

TCS Total Compensation Systems, Inc.

May 28, 2021

Dusty Nevatt
Chief Business Officer
Alvord Unified School District
9 KPC Parkway
Corona, CA 92879-7102

Dear Dusty,

This letter is our proposal for GASB 74/75 actuarial valuation services. The proposal includes a full actuarial valuation as of June 30, 2021 as well as an anticipated roll-forward valuation as of June 30, 2022.

Fees and Our 10% Discount

To confidently schedule existing clients, we provide an incentive for clients who make a commitment in advance of the valuation date. To reserve a place in our schedule, please send the signed contract and non-refundable deposit of one-half of the full valuation fee by July 31, 2021. The deposit is non-refundable because of the preliminary work we do to streamline valuations, as well as to compensate for downtime of resources that could result from cancelled contracts. By reserving a spot, Alvord Unified School District is not only guaranteed a valuation slot, but is given priority over every client that didn't reserve one. We give a 10% discount of the full valuation fee as well as of the subsequent roll-forward valuation fee to those who reserve a spot by July 31, 2021. That means that, to reserve a spot, we must receive the signed contract and a check for \$4,185 – i.e. one-half of 90% of \$9,300 – by July 31, 2021. The following table shows the new fees under GASB 74/75:

	<u>Full GASB 74/75</u>	<u>GASB 74/75 w/ 10% Discount</u>
Fee for Full Valuation	\$9,300	\$8,370
Roll-forward Valuation for 2 nd Year	\$4,650	\$4,185

Our fees are generally all-inclusive without additional charges for phone calls, re-work, or additional information. However, because the vast majority of our clients do not require an in-person meeting or funding projections, we prefer not to bake those costs into our standard fees. We can present valuation results via telephone or web conference at no charge, and we also can provide a recommended funding schedule at no charge. In cases where additional services are desired, we charge \$1,900 for an in-person meeting and typically \$2,000 for multi-year funding projections or a valuation under alternative scenarios/strategies.

If you choose *NOT* to reserve a spot, we still hope to work with you on the GASB 74/75 valuation, though it will be at the full fee quoted above.

Second Year Roll-Forward Valuation

As you know, GASB 75 requires a full actuarial valuation at least every two years. Because your last full valuation was performed as of June 30, 2019, you are due for this full valuation as of June 30, 2021. While this proposal does include the subsequent roll-forward valuation that we anticipate performing as of June 30, 2022, we will confirm with you prior to performing that work to ensure circumstances have not changed and that you would still like for us to proceed with the roll-forward valuation.

Timing and Data Requirements

Our records indicate that you will use the results of this June 30, 2021 valuation in your financials for the fiscal year ending June 30, 2022. This means that the valuation process is spread over a longer timeframe since the valuation census data should still be as of June 30, 2021 but asset and audit information will not be available until several months afterwards.

The following timeline shows when the primary data items are expected to be provided.

Data Item	Anticipated Delivery	Responsible Party
Census Data	June-August	Alvord Unified School District
Asset Information	October-February	Alvord Unified School District
Audit Report/CAFR	January-March	Alvord Unified School District
Draft Report	January-May	TCS

Please let us know if you have any questions about the above or generally about retiree health or pension benefits. We would very much appreciate once again having the opportunity to work with Alvord Unified School District.

Sincerely,



Geoffrey L. Kischuk
Actuary
gkischuk@totcomp.com



Will Kane
Actuary
wkane@totcomp.com

We require the following information in order to complete your retiree health actuarial valuation:

- **Census Data.** Demographic information as of the valuation date for active employees and retirees receiving health benefits. See below for specific data items needed.
- **Asset Statement.** If retiree health benefits are being funded through an irrevocable trust, please provide the annual trust statement for the full fiscal year ending on the valuation date.
- **Audit Report / CAFR.** Your most recent audited financial statements.
- **Description of Benefit Arrangement.** Either your most recent collective bargaining agreements or a summary of the retiree health benefits and eligibility. If the benefit structure has changed since the last actuarial valuation, a brief description of the change is helpful.
- **Medical Premium Rate Summary.** A summary exhibit that shows the full premium rates (even if the employer only pays up to a certain amount) for medical plans available to active employees and pre-Medicare retirees. Not necessary if you participate in CalPERS Medical as those rates are published and applicable broadly.
- **Other Useful Information.** Every retiree health plan is unique! If there is information not listed above or below that you believe would be helpful, please feel free to provide it.

For Each Active Employee (any active employee who may be eligible for future retiree health benefits)

- Required Information
 - Date of Birth
 - Sex
 - Date of Hire
 - Employee Group (e.g. Police, Fire, Management, Classified, Certificated, Miscellaneous)
 - Full-Time Equivalent Fraction / Full-Time or Part-Time Indicator / Hours Per Week
- Other Helpful Information
 - Name
 - Identifier (e.g. Employee ID, SSN, Last 4 SSN)
 - Active Medical Premium Amount
 - Medical Plan Name
 - Medical Coverage Tier (Single, 2-Party, Family)

For Each Retiree (any retiree receiving health coverage (even if self-pay) or health payments through employer)

- Required Information
 - Date of Birth
 - Sex
 - Date of Retirement (to the extent available)
 - Date/Age Benefit Ends (only needed if differs amongst retirees – e.g. Lifetime for some and to Age 65 for others)
 - Employee Group (e.g. Police, Fire, Management, Classified, Certificated, Miscellaneous)
 - Medical Premium – Total Amount (even if employer only pays up to a capped amount)
 - Medical Premium – Employer Portion (including employer reimbursement of Retiree Portion, if any)
 - Medical Premium – Retiree Portion
 - Employer Paid Amount for any Non-Medical Health Benefits (Dental, Vision, Life Insurance, Medicare Part B, HRA Contributions, Cash-In-Lieu, etc.)
 - Medical Plan Name
 - Medical Coverage Tier (Single, 2-Party, Family)
- Other Helpful Information
 - Name
 - Identifier (e.g. Employee ID, SSN, Last 4 SSN)

TCS Actuarial Clients

Following is a list of California public employers for which we have performed retiree health valuation services.

Acalanes Union High School District
Acton-Agua Dulce Unified School District
Adelanto Elementary School District
Alameda County Office of Education
Alameda County Waste Management Authority
Alisal Union School District
Allan Hancock Joint Community College District
Alpine Springs County Water District
Alpine Union Elementary School District
Alta Loma School District
Alta Vista Elementary School District
Alvord Unified School District
Amador County Office of Education
Anderson Union High School District
Antelope Valley College
Antelope Valley Mosquito & Vector Control District
Antelope Valley Union High School District
Antelope Valley-East Kern Water Agency
Apple Valley Unified School District
Arcohe Union Elementary School District
Armona Union Elementary School District
Aromas-San Juan Unified School District
Arrowbear Park County Water District
Arvin Union School District
Associated Students of San Jose State University
Atascadero Unified School District
Atwater Elementary School District
Auburn Union Elementary School District
Baldy View Regional Occupation Program
Banning Unified School District
Banta Elementary School District
Barstow Community College District
Bass Lake Joint Union Elementary School District
Bassett Unified School District
Bay Area Rapid Transit District
Bear Valley Unified School District
Beaumont-Cherry Valley Recreation and Park District
Belmont Redwood Shores School District
Berkeley Unified School District
Big Bear City Airport
Big Bear City Community Services District
Big Pine Unified School District
Bishop Unified School District
Blue Lake Union School District
Bonny Doon Union Elementary School District
Branciforte Fire Protection District
Bret Harte Union High School District
Burbank Unified School District

Burton School District
Butte-Glenn Community College District
Cabrillo College Foundation
Cabrillo Community College District
Cachuma Operation and Maintenance Board
California State University Los Angeles - Auxiliary
Services
Calistoga Joint Unified School District
Carmel Unified School District
Carmichael Water District
Casitas Municipal Water District
Castro Valley Sanitary District
Castroville Community Services District
Central Elementary School District
Central Union School District
Centralia Elementary School District
Ceres Unified School District
Cerritos Community College District
Chabot-Las Positas Community College District
Chaffey Community College District
Chaffey Joint Union High School District
Chatom Union School District
Chino Valley Unified School District
Chualar Union School District
Citrus Community College District
City College of San Francisco Bookstore
City of Arcata
City of Auburn
City of Bell
City of Bell Gardens
City of Bellflower
City of Blue Lake
City of Buena Park
City of Calabasas
City of Canyon Lake
City of Capitola
City of Carmel-by-the-Sea
City of Chino
City of Chino Hills
City of Claremont
City of Colton
City of Covina
City of Dunn
City of East Carbon
City of Elk Grove
City of Emeryville
City of Folsom
City of Fountain Valley

City of Garden Grove	Corcoran Joint Unified School District
City of Hercules	Corning Union High School District
City of Imperial Beach	Corona-Norco Unified School District
City of Industry	Cotati-Rohnert Park Unified School District
City of Irwindale	Cottonwood Fire Protection District
City of La Puente	Cottonwood Union School District
City of Lafayette	Crestline Sanitation District
City of Lake Forest	Cuesta College
City of Lakeport	Cutten Elementary School District
City of Lawndale	Cypress Charter High School
City of Loma Linda	Cypress School District
City of Los Alamitos	Davis Joint Unified School District
City of Manhattan Beach	Dehesa Elementary School District
City of Menifee	Del Norte County Schools
City of Mission Viejo	Del Paso Manor Water District
City of Morro Bay	Delano Joint Union High School District
City of Oceanside	Denair Unified School District
City of Oroville	Desert Center Unified School District
City of Perris	Desert Health Care District
City of Pomona	Desert Sands Unified School District
City of Porterville	Dinuba Unified School District
City of Rancho Santa Margarita	Diocese of San Bernardino
City of Rolling Hills	Dos Palos Oro Loma Joint Unified School District
City of San Clemente	Downey Unified School District
City of Scotts Valley	Duarte Unified School District
City of Signal Hill	Ducor Union Elementary School District
City of Simi Valley -- General Unit	Durham Unified School District
City of Solvang	East Whittier City School District
City of South Ogden	Eastside Union School District
City of Stanton	El Camino Community College District
Claremont Unified School District	El Dorado Hills County Water District
Cloverdale Unified School District	El Dorado Irrigation District
Coachella Valley Mosquito and Vector Control District	El Dorado Union High School District
Coachella Valley Unified School District	El Rancho Unified School District
Coast Community College District	El Segundo Unified School District
Coastline Regional Occupational Program	El Toro Water District
Coastside County Water District	Elk Grove Benefit Employee Retirement Trust
Coastside Fire Protection District	Elk Grove Unified School District
College and Career Advantage	Emery Unified School District
College of Marin	Escalon Unified School District
College of the Desert	Etiwanda School District
College of the Redwoods	Eureka City Schools
College of the Sequoias	Fairfax Elementary School District
College of the Siskiyous	Fairfield-Suisun Sewer District
Colusa County Office of Education	Feather River Air Quality Management District
Compton Community College District	Feather River Community College District
Compton Creek Mosquito Abatement District	Ferndale Unified School District
Conrad Hilton Foundation	Fieldbrook Elementary School District
Contra Costa Community College District	Fillmore Unified School District
Contra Costa County Office of Education	First 5 San Benito
Copper Mountain Community College District	Folsom-Cordova Unified School District

Fontana Unified School District
 Foothill-DeAnza Community College District
 Fortuna Union High School District
 Fountain Valley Elementary School District
 Fowler Unified School District
 Franklin Elementary School District
 Fremont Union High School District
 Freshwater School District
 Fresno County Superintendent of Schools
 Fruitvale Elementary School District
 Fullerton Elementary School District
 Galt Joint Union Elementary School District
 Garfield School District
 Glendale Community College District
 Glenn County Office of Education
 Gold Coast Transit
 Gold Oak Union Elementary School District
 Goleta Water District
 Goleta West Sanitary District
 Gravenstein Union Elementary School District
 Great Basin Unified Air Pollution Control District
 Greater Anaheim Special Education Local Plan Area
 Greenfield Union Elementary School District
 Grossmont-Cuyamaca Community College District
 Guadalupe Union Elementary School District
 Guerneville Elementary School District
 Gustine Unified School District
 Hacienda La Puente Unified School District
 Happy Valley Union Elementary School District
 Harmony Union Elementary School District
 Hart Ransom Academic Charter School
 Hart Ransom Union Elementary School District
 Hartnell Community College District
 Healdsburg Unified School District
 Hemet Unified School District
 Hi-Desert Water District
 Hillsborough City School District
 Housing Authority of the City of Eureka
 Housing Authority of the City of Los Angeles
 Housing Authority of the County of San Joaquin
 Hughson Unified School District
 Humboldt Bay Harbor Recreation and Conservation
 District
 Humboldt County Office of Education
 Humboldt State University Center
 Humboldt Transit Authority
 Huntington Beach City Elementary School District
 Imperial Community College District
 Imperial County Office of Education
 Indian Wells Valley Water District
 Ironhouse Sanitary District

Jacoby Creek School District
 Jefferson School District
 Jefferson Union High School District
 John Swett Unified School District
 Julian Union High School District
 Kaweah Delta Water Conservation District
 Kerman Unified School District
 Kern Community College District
 Kern Council of Governments
 Kern County Law Library
 Kernville Union School District
 Kings Canyon Joint Unified School District
 Kings County Office of Education
 Kings River Union Elementary School District
 Kings River-Hardwick Union School District
 Kingsburg Elementary Charter School District
 Kit Carson Union Elementary School District
 Knights Ferry Elementary School District
 La Habra City School District
 La Puente Valley County Water District
 Lafayette School District
 Laguna Beach County Water District
 Laguna Beach Unified School District
 Lake Elsinore Unified School District
 Lake Hemet Municipal Water District
 Lake Tahoe Community College District
 Lakeside Fire Protection District
 Lakeside Union Elementary School District
 Lamont Elementary School District
 Lancaster School District
 Las Lomas School District
 Las Virgenes Municipal Water District
 Lassen Community College District
 Lassen County Office of Education
 Lassen Municipal Utility District
 Lassen Union High School District
 Laton Unified School District
 Lawndale Elementary School District
 Le Grand Union Elementary School District
 Lemon Grove School District
 Lemoore Union Elementary School District
 Lemoore Union High School District
 Lewiston Elementary School District
 Liberty Union High School District
 Live Oak School District
 Live Oak Unified School District
 Livingston Union School District
 Local Agency Formation Commission for the County of
 Los Angeles
 Lodi Unified School District
 Loleta Union Elementary School District

Long Beach City College
 Loomis Union School District
 Los Alamitos Unified School District
 Los Angeles County Law Library
 Los Angeles County West Vector & Vector-Borne
 Disease Control District
 Los Gatos-Saratoga Joint Union High School District
 Lower Tule River Irrigation District
 Luther Burbank Elementary School District
 Magnolia School District
 Mammoth Unified School District
 March Joint Powers Authority
 Marin County Office of Education
 Mark West Union School District
 Martinez Unified School District
 Marysville Joint Unified School District
 McCabe Union Elementary School District
 McFarland Unified School District
 McKinleyville Union School District
 Meadows Union Elementary School District
 Meeks Bay Fire Protection District
 Mendocino-Lake Community College
 Menlo Park City School District
 Merced Community College District
 Merced County Office of Education
 Merced Union High School District
 Mid-Placer Public Schools Transportation Agency
 Millbrae School District
 Mission Valley ROP
 Mono County Office of Education
 Monroe Elementary School District
 Montecito Sanitary District
 Montecito Water District
 Monterey Peninsula Community College District
 Monterey Peninsula Unified School District
 Monterey Regional Waste Management District
 Moraga School District
 Moreland School District
 Morongo Unified School District
 Mosquito & Vector Management District of Santa
 Barbara County
 Mount San Antonio Community College District
 Mount San Antonio Community College District
 Auxiliary
 Mount Shasta Union School District
 Mountain View Elementary School District
 Mountain View Los Altos Union High School District
 Mt. San Jacinto Community College District
 Municipalities, Colleges and Schools Insurance Group
 Murrieta Valley Unified School District
 Napa County Office of Education

Napa Valley Community College District
 Natomas Unified School District
 Nevada Joint Union High School District
 New Hope Elementary School District
 New Jerusalem Elementary School District
 Newman Crows Landing Unified School District
 North Coast Unified Air Quality Management District
 North County Fire Protection District of San Diego
 County
 North Monterey County Unified School District
 North of the River Municipal Water District
 North Orange County Community College District
 North Orange County Regional Occupational Program
 North Tahoe Fire Protection District
 Northwest Mosquito and Vector Control District
 Norwalk La Mirada Unified School District
 Novato Unified School District
 Oak Valley Union Elementary School District
 Oakdale Joint Unified School District
 Oakley Union Elementary School District
 Ocean View School District
 Oceanside Unified School District
 Ohlone Community College District
 Ojai Valley Sanitary District
 Olympic Valley Public Service District
 Ontario Montclair School District Board of Trustees
 Orange Center School District
 Orange County Superintendent of Schools
 Orange Unified School District
 Orcutt Academy Charter
 Orcutt Union School District
 Oroville Union High School District
 Oxnard School District
 Oxnard Union High School District
 Pacheco Union School District
 Pacific Grove Unified School District
 Pacific Union School District
 Pacifica School District
 Pajaro Valley Public Cemetery District
 Pajaro Valley Unified School District
 Palermo Union Elementary School District
 Palo Verde Community College District
 Palo Verde Unified School District
 Palomar Community College District
 Paradise Elementary School District
 Paradise Irrigation District
 Paradise Unified School District
 Parlier Unified School District
 Pasadena Area Community College District
 Patterson Joint Unified School District
 Peralta Community College District

Perris Elementary School District
Pico Water District
Piedmont Unified School District
Pioneer Union School District
Placer County Office of Education
Placer Hills Union School District
Planada Elementary School District
Pleasant Valley School District
Pleasant View Elementary School District
Plumas County Community Development Commission
Port of Hueneme - Oxnard Harbor District
Porterville Unified School District
Poway Unified School District
Processing Tomato Advisory Board
PSA2 Area Agency on Aging
Rancho Santiago Community College District
Ravenswood City Elementary School District
Reclamation District No. 1000
Reclamation District No. 900
Redlands Unified School District
Reed Union School District
Reef-Sunset Unified School District
Rescue Fire Protection District
Rim of the World Unified School District
Rincon del Diablo Municipal Water District
Rincon Valley Union School District
Rio Bravo-Greeley Union Elementary School District
Rio Dell Elementary School District
Rio Hondo Community College District
Riverbank Unified School District
Riverdale Joint Unified School District
Riverside Transit Agency
Roberts Ferry Elementary School District
Robla School District
Rocklin Unified School District
Rodeo-Hercules Fire Protection District
Rosedale Union School District
Roseland Elementary School District
Roseville City School District
Ross School District
Ross Valley Elementary School District
Rowland Unified School District
Rubidoux Community Services District
Sacramento Suburban Water District
Saddleback Valley Unified School District
Salinas Union High School District
San Bernardino City Unified School District
San Bernardino Community College District
San Bernardino County Superintendent of Schools
San Bruno Park School District
San Carlos School District

San Francisco Community College District
San Francisco Unified School District
San Gabriel Valley Mosquito & Vector Control District
San Gabriel Valley Municipal Water District
San Jacinto Unified School District
San Joaquin County Office of Education
San Joaquin Delta Community College District
San Juan Water District
San Lorenzo Unified School District
San Marino Unified School District
San Mateo County Community College District
San Mateo County Office of Education
San Mateo County Schools Insurance Group
San Mateo Union High School District
Santa Ana Unified School District
Santa Barbara Community College District
Santa Barbara County Association of Governments
Santa Barbara County Education Office
Santa Clarita Community College District
Santa Cruz County Office of Education
Santa Maria Joint Union High School District
Santa Maria Public Airport District
Santa Monica Community College District
Santa Paula City Housing Authority
Santa Rita Union School District
Santa Ynez River Water Conservation District
Saucelito Irrigation District
Savanna Elementary School District
Scotia Union Elementary School District
Scotts Valley Fire Protection District
Scotts Valley Water District
Selma Kingsburg Fowler County Sanitation District
Sequoia Union High School District
Serrano Water District
Shasta Regional Transportation Agency
Shasta Tehama Trinity Joint Community College District
Shasta Union High School District
Shasta Union High School District Charter Schools
Sierra Joint Community College District
Sierra Lakes County Water District
Sierra Unified School District
Silicon Valley Clean Water
Silver Valley Unified School District
Siskiyou County Office of Education
Siskiyou Union High School District
Solano County Community College District
Solano County Office of Education
Soledad Unified School District
Sonoma Valley Unified School District
South Bay Union School District
South County Support Services Agency

South Fork Union School District
South Monterey County Joint Union High School District
South Pasadena Unified School District
South San Francisco Unified School District
South San Luis Obispo County Sanitation District
Southern California Library Cooperative
Southern Humboldt Joint Unified School District
Southern Kern Unified School District
Southern Trinity Joint Unified School District
Southwest Transportation Agency
Southwestern Community College District
Standard Elementary School District
Stanislaus County Office of Education
Stanislaus Union School District
Steger Sanitary District
Stockton Unified School District
Successor Agency to the Redevelopment Agency of the
City and County of San Francisco dba San Francisco
Office of Community Investment and Infrastructure
(OCII)
Sundale Union Elementary School District
Sunnyside Union Elementary School District
Susanville Sanitary District
Susanville School District
Sutter Cemetery District
Sutter County Office of Education
Sweetwater Authority
Taft City School District
Tahoe-Truckee Sanitation Agency
Tahoe-Truckee Unified School District
TCS Miscellaneous
Temple City Unified School District
Town of Ross
Tracy Joint Unified School District
Trinidad Union School District
Truckee Fire Protection District
Truckee Sanitary District
Trust for Retirees of Associated California Schools
Tulare City School District
Turlock Unified School District
Tustin Unified School District
United Water Conservation District
Upper Lake Unified School District
Upper San Gabriel Valley Municipal Water District
Val Verde Unified School District
Vallecitos Water District
Valley County Water District
Valley Home Joint School District
Valley Sanitary District
Ventura County Community College District
Ventura County Office of Education

Victor Elementary School District
Victor Valley Community College District
Victor Valley Wastewater Reclamation Authority
Vineland Elementary School District
Walnut Creek School District
Waltham Housing Authority
Wasco Union Elementary School District
Washington Unified School District
Washington Union School District
Weed Union Elementary School District
West Contra Costa Transportation Advisory Committee
West Hills Community College District
West Kern Community College District
West Sonoma County Union High School District
West Valley Mission Community College District
Western Placer Unified School District
Westside Union School District
Westwood Unified School District
Wheatland School District
Wheatland Union High School District
Williams Unified School District
Willits Unified School District
Winters Joint Unified School District
Winton School District
Woodland Joint Unified School District
Woodside Elementary School District
Yolo County Office of Education
Yosemite Community College District
Yreka Union Elementary School District
Yreka Union High School District
Yuba Community College District
Yuba County Office of Education
Yucaipa-Calimesa Unified School District

CONSULTING SERVICES AGREEMENT

This Agreement is entered into effective the 1st day of June, 2021 by and between Total Compensation Systems, Inc. ("Consultant"), a California corporation with principal offices located at 5655 Lindero Canyon Road, Suite 223, Westlake Village, California, 91362 and Alvord Unified School District ("Customer").

The following shall govern the provision of consulting services by Consultant to Customer.

1. Consulting Services. Consultant shall provide the consulting services described on Schedule 1 attached hereto.
2. Compensation to Consultant. Customer shall pay Consultant for the consulting services described on Schedule 1 attached hereto the compensation set forth on Schedule 2 attached hereto.
3. Term and Termination. (a) Term. This Agreement shall commence on the date first written above and shall continue in effect until December 31, 2023, or until all consulting services described on Schedule 1 have been performed, whichever occurs first, unless sooner terminated in accordance with the provisions of this Agreement. (b) Termination Without Cause. This agreement may be terminated at any time by either party upon sixty (60) days prior written notice to the other party. (c) Termination With Cause. Either party shall have the right to terminate this Agreement upon the failure of either party to observe any of the covenants and agreements required to be observed by it under this Agreement, and such failure continues for a period of thirty (30) days after written notice thereof. (d) Rights and Obligations after Termination. Termination of this agreement shall not relieve either party of any rights or obligations arising out of the Agreement prior to termination, with the exception that the amount of the final payment that shall be made by Customer shall be based solely upon the percentage of work that was completed by Consultant.
4. Customer Will Provide Information. Customer shall provide Consultant with the information necessary for Consultant to provide the consulting services described on Schedule 1 attached hereto.
5. Authorization to Acquire Information. Customer hereby authorizes Consultant to acquire the necessary information reasonably required by Consultant to provide the consulting services described on Schedule 1 attached hereto from any agency, agencies, source or sources.
6. Customer's Right to Provide Information. Customer represents and warrants to Consultant that it has the right to provide the information that will be given by Customer to Consultant, or which will be acquired by Consultant pursuant to paragraphs 4 and 5 above.
7. Limitation on Services. Customer understands that Customer retains sole authority and responsibility for the operation and design of all Customer's employee benefit plans.
8. Ownership of Systems and Materials. All systems, programs, operating instructions, forms and other documentation prepared by or for Consultant shall be and remain the property of Consultant. All data source documents provided by Customer shall remain the property of Customer.
9. Indemnification. (a) By Customer. Customer hereby agrees to defend and indemnify Consultant and hold Consultant harmless against any claims, injury, costs or damages (including actual attorneys' fees incurred) resulting from Customer's gross negligence or willful misconduct. (b) By Consultant. Consultant hereby agrees to defend and indemnify Customer and hold Customer harmless against any claims, injury, costs or damages (including actual attorneys' fees incurred) resulting from Consultant's gross negligence or willful misconduct.

10. General.

- a. Relationship of the Parties. The relationship between Consultant and Customer established by this Agreement is that of independent contractors. Consultant and Customer shall each conduct its respective business at its own initiative, responsibility, and expense, and shall have no authority to incur any obligations on behalf of the other.
- b. Force Majeure. No party shall have liability for damages or non-performance under this Agreement due to fire, explosion, strikes or labor disputes, water, acts of God, war, civil disturbances, acts of civil or military authorities or the public enemy, transportation, facilities, labor, fuel or energy shortages, or other causes beyond that party's control.
- c. Entire Agreement. This Agreement and the Schedules attached hereto contain the entire agreement between the parties and supersedes all previous agreements and proposals, oral or written, and all negotiations, conversations, or discussions between the parties related to the subject matter of this Agreement. This Agreement shall not be deemed or construed to be modified, amended, rescinded, canceled or waived in whole or in part, except by written amendment signed by both of the parties hereto.

11. Confidentiality. Consultant recognizes that its work will bring it into close contact with confidential information of Customer, including personal information about employees of Customer. Consultant agrees not to disclose anything that is the confidential information of Customer, or that is proprietary to Customer, including its software, its legacy applications, and its databases, to any third party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as set forth below.

"CONSULTANT"

TOTAL COMPENSATION SYSTEMS, INC.

Signed: Geoffrey L. Kischuk

By: Geoffrey L. Kischuk

Title: President

Date: May 28, 2021

"CUSTOMER"

ALVORD UNIFIED SCHOOL DISTRICT

Signed: Dusteen Nevatt

By: Chief Business Officer

Title: Dusteen Nevatt

Date: 1-12-2022

SCHEDULE 1

For the purposes of this Agreement, "consulting services" shall include the following services provided by Consultant to Customer:

Consulting reports including all actuarial information necessary for Customer to comply with the requirements of current GASB accounting standards 74/75 related to retiree health benefits for two years, including one full valuation and one "roll-forward" valuation. Study results will be separated between three employee classifications. Consultant will provide as many copies of the final reports as Customer shall reasonably request.

Services do not include Consultant's attendance at any meetings, unless requested by Customer at the fee shown in Schedule 2. Services also do not include a funding valuation unless requested by Customer.

SCHEDULE 2

Customer shall pay Consultant for the retiree health valuation report based on the full valuation a total of \$9,300. One-half, or \$4,650 shall be due within 30 days of the commencement of work by Consultant. One-half, or \$4,650 shall be due within 30 days of the delivery by Consultant to Customer of the draft consulting report for the full valuation (or within 30 days of contract termination, if earlier). Customer shall also pay Consultant for the retiree valuation report based on the "roll-forward" valuation a total of \$4,650 within 30 days of the delivery by Consultant to Customer of the draft consulting report for the "roll-forward" valuation (or within 30 days of contract termination, if earlier)

If Consultant receives a non-refundable deposit from Customer of \$4,185 by July 31, 2021, all amounts shown above shall be reduced by 10%.

In addition to the above fees, Customer agrees to pay Consultant an all-inclusive fee of \$1,900 per meeting to attend meetings related to the consulting services. Customer shall pay such meeting fees within 30 days of the meeting, and such fee is not subject to the above discount or to any other discounts.