



April 23, 2017

Tammy Rudock, General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002

Email: trudock@midpeninsulawater.org

Re: Quarterly Financial Reporting for CIP

Dear Ms. Rudock:

The purpose of this letter is to introduce to the Board of Directors (Board) my proposed financial reporting structure associated with the use of the Series 2016 Certificates of Participation (COPs). Specifically, my role is to facilitate financial accountability between staff and the Board associated with spending of the COPs. This service will provide a recurring structure for reporting to the board, and will also enable staff to focus more time on implementing the projects rather than project accounting and report preparation. The reports will include progress on specific CIP projects, in addition to spending status of the COPs. This reporting work is in addition to my existing role of preparing the annual disclosure reports for the COPs.

The two main elements of the quarterly reports will be the Excel Workbook described below, and an accounting statement directly from the COP trustee, Bank of New York, that reconciles to the Workbook. Quarterly updates will be included in agenda packets such that each update is locked in time in official District records.

The key tracking tool is a comprehensive Excel Workbook. The Workbook consists of one summary page listing all projects, cost, and timing change by project, and total spent vs balance remaining for all projects combined. This one page enables the Board to quickly assess overall progress and financial standing. Following the summary page in the Workbook is one page for each project. These detail pages show the quarterly history of cost and timing changes for each project and allow for comments to be written. This Workbook can therefore grow over the life of the CIP effort tracking changes along the way. The two-page attachment shows the summary page and one detail page populated with fictitious data as an example.

Finally, to enhance reporting accuracy and accountability, I am proposing to meet with Rene Ramirez and key staff involved in CIP implementation for the purpose of talking through the project list to update overall status. This would happen each quarter two weeks prior to reporting to the Board. Facilitation of these quarterly staff meetings and quarterly reporting to the Board will serve to keep the entire team moving toward success in the large endeavor.

On a personal note, my foremost objective is to bring value to Mid-Peninsula by fulfilling a role you are not able to fulfill with your immediate staff. Please know I am flexible to adapt as your needs may change moving through the months ahead. We can adjust the Letter Agreement and scope as necessary.

Sincerely,

A handwritten signature in blue ink that reads "Dan Bergmann".

Dan Bergmann
Principal

