

RESOLUTION NO. 2025-16

**AUTHORIZING AN AMENDMENT TO THE CONTRACT 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, on June 27, 2024, the Board of Directors authorized an amendment to extend the Contract for Professional Services with Eide Bailly LLP for District Treasurer and accounting services until June 30, 2025, and

WHEREAS, the Board of Directors now desires to amend the contract again 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 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 26th day of June 2025 by the following vote:

AYES: Wheeler, Vella, Covington, Cotten

NOES: 0

ABSTENTIONS: 0

ABSENCES: Zucca

DocuSigned by:

Kirk Wheeler

9E8A50DBB5804FF

President, Board of Directors

ATTEST:

Signed by:

Alison Bell

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District Secretary

Exhibit A



Mid-Peninsula Water District
1075 Old Country Road #A,
Belmont, CA 94002

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Mid-Peninsula Water District (District) for the fiscal year ending June 30, 2026.

Scope of Engagement

We will work with you to provide consulting services in connection with District Treasurer, financial management, and year-end audit preparation services as follows:

District Treasurer

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

Financial management services

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

Year-end audit preparation

1. Provide required reports, ledgers, and other documents as requested by the District's external auditors,
2. Prepare schedules for inclusion in the annual audited financial reports,
3. Perform an analytical review of the trial balance prior to submission to the auditors,
4. Assist with preparation of MD&A,
5. Coordinate yearend audit fieldwork,
6. Assist in review of financial statements prior to issuance, and
7. Prepare supplementary schedules to convert financial statements to an Annual Comprehensive Financial Report (ACFR).

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.

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.

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; (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 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.

Timeline

We will begin our procedures upon acceptance of this engagement agreement. We would expect to have our work completed within any timelines specified of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the engagement will not exceed \$140,000. We will notify you immediately of any circumstances we encounter that could significantly affect this fee estimate.

Our rates for the levels of responsibility are as follows:

 Hourly Rate by Staff Level	FY 2026
Partner	\$ 396 / hr.
Director	\$374 / hr.
Senior Manager	\$339 / hr.
Manager	\$284 / hr.
Senior Associate	\$215 / hr.
Associate / Clerical	\$170 / hr.

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with a Prepared-by-Client (PBC) request that identifies the information we will require to perform our engagement, as well as a planned timeline for the engagement, as needed. 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 engagement.

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.

Should our relationship terminate before our agreed upon procedures are completed and a report issued, you will be billed for services to the date of termination. 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.

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.

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 the Menlo Park, California office. 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 California law. Any unresolved Dispute shall be submitted to a federal or state court located in Sacramento, California.

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 and return the attached copy of 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,



James W Ramsey, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

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

Name: _____

Title: _____

Date: _____