

RESOLUTION 2024-09

**AMENDING AGREEMENT WITH EIDE BAILLY LLP
FOR DISTRICT TREASURER AND ACCOUNTING SERVICES**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, on August 15, 2023, after successfully completing a competitive solicitation process, the Mid-Peninsula Water District ("District") entered into a contract with Eide Bailly LLP for (1) financial management services, (2) District Treasurer services, and (3) services to help prepare for and support the District's Year-end audit; and

WHEREAS, the Board of Directors now desires to amend the contract with Eide Bailly LLP, to extend the contract for one year, add additional services, and authorize further one year extensions, as set forth in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves an amendment, in a form approved by legal counsel, to extend the Contract for Professional Services with Eide Bailly LLP for District Treasurer and accounting services until June 30, 2025; and

BE IT FURTHER RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby authorizes the General Manager to extend the agreement for subsequent years, if it is in the best interest of the District to do so, with the amounts to be approved in the adoption of the budget.

REGULARLY PASSED AND ADOPTED this 27th day of June 2024 by the following vote:

AYES: Wheeler, Schmidt, Vella, Jordan

NOES: None

ABSTENTIONS: None

ABSENCES: Zucca

ATTEST:

DocuSigned by:

Monique Robinson

Board Secretary

Signed by:

Catherine Jordan

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Board Vice-President



June 17, 2024

Mid-Peninsula Water District
Kat Wuelfing, General Manager
1075 Old Country Road, Suite A
Belmont, CA 94002

RE: District Treasurer Services and Accounting Services

This engagement letter (Agreement) confirms the engagement of Eide Bailly LLP (Eide Bailly, we, us) by Mid-Peninsula Water District (District) for the year ended June 30, 2025. We are pleased to confirm our acceptance and our understanding of this engagement by means of this letter.

Scope of Engagement

We will work with you to provide consulting services in connection with outsourced District Treasurer & accounting services as detailed in the statement of work as noted below:

District Treasurer:

- Attend all regular and/or special meetings of the Board of Directors and participate as District Treasurer;
- Attend Finance Committee meetings and participate as member (as scheduled), and
- Present reports as necessary during Board and Finance Committee meetings.

Financial management services:

- Review the general ledger detail and determine correcting entries as needed;
- Review the trial balance on a monthly basis to ensure amounts are complete,
- Prepare and provide monthly reports to the Board of Directors;
- Review and analyze the monthly billing, payroll, accounts payable, and cash management activity for each month;
- Prepare and review monthly bank reconciliations for all accounts;
- Review and analyze capital expenditures;
- Evaluation monthly budget-to-actual reports; and
- Meet with staff on a periodic basis.

Year-end audit preparation

- Provide required reports, ledger, and other documents as requested by the District's external auditors;
- Prepare schedules for inclusion in the annual audited financial reports;
- Perform an analytic review of the trial balance prior to submission of the auditors;
- Assist with the preparation of the management's discussion and analysis;
- Coordinate yearend audit fieldwork; and
- Assist in review of the financial statements prior to issuance.

Our Responsibilities

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

You will provide us, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

We will not assume management responsibilities on behalf of the District. The District's management understands and agrees that any advice or recommendation we may provide in connection with our engagement are solely to assist management in performing its responsibilities.

The District accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions;
- Designate a competent individual to oversee the services;
- Evaluate the adequacy and results of the services performed;
- Accept responsibility for the results of the services;
- Establish and maintain internal controls, including monitoring ongoing activities;
- Conduct monitoring and oversight to prevent and detect fraudulent related activities; and
- Provide access to all information of which you are aware that is relevant to our services.

Management's Responsibility for Technology and Information Security

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data, unless otherwise authorized by you and needed by us to perform the agreed to activities of this engagement; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

We may be requested to make certain engagement documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such engagement documentation will be provided under the supervision of Eide Bailly LLP's personnel.

Furthermore, upon request, we may provide copies of selected engagement documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such engagement documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Engagement Fees and Billing

Our fees for services provided will be billed monthly as the work progresses. Our fees are based on the amount of time required at various levels of responsibility. In addition to our monthly fee, you will be billed actual out-of-pocket expenses, including a 5% technology fee. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

For monthly, fixed-fee engagements, the monthly billings represent the services provided during that specific month and not a specific period of client's activity. For example, an engagement that is terminated at the end of June, will include those services performed up until June 30, yet may not include the actual production of a June financial statement (which would typically be done the following month).

Professional Fees		
	Rate	Frequency
District treasurer & financial management services	\$135,000	Not – to – exceed
Audit preparation services	\$ 20,300	Not – to – exceed
Out-of-scope services will be billed at standard rates		
Out-of-pocket expenses will be billed at actual costs		

Should additional and out-of-scope services be requested the standard billing rates would apply:

Hourly Rates by Staff Level

Staff Level	FY 2025
Administrative	\$ 90/ hr.
Intern	\$ 120 / hr.
Associate	\$ 162 / hr.
Senior Associate	\$ 194 / hr.
Manager	\$ 270 / hr.
Senior Manager	\$ 324 / hr.
Partner	\$ 378 / hr.

The ability to perform and complete our engagement consistent with the estimated fee depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. A failure to provide this information in an accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our services.

If the District hires any of the staff working on this engagement, the District agrees to reimburse Eide Bailly LLP a one-time fee of fifty percent (50%) of the staff member's annual compensation to cover recruitment and training costs.

Term of Agreement

Unless otherwise stated, the term of this Agreement shall be one (1) year commencing on the date of this Agreement or the scope of services provided in this Agreement are completed, whichever is shorter in length.

Either party may terminate this Agreement upon not less than 30 days prior written notice.

Upon termination of Agreement, both parties acknowledge a transition of services currently being performed may be required. Eide Bailly may incur costs to effectively transition such services to the District or its designee by providing materials, knowledge, software, etc. All costs incurred under this transition shall be the responsibility of the District and Eide Bailly shall provide a final billing upon such transition.

Other

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider. You acknowledge that your information may be disclosed to such service providers, including those outside the United States.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our documentation for this engagement. Our engagement documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

We agree to retain our work papers for a period of at least eight years from the end of the fiscal year related to our services.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, (HLB). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly LLP formed The Eide Bailly Alliance, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly LLP, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

Eide Bailly LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. The nature of the services to be provided in conjunction with this engagement are such that non-licensee owners may be involved in performing our services for the District.

Mediation

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Menlo Park, California. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

Limited Indemnity

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in the information provided to us to complete our engagement that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

Limitation of Liability

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly's services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly's breach of this agreement or Eide Bailly's violation of applicable professional standards. In no event shall Eide Bailly's aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys' fees.

Time Limitation

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the engagement. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

Governing Law and Venue

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by Minnesota law. Any unresolved Dispute shall be submitted to a federal or state court located in Minneapolis, Minnesota.

Assignments Prohibited

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or disputes you may have against Eide Bailly to any person.

Please sign return this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,

A handwritten signature in black ink that reads "James W. Ramsey". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James W Ramsey, CPA, CFE
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the Mid-Peninsula Water District by:

Name: _____

Title: _____

Date: _____