _____	
Quote #3	Vendor Name: _____	Vendor Phone #: _____
	Vendor Address: _____	
	Quote Description: _____	
	See Attached Quote - \$ _____	

APPROVAL

Lauren Daniel
BUDGET MANAGER SIGNATURE AND NAME

05/01/2023
DATE

Roger Wood
FINANCE DIRECTOR SIGNATURE

5/1/2023
DATE

[Signature]
FIRE CHIEF SIGNATURE

5/9/2023
DATE