

UTILITY USERS TAX BILLING AND COLLECTION AGREEMENT

THIS AGREEMENT, made and entered into this 15th day of October, 2009, by and between the CITY OF HERCULES, hereinafter called "the Agency" and the EAST BAY MUNICIPAL UTILITY DISTRICT, a public entity organized under the laws of the State of California, hereinafter called "the District",

W I T N E S S E T H :

I.

General Provisions

- 1.01 Purpose of Agreement. The Agency adopted Hercules Municipal Code Title 8 Chapter 8, Sections 8-8.101-8-8.321 entitled "Water Users Excise Tax", hereinafter referred to as "the ordinance", establishing a utility users tax on water users("UUT") as a revenue measure for the Agency and for the purpose of facilitating the billing and collection of such taxes on behalf of the Agency. The Agency has submitted a Request to Bill UUT in the form required by District and has requested that the District bill and collect the Agency's UUT, and the District is willing to perform such billing and collection subject to the terms and conditions set forth herein.
- 1.02 Term of Agreement. The District shall commence the implementation work described in paragraph 2.01 upon execution of this Agreement. Once the implementation has been completed, the District will bill and collect the Agency's UUT pursuant to the terms of this Agreement until this Agreement is terminated as provided herein.

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- 1.03 Supervision and Control by the District. The District shall have sole and exclusive supervision and control over its operations under this Agreement, including but not limited to the method of preparing the UUT bills and making the collections thereunder; the selection, design and use of forms and changes thereto; and the selection and use of vendor services, software, data processing equipment and office machinery by the District in the performance of this Agreement. The District's decisions with respect to any and all aspects of the UUT billing and collection set-up and operations shall be final and conclusive. The Agency agrees that the District may make changes in its UUT billing and collection procedures during the term of this Agreement, and in the vendor services, software and or equipment required therefor, including but not limited to the replacement of the District's Customer Information System (CIS), and Agency further agrees that the payments to be made by the Agency to the District pursuant to the terms of this Agreement shall include the costs of such changes.
- 1.04 Communications. All requests by the Agency to add, delete, modify or in any way change its UUT or to obtain information concerning individual accounts or groups of accounts or any other data shall be made in writing to the Secretary of the District, or to such other person designated by the District, and signed by the Agency's liaison (see paragraph 3.03).
- 1.05 Termination of Agreement Without Cause. This Agreement may be terminated without cause at any time by either party hereto upon giving to the other party at least six (6) months written notice of such termination, except as provided in paragraphs 2.08, 3.02(c) and 3.04. Termination of this Agreement shall not affect Agency's liability, as provided herein, to pay the cost of services which have been

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rendered by the District pursuant to the terms of this Agreement.

- 1.06 Termination of Agreement. This Agreement will remain in effect, except as provided for in paragraphs 1.05, 2.08, 3.02(c) and 3.04, until OCT. 14, 2019, ten years from execution of Agreement. This Agreement may be extended by written agreement between the Agency and the District. Termination of this Agreement shall not affect Agency's liability, as provided herein, to pay the cost of services which have been rendered by the District pursuant to the terms of this Agreement.

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II.

Services and Facilities to be Furnished by the District

2.01 Billing and Collection Set-up

- a. Set-up In District's Existing Customer Information System (CIS). The District agrees to furnish the labor, services, materials and equipment (i) intended to program the use of customer water account and billing data (including testing, installation) for the billing and collection of the Agency's UUT and (ii) necessary to design a supplemental bill in collaboration with Agency for the billing and collection of the Agency's UUT as specified in Exhibit A - Scope of Services, and including: (1) identification of the Agency's UUT as a percentage of the water and related taxable charges on a bill separate from the District's water and wastewater bill; (2) collection of same; (3) identification of collections relating to said charges; and (4) remittance to the Agency of the gross cash collection from the Agency's UUT, less debits allowed by this Agreement. The charges and costs to the Agency for the provision of these services are specified in Section 3.02 of this Agreement and in Exhibit B - Cost of Services. The District may at its discretion, outsource required services.

Within thirty (30) days of the effective date of this Agreement, the District will submit to the Agency an estimated date for completion of set-up in the District's existing CIS.

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- b. Set-up in the District's Replacement Customer Information System (CIS). District agrees to furnish the labor, services, materials and equipment required to (i) design a program to utilize customer water account and billing data (including testing, installation) for the billing and collection of the Agency's UUT utilizing the replacement Customer Information System (CIS) and (ii) provide for billing and collection of the Agency's UUT as specified in Exhibit A - Scope of Services and including: (1) identification of the Agency's UUT on District water bills; (2) collection of same with said water bills; (3) identification of collections relating to said charge; and (4) remittance to the Agency of the gross cash collection from the Agency's sewer service charge billing, less debits allowed by this Agreement. The charges and costs to the Agency for the provision of these services are specified in Section 3.02 of this Agreement and in Exhibit B - Cost of Services.

Within ninety (90) days of the effective date of this Agreement, the District will submit to the Agency an estimated date for completion of conversion of the billing and collection functions of the Agency's UUT in the District's replacement CIS.

2.02 Requests for UUT Rate and Structural Changes.

- a. Frequency of Requests. The District agrees to implement either one UUT rate change or one UUT rate structure change per calendar year. Although the Agency may request other rate or rate structure changes, it is wholly within the District's discretion to determine whether to implement the Agency's request.

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- b. Form of Requests. All requests for rate and rate structure changes shall be submitted in writing. The Agency shall submit the required information to effect a rate change sixty (60) days prior to the beginning date of the bill period for which the new rate will apply. Said sixty (60) days shall commence upon receipt of approved revised UUT rate sheet. The Agency shall submit the required information to effect a rate structure change six (6) months prior to implementation of said change. Said six month period shall commence upon payment by Agency of the deposit described below.
- c. Charges to Process Requests. Charges to process any rate or rate structure change shall be in addition to other charges set forth in this Agreement and shall be based upon the actual costs to process and implement the change. For requested tax rate structural changes, Agency agrees to deposit with the District a sum equal to fifty percent (50%) of District's estimated cost to implement the structural change prior to District commencing performance of the work related thereto. Agency understands and agrees that the actual cost to implement the structural change could exceed District's estimate and further agrees to pay said actual costs, less Agency's deposit, within thirty (30) days of receipt of District's invoice therefor. The District agrees to refund any of the Agency's deposit funds that the District determines to be unexpended in the implementation of the structural change. For requested tax rate changes, District will provide to Agency an estimate of the cost to implement the rate change within thirty (30) days of Agency's request therefor. Agency understands and agrees that the actual cost to implement the rate change could exceed District's estimate and further agrees to pay said actual costs

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within thirty (30) days of receipt of District's invoice therefore.

- 2.03 Delayed Implementation of Requests. Upon written notice to the Agency, the District may delay, for a period not to exceed sixty (60) days, implementation of any requested change in the UUT if the District determines that such delay is necessary to facilitate District's operations. Within fifteen (15) calendar days of receipt of an appropriate Agency request to change the Agency's UUT, the District will notify the Agency if a delay in implementation is required. The notice will include an estimate of the duration of the delay. The Agency understands that revenue anticipated by the Agency as a result of the change in its UUT will not be billed by the District during the period of delay. Agency expressly agrees that the District shall have no responsibility or liability with respect to such anticipated revenue. The District nevertheless agrees, that in the event of such a period of delay and upon a written request from the Agency and agreement by the Agency to pay for any additional costs incurred by the District including but not limited to programming and billing, the District will give full consideration to the Agency's request to back bill for the revenue lost during the period of delay.

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2.04 Billing and Collection. For purposes of billing and collection of the Agency's UUT, the District agrees to furnish the labor, services, materials, data, equipment, and outsourced services required for billing, collection, maintenance of customers' records, and customer contact on new services, account closings, allowances and adjustments.

Materials so furnished by the District will include the prepared bills, mailing envelopes, postage, and enclosed return envelopes. Equipment to be furnished and used by the District in performing this Agreement will consist of the equipment now or hereafter operated and used from time to time by the District in billing for and collecting from its own water and sewage disposal accounts. Services provided by the District will include managing outsourced contracts and services required for billing, maintenance of controls and customer accounts where total water and related charges, debits, and credits are a factor in determining Agency's UUT, and the customer contact and collection activities of the District.

2.05 Method of Billing and Collection. The system and or outsourced contract and services used to bill, record and collect the Agency's UUT will conform to the District's system, policies and procedures for the handling of its own accounts. In particular, and without limiting the generality of the foregoing, the following shall apply to billing and collection of the Agency's UUT:

- a. Interest and penalties or other delinquent charges, if any, imposed by the Agency in connection with its UUT SHALL NOT be billed or collected by the District.
- b. The District's collection routines, including bill extensions and date of write-offs on unpaid water

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accounts, shall not be used solely in connection with the Agency's UUT except if the District so chooses in its sole discretion. The District will furnish to the Agency information regarding the amount of uncollected UUT revenue 120 days from the first unpaid UUT billing date, and the District shall have no further responsibility for the billing or collection of unpaid UUT on said accounts.

- c. The District will make allowances and revenue adjustments in the Agency's UUT at the District's sole discretion in accordance with the District's practices.
- d. The District will adjust the gross cash collection remitted to the Agency to account for such items as returned checks, erroneous applications and bookkeeping errors.

2.06 UUT to be Billed and Collected. The District agrees to bill and collect the Agency's UUT for each customer within the Agency in whose name a monthly or bimonthly charge for water will be made by the District for its own account. Such billed charges will be based on rates specified by the Agency's written request to bill UUT.

- a. The Agency's UUT will be structured to bill by percentage rate as specified in the City's ordinance. In no case shall the District bill tiered Agency UUT rates. In no case shall the District bill individual UUT rates for specific accounts that would otherwise be billed according to City's ordinance.
- b. UUT will be billed for the first day of the applicable billing period according to the schedule indicated in

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the estimate submitted by the District to the Agency under Section 2.01.a.

- c. The District will cease billing UUT for any or all classifications, at the Agency's written request, for bills within 60 days after the Agency's written request is received, if such cessation is feasible for the District, based on the District's sole determination of such feasibility.
- d. The parties agree that, in the event that District does not bill an account that is identified in the Agency's request to bill UUT, or in any change thereto, the District shall have no liability therefore and no obligation to collect said unbilled revenue or to pay any costs that may be incurred by Agency, or by any other person or entity, to collect said unbilled revenue.

2.07 Notification to the Public.

- a. Agency to Provide Notice. The Agency agrees to provide notice, in a form and manner determined by the Agency, to affected customers advising them of the initial implementation of the UUT and/or any change in the Agency's UUT prior to the effective date of said change. The Agency agrees to provide such notice to District for review and comment at least two weeks prior to mailing if feasible. The Agency shall set forth in the notification an Agency telephone number for customer inquiries regarding said change. It is understood and agreed that the District will not explain or respond to customer inquiries about the Agency's UUT, or changes thereto, and will only inform customers that the charges correctly reflect the

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expressed request of the Agency. Customers shall be directed to the Agency for further clarification of said charges.

- b. District Not Obligated to Provide Notice. It is further understood and agreed that upon the Agency's written request and the Agency's agreement to pay for the District's cost of service, the District may provide information to be used by the Agency for taxpayer notification of UUT changes or for any other use by the Agency. It is further understood and agreed that the District has no obligation whatsoever to produce or provide to the Agency any information for the production of mailing labels for taxpayer notification of UUT changes or for any other use by the Agency.

2.08 Public Statements. Agency expressly agrees that it shall not make, and shall not permit to be made by its employees, officers, agents or representatives, disparaging or false statements about the billing and collection services provided by the District pursuant to this Agreement. Agency agrees to inform its employees, officers, agents and representatives about the requirements of this paragraph. Failure to abide by this provision shall entitle the District to terminate this Agreement upon fifteen (15) days written notice to the Agency.

2.09 Identification of Services to be Included for the Agency's Charge. Upon execution of this Agreement, the Agency shall submit to the District a detailed map of its service territory. A revised map shall be submitted not later than fifteen (15) days after any subsequent modification of the Agency's territory. Said maps shall clearly show, by

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individual address, which services are to be included for UUTs.

It is the Agency's responsibility to notify the District if the UUT is or is not being applied to a specific service address correctly.

- 2.10 Services Excluded from the Agency's Charge. The Agency shall designate promptly to the District by name and account number such services as are to be excluded from the Agency's UUT billing and collection by the District, and those that are to be billed directly by the Agency. Accounts may be added to, or deleted from, said list of excluded taxpayers by the Agency at any time. Such additions or exclusions shall be for future billings only and shall not be retroactive to prior billed periods.
- 2.11 Payments to the Agency. Except as otherwise provided in this Agreement, the District shall remit monthly to the Agency the gross amount of its UUTs collected by the District, less debits allowed by this Agreement. Payment of the collected taxes shall be sent to the City of Hercules at City Hall, 111 Civic Drive, Hercules, CA 94547, ATTN: Finance/Personnel Director, unless another payment alternative is specifically requested in writing by the Agency and agreed to in writing by the District.
- 2.12 District Right to Terminate Water Service. It is understood and agreed that this Agreement shall in no way restrict or limit the District's right to terminate water service for nonpayment of billed charges or other permissible reason in the sole discretion of the District. The parties expressly agree that the District shall have no liability whatsoever for any reduction in UUT revenue due to a termination of water service.

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- 2.13 Monthly Revenue Summary. The District will provide to Agency a monthly summary of the total amount billed, collected, and written-off by the District pursuant to this Agreement.

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III.

Obligations of the Agency

3.01 Adherence of Agency to Public Utilities Code Section 799 (Tax Limitations). The Agency agrees to adhere to all the requirements of a taxing local jurisdiction under Public Utilities Code Section 799, whether or not Section 799 applies to the District, including, but not limited to all of the following:

- a. The Agency accepts sole liability for any actions or claims relating to or arising from the invalidity of the tax ordinance, in whole or in part.
- b. The Agency accepts sole responsibility to refund any and all taxes paid, including but not limited to any of the following circumstances, taxes paid that were improperly calculated, refunds due to the tax ordinance being held by a court to be invalid or excessive, or any other tax refund. If a request is made by the Agency for the District to assist, the District is not required to assist. If the District agrees to assist, the Agency will reimburse the District for the actual cost of assisting, including, but not limited to, calculating or verifying refunds, distributing refunds, providing data and or data processing assistance.
- c. The Agency, in whose behalf the taxes are collected, accepts responsibility as the sole necessary party defendant and shall not name the District as party in any action seeking declaratory relief concerning the taxes, in any action seeking a refund of taxes, or in any action seeking to invalidate the taxes.

3.02 Payments to be Made by the Agency.

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- a. Set-up Costs. The Agency agrees to pay, in the manner provided below, the District's actual costs, as hereinafter defined, to implement UUT billing and collection services as described in Section 2.01. "Actual costs" include materials, labor, use of equipment, overhead charges, and all other costs incurred by the District to design, code, test, install the program, implement, and outsource contracted services necessary to bill and collect Agency's UUT, both in the District's existing and replacement CIS.

Upon execution of this Agreement, District will evaluate Agency's Request to Bill UUT and, based thereon, prepare an estimate of the cost to implement the billing and collection services under both the District's existing and replacement CIS as described in Section 2.01. Agency agrees to deposit with the District a sum equal to fifty percent (50%) of each of the District's estimated cost to implement within both the District's existing and replacement CIS prior to District commencing performance of the work related thereto. Agency understands and agrees that the actual cost to implement on both the District's existing and replacement CIS could exceed District's estimates and further agrees to pay said actual costs for implementation on both the District's existing and replacement CIS, less Agency's deposit, within thirty (30) days of receipt of District's invoice therefore. The District agrees to refund any of the Agency's deposit funds that the District determines to be unexpended in the implementation. Agency understands and agrees that the 4% cap on billing and collection costs does not apply to set-up costs.

- b. Billing and Collection Expense. Upon completion of the

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required conversion work done within both the District's existing and replacement CIS, the District will calculate the estimated monthly cost to bill and collect Agency's UUT. The calculation of said estimated cost shall be based upon (a) District's knowledge of the cost to collect on behalf of its own accounts and (b) the amount of revenue collected, number of accounts to be billed, and number of meters read for the Agency compared to the total revenue collected, number of accounts billed, and meters read by the District. The Agency shall pay the billing and collection cost estimated by the District or the District billing and collection charges capped at 4% of the Agency's total UUT revenues billed by the District for the month, whichever amount is lesser. During the fiscal year in which the billing and collection of the Agency's UUT is commenced, Agency shall pay to the District, on a monthly basis, said estimated or capped cost.

Except when the District cap of 4% of the Agency's total UUT revenues billed by the District is lesser than the District's estimated monthly cost, the District will calculate the actual costs incurred to bill and collect the Agency's UUT at the close of the initial fiscal year, and at the close of each subsequent fiscal year. If the District's actual costs are greater than the estimated billing and collection costs paid by the Agency, the Agency shall pay the difference to District within thirty (30) days of District's invoice therefore, not to exceed 4% of Agency's total UUT revenues. If the District's actual costs are less than the estimated costs paid by the Agency, the District will apply a credit to the

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Agency's account. The actual cost calculation by the District at the close of each fiscal year shall constitute the estimated monthly charge which shall be paid by the Agency during the next fiscal year, except that the billing and collection charges shall not exceed 4% of the Agency's total UUT revenues.

The calculation by the District of its actual costs to bill and collect Agency's UUT shall be conducted according to standard accounting practices. The District agrees that the charge to the Agency shall not exceed the reasonable costs of providing the services rendered hereunder. Subject to the limitations expressed herein, the parties agree that the District's determination of its billing and collection charges shall be final.

- c. Manner of Payment. The aforesaid charges for conversion and billing and collection costs, and other charges set forth in this Agreement, shall be paid by the Agency to the District within thirty (30) days following billing by the District. Checks should be made payable to East Bay Municipal Utility District, P.O. Box 24055, Oakland, CA 94623.

Agency and District agree that District may debit UUTs collected by District, which have not yet been remitted to Agency pursuant to paragraph 2.11 herein, to satisfy any unpaid and overdue sum owing to the District by Agency and/or may terminate this Agreement upon fifteen (15) days notice in writing to the Agency.

- 3.03 Liaison by the Agency with District. The Agency shall designate a representative for liaison with the District to cooperate in the handling of disputed accounts and other

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matters arising under the administration of this Agreement.

The District will make available to the Agency upon request District records determined by the District in its sole discretion to be pertinent to the billing and collection of the Agency's UUT. The District shall not make available to the Agency individual customer records or groups of such records except as described elsewhere in this Agreement.

- 3.04 Confidentiality of Records. The Agency acknowledges that District records pertaining to individual customers may be protected by a constitutional right of privacy, other privacy protections, and/or may contain proprietary information. Agency agrees to limit access to data furnished to the Agency pursuant to this Agreement and not to make such data available for public inspection unless required by law to make disclosure. Agency shall provide District ten (10) days prior written notice and an opportunity to object prior to making such disclosure. Subject to these limitations, the District agrees to furnish customer account data to Agency solely for the intended purpose of this Agreement. Agency agrees that the only use it shall make of such data shall be for development and substantiation of Agency's UUT. Failure by the Agency to comply with the provisions of this paragraph shall entitle the District to terminate this Agreement upon fifteen (15) days written notice to the Agency.
- 3.05 Liability of the Agency. The Agency agrees to indemnify, defend and hold harmless the District, its board, officers, employees and agents from and against any and all loss, liability, expense, claims, costs, suits, damages, including attorney's fees or demands of whatever character, direct or consequential, arising from the billing or collection of the Agency's UUT. The Agency agrees that the District may itself defend, at its own election, any such actions brought

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against the District arising out of the billing or collection of such UUT, and the Agency agrees to indemnify the District against any judgments or damages for which the District may be found to be liable in such action or actions and to reimburse the District for any costs incurred, including attorney's fees, arising from the defense of such actions. In the event action is brought against the Agency, or it is joined therein, the Agency shall provide its own defense at the sole cost and expense of the Agency.

3.06 Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement.

3.07 Severability. Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the parties.

3.08 Amendments. This Agreement is not subject to modification or amendment, except by a writing executed by both Agency and District, which writing shall expressly state that it is intended by the parties to amend the terms and conditions of this Agreement.

3.09 Whole Agreement. This Agreement has 24 pages including

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Exhibits A and B described herein. This Agreement constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by amendment in writing signed by each party.

3.10 Agreement Binding and Valid. This Agreement is to be binding on the successors and assigns of the parties hereto.

Should any part of this Agreement be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid or beyond the authority of either party to enter into or carry out, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be interpreted to give effect to the intentions of the parties.

3.11 Counterparts permitted. Multiple copies of this Agreement may be executed by the parties and the parties agree that the Agreement on file at the District is the version of the Agreement that shall take precedence should any differences exist among counterparts of the Agreement.

3.12 California law. This Agreement and all matters relating to it shall be governed by the laws of the State of California.

3.13 No waiver. The District's waiver of the performance of any

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covenant, condition, obligation, representation, warranty or promise in this agreement shall not invalidate this Agreement or be deemed a waiver of any other covenant, condition, obligation, representation, warranty or promise.

The District's waiver of the time for performing any act or condition hereunder does not Constitute a waiver of the act or condition itself.

3.14 No Discrimination. There shall be no discrimination against any person, or group of persons, on account of race, color, religion, creed, national origin, ancestry, gender, age, marital status, disability, or sexual orientation in the performance of this contract. The Agency shall not establish or permit any such practice(s) of discrimination with reference to the contract or any part thereof. If the Agency is determined to be in violation of this section, the Agency shall be deemed to be in material breach of this Agreement.

3.15 IN WITNESS WHEREOF, the Agency has caused its name to be affixed hereto by the Director of Finance/Personnel duly authorized by (Ordinance/Resolution) No. 09-089 and the District has caused its name to be affixed hereto by its officers thereunto duly authorized, all in triplicate, the day and year first above written.

CITY OF HERCULES

EAST BAY MUNICIPAL UTILITY DISTRICT



Signature

Nelson Oliva

City Manager



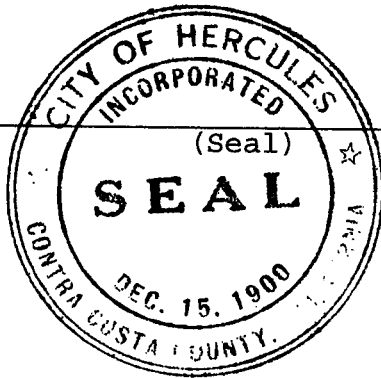
Signature

Gary Breaux

Director of Finance

ORIGINAL

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(Seal)

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Exhibit A

East Bay Municipal Utility District

UUT BILLING & COLLECTIONS FOR THE CITY OF
Scope of Services

The District shall provide the following services utilizing either District staff or contracted services, at the District's sole discretion, subject to the District's primary Water and Wastewater duties and obligations, and according to Article II of this Agreement. Services and Facilities to be furnished by the District under this Agreement are the following:

BILLING	
INTERIM BILLING SYSTEM:	NEW BILLING SYSTEM:
1. Calculation of UUT amount due on EBMUD water charges	1. Calculate UUT tax amount due on EBMUD water charges
2. Bill printing of up to 3 campaigns (7,100 bills per campaign) for back billing as requested by Agency	2. Bill UUT as a line item on the bimonthly/monthly water bill
3. Bill folding, inserting and mailing	3. Bill folding, inserting and mailing
REMITTANCE PROCESSING	
1. Receive and process UUT payments	
2. Deposit to EBMUD bank	
3. Monthly remittance to the Agency	
ACCOUNT MAINTENANCE	
1. Open and close Agency service accounts as requested by Agency (includes contact center and field service action)	
2. Maintain account receivable files and reports	
3. Contact center response to UUT related inquiries	
4. CIS Support staff response to UUT related inquiries	
5. Flagging exempted accounts as identified by Agency	
COLLECTIONS	
1. Identify unpaid accounts written-off to bad debt	
2. Process returned check/bank adjustment items (including remittance, contact center and field action)	
3. Reconcile payments received without valid EBMUD account#	
REPORTING	
1. Listing bank deposits to EBMUD bank account, including debits/credits due to returned items/bank adjustments	
2. Monthly transaction and amount totals	
3. Monthly - total accounts and amount billed for the month	
4. Monthly - total accounts paid and payment amounts received for the month	
5. Monthly - unpaid accounts written-off to bad debt	

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Exhibit B

East Bay Municipal Utility District

UUT BILLING & COLLECTIONS FOR THE CITY OF HERCULES

Cost of Services

For the services provided by the District to the Agency as specified in Exhibit A and Article III of this Agreement, the Agency shall pay the District within 30 days of receipt of invoice all of the following charges:

COMPONENTS	INTERIM BILLING	NEW BILLING SYSTEM
EBMUD Programming & Testing Costs	\$38,000	\$22,000
MATERIALS & POSTAGE <i>Non- CIS bill design, printing & mailing costs per 7,100 pc. mailing</i>	\$8,000	\$0
EBMUD Customer Service & Collections <i>As defined in this Agreement including in Section 3.02.b of Agreement</i>	4% of City's UUT Revenues	4% of City's UUT Revenues