



January 25, 2021

Attn: Superintendents and Directors

Cc: Business Managers and Tech Coordinators

Re: SOCRATES Telecom Services for FY 2022 through 2026

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The next generation of the SOCRATES Regional Network, serving schools and education entities in South Central Minnesota, will go online on July 1, 2021. SOCRATES is partnering with Consolidated Communications to provide a private network designed for education that maximizes performance, uptime, and security. By working as a consortium, with a guaranteed 5 to 8 year contract, our members are able to access a level of performance, management and security that is not available when purchasing regular consumer or even business level Internet services from local providers.

Attached is the Letter of Agreement Packet for your school district or organization. The agreement is with SOCRATES, a program of the South Central Service Cooperative, for Internet and Regional Network Services. This five year agreement starts on July 1, 2021.

Most of the documents in the packet are similar to past agreement packets with a few exceptions. Pricing, as listed in the Pricing Exhibit, has decreased by 35% or more for most current members while the services included and performance of the network has increased. We have added a separate Business Associate Agreement for HIPAA compliance related to the use of this regional network. There is a new acceptable use policy in place for Consolidated Communications, SOCRATES, and all SOCRATES members using the new regional network.

The agreement requires a signature in three places:

1. the Letter of Agreement itself
2. the Business Associate Agreement
3. the Pricing Exhibit

**Please return** the signed agreement to myself or Gerard Breiter, [gbreiter@mncsc.org](mailto:gbreiter@mncsc.org), **by Friday, February 26.**

We need signed agreements in place by the end of February so that we can finish our required contract and E-Rate application work by the March deadlines. Please contact me if you have any questions, would like any parts of this agreement changed, or if you would like me to visit with you or any of your leadership team.

Thank you for joining our regional network!

David M. Paschke  
SOCRATES Managing Director  
South Central Service Cooperative  
2075 Lookout Drive  
North Mankato, MN 56003

507.389.1773  
[dpaschke@mncsc.org](mailto:dpaschke@mncsc.org)



January 25, 2021

LETTER OF AGREEMENT  
between SOCRATES, a Program of the South Central Service Cooperative and  
**Waterville–Elysian–Morristown Public Schools**  
For SOCRATES Telecom Network Data and Internet Services

For Fiscal Year 2022 through Fiscal Year 2026

SOCRATES agrees to provide Waterville–Elysian–Morristown Public Schools ("Member") telecommunications services ("Services") upon the pricing terms and conditions set forth in the attached Pricing Exhibit. Subsequent Pricing Exhibits for changes to services and/or additional services will amend this agreement. This Agreement is subject to the additional terms and conditions set forth in the separate Business Associate Agreement (HIPAA) between SOCRATES and Member (also attached), and all rules and statutory requirements governing the Services to be provided to Member. Capitalized terms used in this Agreement shall have the meaning ascribed to them in the Defined Terms Addendum (also attached).

The term of this Agreement commences on July 1, 2021 and continues through June 30, 2026. This Agreement may be automatically extended by SOCRATES for a term commensurate with any extended term of its services agreement with its telecommunications service provider, upon 30–days written notice to Member. (Note: Services may continue for up to 60 days past the end date of this agreement under the terms defined herein as necessary to accommodate changeover to a new provider.)

Member agrees to pay the Total Costs as shown on the Pricing Exhibit upon receipt of invoicing from SOCRATES. Member understands that SOCRATES will execute a contract with a telecommunications service provider on Member's behalf for the term stated in this agreement and that Member terminating this agreement prior to the end of the term will obligate Member to pay to SOCRATES any early termination penalties that SOCRATES may incur from the telecommunications service provider.

Member understands that federal E–Rate discounts and state funding (Telecommunications Equity Aid) is available to reduce Member's Total Costs; however, this subsidization is subject to public funding and is not guaranteed. No discounts or credits will be applied to Member's account unless and until funds are received by SOCRATES. Member agrees that it is responsible for payment of its account in full on a monthly basis, either by payment of monthly invoices, or debit to Member's fund balance.

Member acknowledges that E–Rate discounts for additional circuits and new services requested after the initial installation of the network shall be dependent on the timing of such requests relative to the E–Rate application cycle and funding year.

SOCRATES may terminate this Agreement for cause based upon a material breach of this Agreement by Member, provided that SOCRATES shall give Member written notice specifying the nature of the breach and affording Member a reasonable opportunity to cure the breach. If within thirty (30) days after the date of the notice Member has failed to correct the breach, or in the event a breach cannot be corrected within thirty (30) days and Member has not proceeded in good faith to correct the breach, SOCRATES may terminate this Agreement on the 31st day. SOCRATES shall retain any and all other remedies available to it under law or equity.

**SOCRATES' Administration of Services**

Member acknowledges and accepts that SOCRATES will have access to Member's underlying account information and information related to Member's use of each Service. Purchasing any Service hereunder

irrevocably authorizes SOCRATES to: (i) act on Member's behalf, (ii) bind Member to any resolution of any issues under this Agreement which may arise from time-to-time and (iii) administer this Agreement and all Services hereunder in such manner as SOCRATES deems in the best interests of all Members.

**Acceptable Use Policy**

Member agrees to be bound by the current and updated versions of the service provider's Internet Acceptable Use Policy which can be found at <https://www.consolidated.com/support/terms-policies/internet-terms-policies/internet-acceptable-use-policy>.

**LIMITATION OF WARRANTIES AND LIABILITY**

SOCRATES DISCLAIMS ALL EXPRESS AND IMPLIED WARRANTIES WITH RESPECT TO THE SERVICES, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF TITLE, NONINFRINGEMENT, OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALL INFORMATION, SERVICES AND EQUIPMENT ARE PROVIDED ON AN "AS-IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND. NO ADVICE OR INFORMATION GIVEN BY SOCRATES' EMPLOYEES, AGENTS OR CONTRACTORS SHALL CREATE A WARRANTY. UNDER NO CIRCUMSTANCES SHALL SOCRATES BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES THAT RESULT FROM THE PERFORMANCE OR NONPERFORMANCE OF THIS AGREEMENT OR ANY SERVICES HEREUNDER.

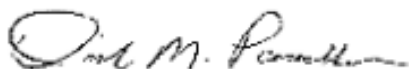
In addition to the foregoing, SOCRATES, its contractors, subcontractors, agents and employees, will have no liability to Member or to any other person or entity under this Agreement for any of the following: (a) any claim based upon or arising out of the combination, operation, or use of Services in a manner for which the Services were neither designed nor contemplated; (b) any modification of Services by Member or by any third party; or (c) infringement of any patent, trademark or copyright by any equipment or third party software sold to or supplied by Member. Without limiting the foregoing provisions, SOCRATES' total liability to Member for damages, from any cause whatsoever, and regardless of the form of action, whether in contract or in tort, including negligence, is limited to actual damages, but not to exceed the fees paid by Member to SOCRATES for the Services that caused the damages.

MEMBER ACKNOWLEDGES THERE ARE INHERENT RISKS IN INTERNET CONNECTIVITY THAT COULD RESULT IN THE LOSS OF MEMBER PRIVACY AND PROPERTY, INCLUDING CONFIDENTIAL INFORMATION. SOCRATES DOES NOT ASSUME ANY LIABILITY FOR ANY DAMAGE, THEFT OR LOSS TO MEMBER'S PROPERTY (INCLUDING, WITHOUT LIMITATION, MEMBER EQUIPMENT AND DATA) RESULTING FROM THE ACTS OR OMISSIONS OF ANY THIRD PARTY NOT INVOLVED IN THE PROVISION OF SERVICES, INCLUDING, WITHOUT LIMITATION, ANY UNAUTHORIZED PHYSICAL OR NON-PHYSICAL ACCESS (SUCH AS HACKING). ANY SUCH DAMAGE OR LOSS WILL BE THE EXCLUSIVE RESPONSIBILITY OF THE THIRD PARTY WHO CAUSED SUCH LOSS OR DAMAGE. MEMBER ACKNOWLEDGES THAT THIS LIMITATION FORMS AN ESSENTIAL BASIS OF THE BARGAIN BETWEEN THE PARTIES AND THAT THIS LIMITATION ON LIABILITY SURVIVES ANY REMEDY'S FAILURE OF ESSENTIAL PURPOSE.

The undersigned hereby certify that they have been authorized to execute this Agreement.

For South Central Service Cooperative

For Waterville-Elysian-Morristown Public Schools



Jan 25, 2021

Authorized Signature

Date

Authorized Signature

Date

David M. Paschke, SOCRATES Managing Director

Name and Title

Name and Title



January 25, 2021

## BUSINESS ASSOCIATE AGREEMENT (HIPAA)

This Privacy Agreement ("Agreement"), is effective upon signing this Agreement and is entered into by and between SOCRATES, a Program of the South Central Service Cooperative, ("Covered Entity") and Waterville–Elysian–Morristown Public Schools (the "Business Associate").

**I. Term.** This Agreement shall remain in effect for the duration of this Agreement and shall apply to all of the Services and/or Supplies delivered by the Business Associate pursuant to this Agreement.

**II. HIPAA Assurances.** In the event Business Associate creates, receives, maintains, or otherwise is exposed to personally identifiable or aggregate patient or other medical information defined as Protected Health Information ("PHI") in the Health Insurance Portability and Accountability Act of 1996 or its relevant regulations ("HIPAA") and otherwise meets the definition of Business Associate as defined in the HIPAA Privacy Standards (45 CFR Parts 160 and 164), Business Associate shall:

- (a) Recognize that HITECH (the Health Information Technology for Economic and Clinical Health Act of 2009) and the regulations thereunder (including 45 C.F.R. Sections 164.308, 164.310, 164.312, and 164.316), apply to a business associate of a covered entity in the same manner that such sections apply to the covered entity;
- (b) Not use or further disclose the PHI, except as permitted by law;
- (c) Not use or further disclose the PHI in a manner that had the Covered Entity done so, would violate the requirements of HIPAA;
- (d) Use appropriate safeguards (including implementing administrative, physical, and technical safeguards for electronic PHI) to protect the confidentiality, integrity, and availability of and to prevent the use or disclosure of the PHI other than as provided for by this Agreement;
- (e) Comply with each applicable requirements of 45 C.F.R. Part 162 if the Business Associate conducts Standard Transactions for or on behalf of the Covered Entity;
- (f) Report promptly to the Covered Entity any security incident or other use or disclosure of PHI not provided for by this Agreement of which Business Associate becomes aware;
- (g) Ensure that any subcontractors or agents who receive or are exposed to PHI (whether in electronic or other format) are explained the Business Associate obligations under this paragraph and agree to the same restrictions and conditions;
- (h) Make available PHI in accordance with the individual's rights as required under the HIPAA regulations;
- (i) Account for PHI disclosures for up to the past six (6) years as requested by Covered Entity, which shall include: (i) dates of disclosure, (ii) names of the entities or persons who received the PHI, (iii) a brief description of the PHI disclosed, and (iv) a brief statement of the purpose and basis of such disclosure;
- (j) Make its internal practices, books, and records that relate to the use and disclosure of PHI available to the U.S. Secretary of Health and Human Services for purposes of determining Customer's compliance with HIPAA; and

(k) Incorporate any amendments or corrections to PHI when notified by Customer or enter into a Business Associate Agreement or other necessary Agreements to comply with HIPAA.

**III. Termination Upon Breach of Provisions.** Notwithstanding any other provision of this Agreement, Covered Entity may immediately terminate this Agreement if it determines that Business Associate breaches any term in this Agreement. Alternatively, Covered Entity may give written notice to Business Associate in the event of a breach and give Business Associate five (5) business days to cure such breach. Covered Entity shall also have the option to immediately stop all further disclosures of PHI to Business Associate if Covered Entity reasonably determines that Business Associate has breached its obligations under this Agreement. In the event that termination of this Agreement and the Agreement is not feasible, Business Associate hereby acknowledges that the Covered Entity shall be required to report the breach to the Secretary of the U.S. Department of Health and Human Services, notwithstanding any other provision of this Agreement or Agreement to the contrary.

**IV. Return or Destruction of Protected Health Information upon Termination.** Upon the termination of this Agreement, unless otherwise directed by Covered Entity, Business Associate shall either return or destroy all PHI received from the Covered Entity or created or received by Business Associate on behalf of the Covered Entity in which Business Associate maintains in any form. Business Associate shall not retain any copies of such PHI. Notwithstanding the foregoing, in the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible upon termination of this Agreement, Business Associate shall provide to Covered Entity notification of the condition that makes return or destruction infeasible. To the extent that it is not feasible for Business Associate to return or destroy such PHI, the terms and provisions of this Agreement shall survive such termination or expiration and such PHI shall be used or disclosed solely as permitted by law for so long as Business Associate maintains such Protected Health Information.

**V. No Third Party Beneficiaries.** The parties agree that the terms of this Agreement shall apply only to themselves and are not for the benefit of any third party beneficiaries.

**VI. De-Identified Data.** Notwithstanding the provisions of this Agreement, Business Associate and its subcontractors may disclose non-personally identifiable information provided that the disclosed information does not include a key or other mechanism that would enable the information to be identified.

**VII. Amendment.** Business Associate and Covered Entity agree to amend this Agreement to the extent necessary to allow either party to comply with the Privacy Standards, the Standards for Electronic Transactions, the Security Standards, or other relevant state or federal laws or regulations created or amended to protect the privacy of patient information. All such amendments shall be made in a writing signed by both parties.

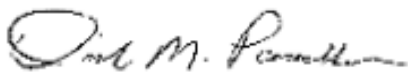
**VIII. Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the then most current version of HIPAA and the HIPAA privacy regulations.

**IX. Definitions.** Capitalized terms used in this Agreement shall have the meanings assigned to them as outlined in HIPAA and its related regulations.

**X. Survival.** The obligations imposed by this Agreement shall survive any expiration or termination of this Agreement.

**COVERED ENTITY**

For South Central Service Cooperative



Jan 25, 2021

Authorized Signature

Date

David M. Paschke, SOCRATES Managing Director

Name and Title

**BUSINESS ASSOCIATE**

For Waterville-Elysian-Morrissett Public Schools

Authorized Signature

Date

Name and Title

## DEFINED TERMS ADDENDUM TO THE LETTER OF AGREEMENT



### FISCAL SERVICE ADMINISTRATOR

Is the South Central Service Cooperative

### CIRCUIT CHARGES

Your circuit charges pay for:

- Circuit connection charges provided under contract with the chosen vendor for connection to the regional network, Internet-only access or "managed, filtered, and secure" Internet access, point to point data services, and data center services as applicable. Costs reflect consortium benefits of enterprise-level quality of service.
- Private virtual network
- Network operations center
- Network security
- IPv4 and IPv6 block addressing
- DNS hosting services
- Internet2 license and access for improved bandwidth utilization
- Limited equipment purchases
- 7x24x365 help desk services
- Local district portals for usage analysis and support ticket management services
- Data center services

### E-RATE

SOCRATES applies for federal E-Rate discount on behalf of all members of the consortium, for all eligible services.

### EQUITY AID

SOCRATES applies for Minnesota Telecommunications/Internet Access Equity Aid on behalf of all school districts in the consortium, for reimbursement for regional and local eligible costs from the previous fiscal year. Normally districts receive aid only for eligible costs in excess of \$16 per pupil, however, as a member of SOCRATES, a state telecommunications access cluster, you receive aid on the full eligible amount.

### MAINTENANCE AND SUPPORT

Your maintenance and support fees pay for:

- Network design and engineering
- Enterprise management
- Data management and support
- Quality assurance-quality control.
- Professional technical services.

### PARTICIPATION

Your participation fee pays for:

- Project administration.
- Application for and management of federal E-Rate and State Telecom/Internet Access Equity Aid discounts
- Information management services.
- Leadership and representation to state organizations and steering committees.
- Support for technology directors, technology integrationists, staff development and curriculum specialist committees and cohorts.
- Technology related grant writing for the consortium.



**PRICING EXHIBIT 961-A**

Addendum to the Letter of Agreement between SOCRATES and  
**Waterville-Elysian-Morristown Public Schools**  
 dated January 25, 2021

	Contracted Amount	<i>Estimated E-Rate Discount</i>	<i>Estimated Telecom Equity Aid</i>	<i>Net of Estimated Discounts</i>
<b><u>Monthly Recurring Costs</u></b>				
Site: <b>Waterville Elem/Waterville-Elysian-Morristown Sr. High</b> , 500 E. Paquin Street Direct 1Gbps circuit with Unified Threat Management	\$1,470.00	(\$759.31)	(\$297.00)	\$413.69
Site: <b>Morristown Elem/Waterville-Elysian-Morristown Jr. High</b> , 23 Anne Street Point-to-point 500 Mbps circuit to the district hub site	\$700.00	(\$419.74)	(\$120.51)	\$159.75
Telecom Participation	\$150.00	\$0.00	(\$64.50)	\$85.50
<b>Total Monthly Recurring Costs</b>	<b>\$2,320.00</b>	<i>Estimated Monthly Net After Discounts</i>		\$658.94
<b>Equivalent Annual Cost</b>	<b>\$27,840.00</b>	<i>Equivalent Annual Net After Discounts</i>		<b>\$7,907.28</b>

The undersigned parties hereby contract for the products and/or services indicated for the period from July 1, 2021 through June 30, 2026 in the amount of \$27,840.00 per year under the terms described in the corresponding Letter of Agreement. E-Rate and Telecom Equity Aid discounts shown are estimates based on known or expected conditions at the time this document was drafted and are not guaranteed. This document supersedes any previous exhibit(s) for the services listed.

For South Central Service Cooperative

For Waterville-Elysian-Morristown Public Schools

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

Jan 25, 2021  
 \_\_\_\_\_  
 Date

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

\_\_\_\_\_  
 Date

David M. Paschke, SOCRATES Managing Director

\_\_\_\_\_  
 Name and Title

\_\_\_\_\_  
 Name and Title