

Casitas Municipal Water District

FINANCE COMMITTEE
Bergen/Cole

The meeting will be held in person at the district office
1055 Ventura Ave. Oak View, CA

And via teleconference
Join Zoom Meeting

<https://us06web.zoom.us/j/97847647252?pwd=NVR0SVIDQ1k1VDNiamILU2NvUIZYQT09>

Meeting ID: 978 4764 7252 Passcode: 490295

To attend via telephone please call Toll Free
(877) 853-5247 or (888) 788-0099
Meeting ID: 978 4764 7252# Passcode: 490295#

March 28, 2025

1:30 p.m.

Special Meeting Agenda

1. Roll call.
2. Public comments.
3. Board/Management comments.
4. Casitas MWD Fiscal Year 2025 Mid-Year Budget Review.
5. Review Casitas MWD Fiscal Year 2025-2026 Draft Budget.
6. Review Casitas MWD Accounting System Software Proposal.
7. Review Casitas MWD Payroll Processing Service Proposal.
8. Review Casitas MWD Investment Policy.
9. Review Proposals for District Auditor Services.
10. Review of January 2025 Financial Statements.

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of ¶54954.2 of the Government Code.

If you require special accommodation for attendance at or participation in this meeting, please notify our office in advance (805) 649-2251 ext. 113. (Govt. Code Section 65954.1 and 54954.2(a). Please be advised that members of the Board of Directors of Casitas who are not members of this standing committee may attend the committee meeting referred to above only in the capacity of observers and may not otherwise take part in the meeting. (Govt. Code Sections 54952.2(c)(6).

CMWD FINANCE COMMITTEE

**Mid-Year Budget Review
Board Approved Budget
Fiscal Year 2024-2025**

March 28, 2025



AGENDA

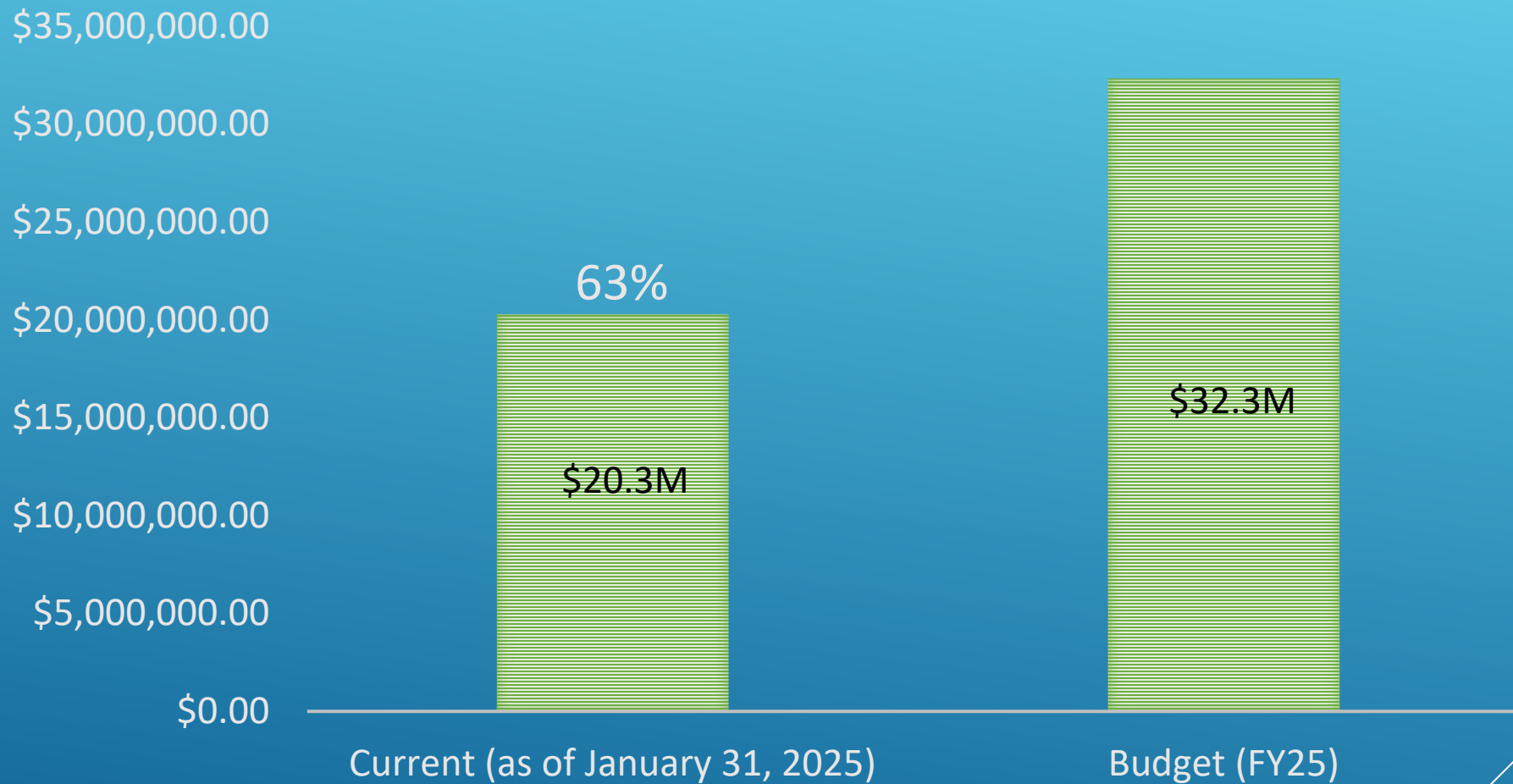
- **Fiscal Year 2025 Current Budgetary Results**
 - Revenue & Expenses vs. FY25 Board-Approved Budget
 - Capital Project Expenditures – Focus on the Engineering Dept.
 - Net Assets; End of Year (Budgeted Shortfall)
- **End of FY 2025 Cash Position Projections**
 - Casitas' Bank Balance
 - District Reserves
- **Conclusions**



FISCAL YEAR 2025 CURRENT BUDGETARY RESULTS



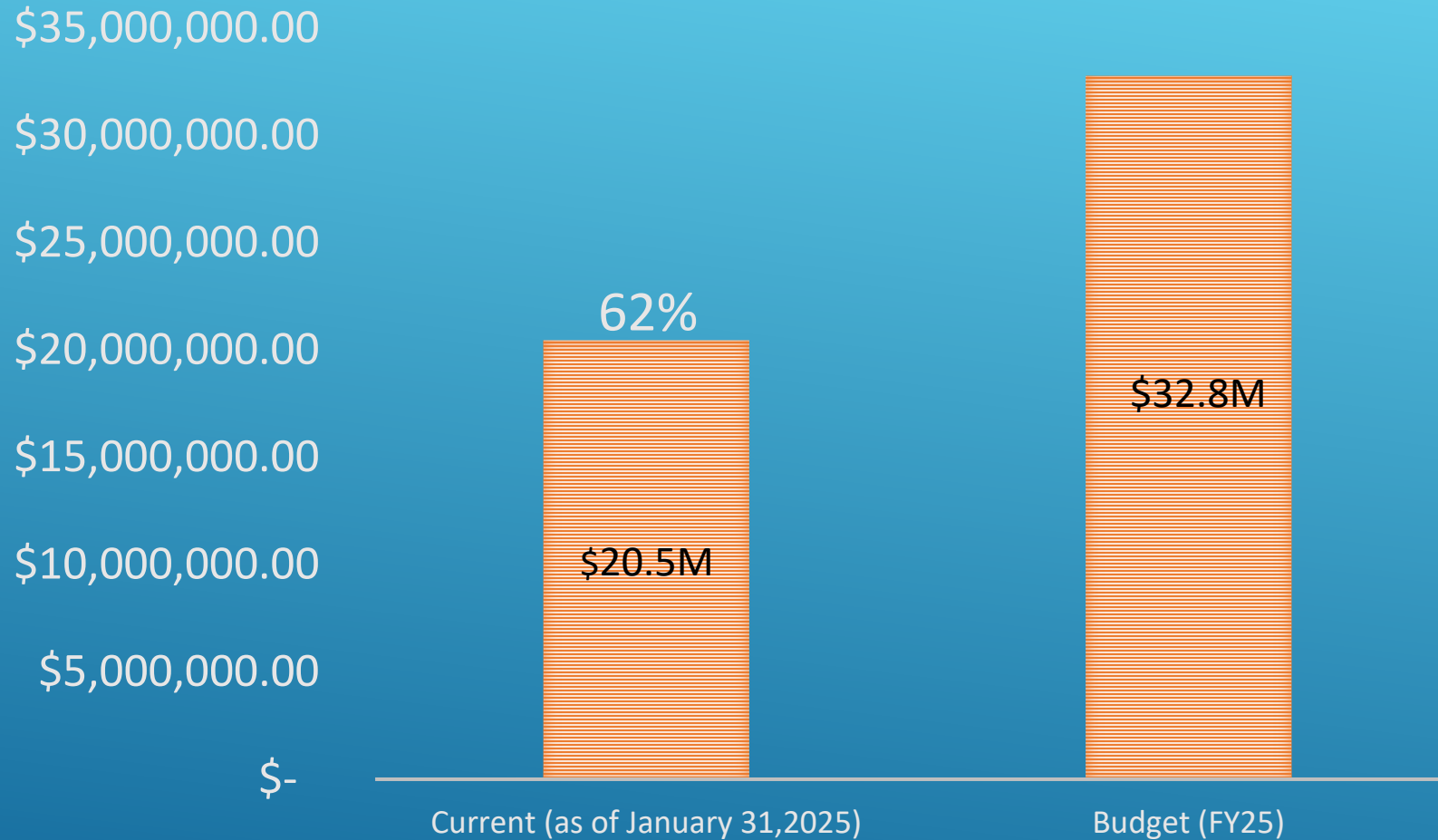
REVENUES



Total Revenues = \$20.3M of a Budgeted \$32.3M



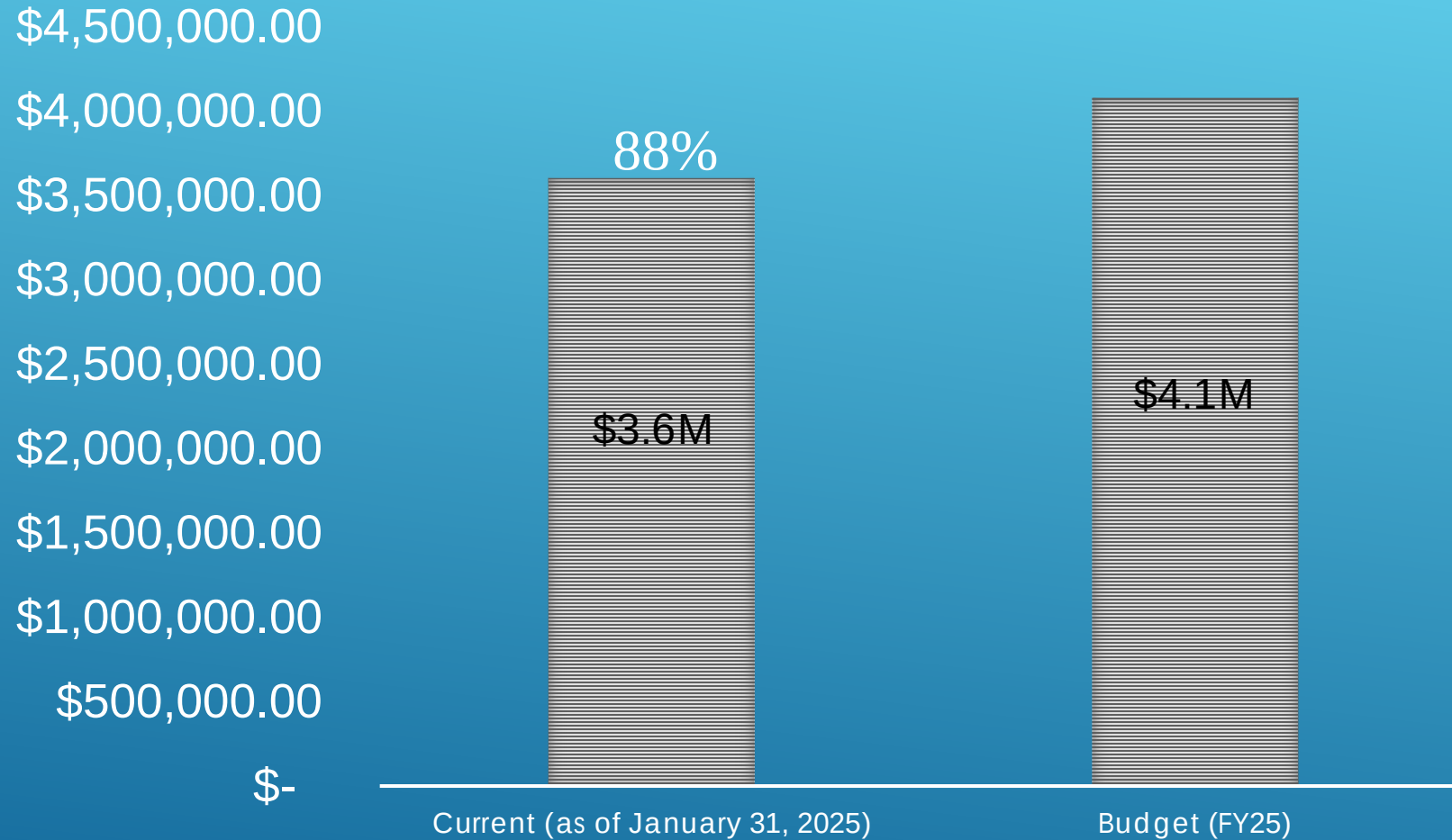
EXPENDITURES



Total Expenditures = \$20.5M of a Budgeted \$32.8M



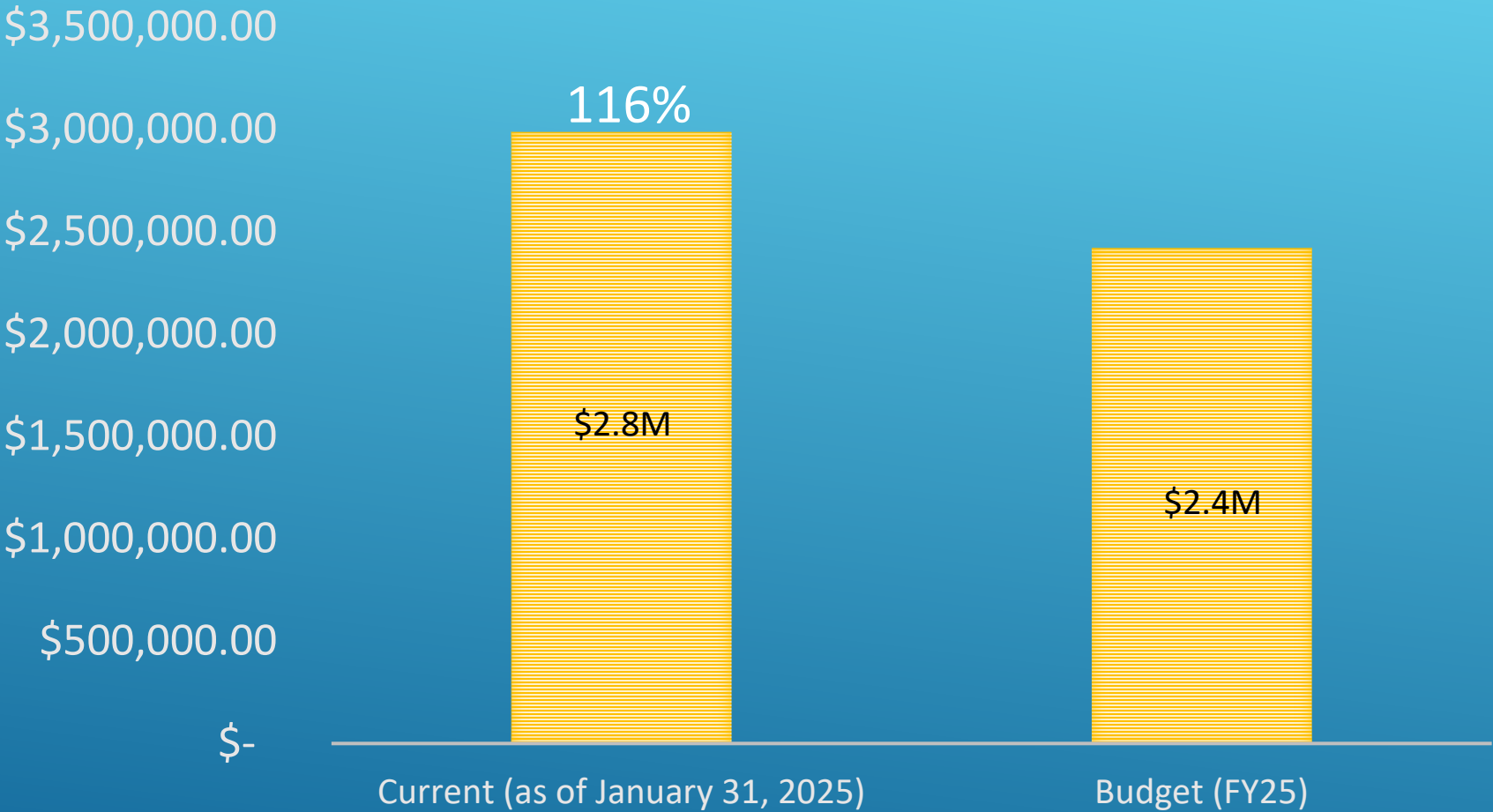
TOTAL CAPITAL BUDGET



Total = \$3.6M of a Budgeted \$4.1M



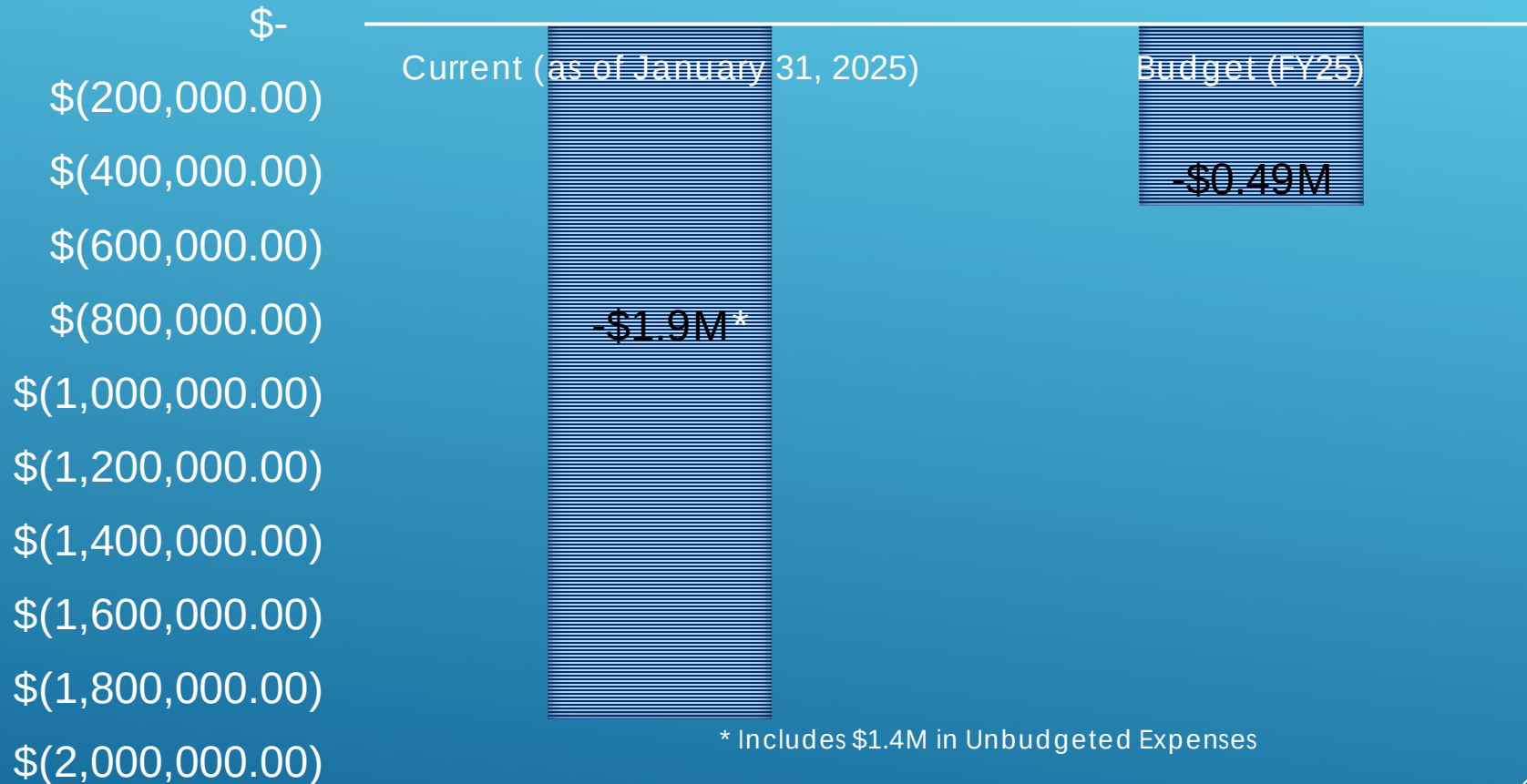
ENGINEERING CAPITAL BUDGET



Total = \$2.8M of a Budgeted \$2.4M



NET ASSETS, END OF YEAR (SHORTFALL)

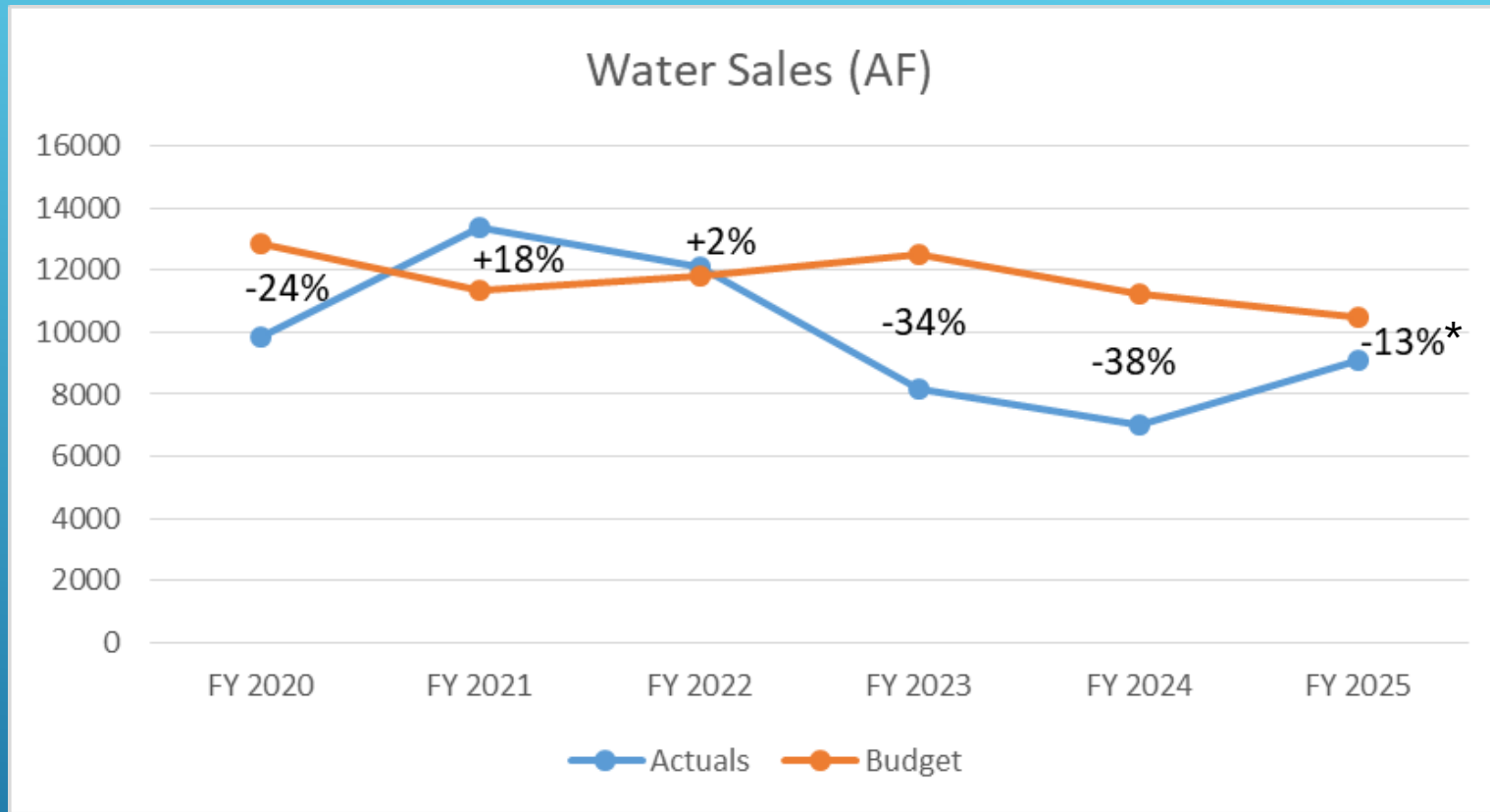


Total = -\$1.9M of a Budgeted \$-0.49M



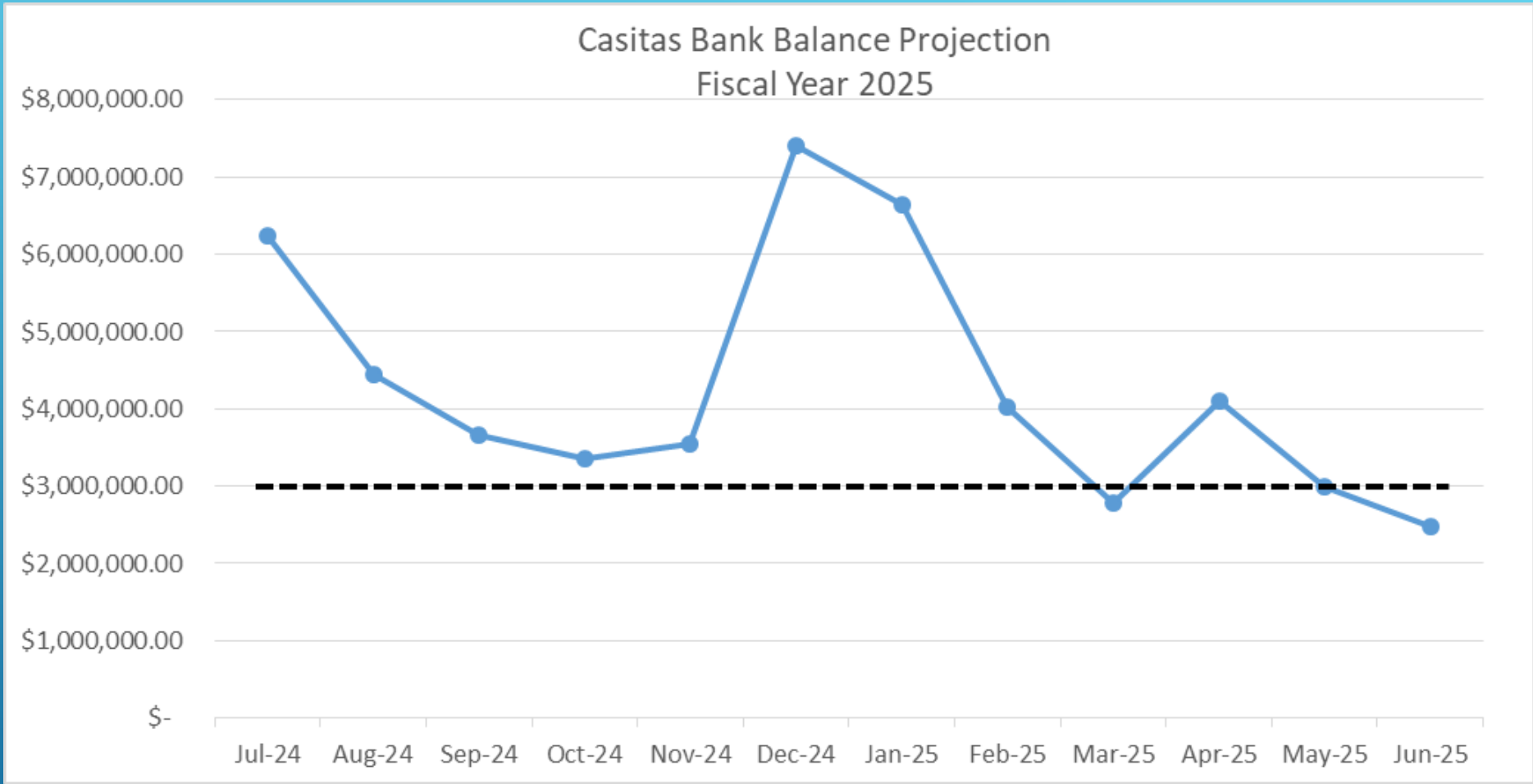
END OF FISCAL YEAR 2025 CASH POSITION PROJECTIONS



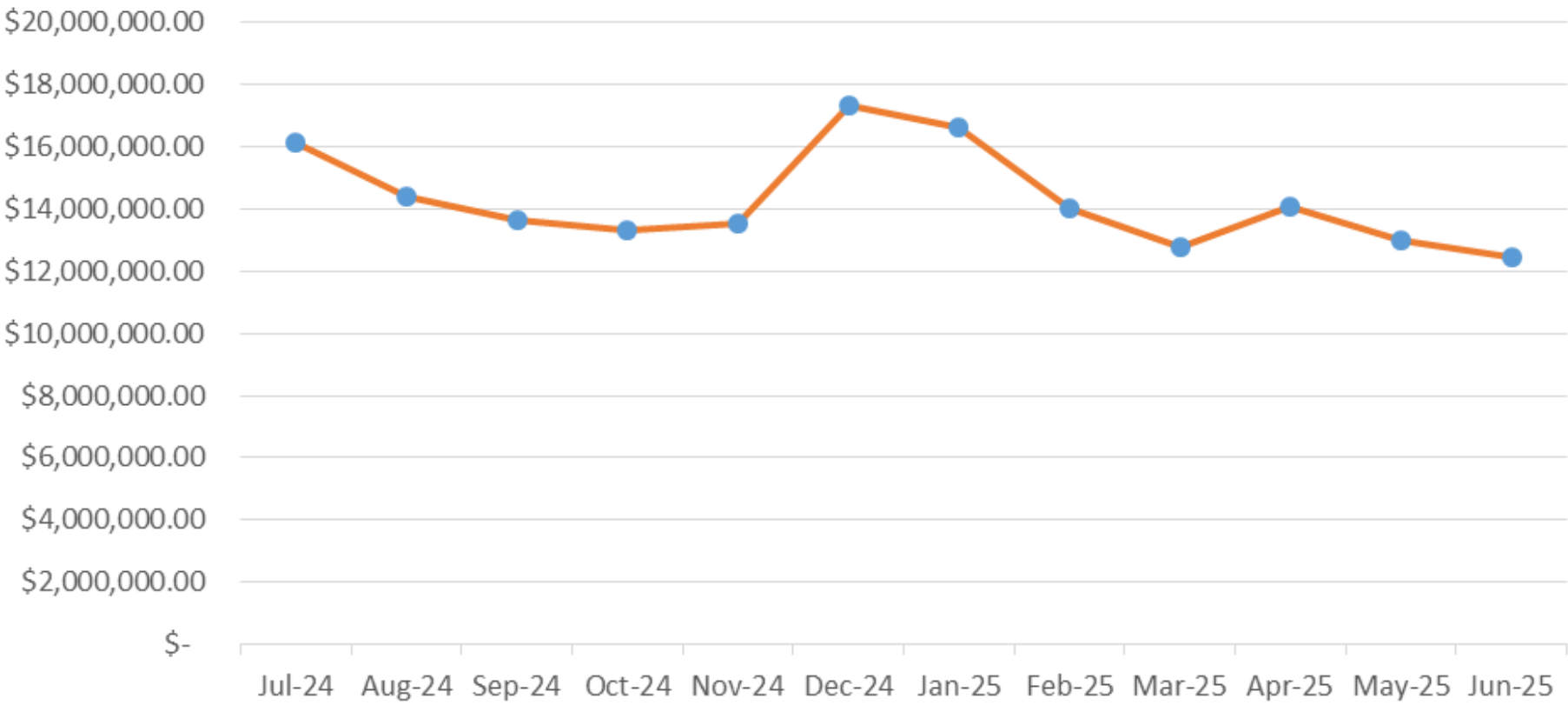


* Assumes Water Sales of 9,100 Acre-Feet





Cash Reserve Projection Fiscal Year 2025



CONCLUSIONS

- Actual Revenues will likely not meet budget due to lower than budgeted water sales.
- Actual Capital Expenditures were increased due to Marion Walker WTP Generator Project & the SB Intertie
- Net Assets, End of Year will be less due to funding of Rincon Generator and Unbudgeted Expenses
- Staff will continue to monitor the District's cash position with a view toward leveling-off reserves.
- Staff will need to engage the Committee regarding future Capital funding.



► Questions?



MEMORANDUM

TO: Finance Committee
From: Michael L. Flood, General Manager
RE: **Review of Draft Casitas MWD Fiscal Year 2025-2026 Budget**
Date: March 28, 2025

RECOMMENDATION:

No recommendation at this time.

BACKGROUND:

The Draft FY 2026 budget includes a total budgeted expenses of approximately \$36.0M and total revenues projected at \$34.8M

A budgeted shortfall of \$1.2M is identified within the draft budget.

The capital projects budget would be set at \$5.3M.

The Engineering Department would be budgeted approximately \$3.6M in capital projects which is approximately 68% of the capital projects budget.

There would be a draw from Capital Reserves of approximately \$1.25M with this budget.

DISCUSSION:

Water Sales Estimate Calculation:

In consideration of probable continued low consumption for Fiscal Year 2026, staff is using the same calculation for the purposes of budgeting water sales revenue for as was used for the Fiscal Year 2025 budget:

1. Three-Year Average Actual/Estimated Consumption less Resale Gravity (thru June 30,2025):

7,426 Acre-Feet

2. City of Ventura Fiscal Year 2026 Volumetric Minimum (per 2023 MOU):

2,500 Acre-Feet

Total (add #1 and #2): 9,926 Acre-Feet

Forecasted Fiscal-Year-End 2026 Reserves:

Fiscal Year-End 2026 reserves are expected to be approximately \$14.9M of which \$11.0M is unrestricted and \$3.9M is restricted to Retirement (OPEB), Capital, and Adjudication expenses.

CONCLUSION:

Water Sales will continue to recover and will likely meet the budgeted level of 9,926 Acre-Feet.

A mid-year budget review will be planned for early 2026.

Staff will provide a presentation with additional details during the meeting.

The draft Fiscal Year 2026 budget documents are attached.



Casitas Municipal Water District
Proposed Revenue FY2025-2026
 Manager Recommended

9,926 AF- Total

FY2025-26

Budget

Water Sales		
11-4-00-4000-00	Water Sales - Residential Gravity	10,171
11-4-00-4001-00	Water Sales - Residential Pumped	859,772
11-4-00-4001-85	Water Sales - Residential Pumped- Ojai	965,183
11-4-00-4004-00	Water Sales - Multi Res Pump	194,555
11-4-00-4004-85	Water Sales - Multi Res Pump (Ojai)	87,541
11-4-00-4010-00	Water Sales - Commercial Gravity	1,190
11-4-00-4011-00	Water Sales - Commercial Pumped	540,524
11-4-00-4011-85	Water Sales - Commercial Pumped- Ojai	456,644
11-4-00-4021-00	Water Sales - Industrial Pumped	18,143
11-4-00-4021-85	Water Sales - Industrial Pumped- Ojai	4,980
11-4-00-4030-00	Water Sales - Resale Gravity	2,089,025
11-4-00-4031-00	Water Sales - Resale Pumped	370,413
11-4-00-4040-00	Water Sales - Temporary Meter- Pumped	31,044
11-4-00-4041-00	Water Sales - Other- Gravity	11,329
11-4-00-4042-00	Water Sales - Other- Pumped	173,537
11-4-00-4042-85	Water Sales -Other- Pumped- Ojai	84,434
11-4-00-4060-00	Water Sales - Ag Domestic - Gravity	40,358
11-4-00-4061-00	Water Sales - Ag Domestic - Pumped	2,006,395
11-4-00-4061-85	Water Sales - Ag Domestic - Pumped- Ojai	48,033
11-4-00-4062-00	Water Sales - Ag Dom Mult - Gr	16,966
11-4-00-4063-00	Water Sales Ag Dom Multi - Pu	53,023
11-4-00-4070-00	Water Sales - Agricultural - Gravity	30,845
11-4-00-4071-00	Water Sales - Agricultural - Pumped	1,334,231
11-4-00-4081-00	Water Sales - Interdepartmental - Pumped	181,376
Total		9,609,712

Water Service Charge		
11-4-00-4150-00	Meter Chg - CMWD Residential	1,603,795
11-4-00-4150-85	Meter Chg - OJAI Residential	1,353,391
11-4-00-4151-00	Meter Chg - CMWD Commercial	296,572
11-4-00-4151-85	Meter Chg - OJAI Commercial	307,347
11-4-00-4152-00	Meter Chg - CMWD Industrial	122,568
11-4-00-4152-85	Meter Chg - OJAI Industrial	2,250
11-4-00-4153-00	Meter Chg - CMWD Agriculture	493,508
11-4-00-4154-00	Meter Chg - CMWD Institutional	123,795
11-4-00-4154-85	Meter Chg - OJAI Institutional	90,714
11-4-00-4155-00	Meter Chg - CMWD Temporary	17,497
11-4-00-4156-00	Meter Chg - CMWD Ag Residential	1,072,608
11-4-00-4156-85	Meter Chg - OJAI Ag Residential	15,906
11-4-00-4157-00	Meter Chg - CMWD Interdepartmental	137,102
11-4-00-4158-00	Meter Chg - CMWD Resale	1,045,440
11-4-00-4159-00	Meter Chg - Fire Service	33,328
11-4-00-4160-00	Meter Chg- CMWD Multi Res	275,121
11-4-00-4160-85	Meter Chg- OJAI Multi Res	103,140

Total		7,094,082
Water Delinquency		
11-4-00-4351-00	Turn Off Fee	13,523
11-4-00-4352-00	Turn On Fee	13,785
11-4-00-4353-00	Late Fee - Residential	52,711
11-4-00-4357-00	Late Fee - Business	5,023
11-4-00-4361-00	Late Fee - Industrial	418
11-4-00-4365-00	Late Fee - Resale	303
11-4-00-4369-00	Late Fee - Other	5,675
11-4-00-4377-00	Late Fee - Agriculture Domestic	7,651
11-4-00-4381-00	Late Fee - Agriculture	4,630
11-4-00-4383-00	Late Fee- Multi Res	11,391
11-4-00-4387-00	Late Fee - Ag Dom Multi Res	432
11-4-00-4395-00	N.S.F. - Returned Check Fee	577

Total		116,119
Water Services- Other		
11-4-00-4090-00	Capital Facilities Charge	55,485
11-4-00-4093-00	Meter Tests & Installations	13,793
11-4-00-4411-00	Will Serve Letter	5,550
11-4-00-4412-00	Fire Hydrant Flow Test	1,000
11-4-00-4413-00	VCFD Fire Flow Verification	6,290
11-4-00-4400-00	Flexible Storage	4,472
11-4-00-4420-00	Miscellaneous Revenue - Other	87,343
11-4-00-4425-00	Sale of Fixed Assets	5,000
11-4-00-4440-00	Administration Fee	15,000
11-4-00-4415-00	Application Fee	10,440
11-4-00-4450-00	SWP - Sale of Water	918,750

Total		1,123,123
Taxes & Assessments		
11-4-00-4200-00	1 % - Secured Current General	3,140,698
11-4-00-4235-00	RDA - Pass Through	425,795
11-4-00-4315-00	State - Homeowners Property Tax Relief	17,681
29-4-00-4010-00	Bonded Debt (SWP)	1,250,865
75-4-00-4010-00	CFD 2013-1 - Tax Secured	3,074,279

Total		7,909,318
Interest		
11-4-00-4115-00	Interest on Time Deposits and Investments	222,914
Total		222,914

Other Governmental Agencies		
11-4-00-4300-00	Federal Disaster Assistance	-
11-4-00-4305-00	Grant Revenue - Federal	1,875,000
11-4-00-4320-00	State - Other	-
Total		1,875,000

Recreation- Operations		
11-4-62-4500-00	Animal Permit	18,205
11-4-62-4510-00	Boat Fees - Annual	40,200
11-4-62-4515-00	Boat Fees - Daily	18,400
11-4-62-4525-00	Boat Inspection Fees - Quagga	10,760
11-4-62-4530-00	Boat Fees - Overnight	475
11-4-62-4535-00	Boat Lock Revenue - Quagga	2,250
11-4-62-4545-00	Camping Fees	2,548,917
11-4-62-4555-00	Commercials - Recreation	10,500
11-4-62-4570-00	Events - Recreation	40,524

11-4-62-4590-00	Grants - Recreation	100,000
11-4-62-4600-00	Kayak & Canoes Annual - Recreation	3,350
11-4-62-4605-00	Kayak and Canoes Daily - Recreation	290
11-4-62-4625-00	Reservations	336,340
11-4-62-4630-00	Shower Facility Fees	43,185
11-4-62-4635-00	Trailer Storage Fees	379,500
11-4-62-4640-00	Vehicle Fees - Daily	525,192
11-4-62-4645-00	Violation Ordinance Fees	3,261
11-4-62-4650-00	Visitor Cards	211,515
11-4-62-4705-00	Boat Rental - Concession	108,725
11-4-62-4720-00	Park Store - Recreation	84,606
11-4-62-4725-00	Cafe - Concession	83,198
11-4-62-4750-00	Rowing- Concession	27,600

Total **4,596,993**

Recreation- Water Park		
11-4-65-4810-00	Water Park - Group Pass Discount	43,040
11-4-65-4818-00	Water Park - Lifeguard Training	2,760
11-4-65-4840-00	Water Park - Reservation Fee	77,655
11-4-65-4845-00	Water Park - Season Pass Fee	7,875
11-4-65-4850-00	Water Park - Shade Rental Fee	25,600
11-4-65-4860-00	Water Park - Single Splash Fee	1,472,552
11-4-65-4865-00	Water Park - Lodge Rental	38,000
11-4-65-4875-00	Water Park -Cabana Rental	28,500
11-4-65-4870-00	Water Park - Water Fitness - Fee	7,770
11-4-65-4740-00	Water Park Snack Bar	15,722

Total **1,719,474**

Adjudication		
12-4-00-4160-00	Meter Chg- CMWD Adjud Resident	66,093
12-4-00-4160-85	Meter Chg- OJAI Adjud Resident	56,254
12-4-00-4161-00	Meter Chg- CMWD Adjud Comm	17,434
12-4-00-4161-85	Meter Chg- OJAI Adjud Comm	25,809
12-4-00-4162-00	Meter Chg- CMWD Adjud Indust	1,159
12-4-00-4162-85	Meter Chg- OJAI Adjud Indust	49
12-4-00-4163-00	Meter Chg- CMWD Adjud Ag	99,211
12-4-00-4164-00	Meter Chg- CMWD Adjud Ag Resid	147,220
12-4-00-4164-85	Meter Chg- OJAI Adjud Ag Resid	2,198
12-4-00-4165-00	Meter Chg- CMWD Adjud Interdep	2,913
12-4-00-4166-00	Meter Chg- CMWD Adjud Resale	129,129
12-4-00-4167-00	Meter Chg- CMWD Adjud Other	5,726
12-4-00-4167-85	Meter Chg- OJAI Adjud Other	5,230
12-4-00-4168-00	Meter Chg-CMWD Adjud Multi Res	48
12-4-00-4168-85	Meter Chg-Ojai Adjud Multi Res	363
12-4-00-4169-00	Meter Chg-CMWDAdjud Ag MultRes	4,928

Total **563,764**

Total Revenue	34,830,499
	-
<i>General Fund</i>	23,625,124
<i>Recreation</i>	6,316,467
<i>Adjudication</i>	563,764
<i>Debt Service</i>	3,074,279
<i>State Water Project</i>	1,250,865



Casitas Municipal Water District
Revenue, Expense, & Capital Budget FY2025-2026
Manager Recommended

	<u>FY2025-26</u>		<u>FY2024-25</u>
	<u>Budget</u>		<u>Budget</u>
	<i>9,926 AF- Total</i>		<i>10,464 AF- Total</i>
Total Revenue	34,830,499		32,894,720
Expenses			
Administration	1,506,938		1,274,198
Administration: Debt Service	3,043,716		2,991,211
Administration: State Water Project	1,250,865		1,277,767
Board of Directors	158,545		158,312
District Maintenance	797,610		795,477
Electrical Mechanical	3,233,534		3,264,136
Engineering	1,606,571		1,449,137
Fisheries	818,083		744,625
General O&M	852,875		770,628
Human Resources	671,819		649,520
Information Technology	543,266		505,474
Management	1,309,326		1,181,335
Pipeline	1,737,198		1,992,165
Recreation - Operations & Water Park	5,962,527		5,604,324
Recreation: Debt Service	326,376		326,376
Retirees	438,663		363,708
Safety / Garage	287,706		268,020
Utilities Maintenance	994,591		952,183
Water Conservation - Public/ Relations	681,493		672,938
Water Quality, Lab	1,195,963		1,014,021
Water Treatment	2,718,633		2,481,244
Adjudication	563,764		572,857
Total Expenses	<u>30,700,061</u>		<u>29,309,657</u>
Net	<u>4,130,438</u>		<u>3,585,063</u>
Capital			
Administration	255,070		-
District Maintenance	55,000		-
Electrical Mechanical	210,700		50,754
Engineering	3,550,000		2,420,000
Pipeline	150,000		82,500
Recreation - Operations & Water Park	241,949		274,115
Safety / Garage	243,069		169,484
Utilities Maintenance	306,100		96,500
Water Quality, Lab	83,510		689,800
Water Treatment	250,000		276,550
Total Capital Expenses	<u>5,345,398</u>		<u>4,074,703</u>
Net assets, end of year	<u>(1,214,960)</u>		<u>(489,640)</u>
Funding Deficit from Variation of Water Sales	-		-
Funding Deficit from Available Storm Damage Reserves	-		-
Funding Deficit from Available Capital Imp Restricted Reserves	-		-
Funding Deficit from Available Capital Imp Un Restricted Reserves	-		-
Funding Deficit from Available Alternate Water Supply Studies	625,000		-
Funding Deficit from Funds - CFD 2013-1 Improvement Fund	-		-
Funding Deficit from Conservation Penalty Reserves	589,960		489,640
Net assets, End of Year	<u>(0)</u>		<u>0</u>



Casitas Municipal Water District
Revenue, Expense, & Capital Budget FY2025-2026
 Manager Recommended

	District Fund 11	Recreation Fund 11	State Water Project Fund 29	CFD 2013-01 Debt Service Fund 75	Adjudication Fund 12	
Adjudication Charge					563,764	
Interest	222,914					
Other Govt Agency	1,875,000	100,000				
Water Delinquency	116,119					
Water Sales	9,609,712					
Water Service Charge	7,094,082					
Water Service Other	1,123,123					
Recreation Operations		4,496,993				
Recreation Water Park		1,719,474				
Taxes& Assessments	3,584,174		1,250,865	3,074,279		
Total Revenue	23,625,124	6,316,467	1,250,865	3,074,279	563,764	34,830,499
Debt Service	77,228	326,376		2,925,213		
Legal	82,000					
Materials & Supplies	2,392,598	564,565				
Services/ Fees	1,057,541	161,300	8,384	31,275		
Outside Contracts	1,585,976	122,000	1,242,481	10,000	563,764	
Overhead	(418,649)	418,649				
Salaries & Benefits	12,654,911	4,124,713				
Utilities	2,198,737	571,000				
Total Expenses	19,630,342	6,288,603	1,250,865	2,966,488	563,764	30,700,061
Capital*						
Administration	255,070					
District Maintenance	55,000					
Electrical Mechanical	210,700					
Engineering	3,550,000					
Pipeline	150,000					
Recreation - Operations & Water Park		241,949				
Safety / Garage	243,069					
Utilities Maintenance	306,100					
Water Quality, Lab	83,510					
Water Treatment	250,000					
Total Capital Expenses	5,103,449	241,949	-	-	-	5,345,398
Total	(1,108,667)	(214,085)	-	107,792	-	(1,214,960)

*For more detail on Capital Projects see Proposed Capital Project Summary

Revenue Notes:

- Water Sales based on 3 year average of actual sales along with the MOU with the City of Ventura.
- Property tax revenue data not available until after July 1, increased prior year levy amount by a factor of 2.5%.
- Other Government Agency revenue includes grant reimbursement the intertie project.
- Other Water Sales assumes \$917,750 in State Water Project water sales due to 35% allocation.
- Recreation sales based on actual entrance totals, reservations made, or total amount of items sold.

Expense Notes:

- Debt service payments include Safety of the Dam Loan (Bureau of Reclamation), Ojai CFD 2013-1, and LCRA aquatic play structure.
- Materials & Supplies Include the below:
 - Water Treatment Supplies (Liquid Oxygen, Chlorine etc.): \$848k
 - Pipeline General Supplies: \$392k
 - Gas & Maintenance: \$429k
 - Hydrants, readers etc.: \$138k
- Outside Contracts Include the below:
 - State Water Project \$1,242,481
 - Software, bill printing, janitorial services, audit, & ADP Services \$361k
 - Adjudication work \$564k
 - Water Quality consulting, testing, reporting & regulation work : \$312k
 - Standby Generators, pump repairs and testing, scada service \$254K
 - Pipeline work (eqpt rental, sandblasting fish screens, leak detection, traffic control) \$180k
- Overhead is charged to LCRA for work done by the District. Overhead charges include payroll processing & administration, payment processing, IT administration, and staff administrative time. These costs are offset with services LCRA provides the District such as water shed management.
- Budget includes salaries and benefits for 60 full time District employees, 1 part time employee, 5 Board of Directors, and 35 retirees. LCRA has a total of 17 full time employees and an additional 31 full time equivalents.
- Benefits include a 7% increase for 2025 medical premiums.



Casitas Municipal Water District
Revenue & Expense Budget FY2025-2026
Adjudication Fund 12
Manager Recommended

Revenue	FY2025-26 Budget
Meter Charge- CMWD Residential	66,093
Meter Charge- OJAI Residential	56,254
Meter Charge- CMWD Commercial	17,434
Meter Charge- OJAI Commercial	25,809
Meter Charge- CMWD Industrial	1,159
Meter Charge- CMWD OJAI Industrial	49
Meter Charge- CMWD Ag	99,211
Meter Charge- CMWD Ag Residential	147,220
Meter Charge- OJAI Ag Residential	2,198
Meter Charge- CMWD Interdepartmental	2,913
Meter Charge- CMWD Resale	129,129
Meter Charge- CMWD Other	5,726
Meter Charge- OJAI Other	5,230
Meter Charge- CMWD Multi Residential	48
Meter Charge- OJAI Multi Residential	363
Meter Charge- CMWD Ag Multi Residential	4,928
Total Revenue	563,764
Expenses	
Other Professional Fees	563,764
Total Expenses	563,764
Net assets, end of year	-



Casitas Municipal Water District
Proposed Capital Projects
Proposed for 2025 / 2026
Manager Recommended

Department:	Amount	Funding Source	Total
30- Administrative Services			
New Billing and Financial Software	255,070	Water Rates/ Reserves	
Total Capital Projects Department - 30			255,070
33-Garage & Safety			
Unit E01 - 2021 Ford F150 4x4	6,551	Water Rates/ Reserves	
	0	12,040	Water Rates/ Reserves
Unit E04 - 2022 Ford F250 4x4 Utility	8,673	Water Rates/ Reserves	
Unit E05 - 2022 Ford F350 4x4 Utility	13,276	Water Rates/ Reserves	
Unit E06 - 2022 Ford F350 4x4 Utility	13,258	Water Rates/ Reserves	
Unit E07 - 2022 Ford F-350 4x4 Utility	17,196	Water Rates/ Reserves	
Unit E08 - 2022 Chevy Silverado 2500HD 4x4 Utility	9,419	Water Rates/ Reserves	
Unit E09 - 2022 Chevy Silverado 2500 HD 4x2 Utility	9,027	Water Rates/ Reserves	
Unit E11 - 2022 Chevy Silverado 2500HD 4x4 Utility	9,516	Water Rates/ Reserves	
Unit #139 - 2022 Cat Mini Excavator 305-07CR - Dept 53	23,076	Water Rates/ Reserves	
Unit #90 - 2023 Freightliner M2106 - Dept 53	28,196	Water Rates/ Reserves	
E12 - 2023 Ram Tradesman 4x2 Regular Cab 8 ft	8,216	Water Rates/ Reserves	
E13 - 2023 Ram Tradesman 4x2 Regular Cab 8 ft	8,216	Water Rates/ Reserves	
E14 - 2023 Ram Tradesman 4x4 Regular Cab 8 ft	14,863	Water Rates/ Reserves	
E15 & E17 - 2025 Ford Maverick Hybrid	15,423	Water Rates/ Reserves	
E16 - 2025 Ford Maverick - Hybrid	7,711	Water Rates/ Reserves	
E21 - 2025 Ford Maverick - Hybrid	7,711	Water Rates/ Reserves	
E18 - 2025 Ford Maverick - AWD	7,854	Water Rates/ Reserves	
E19 - 2025 Ford Maverick - AWD	7,846	Water Rates/ Reserves	
Lock Replacement	15,000	Water Rates/ Reserves	
Total Capital Projects Department - 33			243,069
40- Engineering CMWD Projects			
Casitas Dam Inlet & Outlet Work assessment	75,000	Water Rates/ Reserves	
Villanova Mainline Valve Insertion	150,000	Water Rates/ Reserves	
Ave#1/2 Pump #4 Rehabilitation	325,000	Water Rates/ Reserves	
Paving- Casitas Facilities	100,000	Water Rates/ Reserves	
Paving- Public Right of Way	250,000	Water Rates/ Reserves	
Robles Diversion Canal Panel Replacement & Sealing	150,000	Water Rates/ Reserves	
Ventura-Santa Barbara Counties Intertie	2,500,000	Water Rates/ Reserves	
Total Capital Projects Department - 40			3,550,000
42 - Water Quality - Laboratory			
Reservoir Mixer-Replacement Program	28,000	Water Rates/ Reserves	
Platform Work Boat & Trailer	50,510	Water Rates/ Reserves	
Lab renovation Phase #2	5,000	Water Rates/ Reserves	
Total Capital Projects Department - 42			83,510
50 - Utilities Maintenance			
Meter Replacement Program	306,100	Water Rates/ Reserves	
Total Capital Projects Department - 50			306,100
52 - Electrical Mechanical			
Pump Plant Restoration 4M	18,000	Water Rates/ Reserves	
Fortress Pump Plant Electrical & Instrumentation Upgrade	24,000	Water Rates/ Reserves	
Rosemount Level Sensors (3)	6,300	Water Rates/ Reserves	
Hoist House & SA / Network Upgrades	12,500	Water Rates/ Reserves	
Pump Plant Motor Rehab Program	41,500	Water Rates/ Reserves	
Pump Plant Motor Overhead Protection	42,400	Water Rates/ Reserves	
Pump Rehab/Repair Program (Rebuilds, Seals)	56,000	Water Rates/ Reserves	
Pump Plant Valve Replacemnt	10,000	Water Rates/ Reserves	
Total Capital Projects Department - 52			210,700
53 - Pipeline			
Rincon Regulator Vault Improvement	25,000	Water Rates/ Reserves	

Turnout Piping Improvements	20,000	Water Rates/ Reserves	
Distribution System Vault Rehab	60,000	Water Rates/ Reserves	
Mira Monte Distribution System Loop	45,000	Water Rates/ Reserves	
Total Capital Projects Department - 53			150,000

54 - Water Treatment			
Filter Media Cleaning & Manifold Rehab (Filter #6)	125,000	Water Rates/ Reserves	
Chemical Dosing Equipment Replacement	40,000	Water Rates/ Reserves	
TP Drain Down Pumps and Piping Restoration	30,000	Water Rates/ Reserves	
Dam Intake Screen Maintenance	30,000	Water Rates/ Reserves	
Valve and Actuator Replacements	25,000	Water Rates/ Reserves	
Total Capital Projects Department - 54			250,000

55- District Maintenance			
Pipeline Shop Roof Replacement	36,000	Water Rates/ Reserves	
Fortress Reservoir Drainage Improvments	19,000	Water Rates/ Reserves	
Total Capital Projects Department - 55			55,000

62/63/64/65 - Recreation			
Unit E20 - 2025 Ford AWD Maverick	7,834	Rates/ Reserves	
Kubota Tractor Lease Payment	10,125	Rates/ Reserves	
Unit E03- 2022 Ford 250 XL 4X2Utility	8,117	Rates/ Reserves	
Unit E10 - 2022 Chevy Silverado 2500 HD 4x2 Utility	9,066	Rates/ Reserves	
LCRA Road Repairs -Main Road Improvement	140,000	Rates/ Reserves	
Park Improvemtent Program- Campground Improvement / Upgrade Proje	60,000	Rates/ Reserves	
Unit E02 - 2022 Chevy Traverse	6,807	Rates/ Reserves	
Total Capital Projects Department - 62/63/64/65			241,949

Total Capital Projects / Budget 2025 / 2026

5,345,398

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: FINANCE COMMITTEE

FROM: MICHAEL FLOOD, GENERAL MANAGER

SUBJECT: NEW UTILITY BILLING AND FINANCIAL SOFTWARE

DATE: 03/28/2025

RECOMMENDATION:

It is recommended that the Committee direct staff to move forward with replacement of Incode 9 with GovSense and add this as a capital project in fiscal year 25-26.

BACKGROUND:

Incode 9 is the utility billing and financial software the District is currently using. Incode 9 was implemented in 2008. The software is outdated, inefficient, has inadequate reporting capabilities, and poor customer service support. The needs of the District have drastically changed since 2008 when Incode was implemented.

DISCUSSION:

Staff have explored replacing Incode with software that will provide improved functionality and meet the growing needs and reporting requirements of the District. Below are seven billing and financial software systems that staff have received a demo:

- Accufund
- Caselle
- Central Square-Navaline
- GovSense
- Incode ERP 10
- Software Solutions
- Springbrook- Cirrus

Upon evaluation of each software staff has determined GovSense would be the best fit for the District. GovSense would go above and beyond in meeting the Districts needs and requirements.

GovSense is a software the District would be able to grow into as there are many features that would change the dynamics of reporting and performing daily tasks. GovSense is a fairly new company, having been in the software world for 20 years and 10 of those in the government sector. They are partnered with Oracle and the software is built on the Oracle NetSuite platform. They are a growing company with approximately 60 clients. The District would be their second California customer.

GovSense has gone above and beyond with demonstrating how powerful and efficient their software is. For example, their developer built out the District's current allocation program for a demo and showed how easy it would be to make modifications to accommodate future needs.

GovSense is compatible with the current meter reading software, GIS system, and credit card processor. Customers would be minimally impacted by the transition and would only need to change their current password on the payment portal. Customers would have access to a more robust payment portal where they can view allocation information, report a leak, submit a crop report, submit online backflow test upon many other features that are integrated with their account.

The monthly billing process would be significantly impacted. Current processes would be streamlined and automated, saving staff hours of time. The software would be able to meet SB998 requirements and allows more flexibility when it comes to billing. The software would also be able to accommodate the backflow administration and reporting needs.

Incode has a payroll module that allows for payroll to be processed in house. GovSense does not offer the ability to process payroll in house therefore the District would need to use a third party to process payroll.

BUDGET IMPACT:

The table below shows the cost to implement Incode 9 in 2008, the cost to upgrade to Incode 10, and cost to replace with GovSense along with the annual subscription fees for the next 5 years.

Annual Subscription Fees						
	Implementation Cost	Year 1	Year 2	Year 3	Year 4	Year 5
Current Incode 9	\$183,311*	\$79,051	\$83,003	\$87,153	\$91,511	\$96,087
Incode 10	\$60,840	\$79,051	\$83,003	\$87,153	\$91,511	\$96,087
GovSense	\$255,070	\$75,725	\$95,413	\$100,184	\$105,193	\$110,453

*Implementation cost in 2007/2008

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: FINANCE COMMITTEE

FROM: MICHAEL FLOOD, GENERAL MANAGER

SUBJECT: NEW HR & PAYROLL PROCESSOR SOFTWARE

DATE: 03/28/2025

RECOMMENDATION:

It is recommended the Committee direct staff to move forward with implementing ADP for payroll, human resource management, employee onboarding, and recruitment. If the Committee accepts the recommendation, we'd like to forward the agreement for review and approval during the regularly scheduled board meeting of April 9th, 2025.

BACKGROUND:

The District processes bi-weekly payroll in house using Incode 9 utility billing and financial software. Incode was implemented in 2008. All federal and state tax tables are automatically updated by Incode at the start of each calendar year. It is the District's responsibility to ensure all appropriate taxes are deducted from employee pay and in compliance with all rules and regulations.

All payroll processing and disbursement (check or direct deposit), quarterly reporting at the state and federal level, W2 processing and filing, wage garnishments, tax remittance, deferred benefit plan deductions and remittance, medical, Aflac, flexible spending accounts and dependent care deductions and remittance, employee tax withholding processing and updating, accrual/leave tracking and regulatory compliance is all done and managed in house by staff.

All full-time staff enter and track their time using electronic times cards within Incode. All part-time and seasonal staff hours are tracked using WorkEasy software. Part-time and seasonal staff time is manually imported into Incode.

Incode is also used for human resource management. All personnel information related to pay, position, department, supervisor, emergency, contact, CalPERS, social security number, demographics, tax withholding, classification, and pay scales, is all tracked and managed within Incode. Recruitment and onboarding is managed through Neogov software. Neogov is not linked to Incode. Everything that is entered through Neogov must be manually entered into Incode.

DISCUSSION:

Incode is outdated, inefficient, limited reporting capabilities, and requires manual tracking of certain deductions. Staff have explored replacing Incode with software that will provide improved functionality and meet the growing needs and reporting requirements of the District.

Upon evaluating the replacement of Incode staff determined using a 3rd party payroll processor with HR management, onboarding, and recruitment would be the best fit for the future of the District. A 3rd party payroll processor would not only streamline the current process but most importantly provide expertise and tax guidance when it comes to taxes, deduction remittance, quarterly report processing, W2 processing, and ensuring compliance across all borders. There would also be more transparency and access for employees to easily change tax withholding, update contact information, view leave/accrual balances, and view prior paystubs and W2's.

Below are four payroll/ HR management software systems that staff considered:

- ADP
- Paylocity
- Payroll Elite
- UKG

Staff have determined ADP would be the best fit for the District. ADP has been around for a long time, is a well-known leader in the industry, and would go above and beyond in meeting the District's needs and requirements. Using ADP for recruiting, onboarding, HR management, and payroll would make a laborious time-consuming process a better experience for everyone. Current processes, reporting, and tracking would be streamlined, saving staff time while providing employees with the ability to make changes themselves and see the impact that would have on their pay.

Starting every April staff begins the process of onboarding approximately 70 – 85 seasonal temporary employees. The recruitment module of NeoGov does not feed into the Onboarding module of NeoGov which is where new employees complete all the required paperwork. Once the paperwork is completed it is downloaded by staff and then entered into Incode. This is a tedious and inefficient process and takes a great amount of time due to the volume of new hires. Rehires go through the same application and onboarding process.

ADP will significantly streamline this process. New hires will be selected in the ADP application module and fed into the Onboarding module. Human Resources will still enter all position, department, and pay information.

Through ADP the annual benefit open enrollment, including required forms, would be through the employee self-service benefit portal. This will streamline the annual benefits open enrollment by providing HR staff with the ability to run reports and feed information to the appropriate vendors. Currently enrollments and waivers are manually tracked.

ADP offers scheduling tools which would be very useful for part-time and seasonal staff. Managers and supervisors would have more visibility when it comes to staff costs and overtime. All staff would have access to a discount perks program through ADP.

The District would have an ADP designated point of contact that would be available not only to the District but also available to staff should any questions arise. Ensuring payroll is processed timely and meeting direct deposit deadlines, proper taxes are deducted, quarterly reports done accurately, W2's are correct, calculating retro pay, and processing deductions would be the responsibility of ADP.

BUDGET IMPACT:

The table below shows the cost of implementation for Incode 9 in 2008, the cost to upgrade to Incode 10, and cost to replace with ADP along with the annual subscription fees for the next 5 years. ADP charges per employee per month, the below estimated annual cost assumes 155

employees per month. Implementation costs and annual fees would be included in FY25-26 budget with a target go live date of July 1st.

Annual Subscription Fees

	Implementation Cost	Year 1	Year 2	Year 3	Year 4	Year 5
Current Incode 9	\$41,820*	\$13,074	\$13,728	\$14,414	\$15,135	\$15,891
Incode 10	\$11,406	\$13,074	\$13,728	\$14,414	\$15,135	\$15,891
ADP	\$11,000	\$62,437	\$62,437	\$62,437	\$65,559	\$68,837

*Implementation cost in 2007/2008

The ADP annual cost would be offset with the below annual savings which doesn't include staff time.

	Year 1	Year 2	Year 3	Year 4	Year 5
Current Incode	\$13,074	\$13,728	\$14,414	\$15,135	\$15,891
WorkEasy	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Neogov Insight	\$5,100	\$5,355	\$5,623	\$5,904	\$6,199
Neogov Onboarding	\$4,204	\$4,414	\$4,635	\$4,867	\$5,110
Perks	\$900	\$900	\$900	\$900	\$900
Postage/Checks	\$633	\$633	\$633	\$633	\$633
Total Savings	\$27,511	\$28,630	\$29,805	\$31,038	\$32,334

ATTACHMENT: ADP Agreement

Investment Summary

Quote Number 02-2025-11150 5



Company Information

Casitas Municipal Water District
1055 Ventura Ave
Oak View, CA 93022-9622
United States

Executive Contact

Janyne Brown
Primary
jbrown@casitaswater.com
805-649-2251



155

Total
Employees



\$11,000.00

Implementation
Costs



\$62,437.35

Total Annual
Investment

Expiration
4/21/2025

ADP Sales Associate

Andrew D Koehler
MAS BPO DM
andrew.koehler@adp.com

** The Implementation Costs and Total Annual Investment listed out on this Investment Summary are estimates based on the services, frequencies, recurring rates and pay counts outlined on the sales order and are shown for illustrative purposes only. These numbers are not binding amounts and shall not become incorporated into or made a part of any sales order or services agreement governing the services contemplated therein.



GLOBAL MASTER SERVICES AGREEMENT

Effective Date: _____, 20__

As between:

ADP, INC.
(Referred to in this agreement as “**ADP**”)
One ADP Boulevard
Roseland, NJ 07068

-and-

Casitas Municipal Water District
(Referred to in this agreement as “**Client**”)
1055 Ventura Ave
Oak View, CA 93022-9622

ADP and Client agree that ADP shall provide Client with the following services in accordance with the terms set forth in this Global Master Services Agreement and the applicable Sales Order (as defined herein):

- ADP Payroll Services – delivered via ADP Workforce Now
- ADP Compliance on Demand
- ADP DataCloud
- ADP Document Cloud
- ADP Marketplace
- ADP Time & Attendance Services
- Benefit Services – delivered via ADP Workforce Now
- Employment Verification Services
- ESS & MSS Technology
- Essential ACA Services
- History Conversion Services
- Human Resources Administration Services – delivered via ADP Workforce Now
- Participant Solution Center Support
- Talent Acquisition Solutions – delivered via ADP Workforce Now

ADP, INC.

Casitas Municipal Water District

Signature of Authorized Representative

Signature of Authorized Representative

Name - Please Print

Name - Please Print

Title

Title

Notwithstanding any Investment Summary that may precede this Global Master Services Agreement and the page numbering below, this signature page is the first page of the Global Master Services Agreement and the Investment Summary that precedes it is for illustration purposes only and shall not become part of the Global Master Services Agreement.

Appendices

- Appendix: ADP Comprehensive Services - Service Definition
- Appendix: History Conversion Services
- Appendix: Data Privacy

Global Master Terms and Conditions

1 Definitions

- 1.1 ADP HCM Services.** Only those Services, as defined below, that have been purchased by Client (as listed on the cover page, a Sales Order or otherwise) will be applicable.
- 1.1.1 ADP Compliance on Demand.** A workforce management solution that provides clients with access to information and best practice guidance. ADP Compliance on Demand may include access to (1) a self-service library of human resources compliance information, (2) an online community to collaborate with other clients, (3) Tier 1 human resources professionals available to support and assist clients with their workforce management administration requirements, and (4) Tier 2 compliance experts who are available for up to a total of four (4) contacts per year.
- 1.1.2 ADP Comprehensive Services.** ADP's business process outsourcing services delivered via ADP Workforce Now technology that covers the spectrum of human capital management services, including payroll, human resources, time and attendance, recruitment, talent, learning, benefits, among other services, as further described in the Service Definitions.
- 1.1.3 ADP Data Cloud.** Provide tools to analyze and understand data.
- 1.1.3.1 Analytics.** Enables an employer to gain insight from data for key Human Capital Management (HCM) metrics.
- 1.1.4 ADP Document Cloud.** Integrated solution to support maintenance and retrieval of employee-specific documents via cloud-based technology.
- 1.1.5 ADP Marketplace.** Enable Client to build applications and/or purchase available applications via online store. Provide access to certain Client data stored in ADP systems via industry-standard Application Programming Interfaces (APIs).
- 1.1.6 ADP Payroll Services.** Administration and processing of payroll including performing gross-to-net calculations and generating and/or transmitting of payment instructions, and also including:
- 1.1.6.1 ADP Employment Tax Services.** Coordination of payroll-related tax and/or regulatory agency deposits, filings and reconciliations on behalf of employers.
- 1.1.6.2 ADP Wage Garnishment Payment Services.** Garnishment payment processing and disbursement of payments to appropriate Payees as directed by Client.
- 1.1.6.3 ADP Wage Payment Services.** Payment of wages, commissions, consulting fees, or similar compensation or work-related expenses in the employment context to employees and independent contractors via direct deposit, check or payroll debit cards, in each case only to the extent applicable.
- 1.1.6.4 Print and Online Statement Services.** Print and distribution of payroll checks, pay statements, and/or year-end statements, as well as online posting of pay statements and/or year-end statements.
- 1.1.6.5 State Unemployment Insurance (SUI) Management Services.** ADP becomes the unemployment insurance address of record. ADP requests the state to send unemployment insurance claims, charges, tax rates and related information to ADP and Client receives a quarterly summary of all claims.
- 1.1.7 ADP Time & Attendance Services.** Support of time-related services, including time data collection, employee scheduling, timecard reviews and approvals, and consistent application of time-related policies.
- 1.1.8 ADP Workforce Now.** ADP's web-based portal which provides a single point of access to ADP online solutions and employee-facing websites and resources related to payroll, HR, benefits, talent, and time and attendance.
- 1.1.9 Benefit Services.** Technology to facilitate the administration of employee benefits, including applying eligibility rules, facilitating online enrollment and changes and calculating payroll deductions within a unified system, as well as providing data to carriers through ADP carrier connection services.
- 1.1.10 Employment Verification Services.** Management of employment and income verification requests.
- 1.1.11 ESS & MSS Technology.** Employee self-service (ESS) and Manager self-service (MSS) functionality provides all Client Users (practitioners, managers and employees) 24x7 online access to ADP Application Programs.
- 1.1.12 Essential ACA Services.** A technology and software solution to assist Client in managing compliance needs related to the Affordable Care Act (ACA), including eligibility calculations and affordability determinations, preparation and electronic filing of Forms 1094-C and 1095-C, access to evidence of benefit offering information and benefit offering audit reports.
- 1.1.13 History Conversion Services.** Conversion and loading of certain Client historical payroll or other human capital management data elements into ADP's systems or a standalone history viewer, as applicable.
- 1.1.14 Human Resources Administration Services.** Administration of human resource functions using a unified system to process and audit employee lifecycle events, provide compliance tracking and reporting, including new hire reporting, and automate notification and approval processes via self-service/direct access, and also including:

1.1.14.1 WFN EI-9 Services. Electronic I-9 administration and onboarding services to help facilitate and manage I-9 and related employment eligibility verification processes.

1.1.15 Participant Service Center. Management of inquiries related to services through ADP service center locations as part of a comprehensive offering.

1.1.16 Talent Acquisition Solutions. Talent acquisition solutions made up of the following:

1.1.16.1 ADP Recruiting Management Services. Talent recruiting management technology, including talent acquisition for exempt and non-exempt workforce.

1.2 General

1.2.1 “ADP” has the meaning set forth on the cover page.

1.2.2 “ADP Application Programs” means the computer software programs and related Documentation, including any updates, modifications or enhancements thereto, that are either delivered or made accessible to Client through a hosted environment by ADP in connection with the Services.

1.2.3 “ADPCheck” means checks printed and distributed by ADP to Payees pursuant to Client's direction.

1.2.4 “ADPCheck Services” refers to ADP's payment of Client's Payees for Permitted Payments through ADPCheck.

1.2.5 “ADP Direct Deposit Services” means ADP's full service direct deposit services which includes ADP's payment of Client's Payees who have elected to receive Permitted Payments by direct deposit into an account at a financial institution of such Payee's selection.

1.2.6 “Affiliate” means, with respect to any entity, any other entity that controls, is controlled by or under control with such first entity. For purposes of this Agreement, “control” (or variants of it) means the ability, whether directly or indirectly, to direct the management and corporate policies and actions of an entity by means of ownership, contract or otherwise. Client's Affiliates do not include third parties for whom Client is a service provider or provides outsourcing services.

1.2.7 “Agreement” means this Global Master Services Agreement, consisting of the signature pages, the Global Master Terms and Conditions, all exhibits, annexes, appendices, addenda and schedules, and each Amendment, if any.

1.2.8 “Amendment” means a written amendment to this Agreement modifying, supplementing or amending the terms and conditions of this Agreement.

1.2.9 “API” means application programming interface.

1.2.10 “Biometric Data” includes the information collected by timeclocks and software that use finger and/or hand scan technology, which potentially may include Biometric Identifiers and Biometric Information.

1.2.11 “Biometric Identifier” means a retina or iris scan, fingerprint, voiceprint, or scan of hand or face geometry.

1.2.12 “Biometric Information” means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual.

1.2.13 “Biometric Services” means services provided by ADP to Client via the use of timeclocks and software in connection with ADP's provision of Time & Attendance Services, to the extent such timeclocks or software collect, store or use Biometric Data.

1.2.14 “Biometric User” means Client's employees or independent contractors who use Biometric Services to record their attendance, hours worked or other work-related data.

1.2.15 “Business Day” means any day, except a Saturday, Sunday or a day on which ADP's bank is not open for business in the applicable jurisdiction where services are provided by ADP.

1.2.16 “Client” has the meaning set forth on the cover page.

1.2.17 “Client ACA Liaison” means the Client's designated person who shall serve as ADP's principal contact for Essential ACA Services.

1.2.18 “Client Content” means all information and materials provided by Client, its agents or employees, regardless of form.

1.2.19 “Client Group” means Client and Client's Affiliates listed in the Sales Order who are authorized to receive the Services.

1.2.20 “Client Infringement Event” means (i) any change or enhancement in, or use of, the Services by Client or a third party on Client's behalf other than at the direction of, or as approved by, ADP or (ii) Client's failure to use the most current release or version of any computer software programs included in the ADP Application Programs or any corrections or enhancements provided by ADP thereto (to the extent ADP requires Client to use the most current release or version of any computer software programs, the implementation of such shall be at no charge to Client).

- 1.2.21 “Confidential Information”** means all trade secrets, processes, proprietary data and documentation and any pricing and product information, Personal Data, the terms of this Agreement, and any other information that is confidential or proprietary provided by the disclosing party to the receiving party for use in connection with the Services or this Agreement, but does not include information that (i) the receiving party already knows prior to its disclosure by the disclosing party, (ii) becomes generally available to the public, except as a result of disclosure by the receiving party in violation of this Agreement or (iii) becomes known to the receiving party on a non-confidential basis from a source other than the disclosing party.
- 1.2.22 “Data Security Breach”** means a security breach as defined by applicable law or any incident that compromises the confidentiality, integrity, or availability of Personal Data.
- 1.2.23 “Deferred Fee”** means those amounts to be paid to ADP over time in the event of a termination of this Agreement for any reason.
- 1.2.24 “DHS”** means the U.S. Department of Homeland Security.
- 1.2.25 “Documentation”** means all manuals, tutorials and related materials that may be provided or made available to Client by ADP in connection with the Services.
- 1.2.26 “Early Termination Fee”** has the meaning set forth in Section 12.4.
- 1.2.27 “Effective Date”** has the meaning set forth on the cover page.
- 1.2.28 “ERISA”** means Employee Retirement Income Security Act of 1974, as amended.
- 1.2.29 “E-Verify”** means the DHS’s employment eligibility verification program which allows participating employers to electronically verify the employment eligibility of each newly hired employee and/or employee assigned to a covered federal contract.
- 1.2.30 “Form I-9”** means the employment eligibility verification form issued by the DHS.
- 1.2.31 “FCRA”** means the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.
- 1.2.32 “Global Master Terms and Conditions”** means the terms and conditions contained in the main body of this document following the signature pages.
- 1.2.33 “Go-Live Date”** means the date of commencement of the first live processing of any given Service.
- 1.2.34 “I-9 Handbook”** means the current USCIS Handbook for Employers: Instructions for Completing Form I-9 (M-274).
- 1.2.35 “Implementation Services”** means the Services to be performed in order to commence ongoing Services.
- 1.2.36 “Improvements”** has the meaning set forth in Section 5.4.
- 1.2.37 “Indemnitee”** has the meaning set forth in Section 6.3.
- 1.2.38 “Indemnitor”** has the meaning set forth in Section 6.3.
- 1.2.39 “Initial Term”** means the period beginning as of the Effective Date and ending three (3) years after the date of Client’s first monthly invoice for Services.
- 1.2.40 “Intellectual Property Rights”** means all rights, title and interest to or in patent, copyright, trademark, service mark, trade secret, business or trade name, know-how and rights of a similar or corresponding character.
- 1.2.41 “Internal Business Purposes”** means the usage of the Services, including the ADP Application Programs, exclusively by the Client Group for its own internal business purposes, without the right to provide service bureau or other data processing services, or otherwise share or distribute the Services.
- 1.2.42 “NACHA”** means the National Automated Clearing House Association.
- 1.2.43 “Notice to Furnishers”** means with respect to Employment Verification Services, the notice provided to a furnisher of information pursuant to the Obligations of Furnishers of Information provided at the following URL: <https://www.consumer.ftc.gov/articles/pdf-0092-notice-to-furnishers.pdf>.
- 1.2.44 “Payee”** means any intended recipient of payments under the Payment Services and may include Client’s employees, taxing authorities, governmental agencies, suppliers, benefit carriers and/or other third parties; provided that in the case of ADP Wage Payment Services, Payee shall be limited to Client’s employees and independent contractors.
- 1.2.45 “Payment Services”** means Services that involve electronic or check payments being made by ADP to third parties on Client’s behalf and at its direction.
- 1.2.46 “Permitted Payment”** means the legal payment of wages, commissions, consulting fees or similar compensation or work-related expenses in the employment context.

- 1.2.47 “Personal Data”** means any information relating to an identified or identifiable natural person. An identifiable person is one who can be identified, directly or indirectly, in particular by reference to an identification number or to one or more factors specific to such person's physical, physiological, mental, economic, cultural or social identity.
- 1.2.48 “Plan”** means Client's plan, including a group health plan, as identified by Client for the applicable Services.
- 1.2.49 “Plan Administrator”** means the appropriate plan administrator as defined in Section 3(16)(A) of ERISA and Section 414(g) of the Internal Revenue Code of 1986, as amended.
- 1.2.50 “Renewal Term”** means each additional one (1) year period after the Initial Term.
- 1.2.51 “Sales Order(s)”** means the document(s) between the parties that lists the specific Services purchased by Client Group from ADP.
- 1.2.52 “Services”** means the services listed on the cover page of this Agreement (including Implementation Services related thereto and ADP Application Programs), as may be further described in the Services Definitions, and such other services as the parties may agree to be performed from time to time.
- 1.2.53 “SOC 1 Reports”** has the meaning set forth in Section 9.1.
- 1.2.54 “Term”** means the Initial Term together with each Renewal Term, if any.
- 1.2.55 “Termination Event”** means with respect to any party, the occurrence of any of the following: (i) under the applicable bankruptcy laws or similar law regarding insolvency or relief for debtors, (A) a trustee, receiver, custodian or similar officer is appointed for a party's business or property, (B) a party seeks to liquidate, wind-up, dissolve, reorganize or otherwise obtain relief from its creditors, or (C) an involuntary proceeding is commenced against a party and the proceeding is not stayed, discharged or dismissed within thirty (30) days of its commencement, or (ii) a party's Standard and Poor's issuer credit rating falls to or below BB.
- 1.2.56 “Time & Attendance Hardware”** means timeclocks and other time collection devices provided to Client by ADP in connection with the ADP Time & Attendance Services. Hardware may be purchased or provided on a subscription basis.
- 1.2.57 “Unauthorized Third Party”** means any commercial third party or business that seeks to access or accesses ADP Application Programs using the account credentials (e.g., username and password) of a User even if such User has provided consent.
- 1.2.58 “USCIS”** means U.S. Citizenship and Immigration Services.
- 1.2.59 “User”** means any single natural person who, subject to the terms of this Agreement, is an employee or independent contractor of Client authorized by Client to use, access or receive the Services.
- 1.2.60 “Verification Agent”** means ADP and its subcontractors, as authorized by the Client, to perform Employment Verification Services.
- 1.2.61 “Verification Data”** means employment and income information disclosed on the Client's behalf in connection with Employment Verification Services.
- 1.2.62 “Verifiers”** means commercial, private, non-profit and government entities and their agents that wish to obtain or verify any Client's employees or former employees Verification Data in connection with Employment Verification Services.

2 Provision and Use of Services

- 2.1 Provision of Services.** ADP, or one of its Affiliates, will provide the Services to Client Group in accordance with the terms of this Agreement. ADP will provide the Services in a good, diligent and professional manner in accordance with industry standards, utilizing personnel with a level of skill commensurate with the Services to be performed. ADP's performance of the Services (including any applicable implementation activities) is dependent upon the timely completion of Client's responsibilities and obligations under this Agreement. Without limitation of the foregoing, Client will timely provide the Client Content necessary for ADP to provide the Services.
- 2.2 Cooperation.** ADP and Client will work together to implement the Services. Client will cooperate with ADP and execute and deliver all documents, forms, or instruments necessary for ADP to implement and render the Services. Client will provide ADP with all reasonable and necessary Client Content in the format requested by ADP, and will otherwise provide all reasonable assistance required of Client in order for ADP to successfully implement the Services.
- 2.3 Use of Services.** Client will use the Services in accordance with the terms of this Agreement and solely for its own Internal Business Purposes. Client will be responsible for the use of the Services by the Client Group and the Users in accordance with the terms of this Agreement. Client understands and agrees that only Users are permitted to access and use ADP Application Programs (and that access by Unauthorized Third Parties is not permitted) and will reasonably cooperate with ADP to limit access to such persons. Client is responsible for the accuracy and completeness of the Client Content provided to ADP. ADP Workforce Now is designed for the United States and Canada and enables the processing of HR data for global human capital management needs. Client may, at its discretion, enable ADP Workforce Now functionality in other jurisdictions, except when prohibited by applicable law. ADP makes no representation or warranty that such global use comports with any local laws, regulations or directives outside the United States and Canada. Furthermore, if Client during the implementation process or as part of the ongoing Services configures the ADP Application

Programs to process additional data elements beyond those data elements that are required by ADP to perform the Services, Client will remain solely responsible for such configurations, including the processing of Personal Data pursuant to applicable law.

- 2.4 Errors.** Client will promptly review all documents and reports produced by ADP and provided or made available to Client in connection with the Services and promptly notify ADP of any error, omission, or discrepancy with Client's records. ADP will promptly correct such error, omission or discrepancy and, if such error, omission or discrepancy was caused by ADP, then such correction will be done at no additional charge to Client.
- 2.5 Records.** Unless expressly included as a part of the Services, and without prejudice to ADP's obligation to retain the data necessary for the provision of the Services, ADP does not serve as Client's record keeper and Client will be responsible for retaining copies of all documentation received from or provided to ADP in connection with the Services to the extent required by law or Client's internal policies.
- 2.6 Third Party Services Available through or Integrated with the Services.** At times, ADP may make available to Client through the Services, or integrate the Services with, the services of a third party, either through a link, integration, or otherwise. ADP reserves the right to terminate such links, services or integrations at any time for any reason. If Client uses any third party services that are integrated with or linked to the Services which require the transmission, use, sharing, access or exchange of Client Content or any other payroll or other data or information provided to ADP or the third party by Client, Client is expressly agreeing to the transmission, use, sharing, access and exchange of such data between ADP and the third party. Client's use of any third party services will be governed by any terms Client agrees to with the third party and in the event of any conflict between the terms of this Agreement and any third party terms, the terms of this Agreement will apply to the provision of the Services by ADP to Client.

3 Compliance

- 3.1 Applicable Laws.** Each party will comply with laws and regulations that affect its business generally, including any applicable anti-bribery, export control, computer fraud and data protection laws.
- 3.2 Design of the Services.** ADP will design the Services, including the functions and processes applicable to ADP's performance of the Services, to assist the Client in complying with its legal and regulatory requirements applicable to the Services, and ADP will be responsible for the accuracy of such design. Client and not ADP will be responsible for (i) how it uses the Services to comply with its legal and regulatory requirements and (ii) the consequences of any instructions that it gives to ADP, including as part of the implementation of the Services, provided ADP follows such instructions. Services do not include any legal, financial, regulatory, benefits, accounting or tax advice.
- 3.3 Online Statements.** If Client instructs ADP to provide online pay statements, Forms W2, Forms 1099, or Forms 1095-C without physical copies thereof, Client will be exclusively responsible for determining if and to what extent Client's use of online pay statements, Forms W2, Forms 1099, or Forms 1095-C satisfies Client's obligations under applicable laws and the consequences resulting from such determinations.
- 3.4 Data Privacy Appendix.** The Data Privacy Appendix is attached as an appendix to this Agreement.

4 Confidentiality

- 4.1 General.** All Confidential Information disclosed under this Agreement will remain the exclusive and confidential property of the disclosing party. The receiving party will not disclose to any third party the Confidential Information of the disclosing party and will use at least the same degree of care, discretion and diligence in protecting the Confidential Information of the disclosing party as it uses with respect to its own confidential information. The receiving party will limit access to Confidential Information to its employees and independent contractors with a need to know the Confidential Information and will instruct those employees and independent contractors to keep such information confidential. ADP may disclose Client's Confidential Information on a need to know basis to (i) ADP's subcontractors who are performing the Services, provided that ADP shall remain liable for any unauthorized disclosure of Client's Confidential Information by those subcontractors, (ii) employees of ADP's Affiliates, provided such employees are instructed to keep the information confidential as set forth in this Agreement and (iii) social security agencies, tax authorities and similar third parties, to the extent strictly necessary to perform the Services. ADP may use Client's and its employees' and other Services recipients' information in an aggregated, anonymized form, such that neither Client nor such person may be identified, and Client will have no ownership interest in such aggregated, anonymized data. Client authorizes ADP to release employee-related data, and such other data as required to perform the Services, to third party vendors of Client as designated by Client from time to time. Notwithstanding the foregoing, the receiving party may disclose Confidential Information (x) to the extent necessary to comply with any law, rule, regulation or ruling applicable to it, (y) as appropriate to respond to any summons or subpoena or in connection with any litigation and (z) to the extent necessary to enforce its rights under this Agreement.
- 4.2 Return or Destruction.** Upon the request of the disclosing party or upon the expiration or earlier termination of this Agreement, and to the extent feasible, the receiving party will return or destroy all Confidential Information of the disclosing party in the possession of the receiving party, provided that each party may maintain a copy if required to meet its legal or regulatory obligations and may maintain archival copies stored in accordance with regular computer back-up operations. To the extent that any portion of Confidential Information of a disclosing party remains in the possession of the receiving party following expiration or earlier termination of this Agreement, such Confidential Information shall remain subject to the generally applicable statutory requirements and the confidentiality protections contained in Section 4.1.

5 Intellectual Property

- 5.1 Client IP Rights.** Except for the rights expressly granted to ADP in this Agreement, all rights, title and interests in and to Client Content, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by Client or its licensors. Client hereby grants to ADP for the Term a non-exclusive, worldwide, non-transferable, royalty-free license to use, edit,

modify, adapt, translate, exhibit, publish, reproduce, copy and display the Client Content for the sole purpose of performing the Services; provided Client has the right to pre-approve the use by ADP of any Client trademarks or service marks.

- 5.2 ADP IP Rights.** Except for the rights expressly granted to Client in this Agreement, all rights, title and interest in and to the Services, including all Intellectual Property Rights inherent therein and pertaining thereto, are owned exclusively by ADP or its licensors. ADP grants to Client for the Term a personal, non-exclusive, non-transferable, royalty-free license to use and access the ADP Application Programs solely for the Internal Business Purposes in the United States and Canada and solely up to the maximum number of Users (if any) indicated in the Sales Order. The ADP Application Programs do not include any Client-specific customizations unless otherwise agreed in writing by the parties. Client will not obscure, alter or remove any copyright, trademark, service mark or proprietary rights notices on any materials provided by ADP in connection with the Services, and will not copy, recompile, disassemble, reverse engineer, or make or distribute any other form of, or any derivative work from, such ADP materials.
- 5.3 Ownership of Reports.** Client will retain ownership of the content of reports and other materials that include Client Content produced and delivered by ADP as a part of the Services, provided that ADP will be the owner of the format of such reports. To the extent any such reports or other materials incorporate any ADP proprietary information, ADP (i) retains sole ownership of such proprietary information and (ii) provides the Client a fully paid up, irrevocable, perpetual, royalty-free license to access and use same for its Internal Business Purposes without the right to create derivative works (other than derivative works to be used solely for its Internal Business Purposes) or to further distribute any of the foregoing rights outside the Client Group.
- 5.4 Improvements.** ADP will make available to Client, at no additional cost, software improvements, enhancements, or updates to any ADP Application Programs that are included in the Services (collectively "**Improvements**") if and as they are made generally available by ADP at no additional cost to ADP's other clients using the same ADP Application Programs as Client and receiving the same Services as Client. All Improvements provided under this Section 5.4 shall be considered part of the ADP Application Programs. If Client fails to implement Improvements provided or made available to Client by ADP, ADP shall be relieved of any responsibility for errors or degradation in the Services and shall have no obligation to provide support for the ADP Application Programs.

6 Indemnities

- 6.1 ADP Indemnity.** Subject to the remainder of this Section 6.1, and Sections 6.3 and 7, ADP will defend Client against any third party claims and will indemnify and hold Client harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on a claim alleging that the Services or ADP Application Programs, as provided by ADP and used in accordance with the terms of this Agreement, infringe upon any Intellectual Property Rights of a third party in the United States. The foregoing infringement indemnity will not apply and ADP will not be liable for any damages assessed in any cause of action to the extent resulting from a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement. If any Service is held or believed to infringe on any third-party's Intellectual Property Rights, ADP may, in its sole discretion, (i) modify the Service to be non-infringing, (ii) obtain a license to continue using such Service, or (iii) if neither (i) nor (ii) are practical, terminate this Agreement as to the infringing Service and return to Client any unearned fees prepaid by Client to ADP.
- 6.2 Client Indemnity.** Subject to Sections 6.3 and 7, Client will defend ADP against any third party claims and will indemnify and hold ADP harmless from any resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on the occurrence of a Client Infringement Event or ADP's use of Client Content as contemplated by this Agreement.
- 6.3 Indemnity Conditions.** The indemnities set forth in this Agreement are conditioned on the following: (i) the party claiming indemnification (the "**Indemnitee**") shall promptly notify the indemnifying party (the "**Indemnitor**") of any matters in respect of which it seeks to be indemnified, and shall give the Indemnitor full cooperation and opportunity to control the response thereto and the defense thereof, including without limitation any settlement thereof, (ii) the Indemnitor shall have no obligation for any claim under this Agreement if the Indemnitee makes any admission, settlement or other communication regarding such claim without the prior written consent of the Indemnitor, which consent shall not be unreasonably withheld, and (iii) the Indemnitee's failure to promptly give notice to the Indemnitor shall affect the Indemnitor's obligation to indemnify the Indemnitee only to the extent the Indemnitor's rights are materially prejudiced by such failure. The Indemnitee may participate, at its own expense, in such defense and in any settlement discussions directly or through counsel of its choice.

7 Limit on Liability

- 7.1 Ordinary Cap.** Notwithstanding anything to the contrary in this Agreement and subject to the remainder of this Section 7, neither party's aggregate liability in any calendar year shall exceed an amount equal to six (6) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "**Ordinary Cap**").
- 7.2 Extraordinary Cap.** As an exception to Section 7.1, if damages arise from a breach of Section 4 (Confidentiality), Section 9.3 (Data Security) or Section 9.4 (Unauthorized Third Party Access), the Ordinary Cap will be increased by an additional six (6) times the average ongoing monthly Services fees paid or payable to ADP by Client during such calendar year for all Services (the "**Extraordinary Cap**"). For the avoidance of doubt, in no case shall either party's aggregate liability in any calendar year under this Agreement exceed an amount equal to twelve (12) times the average monthly ongoing Services fees paid or payable to ADP by Client during such calendar year for all Services.
- 7.3 Matters not Subject to the Cap.** The foregoing limits on liability shall not apply to the following:
- 7.3.1** Client's funding obligations in connection with the Payment Services;
 - 7.3.2** Loss or misdirection of Client funds in possession or control of ADP due to ADP's error or omission;

- 7.3.3** In connection with the ADP Employment Tax Services, (i) interest charges imposed by an applicable tax authority on Client for the failure by ADP to pay funds to the extent and for the period that such funds were held by ADP and (ii) all tax penalties resulting from ADP's error or omission in the performance of such Service. The provisions of this Section 7.3.3 shall only apply if (x) Client permits ADP to act on Client's behalf in any communications and negotiations with the applicable taxing authority that is seeking to impose any such penalties or interest and (y) Client assists ADP as reasonably required by ADP;
- 7.3.4** Either party's gross negligence, or willful, criminal or fraudulent misconduct;
- 7.3.5** The infringement indemnity set forth in Section 6.1 and 6.2;
- 7.3.6** Client's biometrics indemnity set forth in Section 14;
- 7.3.7** Client's obligations to pay the fees for Services; and
- 7.3.8** ADP's obligations to provide credit monitoring as set forth in Section 10.2.

7.4 Mitigation of Damages. ADP and Client will each use reasonable efforts to mitigate any potential damages or other adverse consequences arising from or related to the Services.

7.5 No Consequential Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT AND ONLY TO THE EXTENT PERMITTED BY APPLICABLE LAW, NONE OF ADP, CLIENT OR ANY BANK WILL BE RESPONSIBLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES (INCLUDING DAMAGES FOR LOSS OF BUSINESS OR PROFITS, BUSINESS INTERRUPTIONS OR HARM TO REPUTATION) THAT ANY OTHER PARTY OR ITS RESPECTIVE AFFILIATES MAY INCUR OR EXPERIENCE IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES, HOWEVER CAUSED AND UNDER WHATEVER THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing exclusion shall not apply to claims for consequential damages arising from (i) ADP's or Client's gross negligence or willful, criminal or fraudulent misconduct, (ii) Client or Client's Users sharing or allowing access to a User's password, User ID, or other form of user authentication, or (iii) ADP's or Client's breach or breaches of Section 4.1 or Section 9.3 under this Agreement; provided however, that any consequential damages recovered by Client or ADP in a calendar year for claims pursuant to Sections 7.5(ii) and 7.5(iii) will be subject to the Extraordinary Cap set forth in Section 7.2 above.

8 Warranties and Disclaimer

8.1 Warranties. Each party warrants that (i) it has full corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby and (ii) this Agreement has been duly and validly executed and delivered and constitutes the valid and binding agreement of the parties, enforceable in accordance with its terms.

8.2 DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL SERVICES, ADP APPLICATION PROGRAMS AND EQUIPMENT PROVIDED BY ADP OR ITS SUPPLIERS ARE PROVIDED "AS IS" AND ADP AND ITS LICENSORS AND SUPPLIERS EXPRESSLY DISCLAIM ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS, VIRUSES OR ANY OTHER MALICIOUS CODE, WITH RESPECT TO THE SERVICES, THE ADP APPLICATION PROGRAMS, ANY CUSTOM PROGRAMS CREATED BY ADP OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP AND RESULTS OBTAINED THROUGH THE USE THEREOF.

8.3 ADP COMPREHENSIVE SERVICES DISCLAIMERS. THE PARTIES ACKNOWLEDGE AND AGREE THAT:

8.3.1 THE ADP COMPREHENSIVE SERVICES PROVIDED HEREUNDER, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL INFORMATION, MATERIALS, FORMS, AND PARTICIPANT SERVICE CENTER ACCESS, ARE PRESENTED IN GOOD FAITH, ARE GENERAL AND EDUCATIONAL IN NATURE AND ARE NOT INTENDED TO BE AND WILL NOT BE RELIED UPON BY CLIENT AS EITHER LEGAL, FINANCIAL, INSURANCE OR TAX ADVICE. FURTHERMORE, THE INFORMATION CONTAINED IN THE COMPREHENSIVE SERVICES MAY NOT BE APPLICABLE TO OR SUITABLE FOR EVERY SPECIFIC FACT SCENARIO OR CIRCUMSTANCE OR NEED AND MAY REQUIRE CONSIDERATION OF OTHER MATTERS AND LEGAL SUPPORT. CLIENT ACKNOWLEDGES THAT IT IS RESPONSIBLE FOR SEEKING ADVICE, AS IT DEEMS NECESSARY, FROM QUALIFIED LEGAL, FINANCIAL, INSURANCE, ACCOUNTING OR OTHER PROFESSIONALS IN ALL JURISDICTIONS WHERE CLIENT OPERATES AND HAS EMPLOYEES.

8.3.2 THERE MAY BE CONFLICTING CURRENT PRACTICES, POLICIES OR CONTRACTS (WRITTEN OR UNWRITTEN) THAT MUST BE ADDRESSED BY CLIENT PRIOR TO THE ADOPTION AND IMPLEMENTATION OF ANY MATERIAL(S) AND/OR CONTENT(S) UNDER THE COMPREHENSIVE SERVICES. WHERE CERTAIN MATERIAL(S) AND/OR CONTENT(S) ARE BEING ADOPTED AND IMPLEMENTED BY THE CLIENT FOR ITS EXISTING WORKFORCE, IT MAY CONSTITUTE A CHANGE IN THE EMPLOYMENT TERMS OR CONTRACTUAL RELATIONSHIP, AND MAY REQUIRE THE PROVISION OF NOTICE OR CONSIDERATION.

8.3.3 IN NO EVENT SHALL ADP BE LIABLE TO CLIENT FOR ANY CLAIM(S) RELATING IN ANY WAY TO CLIENT'S INABILITY OR FAILURE TO PERFORM LEGAL, TAX OR OTHER RESEARCH OR RELATED WORK PROPERLY OR COMPLETELY EVEN IF ASSISTED BY ADP, OR ANY DECISION MADE OR ACTION TAKEN BY CLIENT IN RELIANCE UPON THE CONTENT(S) AND/OR MATERIAL(S) PROVIDED AS PART OF THE COMPREHENSIVE SERVICES. THE CONTENT(S) AND/OR MATERIAL(S) WERE NOT NECESSARILY PREPARED BY A PERSON LICENSED TO PRACTICE LAW IN A PARTICULAR JURISDICTION.

9 Security and Controls

- 9.1 Service Organization Control Reports.** Following completion of implementation of any applicable Services, ADP will, at Client's request and at no charge, provide Client with copies of any routine Service Organization Control 1 reports ("**SOC 1 Reports**") (or any successor reports thereto) that are both directly related to those Services provided hereunder for Client and already released to ADP by the public accounting firm producing the report. SOC 1 Reports are ADP Confidential Information and Client will not distribute or allow any third party (other than its independent auditors) to use any such report without the prior written consent of ADP. Client will instruct its independent auditors or other approved third parties to keep such report confidential and Client will remain liable for any unauthorized disclosure of such report by its independent auditors or other approved third parties.
- 9.2 Business Continuity; Disaster Recovery.** ADP maintains a commercially reasonable business continuity and disaster recovery plan and will follow such plan.
- 9.3 Data Security.** ADP has an established information security program containing appropriate administrative, technical and physical measures to protect Client data (including Personal Data) against accidental unlawful or unauthorized destruction, alteration, unauthorized disclosure or access consistent with applicable laws. In the event ADP suspects any unauthorized access to, or use of, the Services and ADP Application Programs, ADP may suspend access to the Services to the extent ADP deems necessary to preserve the security of ADP, Client or User data.
- 9.4 Unauthorized Third Party Access.** Client and its Users are responsible for maintaining the security and confidentiality of any password, User ID, or other form of user authentication involved in obtaining access to ADP Application Programs, and Client and its Users shall not disclose any confidential account access credentials or related information to Unauthorized Third Parties.

10 Data Security Breach

- 10.1 Notification.** If ADP becomes aware of a Data Security Breach of Client's Personal Data, ADP will take appropriate actions to contain, investigate and mitigate the Data Security Breach. ADP shall notify Client without undue delay after becoming aware that a Data Security Breach has occurred, unless otherwise required or instructed by law enforcement or regulatory authority. ADP will share information in its possession with Client for Client to determine any regulatory reporting obligations required by applicable law.
- 10.2 Other ADP Obligations.** In the event that a Data Security Breach is the result of the failure of ADP to comply with the terms of this Agreement, ADP shall, to the extent legally required or otherwise necessary to notify the individuals of potential harm, bear the actual, reasonable costs of notifying affected individuals. ADP and Client shall mutually agree on the content and timing of any such notifications, in good faith and as needed to meet applicable legal requirements. In addition, where notifications are required, and where such monitoring is practicable and customary, ADP shall also bear the cost of one year of credit monitoring to affected individuals in the applicable jurisdictions.

11 Payment Terms

- 11.1 Fees and Fee Adjustments.** Client will pay to ADP the fees and other charges for the Services at the rates set forth in the Sales Order for the Initial Term. Total fees charged, including within the Initial Term, may change commensurate with the number of Client's employees being serviced. ADP may increase prices for Services at any time after the Initial Term upon at least thirty (30) days prior written notice to Client. The fees presented in any Sales Order were calculated based upon particular assumptions relative to Client requirements (including funding requirements), specifications, volumes and quantities as reflected in the applicable Sales Order and related documentation, and if Client's actual requirements vary from what is stated, ADP may adjust the fees based on such changes. The fees do not include any customizations to any Service.
- 11.2 Additional Services and Charges.** Any Services provided to Client but not included in a Sales Order will be provided subject to the terms of this Agreement and charged at the applicable rates as they occur; and those services will be considered to be "Services" for purposes of this Agreement. Additional charges may be assessed to Client in relation to the performance of the Services in certain circumstances, including without limitation, late funding, an insufficient funds notification and emergency payment requests from Client.
- 11.3 Fees for Implementation Services.** Implementation fees are due and payable by Client when billing begins for the Services in accordance with Section 11.4.
- 11.4 Invoicing.** Client will be invoiced for fees on a monthly billing cycle. Monthly billing shall commence upon the earlier of (a) the month Client is first able to use any of the Services in a live production environment or (b) ninety (90) days from the initial kickoff call with Client's applicable ADP Relationship Manager. In the event after the Effective Date the Client adds additional Services pursuant to an Amendment, unless otherwise specified in such Amendment or Sales Order, billing shall commence when Client is first able to use such added Services in a live production environment. ADP will notify Client of all applicable Services fees payable by Client by way of invoice or other method (i.e. ADP's on-line reporting tool). Client will pay the amount on each invoice or such other similar document in full pursuant to the agreed upon method of payment set forth in the Sales Order. All amounts not paid when due are subject to a late payment charge of one and one-half percent (1.5%) per month (not to exceed the maximum allowed by applicable law) of the past due amount from the due date until the date paid. If applicable, ADP shall invoice Client for any History Conversion Services fees upon the completion of the Services, unless the History Conversion Services will be provided over a time period which exceeds thirty (30) days, in which case ADP reserves the right to invoice the Client on a monthly basis for such Services rendered.
- 11.5 Currency.** Client shall pay the fees in US dollars.
- 11.6 Taxes.** Unless Client provides ADP a valid tax exemption or direct pay certificate, Client will pay directly, or will pay to ADP, an amount equal to all applicable taxes or similar fees levied or based on the Agreement or the Services, exclusive of taxes based on ADP's net income.

- 11.7 Postage, Shipping, Travel and Out-of-Pocket Expenses.** ADP will invoice Client for postage charges, delivery charges, other third party charges, reasonable preapproved travel expenses, and travel-related out-of-pocket expenses, as necessary to provide the Services.
- 11.8 Funding Requirements and Disbursement Disclosures.** With respect to Payment Services to be deducted by ACH or Pre-Authorized Debit, Client must have sufficient good funds for payment of the payroll obligations, tax filing obligations, wage garnishment deduction obligations, service fees (as applicable), expenses, and any other applicable charges, to be direct debited from Client's designated account no later than one (1) Business Day prior to the pay date for the applicable payroll (in the case of payroll processing services), or as otherwise agreed by the parties. For reverse wire clients, funds must be available (a) by 6:00 a.m. Pacific time on the Business Day immediately before the associated payroll check date (in the case of the ADP Employment Tax Services) and (b) by 6:00 a.m. Pacific time two (2) Business Days prior to the associated payroll check date for all other Payment Services. In consideration for the additional costs incurred by ADP in providing wire transfer service, Client agrees to pay a reasonable fee for each wire transfer. Notwithstanding the foregoing, ADP reserves the right to modify the aforementioned deadlines at any time and will communicate any such modifications to Client.
- 11.9 Change Control.** In the event either party requests a change in the scope of Services (including implementation services) or any rework is required by ADP as a result of a delay by Client in implementation of any Services (each a "**Change Control Item**"), the parties shall address such change request, if possible via ADP's change control process. Change Control Items and the cost associated with such changes (if any) to the Services shall be mutually agreed to by the parties and shall be defined in a statement of work agreed to by the parties, with the exceptions of Change Control Items that are required to be made by law or regulation applicable to the Services or to the duration of implementation services, which ADP will notify Client of prior to making the change.
- 11.10 Deferred Fees.**
- 11.10.1** Client setup and one-time costs for the Implementation Services have been deferred (the "**Deferred Fee**"). Client will pay the Deferred Fee on a monthly basis over 36 Months from the Effective Date of the Agreement (the "**Deferred Period**"). The monthly payment amount is \$205.56 (the "**Deferred Fee Monthly Amount**").
- 11.10.2** Upon the termination (for any reason whatsoever) or the expiration of this Agreement, Client shall pay to ADP an amount equal to the sum of (i) the Deferred Monthly Fee Amount, multiplied by the number of months remaining in the Deferred Period as of the effective date of termination or expiration, plus (ii) any outstanding and unpaid Deferred Fee Monthly Amounts as of the effective date of termination or expiration.
- 11.10.3** ADP may assign, sell, transfer, pledge or otherwise dispose of its rights (but none of the related obligations) to receive payment of all or a portion of the Deferred Fee to one or more assignees, and any assignee may further assign those rights. All of the foregoing may be done without prior notice to, or consent of, Client.

12 Term; Termination; Suspension

- 12.1 Term.** This Agreement is effective for the Initial Term and will automatically renew at the end of any Term for additional Renewal Terms unless terminated by either party upon written notice given at least ninety (90) days prior to the end of such Term.
- 12.2 Termination for Cause.** Either party may terminate this Agreement for the other's material breach of this Agreement if such breach is not cured within sixty (60) days following notice thereof or in the event either party is the subject of a Termination Event. In addition, ADP may terminate this Agreement in the event Client fails to timely pay fees for Services performed within ten (10) days following notice that such fees are past due. ADP may also terminate this Agreement or the Services immediately on written notice to Client if the provision of Service to Client causes or will cause ADP or its Affiliates to be in violation of any laws, rules or regulations applicable to it including any sanction laws applicable to ADP or any Affiliate.
- 12.3 Suspension.** Without limiting the foregoing, the parties agree that Payment Services involve credit risk to ADP. Payment Services may be suspended by ADP (A) immediately following notice to Client (i) that Client has failed to remit sufficient, good and available funds within the deadline and via the method of delivery agreed upon as it relates to the applicable Payment Services, or (ii) if Client breaches any rules promulgated by the NACHA (or other similar local regulator) as it relates to ADP conducting ACH (or similar electronic payment) transactions on behalf of Client, and (B) with 24 hour notice if: (i) a bank notifies ADP that it is no longer willing to originate debits from Client's account(s) or credits for Client's behalf for any reason or (ii) the authorization to debit Client's account is terminated or ADP reasonably believes that there is or has been fraudulent activity on the account. If the Payment Services are terminated or suspended pursuant to Sections 12.2 or 12.3, Client acknowledges that ADP shall be entitled to allocate any funds in ADP's possession that have been previously remitted or otherwise made available by Client to ADP relative to the Payment Services in such priorities as ADP may determine appropriate, including reimbursing ADP for payments made by ADP on Client's behalf to a third party. If the Payment Services are terminated by ADP, Client understands that it will (x) immediately become solely responsible for all of Client's third party payment obligations covered by the Payment Services then or thereafter due (including, without limitation, for ADP Employment Tax Services, any and all penalties and interest accruing after the date of such termination, other than penalties and interest for which ADP is responsible under Section 7.3.3), and (y) reimburse ADP for all payments properly made by ADP on behalf of Client to any Payee, which has not been paid or reimbursed by Client. If the Payment Services remain suspended for 30 days, the affected Payment Service shall be deemed terminated on the 31st day following suspension.
- 12.4 Early Termination Fee.** In order for ADP to recoup certain costs associated with the Services provided under the Agreement in the event of an early termination, if Client terminates Services or the Agreement in whole or in part for convenience or ADP terminates Agreement pursuant to Section 12.2 or 12.3 above, Client will reimburse ADP for its costs (including unamortized investments and any costs incurred that have not been recovered from fees charged) associated with the termination of the Services as a percentage of the estimated aggregate ongoing fees for Services (the "**Early Termination Fee**"). The Early Termination Fee shall be equal to fifty percent (50%) of A multiplied by B where A equals the number of months remaining in the Term, as of the effective date of termination, and B equals the average monthly fee for the terminated Services. If monthly fees for Services have not been payable at

the time of termination, B above shall be equal to the estimated monthly fees that would have been payable under the Agreement. In the case of a partial termination, ADP may adjust the fees for the remaining Services accordingly. Client shall also pay the Early Termination Fee in the event of any reduction in Client's volume or usage of Services by more than fifty percent (50%).

12.5 Additional Termination Provisions.

- 12.5.1 Additional Termination Provisions for ADP Employment Tax Services.** If the ADP Employment Tax Services in the United States are terminated, Client's access to ADP websites containing Client's data will expire 90 days from the effective date of the termination, and Client will be responsible for downloading all relevant data, including Statements of Deposit (SODs) prior to the expiration of such access.
- 12.5.2 Additional Termination Provisions for Employment Verification Services.** ADP may, in its sole discretion, terminate the Employment Verification Services at any time upon 90 days prior written notice to Client should a Verification Agent notify ADP that it is no longer willing to provide the Employment Verification Services and ADP, after taking commercially reasonable steps, cannot engage a successor Verification Agent.
- 12.5.3 Additional Termination Provisions for ADP Time & Attendance Services.** If ADP determines that Client has failed to comply with any potentially applicable laws and regulations applicable to the Biometric Services, ADP may, in its sole discretion and upon notice to Client, immediately suspend or terminate the Biometric Services.
- 12.5.4 Additional Termination Provisions for ADP Comprehensive Services.** ADP may terminate, by further written notice to Client, if Client fails to render reasonable cooperation needed in connection with the implementation services such that ADP is unable to complete the Implementation Services and commence Services. ADP may also suspend and/or terminate performance immediately without prior notice in the event Client, its employee(s) or any other third party uses or accesses the Services in a manner that exposes ADP to civil or criminal liability.
- 12.5.5 Additional Termination Provisions for Essential ACA Services.** If ADP reasonably determines that it can no longer provide all or any portion of Essential ACA Services due to changes in applicable law or application of existing law, ADP may, in its sole discretion and upon notice to Client, immediately terminate the applicable portion of Essential ACA Services.
- 12.5.6 Additional Suspension for ADP Compliance on Demand.** ADP may, in its sole discretion, immediately suspend access to ADP Compliance on Demand without prior notice to Client in the event Client posts or otherwise distributes any content online that is (i) inappropriate or otherwise objectionable, (ii) potentially violates the privacy or publicity right of a third party, or (iii) advertises any other site or business. In the event Client continues to post or distribute such content after access to ADP Compliance on Demand is restored, ADP shall have the right to terminate ADP Compliance on Demand.
- 12.5.7 Additional Termination Provisions for History Conversion Services.** Either party can terminate History Conversion Services at any time for any reason by providing at least ten (10) days' advance written notification to the other party. Upon termination of the History Conversion Services by either party for any reason, all fees and expenses for the History Conversion Services incurred by Client prior to the termination date shall become immediately due and payable.

13 Post Termination

- 13.1 Scope.** At any time prior to the actual termination date, Client may download Client's information or reports available to it in conjunction with all of the Services provided to Client by ADP. Upon expiration or termination of the Services, subject to Section 13.2, Client may order from ADP any data extraction offered by ADP, at the then prevailing hourly time and materials rate. In connection with any data extraction, ADP will not be required to provide any third party with access to ADP's systems, intellectual property or any Confidential Information of ADP.
- 13.2 Past Due Amounts.** If ADP has terminated this Agreement due to Client's failure to pay fees, ADP's obligations in Section 13.1 will be subject to Client's payment of all past due amounts and ADP may require Client to prepay for any services.

14 Additional Terms

- 14.1 ADP Employment Tax Services.** The following additional terms and conditions apply to the ADP Employment Tax Services:
- 14.1.1 Important Tax Information (IRS Disclosure) for U.S. Only.** Notwithstanding Client's engagement of ADP to provide the ADP Employment Tax Services in the United States, please be aware that Client remains responsible for the timely filing of payroll tax returns and the timely payment of payroll taxes for its employees. The Internal Revenue Service recommends that employers enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System (EFTPS) to monitor their accounts and ensure that timely tax payments are being made for them, and that online enrollment in EFTPS is available at www.eftps.gov; an enrollment form may also be obtained by calling (800) 555-4477; that state tax authorities generally offer similar means to verify tax payments; and that Client may contact appropriate state offices directly for details.
- 14.2 ADP Recruiting Management Services.** The following additional terms and conditions apply to the ADP Recruiting Management Services:
- 14.2.1 Hiring Practices.** Client shall be exclusively responsible for all hiring practices, including, but not limited to, complying with all employment laws, including, if applicable, the monitoring, analysis and reporting of any adverse impact that may result from any specification or criteria that Client uses to rank candidates in the ADP Recruiting Management Services Application Programs.

- 14.2.2 Vendors.** Client shall be exclusively responsible for all access and use of the ADP Recruiting Management Services by its vendors and such vendors' compliance with the terms of this Agreement.
- 14.2.3 Additional Third-Party Terms.** During the Term of this Agreement, Client's use and access to the Recruiting Management Services may be subject to additional terms of services which will be included within the ADP Recruiting Management Services. Prior to enabling the Recruiting Management Services, Client shall ensure that its Users of Recruiting Management Services click through and accept such additional terms of service.
- 14.3 Benefit Services.** The following additional terms and conditions apply to the Benefit Services:
- 14.3.1 Benefits Liaison.** Client shall designate in writing to ADP one or more contacts for the Benefit Services to serve as the Client Benefits Liaison, and such Client Benefits Liaison shall have the authority to (i) provide information, instructions and direction on behalf of the Client, each Plan Administrator and, if applicable, each "fiduciary" (as defined in Section 3(21) of ERISA) of each separate Plan, and (ii) grant or provide approvals (other than Amendments) required or permitted under the Agreement in connection with the Benefit Services.
- 14.3.2 Compliance of Benefit Plans.** Client shall furnish to ADP all necessary information and data for each Plan. Client shall be responsible for the final preparation, approval and submission of Plans and related amendments to applicable governmental authorities. Client is responsible for, and shall take measures required under state and federal law to assure the qualification and compliance of the Plans with such laws.
- 14.3.3 Disclaimer.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE SCOPE OF SERVICES, CLIENT EXPRESSLY ACKNOWLEDGES THAT ADP IS NOT THE "ADMINISTRATOR" OR "PLAN ADMINISTRATOR" AS DEFINED IN SECTION 3(16)(A) OF ERISA AND SECTION 414(g) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RESPECTIVELY, NOR IS ADP A "FIDUCIARY" WITHIN THE MEANING OF ERISA SECTION 3(21), NOR IS ADP A "HEALTH CARE CLEARINGHOUSE" WITHIN THE MEANING OF SECTION 1171 OF THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996, AS AMENDED ("HIPAA") AND CLIENT SHALL NOT REQUEST OR OTHERWISE REQUIRE ADP TO ACT AS SUCH. FURTHER, ADP DOES NOT PROVIDE CLAIMS PROCESSING OR ANY OTHER COVERED FUNCTION WHICH WOULD CAUSE ADP TO BE CONSIDERED A BUSINESS ASSOCIATE AS DEFINED AT 45 CFR §160.103. ALL ENROLLMENT INFORMATION AND RELATED DATA COLLECTED BY ADP IS ON BEHALF OF CLIENT AND NOT ANY EMPLOYER-SPONSORED BENEFIT PLAN. ALL OTHER INFORMATION COLLECTED BY ADP FOR PROVIDING BENEFITS SERVICES IS CONSIDERED EMPLOYMENT RECORDS AND EXPLICITLY EXCLUDED FROM THE DEFINITION OF PROTECTED HEALTH INFORMATION AS STATED AT 45 CFR §160.103, AND IS NOT PROTECTED BY HIPAA'S PRIVACY RULE. SEE ALSO IDENTIFIABLE HEALTH INFORMATION: FINAL RULE, 67 FED. REG. 53,182, 53,192 (Aug. 14, 2002). ADP SHALL NOT EXERCISE ANY DISCRETIONARY AUTHORITY OR DISCRETIONARY CONTROL REGARDING MANAGEMENT OF ANY PLAN OR MANAGEMENT OR DISPOSITION OF ANY PLAN ASSETS. ADP SHALL NOT RENDER INVESTMENT ADVICE FOR A FEE OR OTHER COMPENSATION, DIRECT OR INDIRECT, WITH RESPECT TO ANY MONIES OR OTHER PROPERTY OF ANY PLAN, NOR DOES ADP HAVE ANY AUTHORITY OR RESPONSIBILITY TO DO SO. ADP HAS NO DISCRETIONARY AUTHORITY OR DISCRETIONARY RESPONSIBILITY IN THE ADMINISTRATION OF THE PLAN(S).
- 14.3.4 Carrier Connections.** ADP will, at Client's request, and for an additional charge as set forth on the Sales Order, provide Client with the following Carrier Connections services:
- 14.3.4.1** ADP will electronically transmit employee data, including employee benefits enrollment data, to Client's carriers or other third parties authorized by Client, and Client authorizes ADP to provide such transmission on Client's behalf. Commencement of carrier connection service is subject to Client completing the configuration setup of Client Content and the format for such transmission to the designated carriers.
- 14.3.4.2** ADP's ability to transmit Client Content data is subject to the provision by Client's designated carriers of a current functional interface between ADP's systems and the designated carriers' systems. ADP will not be obligated to transmit Client's data to designated carriers if at any time Client's designated carriers fail to provide the proper interface as described above. Client is responsible for promptly reviewing all records of carrier transmissions and other reports prepared by ADP for validity and accuracy according to Client's records, and Client will notify ADP of any discrepancies promptly after receipt thereof. In the event of an error or omission in carrier connection services caused by ADP, ADP will correct such error or omission, provided that Client promptly advises ADP of such error or omission.
- 14.3.5 Additional Third-Party Terms.** During the Term of this Agreement, the Client's use of, and access to, the Benefit Services may be subject to additional terms of service which shall be included within the Benefit Services. Prior to enabling such Services, Client shall ensure that its Users of Benefit Services click through and accept such additional terms of service.
- 14.4 WFN EI-9 Services.** The following additional terms and conditions apply to the WFN EI-9 Services.
- 14.4.1 Use of Services.** Client shall, and cause the members of the Client Group, receiving the WFN EI-9 Services to do the following:
- 14.4.1.1** Review the USCIS Form I-9, which is the employment eligibility verification form issued by the DHS, including instructions in the form and the guidelines in the current I-9 Handbook, each of which is available on the USCIS website, currently located at <http://www.uscis.gov/i-9central>. Client certifies that it has reviewed the current USCIS Form I-9 and the I-9 Handbook and that it agrees to comply with the applicable policy and procedures set forth therein, and any future new or amended policies or procedures, as required

by law. Client will ensure availability of the most recent version of the USCIS Form I-9 and the I-9 Handbook to all employees authorized to complete the USCIS Form I-9 on behalf of Client and/or its Affiliates.

14.4.1.2 Client is responsible for reviewing reports available to Client on the WFN EI-9 Services and for resolving (or causing the applicable employee to take action to resolve) missing or incomplete Forms I-9. This includes communicating with the employee in question and the submission or resubmission of the missing or incomplete Form I-9.

14.4.1.3 ADP executed a Memorandum of Understanding with the DHS as the E-Verify employer agent. E-Verify is the DHS's employment eligibility verification program which allows participating employers to electronically verify the employment eligibility of each newly hired employee and/or employee assigned to a covered federal contract. The following is required as it relates to the use of E-Verify through ADP and will apply only to the extent Client is using E-Verify through ADP

14.4.1.3.1 Notify ADP of (i) the location(s) where Client elects to enroll; and (ii) whether the employer is a federal contractor or a federal, state or local government organization.

14.4.1.3.2 Execute a Memorandum of Understanding with the DHS and ADP (as its E-Verify employer agent), and comply with the terms and conditions set forth therein.

14.4.1.3.3 Review and comply with the policy and procedures contained in the E-Verify User Manual for Employers, and any superseding policy and procedures, available to Client on the WFN EI-9 Service.

14.4.1.3.4 To the extent the Client elects to have more than one company location participate in E-Verify, ensure all authorized users in each location have complied with all requirements of this Section.

14.4.1.3.5 Ensure all of Client's authorized users (i) complete the mandated E-Verify training course and any applicable update courses administered by ADP and (ii) pass a knowledge test with the required score.

14.4.1.3.6 Immediately notify ADP of any updates/changes to its E-Verify employer status (e.g., Client becomes a federal contractor or Client ceases being a federal contractor).

14.4.2 Form I-9 Retention. During the term of the Agreement, ADP will store electronic copies of Forms I-9 in the WFN EI-9 Services for a minimum of three years from the employee's hire date or until one year after the employee ceases to be employed by Client (or the applicable Affiliate), whichever is later (or as otherwise required by changes to federal regulations that come into effect hereafter). Upon termination or expiration of the Agreement, ADP shall use commercially reasonable methods to transfer all electronically stored Forms I-9 to Client in accordance with ADP's current security policies. Upon termination of the WFN EI-9 Services, Client shall be solely responsible for storage of copies of Forms I-9.

14.5 Payment Services. The following additional terms and conditions apply to the Payment Services:

14.5.1 Client Credentialing. Client understands and acknowledges that the implementation and ongoing provision of Payment Services are conditioned upon Client passing (and continuing to pass) a credentialing process that ADP may deem necessary in connection with the provision of Payment Services.

14.5.2 Additional Requirements. Payment Services may be subject to the rules and standards of any applicable clearing house, payment and/or card networks or associations. Client and ADP each agree to comply with all such rules and standards applicable to it with respect to the Payment Services.

14.5.3 Funding Obligations. Client acknowledges that ADP is not a lender. As such, as a condition to receiving services, Client will remit or otherwise make available to ADP sufficient, good and available funds within the agreed-to deadline and via the agreed-to method of delivery to satisfy all of Client's third-party payment obligations covered by the Agreement. ADP will apply such funds to satisfy such third-party payment obligations. ADP will not be required to provide Payment Services if ADP has not received all funds required to satisfy Client's third-party payment obligations. Client will immediately notify ADP if it knows or should know that it will not have sufficient funds to satisfy the amounts required in connection with the Payment Services. If Client has a material adverse change in its condition, ADP may modify the funding method or deadline by which funds must be made available to ADP for payment to Payees. Client agrees to pay to ADP upon demand any amounts that have been paid by ADP to satisfy Client's third party payment obligations prior to receiving such amounts from Client.

14.5.4 Investment Proceeds; Commingling of Client Funds. IF ADP RECEIVES CLIENT'S FUNDS IN ADVANCE OF THE TIME ADP IS REQUIRED TO PAY SUCH FUNDS TO THIRD PARTIES, ALL AMOUNTS EARNED ON SUCH FUNDS, IF ANY, WHILE HELD BY ADP WILL BE FOR THE SOLE ACCOUNT OF ADP. ADP may commingle Client's funds with similar funds from other clients and with similar ADP and ADP-administered funds. ADP utilizes a funds control system that maintains general ledger entries by client and/or by jurisdiction.

14.5.5 Recovery of Funds; Stop Payment Requests. Client agrees to cooperate with ADP and any other third parties to recover funds erroneously issued or transferred to any Payee or credited to any Payee's account. If Client desires to stop payment on any check or to recall or reverse any electronic payment, Client will provide ADP with a stop payment request in the form required by ADP. Client acknowledges that ADP's placement of a stop order request is not a guarantee that such stop payment will occur.

14.6 ADP Wage Payment Services. The following additional terms and conditions apply to ADP Wage Payment Services:

- 14.6.1 ADPCheck; Direct Deposit.** Client agrees not to distribute any ADPChecks to Payees in a manner that would allow Payees to access the associated funds before pay date. Prior to the first credit to the account of any employee or other individual under ADP Direct Deposit Services, Client shall obtain and retain a signed authorization from such employee or individual authorizing the initiation of credits to such party's account and debits of such account to recover funds credited to such account in error.

14.7 ADP Time & Attendance Services. The following additional terms and conditions apply to the ADP Time & Attendance Services:

14.7.1 Time & Attendance Hardware.

- 14.7.1.1** If Client procures Time & Attendance Hardware, Client shall provide and maintain an installation environment (including all power, wiring and cabling required for installation) as specified in the manufacturer's product documentation and other written instructions provided to Client by ADP.

- 14.7.1.2** Regarding Time & Attendance Hardware provided on a subscription basis only, Client shall not make any alterations or attach any devices thereto that are not provided by ADP, nor shall Client remove same from the place of original installation without ADP's prior consent. All right and title in the Time & Attendance Hardware procured on a subscription basis is, and at all times shall remain, that of ADP and a separate item of personal property of ADP, notwithstanding its attachment to other items or real property, and promptly upon termination of the ADP Time & Attendance Services, for any reason whatsoever, Client shall, at its expense, return such Time & Attendance Hardware in good condition, in accordance with ADP's instructions, normal wear and tear excepted. If such Time & Attendance Hardware is not returned within 30 days of termination, Client agrees to purchase same at fair market value.

- 14.7.2 Biometric Services.** Biometric Services are optional. In certain jurisdictions, there are laws and regulations that govern the collection, use, and retention of biometric information, which potentially may apply to Client's use of Biometric Services. To the extent Client elects to use Biometric Services, Client agrees to comply with all such potentially applicable laws and regulations in accordance with this section. In the event Client is unwilling to comply with laws and regulations potentially applicable to Biometric Services, Client will be able to continue to use ADP Time & Attendance Services without Biometric Services. The following terms and conditions apply to Biometric Services to the extent Biometric Services are part of the scope of Services:

- 14.7.2.1 Requirements for Receipt of Biometric Services.** Before any Client or Biometric User is permitted to use any Biometric Services in a jurisdiction where laws and regulations potentially govern such use, Client will comply with the following requirements, in addition to any other requirements imposed by potentially applicable law (to the extent there is a conflict between the requirements below and the requirements of potentially applicable law, Client will comply with potentially applicable law):

- 14.7.2.1.1 Client Biometric Information Policy.** Client will implement, distribute and make available to the public, a written policy establishing Client's policy with respect to the use of Biometric Data. Such policy will include:

- 14.7.2.1.1.1** a retention schedule and guidelines for permanently destroying Biometric Data;

- 14.7.2.1.1.2** a commitment to destroy Biometric Data when the initial purpose for collecting or obtaining such Biometric Data has been satisfied or within 3 years of the individual's last interaction with Client, whichever occurs first; and

- 14.7.2.1.1.3** any additional requirements as required by potentially applicable law.

- 14.7.2.1.2 Biometric User Notice and Consent.** Client will provide notice to and procure and retain appropriate consents or releases from Biometric Users in the manner and to extent the same are required by potentially applicable law, including:

- 14.7.2.1.2.1** notifying Biometric Users in writing that Client, its vendors, and/or the licensor of Client's time and attendance software are collecting, capturing, or otherwise obtaining Biometric Users' Biometric Data, and that Client is providing such Biometric Data to its vendors and the licensor of Client's time and attendance software; such notice will specify the purpose and length of time for which Biometric User's Biometric Data is being collected, stored, and used;

- 14.7.2.1.2.2** obtaining a written release or consent from Biometric Users (or their legally authorized representative) authorizing Client, its vendors, and licensor of Client's time and attendance software to collect, store, and use the individual's Biometric Data for the specific purpose disclosed by Client, and authorizing Client to provide such Biometric Data to its vendors and the licensor of Client's time and attendance software; and

14.7.2.1.2.3 if requested by ADP, providing to ADP copies of the required consents or releases collected and retained by Client, and/or certifying to ADP that such consents or releases have been obtained.

14.7.2.1.3 Retention and Purging of Biometric Data. Client will work with ADP to ensure that Biometric Data is retained and purged in accordance with potentially applicable law. To the extent necessary for the purging or deletion of such Biometric Data, Client agrees to provide timely notification to ADP of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User. ADP is not responsible for Client's failure to provide timely notification of the termination of the employment, or the satisfaction of the purpose for which Biometric Data was collected with respect to any given Biometric User.

14.7.2.1.4 Storage of Biometric Data in Timeclocks. Client agrees that it shall use a reasonable standard of care consistent with potentially applicable law to store, transmit and protect from disclosure any Biometric Data. Such storage, transmission, and protection from disclosure shall be performed in a manner that is the same as or more protective than the manner in which Client stores, transmits and protects from disclosure other confidential and sensitive information, including personal information that can be used to uniquely identify an individual or an individual's account or property, such as genetic markers, genetic testing information, account numbers, PINs, driver's license numbers and social security numbers.

14.7.2.2 Biometrics Indemnity. Subject to Sections 6.3 and 7, Client will defend ADP against any third party claims (including claims made by or on behalf of Biometric Users) and will indemnify and hold ADP harmless from resulting damage awards or settlement amounts in any cause of action to the extent such cause of action is based on any performance or breach of Client's obligations in connection with the Biometric Services, including any failure by Client to obtain consent from Biometric Users in connection with the use of the Biometric Services.

14.7.2.3 Third Party Beneficiary. Notwithstanding anything to the contrary in the Agreement, Client agrees that ADP and licensor of any applicable Biometric Services (and their respective successors and assigns) are third party beneficiaries of this Agreement solely as it relates to Biometric Services.

14.8 Tax Registration Services. ADP shall provide tax registration services as further described in this Section and the Services Definitions (the "**Tax Registration Services**") in accordance with and subject to the terms of this Agreement. The Tax Registration Services provided hereunder relate solely to ADP obtaining jurisdiction account numbers for employment tax as requested by Client. There shall be no additional fees for Tax Registration Services. In receiving the Tax Registration Services hereunder, Client acknowledges the following:

14.8.1 Client understands that ADP will not perform Tax Registration Services in connection with the following events: (i) mergers and acquisitions; (ii) name, address or entity (corporate form) changes; (iii) applications to a state's Secretary of State; and (iv) closing of accounts with a state taxing agency.

14.8.2 As a third-party service provider, ADP's Services hereunder are consultative in nature. ADP is not representing Client in any dealings before any tax agencies. ADP's provision of the Tax Registration Services should not be construed as legal, tax, or accounting advice. Client should consult its legal, tax, or accounting advisors for such advice.

14.8.3 All submissions to the taxing jurisdiction will be (i) reviewed by Client prior to submission, when provided and (ii) signed by Client where necessary or Client will instruct ADP to affix electronically the Client signature provided by Client. By signing the documents or requesting that ADP affix Client's electronic signature, Client is confirming that (i) Client has reviewed the documents and/or data being submitted to the taxing jurisdiction and (ii) the information contained therein is complete and accurate.

14.8.4 By utilizing the Tax Registration Services, Client authorizes ADP to act on its behalf in obtaining jurisdiction employment tax account numbers including, but not limited to, affixing the electronic signature provided by Client to registration forms and other documentation, submitting forms to tax agencies and directly communicating with such agencies as necessary.

14.8.5 Client understands that ADP's Services are based solely on the information provided by Client and/or otherwise available for ADP in connection with the Services about Client's business established within a particular jurisdiction and other written correspondence that is in reply to ADP's questions regarding the registration process or otherwise provided by Client. Client authorizes ADP to rely upon such in providing the Tax Registration Services. ADP is not responsible for Tax Registration Services provided hereunder based on any inaccurate information supplied by Client or the failure by Client to provide ADP with information relating to the registration process.

14.8.6 Client understands that, for reasons beyond ADP's reasonable control, ADP may not be successful in securing an employment tax account number for Client in any particular jurisdiction.

14.8.7 ADP is not responsible for any penalties or interest incurred by Client as a result of ADP's failure to timely receive Client's identification numbers.

14.9 State Unemployment Insurance (SUI) Management Services. The following additional terms and conditions apply to the SUI Management Services:

14.9.1 Provision and Transfer of Information. Client will provide ADP with accurate, complete and timely information necessary for ADP to perform the SUI Management Services, including without limitations, the claimants' names, relevant dates, wage and separation information, state-specific required information, and other documentation to support responses to unemployment compensation agencies. Client will transfer this information via (i) on-line connection between ADP and Client's computer system or (ii) inbound data transmissions from Client to ADP, using mutually acceptable communications protocols and delivery methods. Client will promptly notify ADP in writing if Client wishes to modify the communication protocol or delivery method.

14.9.2 Definition of Claim; Claim Cap. For purposes of the SUI Management Services provided under this Agreement and billed to Client, a "claim" shall be defined as a claim notice generated by a state agency as a result of an individual filing for unemployment insurance benefits. In addition, Client acknowledges and agrees that (i) claim notices are typically generated for each state unemployment tax ID number under which an employee had worked and earned wages; (ii) state unemployment agencies generally issue multiple claim notices per individual as identified by a Social Security Number during the benefit eligibility period upon receiving a request for unemployment benefits; and (iii) all such claim notices require review ADP (e.g., including but not limited to, last employer claims, base period employer claims, periodic qualification claims, additional benefit claims, renewed claims and extended benefit claims). Client further acknowledges and agrees that an applicable claim cap applies to the fees for SUI Management Services and that the claim cap shall be stated on the Sales Order, and will be based on all claim notices processed by ADP as a result of an individual filing for unemployment benefits. The number of claims counted for billing purposes will be reported to Client by ADP as "Claims Processed" via on-line reports.

14.10 ADP Wage Garnishment Payment Services. The following additional terms and conditions apply to the ADP Wage Garnishment Payment Services:

14.10.1 Description of Services. ADP will act solely in the capacity of a third party service provider of payment processing.

14.10.2 Client's Use of Services. Client agrees not to distribute any ADP Checks to Payees in a manner that would allow Payees to access the associated funds before pay date.

14.11 Employment Verification Services; Employee Authorized Disclosure. The following additional terms and conditions apply to the Employment Verification Services and Employee Authorized Disclosure:

14.11.1 Employment Verification Services. Client authorizes ADP and Verification Agents through which Employment Verification Services are performed to disclose, on Client's behalf, Verification Data to Verifiers who wish to obtain or verify any of Client's employees' (or former employees') Verification Data. Verification Data will be disclosed to Verifiers who certify they are entitled to receive such data (as described below) pursuant to FCRA, and, in the case of income information requests, who additionally certify they have a record of the employee's consent to such disclosure or who utilize a salary key. In accordance with FCRA, Verification Data may be provided to Verifiers where (i) the employee has applied for a benefit (such as credit, other employment or social services assistance); (ii) the employee has obtained a benefit and the Verifier is seeking to (a) determine whether the employee is qualified to continue to receive the benefit; and/or (b) collect a debt or enforce other obligations undertaken by the employee in connection with the benefit; or (iii) the Verifier is otherwise entitled under FCRA to obtain the Verification Data. In certifying they have a record of the employee's consent, Verifiers generally rely on the employee's signature on the original application as authorization for the Verifier to access the employee's income data at the time of the application and throughout the life of the obligation. Client understands that Verifiers are charged for commercial verifications processed through ADP or its Verification Agents.

14.11.1.1 Data Quality. If requested by ADP, Client agrees to work with ADP during implementation to produce a test file and validate the Verification Data using validation reports made available by ADP or its Verification Agents. If Client uses ADP's hosted payroll processing services, ADP will utilize the latest Verification Data available on ADP's payroll processing system.

14.11.1.2 Notice to Furnishers of Information: Obligations of Furnishers of Information. Client certifies that it has read the Notice to Furnishers provided to Client at the following URL: <https://www.consumer.ftc.gov/articles/pdf-0092-notice-to-furnishers.pdf>. Client understands its obligations as a data furnisher set forth in such notice and under FCRA which include duties regarding data accuracy and investigation of disputes, and certifies it will comply with all such obligations. Client further understands that if it does not comply with such obligations, ADP may correct incorrect Verification Data on behalf of Client or terminate the Employment Verification Services upon 90 days prior written notice to Client.

14.11.1.3 Archival Copies. Notwithstanding anything to the contrary in the Global Master Terms and Conditions, Client agrees that, after the termination of this Agreement, ADP and its Verification Agents may maintain archival copies of the Verification Data as needed to show the discharge and fulfillment of obligations to Client's employees and former employees and the provisions of Section 4 of the Global Master Terms and Conditions will continue to apply during the time that ADP and its Verification Agents maintain any such archival copies.

14.11.1.4 Employee Authorized Disclosure. ADP may disclose or use Personal Data of Client's employees to the extent the employee requested or consented to the disclosure or use such as but not limited to when an employee needs their identity verified when they submit an application for a bank account, cellular service, credit or a benefit.

14.12 Essential ACA Services. The following terms shall apply to Essential ACA Services.

14.12.1 Client must use ADP Workforce Now payroll, HR and benefits services in order to purchase and implement Essential ACA. For the avoidance of doubt, all Forms filed by ADP with the IRS on behalf of Client will be filed electronically; any Forms

sent to Client for its employees by ADP shall be sent in paper form, and, if Client has ADP's iPay functionality, ADP will also make Forms accessible to Client employees electronically. It will then be Client's responsibility to distribute the Forms directly to its employees.

14.12.2 Client ACA Liaison. Client shall designate in writing to ADP the name of one person who shall serve as the Client ACA Liaison for Essential ACA), and such Client ACA Liaison shall have the authority to (i) provide information, instructions and direction on behalf of Client, and (ii) grant or provide approvals (other than Amendments) required or permitted under the Agreement in connection with Essential ACA. Client shall designate an alternate Client ACA Liaison in the event the principal Client ACA Liaison is not available.

14.12.3 Disclaimer. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE SCOPE OF SERVICES, CLIENT EXPRESSLY ACKNOWLEDGES THAT ADP IS NOT THE "ADMINISTRATOR" OR "PLAN ADMINISTRATOR" AS DEFINED IN SECTION 3(16)(A) OF ERISA AND SECTION 414(g) OF THE CODE, RESPECTIVELY, NOR IS ADP A "FIDUCIARY" WITHIN THE MEANING OF ERISA SECTION 3(21). ADP SHALL NOT EXERCISE ANY DISCRETIONARY AUTHORITY OR DISCRETIONARY CONTROL RESPECTING MANAGEMENT OF ANY BENEFIT PLANS SPONSORED OR OFFERED BY CLIENT. ADP HAS NO DISCRETIONARY AUTHORITY OR DISCRETIONARY RESPONSIBILITY IN THE ADMINISTRATION OF THE CLIENT'S BENEFIT PLAN(S). ADP EXPRESSLY DISCLAIMS ANY WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERRUPTION OF USE, AND FREEDOM FROM PROGRAM ERRORS WITH RESPECT TO ESSENTIAL ACA, THE ADP APPLICATION PROGRAMS OR ANY THIRD-PARTY SOFTWARE DELIVERED BY ADP.

14.12.4 Important Tax Information (IRS Disclosure): Notwithstanding Client's engagement of ADP to provide Essential ACA , please be aware that Client remains responsible for the timely filing of all required reports and filings, and the timely payment of Client penalty obligations. The Internal Revenue Service recommends that employers enroll in the U.S. Treasury Department's Electronic Federal Tax Payment System (EFTPS) to monitor their accounts and ensure that timely tax payments are being made for them, and that online enrollment in EFTPS is available at www.eftps.gov; an enrollment form may also be obtained by calling (800) 555-4477.

14.12.5 Additional Requirements. Client further understands that Essential ACA may be modified as ADP may deem appropriate to assist ADP in complying with its obligations.

14.13 ADP Marketplace and Use of ADP APIs.

14.13.1 Disclaimer. ADP may provide Client with access to the ADP Marketplace. Client acknowledges that any third party application or service purchased by Client through the ADP Marketplace is provided by a third party and not ADP and ADP makes no endorsements, representations or warranties (including any representations or warranties regarding compliance with laws) regarding such application or service. Client will enter into a relationship directly with the third party provider of such application or service. Any application or service purchased through the ADP Marketplace will be governed exclusively by the terms and conditions agreed to by Client and the third party provider and not by this Agreement. ADP will not provide any advice, service or support with respect to any third party application or service purchased on the ADP Marketplace.

14.13.2 Transmitting Information to Third Parties. In the event that Client elects to use an API to provide any Client Content or employee or plan participant information to any third party, Client represents that it has acquired any consents or provided any notices required to transfer such content or information and that such transfer does not violate any applicable international, federal, state, or local laws and/or regulations. ADP shall not be responsible for any services or data provided by any such third party.

14.13.3 Use of the ADP APIs. Client will use the ADP APIs to access Client's information only. Client may not use any robot, spider, or other automated process to scrape, crawl, or index the ADP Marketplace and will integrate Client's application with the ADP Marketplace only through documented APIs expressly made available by ADP. Client also agrees that Client will not (a) use the ADP Marketplace or any ADP API to transmit spam or other unsolicited email; (b) take any action that may impose an unreasonable or disproportionately large load on the ADP infrastructure, as determined by ADP; or (c) use the ADP APIs or the ADP Marketplace in any way that threatens the integrity, performance or reliability of the ADP Marketplace, Services or ADP infrastructure. ADP may limit the number of requests that Client can make to the ADP API gateway to protect ADP's system or to enforce reasonable limits on Client's use of the ADP APIs. Specific throttling limits may be imposed and modified from time to time by ADP.

14.14 ESS & MSS Technology. The following additional terms and conditions apply to the ESS & MSS Technology.

14.14.1 Client acknowledges that Client's employees or participants may input information into the self-service portions of the ADP Application Programs. ADP shall have no responsibility to verify, nor does ADP review the accuracy or completeness of the information provided by Client's employees or participants to ADP using any self-service features. ADP shall be entitled to rely upon such information in the performance of the Services under this Agreement as if such information was provided to ADP by Client directly.

14.15 ADP Compliance on Demand. The following additional terms and conditions apply to ADP Compliance on Demand:

14.15.1 Compliance Assistance. Client may have access to certain human resources or compliance professionals who may, in ADP's sole discretion, provide reasonable guidance or best practice recommendations to Client which Client may choose to follow. Client assumes all responsibility and risk arising from its use and reliance upon such recommendations. ADP may require Client to include its legal counsel in communications with such professionals. The ADP Compliance on Demand Services are not a substitute for advice of an attorney. Client agrees that ADP is not a law firm, does not provide legal

advice or representation, and that no attorney-client relationship between ADP and Client exists or will be formed as part of the Services. ADP may discontinue access to human resources and compliance professionals in its discretion.

14.16 History Conversion Services. ADP shall provide to Client certain history conversion professional services as indicated on the Sales Order (the "History Conversion Services"). As a condition to receiving the History Conversion Services, Client will be subject to the additional terms and conditions of this Agreement. The following History Conversion Services are intended for Clients that has no more than 5,000 terminated and active records.

14.16.1 Description of Services. The History Conversion Services shall include one or more of the Services set forth in the accompanying appendix. History Conversion Services includes virtual training (all training is done remotely via internet and/or telephone). History Conversion Services do not include the conversion or import of any documents.

14.16.2 Client Obligations. As a prerequisite to receiving the History Conversion Services (the "Project"), Client agrees that (a) it has sufficient resources to allocate to the Project; (b) it will provide access to prior vendor data in order to perform an extraction of data (access may include either extraction of data related to the history conversion or via PDF reports, or registers; (c) it will perform an audit of converted data and review internally, in accordance with the timeline set forth below; (d) it will consent to the direct import of the converted check history data files into ADP Workforce Now; (e) it will ensure that all employees with data to be converted be loaded into ADP Workforce Now (to include prior year terminated employees) in advance of the import of check history data; (f) it will provide ADP a single point of contact for data extraction from a prior single vendor database (if multiple points of contact are required which necessitates additional data extraction work efforts and/or separate security access rights for the external viewer, such additional work efforts would be subject to additional fees). All other historical data items will be loaded to an external history viewer ("History Viewer") as described in the History Conversion Services Appendix. In addition, with respect to Check History Conversion Services only ("Check History"), Client agrees that it will complete and validate the data mapping and shall be responsible for final review of data during mapping process. If ADP discovers errors in the data mapping following Client's final validation and submission, corrections to the Check History data may be required. In connection therewith, additional fees may be charged by ADP in order to correct such errors in addition to the fees described in the Sales Order. Data mapping must be completed within sixty (60) days of the date that the Client is first able to commence the data mapping processing ("Data Mapping Completion Date"). If Client fails to complete the data mapping by the Data Mapping Completion Date, then additional monthly storage charges shall apply.

14.16.3 Completion of History Conversion Services. Upon completion of the History Conversion Services, Client will immediately notify ADP if the History Conversion Services and deliverables outlined in the Sales Order have not been satisfactorily delivered. The History Conversion Services will be deemed accepted by Client if no response has been received within five (5) days of the date of completion of the History Conversion Services.

15 Miscellaneous

15.1 Amendment. This Agreement may not be modified, supplemented or amended, except by a writing signed by the authorized representatives of ADP and Client.

15.2 Assignment. Neither this Agreement, nor any of the rights or obligations under this Agreement, may be assigned by any party without the prior written consent of the other party, such consent not to be unreasonably withheld. However, Client may assign any or all of its rights and obligations to any other Client Group member and ADP may assign any or all of its rights and obligations to any Affiliate of ADP, provided that any such assignment shall not release the assigning party from its obligations under this Agreement. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective successors and permitted assigns.

15.3 Additional Documentation. In order for ADP to perform the Services, it may be necessary for Client to execute and deliver additional documents (including reporting agent authorization, client account agreement, limited powers of attorney, etc.) and Client agrees to execute and deliver such additional documents.

15.4 Subcontracting. Notwithstanding Section 15.2, ADP reserves the right to subcontract any or all of the Services, provided that ADP remains fully responsible under this Agreement for the performance of any such subcontractor. For the avoidance of doubt, third parties used by ADP to provide delivery or courier services, including the postal service in any country or any third party courier service, and banking institutions, are not considered subcontractors of ADP.

15.5 Entire Agreement. This Agreement constitutes the entire agreement and understanding between ADP and Client with respect to its subject matter and merges and supersedes all prior discussions, agreements and understandings of every kind and nature between the parties. No party will be bound by any representation, warranty, covenant, term or condition other than as expressly stated in this Agreement. Except where the parties expressly state otherwise in a relevant exhibit, annex, appendix or schedule, in case of conflict or inconsistency between these Global Master Terms and Conditions and any such exhibit, annex, appendix or schedule, the Global Master Terms and Conditions will prevail and control. Purchase orders or statements of work submitted to ADP by Client will be for Client's internal administrative purposes only and the terms and conditions contained in any purchase order or statements of work will have no force and effect and will not amend or modify this Agreement.

15.6 No Third Party Beneficiaries. Except as expressly provided herein or in an applicable exhibit, annex, appendix or schedule, nothing in this Agreement creates, or will be deemed to create, third party beneficiaries of or under this Agreement. Client agrees that ADP's obligations in this Agreement are to Client only, and ADP has no obligation to any third party (including, without limitation, Client's personnel, directors, officers, employees, Users and any administrative authorities).

15.7 Force Majeure. Any party to this Agreement will be excused from performance of its obligations under this Agreement, except for Client's obligation to pay the fees to ADP pursuant to Section 11, for any period of time that the party is prevented from performing its obligations under this Agreement due to an act of God, war, earthquake, civil disobedience, court order, labor disputes or

disturbances, governmental regulations, communication or utility failures or other cause beyond the party's reasonable control. Such non-performance will not constitute grounds for breach.

- 15.8 Waiver.** The failure by any party to this Agreement to insist upon strict performance of any provision of this Agreement will not constitute a waiver of that provision. The waiver of any provision of this Agreement shall only be effective if made in writing signed by the authorized representatives of ADP and Client and shall not operate or be construed to waive any future omission or breach of, or compliance with, any other provision of this Agreement.
- 15.9 Headings.** The headings used in this Agreement are for reference only and do not define, limit, or otherwise affect the meaning of any provisions hereof.
- 15.10 Severability.** If any provision of this Agreement is finally determined to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity, legality or enforceability of the remainder of this Agreement will not in any way be affected or impaired and such court shall have the authority to modify such invalid, illegal or unenforceable provision to the extent necessary to render such provision valid, legal or enforceable, preserving the intent of the parties to the furthest extent permissible.
- 15.11 Relationship of the Parties.** The performance by ADP of its duties and obligations under this Agreement will be that of an independent contractor and nothing contained in this Agreement will create, construe or imply an agency, joint venture, partnership or fiduciary relationship of any kind between ADP and Client. None of ADP's employees, agents or subcontractors will be considered employees, agents or subcontractors of Client. Unless expressly stated in this Agreement, none of ADP, its employees, agents or its subcontractors may enter into contracts on behalf of, bind, or otherwise obligate Client in any manner whatsoever.
- 15.12 Governing Law.** This Agreement is governed by the laws of the State of New York without giving effect to its conflict of law provisions.
- 15.13 Communications to U.S. Based Employees.** Client agrees that ADP may use Client's U.S.-based employee and/or participant name, email and mailing address to provide information about products and/or services offered by ADP directly such employees and/or participants. Client may elect for ADP to cease such communications upon 30 days' prior written notice. In addition, each communication sent by ADP will comply with applicable laws and will enable the recipient to opt-out of receiving additional similar communications from ADP.
- 15.14 Jurisdiction.** Any disputes that may arise between ADP and Client regarding the performance or interpretation of this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts of New York, New York. The parties hereby irrevocably consent to the exclusive jurisdiction of the state and federal courts of New York, New York and waive any claim that any proceedings brought in such courts have been brought in an inconvenient forum. THE PARTIES HEREBY IRREVOCABLY WAIVE THEIR RIGHT TO TRIAL BY JURY.
- 15.15 Counterparts.** This Agreement may be signed in two or more counterparts by original, .pdf (or similar format for scanned copies of documents) or facsimile signature, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 15.16 Notices.** All notices required to be sent or given under this Agreement will be sent in writing and will be deemed duly given and effective (i) immediately if delivered in person, or (ii) upon confirmation of signature recording delivery, if sent via an internationally recognized overnight courier service with signature notification requested to Client at the address indicated on the signature page hereof or to ADP at 5800 Windward Parkway, Alpharetta, GA 30005, Attention: ADP Comprehensive Services SVP or to any other address a party may identify in writing from time to time. A copy (which shall not constitute notice) of all such notices shall be sent to ADP at One ADP Boulevard, MS 425, Roseland, New Jersey 07068, Attention: General Counsel and to Client at the address indicated on the signature page hereof.
- 15.17 Survival.** Those provisions which by their content are intended to, or by their nature would, survive the performance, termination, or expiration of this Agreement, shall survive termination or expiration of this Agreement.

Appendix : ADP Comprehensive Services - Service Definition

ADP Comprehensive Essentials Services

Services	Service Specifics	Roles and Responsibilities
Solutions Platform		
ADP Workforce Now ("WFN")	WFN is ADP's trademarked, branded, webbased payroll, HR, Benefits and Time and Attendance technology. WFN serves as the access point for all Client administrators, employees and managers. General information about ADP WFN can be found at www.productdescription.majoraccounts.adp.com (which may be modified from time to time).	
WFN Technology Support	Access to specialists to support Client in use of WFN technology solutions.	
Implementation		
Implementation – Project Manager	The ADP Project Manager is responsible for the overall Comprehensive Services technology implementation and as such creates and maintains a project plan during implementation. The Project Manager conducts an implementation planning meeting to review the multi-faceted implementation, holds regular status meetings with the entire project team (Client, ADP, and external assigned resources) and manages deliverables accordingly.	The Project Manager provides cross product guidance for the duration of implementation and introduces the training curriculum to Client. The Project Manager directs the team of ADP implementation specialists and consultants who work on the multifaceted implementation required for Client to go live on ADP Comprehensive Services, including WFN.
Implementation -- Assignment of a dedicated ADP Relationship Manager/HR Business Partner	The ADP Relationship Manager/HR Business Partner participates in implementation and partners with the Project Manager to complete the Implementation. The ADP Relationship Manager/HR Business Partner: • Schedules onsite visit for Client's strategic analysis during or immediately after implementation kickoff meeting. • Schedules planning meeting to introduce Client's managers and employees to WFN portal and self-service functionality. • Coordinates and schedules Employee/Manager Self Service Launch Meeting and distribution of Welcome Kits. Develops Client Strategic Action Plan for additional services to help assure alignment of Services with Client strategic direction and business drivers in all related functional areas.	The ADP Relationship Manager /HR Business Partner acts as a business consultant during the implementation process and performs business analysis. Client is responsible for validating the accuracy of all converted data. Client will attend all necessary implementation meetings and provide timely feedback as requested.

Services	Service Specifics	Roles and Responsibilities
Implementation		
Set-up of Payroll, HR & Benefits, and Time and Attendance modules (as applicable)	Implementation includes all activities needed to complete set-up of the Payroll, HR & Benefits, and Time and Attendance modules (the "Module(s)") including the following: • Implementation of all outsourcing services listed in this Statement of Service. • Scheduling and planning all implementation meetings. • Coordinating the collection of implementation service questionnaires. • Setting-up the Module(s) based on Client's requirements. • Collecting all relevant human resources ("HR"), payroll and enrollment data and loading them into the Module(s). Client must provide all data (e.g., corporate information, payroll data, benefit plan information, relevant HR data, including current personal and work data and employee/dependent enrollment information) in a format required by ADP. ADP will determine Client and ADP's readiness to go live based on completion of key deliverables and success of data gathering, conversion and other implementation milestones. ADP will set-up the HR & Benefits module to incorporate Client's (i) corporate structure (e.g., divisions, locations, employee classes, and departments) and user rights; (ii) benefit plans and providers; (iii) HR data, including reports to information, performance management, leave data, job titles, salary structures, and HR reason codes; and (iv) census data, including current personal and work data and employee/dependent enrollment information for all applicable parties.	Client is responsible for (i) accurately completing and providing questionnaires to ADP's implementation team in a timely manner; (ii) providing all HR corporate group information to ADP; (iii) providing all plan requirements information, company policies and procedures to either configure WFN and/or incorporate into administrative practices; (iv) providing all payroll data; (v) providing any documents and materials needed to complete employee access set-up; (vi) providing all plan participant and enrollment data in a predefined format required by ADP; (vii) reviewing all information in the Module(s) for accuracy; and (viii) all fees related to travel. Failure to meet these requirements may impact the date upon which Client may access the Services. Client is responsible for maintaining system configuration of and data related to all HR-related information (e.g., salary structures, job codes, leave policies, manager access, etc.) post implementation. Client's implementation team will determine Client's readiness to start implementation and assign Client its implementation team members. The make-up of Client's implementation team may vary according to the number of complementary products or services purchased. Client's implementation team will coordinate with the service team and Client's designated team members to ensure all requirements are understood and will assist in the transition to service.
Interfaces - ADP Carrier Connection®	Client shall be entitled to up to three (3) standard carrier connections at set up of the Services. Client may elect additional standard carrier connections for an additional fee. Subsequent reconfiguration of existing carrier connections and additional elections requested after set up (initial implementation) of the Services are available for an additional fee. Carrier connections shall be subject to an annual maintenance fee.	Client shall promptly deliver to ADP any Client Content required by ADP to set-up standard carrier connections. Client will work with its carriers to ensure ADP is permitted to transmit data and access Client's data in the carrier's system. No third party agreements with Client's carriers should be required. With respect to Carrier Connections, any changes in Client's benefit providers that require the establishment of a new carrier connection or the modification of an existing carrier connection shall be considered a new carrier connection and shall be completed by ADP at ADP's then current rates.

Services	Service Specifics	Roles and Responsibilities
Implementation		
Interfaces - Payroll Interfaces, Custom Interfaces	Client may require payroll or other custom interfaces in order to electronically transmit data, including but not limited to employee payroll data, certain HR and other demographic employee data, etc., to designated third parties authorized by Client. The development of such Interfaces shall be at ADP's then current fees for such services and fees shall be depend on the amount of customization required by ADP to create such interfaces. ADP shall provide Client with an estimate of the cost of the interface prior to its development. An annual maintenance fee shall apply to all interfaces, including Payroll Interfaces and Custom Interfaces.	ADP's construction of interfaces are subject to configuration by Client of the applicable Client Content and the formatting of such transmission to designated third parties. ADP's ability to transmit Client Content is dependent on the agreement by the designated third parties and ADP will not be obligated to transmit data unless the designated third parties have agreed to accept data via the interface.
ADP Personnel – Roles and Responsibilities		
ADP Relationship Manager	The ADP Relationship Manager actively communicates with Client and acts as the primary contact between ADP and Client. Each Client is assigned one (1) ADP Relationship Manager, no matter which Services Client has purchased. The ADP Relationship Manager is actively engaged in understanding Client's business model and project objectives to ensure alignment with Client objectives.	The Relationship Manager focuses on assisting Client to achieve its goals and promote alignment with the Comprehensive Services offering. The Relationship Manager is engaged with all levels within the Client organization. They are involved in key client interactions and focused on quality client experience and consultative opportunities. They drive utilization of Services, including applicable technology. The ADP Relationship Manager acts as a client advocate within ADP, escalating issues appropriately within ADP, coordinating with the Client to determine the impact of certain Client business events on the Services, and preparing and presenting regular account reviews. Additionally, the Relationship Manager will coordinate resources for ongoing projects and changes outside of initial implementation and will serve as an escalation point for all ADP products and services received by Client. The Relationship Manager schedules at least an annual review with Client to recap all activities completed on its behalf and discuss goals and objectives for the upcoming years' plan to achieve Client's objectives.

Services	Service Specifics	Roles and Responsibilities
ADP Service Centers		
ADP Service Center (for Client administrators)	Access to a toll free number with Client identification and issue routing via telephony. Provides access to primary support resources through WFN technology.	ADP provides access to an assigned specialist team that will be Client's primary support resource. ADP will provide standard service center hours 8:00 am to 5:30 pm, Client local time (Clients in Hawaii will have service center access 8:00 am to 5:30 pm PST), Monday through Friday, except for scheduled downtime for training, meetings and ADP recognized company holidays. Such scheduled downtime shall not exceed two percent (2%) of available hours each calendar quarter.
My Life Advisors	Access to a toll free number for use by employees and managers for general selfservice inquiries As authorized by Client, respond to Client's employees inquiries, when ADP has all pertinent information related to: • WFN technology/portal support • Employee personal information • Employee pay information and issues • Vacation, holiday, and leave of absence information • Hours of work and overtime information Further, the My Life Advisors can provide bilingual support for both English and Spanish speaking employees. Other languages are available via a partnership with AT&T's language line for an additional fee charged back to Client on a pay per usage basis.	As a prerequisite to use of My Life Advisors, Client is responsible to support and promote employee self-service and manager self-service. ADP will conduct one (1) onsite employee selfservice/manager self-service launch meeting. On request, ADP will support multiple virtual self-service launch meetings. ADP will answer employee and manager questions that have an apparent relationship to data entry visible through the WFN applications. ADP will provide standard service center hours 8:00 am to 11:30 pm EST, Monday through Friday, except for scheduled downtime for training, meetings and ADP recognized company holidays. Such scheduled downtime shall not exceed two percent (2%) of available time each calendar quarter.
Payroll and Tax Administration		
Payroll and Tax	ADP payroll processing with tax service to authorized jurisdictions (also included: CheckView, Payroll Preview, Total Tax PlusSM, Full Service Direct Deposit or TotalPay® banking options, Labor Distribution, iPayStatements, iReports). Additional fees will apply for ADP delivery via courier. Year-end Forms W-2 will be provided and Clients will be billed separately. Additional fees will apply for direct mailing of year-end Forms W-2.	ADP processes payroll and files and deposits appropriate federal, state and local taxes. Client must review and approve final payments.

Services	Service Specifics	Roles and Responsibilities
Payroll and Tax Administration		
Time and Attendance Feed to Payroll	Import employee Time and Attendance records provided that such records are in an ADP-acceptable format (if not utilizing ADP's Time and Attendance Module).	ADP provides Client with required file formats to utilize this feed. Client is responsible for adaptation of its file feed to a format that is compatible with ADP's feed.
Checks and Direct Deposit	ADP offers Clients two (2) banking features: Full Service Direct Deposit (payroll wages electronically deposited into employees' bank account(s)) or TotalPay (ADPCheck plus Full Service Direct Deposit).	Client must choose one of the banking features (unless Client is purchasing Comprehensive Payroll which requires TotalPay).
Wage Garnishment Processing Services (WGPS)	ADP provides tools to calculate garnishments based on court orders and client interpretation and also generates reports documenting garnishment activity.	Client provides employee liens and withholding information to ADP. ADP processes employee deductions for liens, wage garnishments and court ordered support and disburses payments to third parties as appropriate. Client is responsible for lien interpretation. Client is responsible for all compliance with agency notification requirements; replies to garnishment notices received; notices of employee terminations and all other required written responses. Client must provide minimum of two (2) weeks' notice prior to processing of any special pays to accommodate any garnishment requirements.
HR, Payroll and Benefits Reporting	Comprehensive standard and analytical reports cover HR, payroll, and benefits data.	ADP provides access to certain standard payroll reports. Client has access to ADP reporting tools to generate a limited number of custom reports.
GL Interface	ADP will generate a file every payroll that contains labor expense information that can be entered into popular general accounting programs. Custom programming not included.	
Paid Time Off (PTO)	Access to systems to track employees' paid time off.	Client is responsible for leave administration unless Total Absence Management is purchased as an optional service.
Non-Paid Persons	Access to HR & Benefits module to track Client headcount not included in the payroll system. Such persons may include international employees (located outside the U.S.), independent contractors paid outside the payroll system, persons on leave, and retirees.	
Tax Registration Services		
Relevant and Required Information		Client must provide to ADP all information requested by ADP with respect to the Tax Registration Services. ADP shall obtain relevant and required information to complete online or paper registration applications.
Submission of Applications	Upon Client's request, ADP shall initiate the registration process for each jurisdiction identified by Client and arrange for the submission of the application(s) to the appropriate tax agency on the Client's behalf.	Client may need to provide a signed Power of Attorney (POA) or Reporting Agency Authorization (RAA) when needed by ADP for it to obtain account number and status information from an employment tax jurisdiction.

Services	Service Specifics	Roles and Responsibilities
		ADP will not perform Tax Registration Services in connection with the following events: (i) mergers and acquisitions; (ii) name, address or entity (corporate form) changes; (iii) applications to a state's Secretary of State; and (iv) closing of accounts with a state taxing agency.
Communications	ADP shall communicate with the tax agency representatives on the status of the application and notify Client in writing of the new account numbers (to the extent this information is communicated to ADP by the tax agency), other account status information, or problems encountered during the process.	Client must promptly provide ADP with any communications received from the tax agency which are directly or indirectly applicable to the registration process or that may otherwise impact Client's request for an account number. ADP is not responsible for P&I based on timeliness of receipt of the client's ID number.
State Unemployment Insurance Claims		
Administer SUI Claims (where authorized by state law)	Provide pre-separation unemployment insurance (UI) counseling to Client. UI claims administration. Audit SUI tax rate components. Audit UI benefits charges. Voluntary contribution review. Provide a quarterly summary report of claims activity. Client hearing and appeals not included in base services.	Provide pre-separation unemployment insurance (UI) counseling to Client. UI claims administration. Audit SUI tax rate components. Audit UI benefits charges. Voluntary contribution review. Provide a quarterly summary report of claims activity. Client hearing and appeals not included in base services.
Training and Development		
Employee/Manager Self-Service Launch Training	Training for both Client employees and managers on the self-service tools and application (includes one on-site Employee Self-Service Kickoff and, upon request, virtual Employee Self-Service Kickoff meetings).	Client shall require its employees and managers to attend self-service tools and application training.
Core Product Training	Product training on all the core products for administrator users (not employees or managers).	Client shall require administrator users to attend core product training.
Benefit Support		
Open Enrollment Support (In the event the Client does not receive ADP plan and Comprehensive Benefit Services)	Access to HR module to maintain benefit plan and enrollment information. The annual Open Enrollment period will be established at least forty-five (45) days prior to the start of the Open Enrollment window. Client may have a maximum of one (1) two-week Open Enrollment window per year at no charge. Any extension of such window or additional Open Enrollment period(s) required by Client will be subject to additional fees. Client's eligible employees should use web-based on-line enrollment (Employee Access) for Open Enrollment. Additional fees may apply if a substantial percentage of employees do not use web-based on-line enrollment. Confirmation Statements will be provided via ADP's online employee self-service tool.	HR Consultants assist Client in using the Modules for maintaining benefit plan information and reporting. My Life Advisors assists Client employees in using self-service to make benefit enrollment selections.
Invoice Discrepancy Reporting		
Health and Welfare Carrier Invoice Discrepancies	ADP will compare benefit enrollments data from WFN to benefit enrollments on carrier invoices. ADP will identify discrepancies in coverage and/or premiums, and provide a report outlining the identified discrepancies.	ADP will reconcile invoices for medical, dental and visions plans. Client must provide to ADP any carrier invoices to be reconciled. Client must provide invoices in Excel format with unique identifiers. Coverage and premium amounts must be clearly identified on the invoice. ADP will provide a standard output of discrepancies. Client will be responsible for addressing/reconciling identified discrepancies.

Services	Service Specifics	Roles and Responsibilities
Employee Relations		
Employee Perks	Employee access to a wide range of discounts on premium-brand products and services	
New Hire Welcome Kit	New Hire Welcome Kits are made available to Client employees detailing the employee services and perks provided by Client through ADP. The welcome kits are available electronically via WFN.	ADP provide Electronic Welcome Kits via WFN
Compliance Support		
Compliance Newsletters <i>Note: The offering does not include legal advice or guidance.</i>	Access to periodic subject matter Compliance Newsletters.	
Alerts <i>Note: The offering does not include legal advice or guidance.</i>	Access to periodic subject matter Alerts and e-mails.	
Online Compliance Resources <i>Note: The offering does not include legal advice or guidance.</i>	Access to law summaries, periodic tips related to best practices and compliance changes.	

Appendix : History Conversion Services

Description of Available History Conversion Services

CONVERSION SERVICE	DESCRIPTION
Check History	Includes: Net/Gross Salary, Taxes, Deductions, Hours, Hours & Earnings Codes. History data files will be created and imported into ADP Workforce Now for Client practitioner level access only (not individual employee access).
Pay Rate History	Includes: Position ID, Change Effective On, Compensation change Reason, Rate Type, Rate 1 Amount, Standard Hours, Pay Frequency Code, Rate 2 Amount, Rate Currency, Annual Salary. History data will be loaded to an external viewer provided by ResNav Solutions (see below).
Position History	Includes: Job Title, Department, Business Unit, Location, Assigned Shift, Full time Employee, Pay Grade, Job Class, Salary Structure, Allocation, Union, FLSA, Workers Compensation, Scheduled Hours, Hours period, EEO Job Class, Cost Number, Management Position, Reports to Position ID. History data will be loaded to an external viewer provided by ResNav Solutions (see below). Automated Export Services are available (see below).
Benefits History (Employee Benefit Selection)	Includes: Employee level Benefit selection data included: Plan Type and Name, Coverage Level, Enrollment Effective and End Dates, Employee and Employer Costs per period. Does not include company level detail for Benefit plans. History data will be loaded to an external viewer provided by ResNav Solutions (see below). Automated Export Services are available (see below).
Benefits / Dependent History	Includes: Employee Level Dependents, Including: Dependent Tax ID, Relationship, Name, Address, Gender, Birth Date, Type, Status, Enrollment Start and End Dates, Plan Name and type, Plan Provider Name, Coverage level, Benefit Status. History data will be loaded to an external viewer provided by ResNav Solutions (see below). Automated Export Services are available (see below).
Time & Attendance History	Includes: Employee Time Zone, Pay Rule, Punch Date, Punch In/Out Times & Codes, Totaled Amount, Cumulative Total, Reason/Details. History data will be loaded to an external viewer provided by ResNav Solutions (see below). Automated Export Services are available (see below).
Employee Status History	Includes: Changes to Employee Status, including Termination Date and Reason, Rehire Eligibility and Date, LOA Start and Return Dates with Reasons

Loading History Data Using ResNav Solutions. History data will be loaded to an external history viewer provided by ResNav Solutions, a standalone system, which allows Client to retain history from its legacy systems. History Viewer URL access will be provided to Client practitioner for login with password. Access to History Viewer will be at the practitioner level only (not individual employee access).

Automated Export Services. The Automated Export Services associated with History Viewer, applies to the custom report that loads data from the ADP Application Platform to the History Viewer on a one-time daily basis. The data loaded from the ADP Application Platform to the History Viewer is specific to pay rate, status and position data only. This enables joint reporting from History Viewer for both current and historical employee data. ResNav Solutions shall setup the custom report under a specific practitioner during the history conversion process and the ADP integration team shall initiate the automation of the report.

Data Privacy Appendix

This Data Privacy Appendix is a data processing agreement under Applicable Law and supplements the Agreement, between ADP and Client. Capitalized terms throughout this Data Privacy Appendix not defined in the Agreement are defined in the ADP Privacy Glossary at www.adp.com/-/media/adp/privacy/pdf/glossary_en.pdf, provided, however, that the relevant definitions (or equivalent terms) under Applicable Law will supersede both the Agreement and ADP Privacy Glossary terms in the event of a conflict.

PART I - GENERAL

1. **Client Obligations.** Client shall only provide ADP with Client Personal Data that: (a) is required to perform the Services; (b) has been collected in accordance with Applicable Law, including obtaining any needed consent from Client Employees, where applicable; and (c) Client has and will maintain authority to provide such data under Applicable Law.

2. **ADP Obligations.** Client is disclosing Client Personal Data to ADP, as a Data Processor (or equivalent term under Applicable Law), only for the limited and specified business purposes as set forth in the Agreement, associated statements of work and/or any subsequent amendments. ADP will comply with Applicable Law for Processing Client Personal Data pursuant to the Agreement. ADP will not: (a) "sell" or "share" Client Personal Data; (b) retain, use, disclose or otherwise Process Client Personal Data outside of ADP's direct business relationship with Client or for any commercial or other purpose other than the business purposes specified in the agreement(s) between Client and ADP, except as permitted by Applicable Law; or (c) combine Client Personal Data with personal data that ADP receives from, or on behalf of, other persons, or collects from ADP's own interaction with a consumer, except as permitted under Applicable Law. ADP will provide the same level of privacy protection for Client Personal Data as required of Client under Applicable Law. ADP has the right to Process Client Personal Data in order to comply with ADP's legal obligations (e.g., compliance with sanction laws) or in order to prevent, detect or investigate fraud. ADP employees, contingent workers and Subprocessors are authorized to Process Client Personal Data to the extent necessary to provide the Services and as permitted under the Agreement and by Applicable Law.

3. **Anonymization and Aggregation.** In addition to any rights granted to ADP in Section 4 of the Agreement to use aggregated or anonymized data, ADP will not attempt to, and will not, re-identify any Client Personal Data that has been "anonymized." For the purposes of this Data Privacy Appendix and Agreement, anonymized data (which includes de-identified data under applicable US Privacy Law(s)) means data that cannot be used to identify an individual, directly or indirectly, by any means reasonably likely to be used in accordance with Applicable Law. The process of "de-identification" under applicable US Privacy Law(s) has the same effect on Client Personal Data as anonymization. ADP will implement reasonable measures to ensure that anonymized or aggregated data has no reasonably foreseeable risk of being re-identified and associated with Client or any individual.

4. **Transfers to Subprocessors.** ADP may transfer Client Personal Data to ADP Subprocessors and Third Party Subprocessors located outside of the country or region where Client Personal Data was initially collected (collectively "Subprocessors"). ADP will establish appropriate safeguards with Subprocessors to ensure the adequate protection of Client Personal Data. Third Party Subprocessors are bound by written contracts with ADP that impose data protection terms that are not less protective than those imposed by this Data Privacy Appendix. An up-to-date list of ADP Subprocessors and Third Party Subprocessors, including locations, is accessible at <https://workforcenowservice.adp.com/DigitalService/s/article/Comprehensive-Services-Sub-processor-Listing>. Such list may be updated from time to time.

5. **Compliance Obligations.** ADP will notify Client if ADP makes a determination that it can no longer meet its Processing obligations under Applicable Law. Client may, upon providing written notice to ADP, take reasonable steps to stop and remediate unauthorized Processing of Client Personal Data.

6. **Client Instructions.** When receiving a Client instruction regarding the Processing of Personal Data, ADP will notify Client if ADP considers such instruction to violate Applicable Law; however, ADP is not obliged to and will not perform a legal examination with respect to a Client instruction.

7. **Assistance.** ADP will assist Client with Client's data privacy obligations where required under Applicable Law, including assisting Client in responding to and addressing Client Employee individual rights requests, and complaints concerning Client Personal Data Processed by ADP in connection with the Services. ADP will also provide Client with relevant information for conducting data protection impact or risk assessments, (including transfer impact assessments) and any other assessments or reassessments required by Applicable Law or competent regulatory authorities. ADP reserves the right to charge for such assistance rendered. If ADP receives an individual rights request or complaint directly from a Client Employee, ADP shall promptly forward the Client Employee request to Client.

8. **Client Audit.** ADP will answer questions asked by Client regarding the Processing of Client Personal Data by ADP. In the event Client reasonably considers that the answers provided by ADP justify further analysis or are necessary to demonstrate compliance with this DPA, ADP will:

(a) provide security materials known as ADP's trust package (which includes security policy and standards overview, password summary, resiliency program summary, disaster recovery program overview, data center and hosting service summary and a third-party risk management executive summary), that details ADP's business processes and procedures for the Processing of Client Personal Data; and

(b) where required under Applicable Law, if Client reasonably considers that the documents provided by ADP justify further analysis, make the facilities ADP uses to Process Client Personal Data available for an audit by a qualified independent third-party assessor reasonably acceptable to ADP, bound by confidentiality obligations satisfactory to ADP and engaged by Client. Client will provide a copy of the audit report to ADP's Global Chief Privacy Officer which will be ADP Confidential Information. Audits shall be conducted no more than once per year during the term of the Agreement during regular business hours and will be subject to (i) a written request submitted to ADP at least 45 days in advance of the proposed audit date; (ii) a detailed written audit plan reviewed and approved in advance by ADP's security organization; and (iii) ADP's on-site security policies. Such audits will take place only in the presence of a representative of ADP's global security office, ADP's global data privacy & governance team, or such person designated by the appropriate ADP representative. The audits shall not be permitted to disrupt ADP's

Processing activities or compromise the security and confidentiality of Personal Data pertaining to other ADP Clients. ADP will charge Client a reasonable fee for such audit.

9. Personal Data Return and Deletion. Upon termination of the Agreement, ADP shall comply with its contractual obligations regarding the return of Client Personal Data (if Client Personal Data has not been previously returned to Client, or is not otherwise accessible to Client through the relevant product functionality or features for the Services, such as the ability to download the Client Personal Data) and shall delete Client Personal Data in accordance with ADP's then current applicable records retention schedule. ADP shall address Client's request to delete Client Personal Data before the records retention period has ended to the extent feasible and at a reasonable cost to Client. ADP may maintain Archive copies of Client Personal Data, to the extent required under Applicable Law, as authorized by Client in writing, or as needed for dispute resolution purposes.

PART II – GDPR/UK GDPR

10. Scope. This Part II applies solely with respect to Client Personal Data subject to Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of Personal Data and on the free movement of such data ("General Data Protection Regulations" or "GDPR") and as transposed into United Kingdom national law by operation of section 3 of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 ("UK GDPR"). With respect to ADP's processing of Client Personal Data subject to GDPR and/or UK GDPR, the EU and UK Binding Corporate Rules ("BCR") for Client Data Processing Services (the "ADP Privacy Code(s)"), located at [ADP Privacy](https://www.adp.com/-/media/adp/privacy/pdf/bcrpc_en.pdf) (https://www.adp.com/-/media/adp/privacy/pdf/bcrpc_en.pdf) and [ukbcrpc_en.pdf \(adp.com\)](https://www.adp.com/-/media/adp/privacy/pdf/bcrpc_en.pdf)), govern(s) as applicable. ADP has obtained EU and UK authorization of its ADP Privacy Code(s).

11. International Transfers. For transfers outside of the EEA, Switzerland and United Kingdom, the ADP Privacy Code(s) serve(s) as the legal basis for the data transfer to an ADP Group Company or between ADP and an ADP Subprocessor, which Client acknowledges and accepts. ADP shall enter into appropriate contractual agreements, such as standard contractual clauses, or rely upon any other lawful transfer mechanism prior to transferring Client Personal Data to a Third Party Subprocessor or to an ADP company when the ADP Privacy Code(s) do(es) not apply.

12. Additional Subprocessor Obligations. Within 30 days of a written update (including electronic notice) by ADP to Client adding a new Subprocessor, Client may object to such new Subprocessor by providing written notice to ADP alleging objective justifiable grounds that such Subprocessor is unable to protect Client Personal Data. If the parties cannot reach a mutually acceptable solution, ADP shall, at its option, either: (a) not allow the Subprocessor to access Client Personal Data; or (b) allow Client to terminate the relevant Services in accordance with the terms of the Agreement.

13. ADP Privacy Code(s) EU and UK Authorization. ADP will make commercially reasonable efforts to maintain the EU and the UK authorization of its ADP Privacy Code(s) for the duration of the Agreement and will promptly notify Client of any subsequent material changes in the EU or UK authorization of its ADP Privacy Code(s).

PART III - MISCELLANEOUS

14. Order of Precedence. In the event of a conflict between the Agreement, this Data Privacy Appendix, the ADP Privacy Code(s) and Applicable Law, then the conflict will be resolved by giving effect to such in the following order of precedence: (a) Applicable Law; (b) the ADP Privacy Code(s); (c) this Data Privacy Appendix; and (d) the Agreement.

15. Scope. This Data Privacy Appendix provides no additional rights to a Client Employee that are not already provided under the Applicable Law to which the Client Employee is subject.

Company Information

Casitas Municipal Water District
1055 Ventura Ave
Oak View, CA 93022-9622
United States

Executive Contact

Janyne Brown
Primary
jbrown@casitaswater.com
805-649-2251

Recurring Fees and Considerations

Number of Employees: 155 on Casitas Municipal Water District



Monthly Processing

	Count	Min	Base	Rate	Monthly	Annual
ADP Comprehensive Services Bundle	155	\$3,718.75	-	See Below	\$3,825.40	\$45,904.80
■ Comprehensive Services Essentials						
ADP Comprehensive Services Ancillary Modules	155	-	-	\$2.21	\$342.55	\$4,110.60
■ Recruitment and Talent Acquisition						
■ Recruiting Embedded Intelligence						
Non-Paid Employees	1	-	-	\$7.25	\$7.25	\$87.00
Monthly Administrative Fee	1	-	\$275.00	-	\$275.00	\$3,300.00
Workforce Now Time and Attendance	155	\$185.50	-	\$4.51	\$699.05	\$8,388.60
■ Essential Time						
Employment and Income Verification	155	-	-	-	\$0.00	\$0.00
ADP Comprehensive Services Bundle		1 - 999999			\$24.68	



Annual Processing

	Count	Min	Base	Rate	Annual
Year End Forms, W2s or 1099s	155	-	-	\$4.17	\$646.35



Total Annual Investment

Total Annual

Workforce Now Services

\$62,437.35



Other Considerations

	Count	Rate	Total
Hardware and Other Fees			
■ Professional Services: Pay Check History Conversion	1	\$1,800.00	\$1,800.00
■ Professional Services: Historical Data Conversion	1	\$3,600.00	\$3,600.00
* Employee Pay Rate (or Salary) History			
* Employee Position (or Job Profile) History			
Implementation			
■ Implementation for ADP Comprehensive Services Bundle			\$5,600.00
Health & Welfare Benefit Carrier Feed Setup included at no charge: 3			



Total Other Considerations

Total Setup

Implementation and One-Time Fees

\$35,000.00

Discount Value

(\$24,000.00)

Total Net Implementation and One-Time Fees

\$11,000.00

Important Project & Billing Information

Billing for Comprehensive Services shall begin upon the earlier of (a) the date CLIENT is first able to use the services in a live production environment or (b) ninety (90) days from kick off call. The billing counts are based on all "All Non-Archived" employees excluding terms. Any lives classified as Non-Paid will be billed a separate lower rate. 1099 Contractors paid through a specific 1099 Contractor company code will also be billed via a separate rate.

Billing for Essential Time will begin on the date Essential Time is available for use by the CLIENT in a production environment. The billing count is based on all non-terminated employees in the Time Module. This count includes practitioners and supervisors.

SUI Management Annual Volume: Processing of claim cases equal to 10% of Client's employee count within a 12-month period is included for no additional fee. Processing of additional claim cases will be billed at a rate of \$35 per claim case. Optional services: Appeals filing and Hearing Representation are subject to additional fees to be approved by client in advance.

Implementation: ADP will spread \$7,400.00 of implementation and one time fees over 36 Months . The monthly fee of \$205.56 will begin upon ADP Start Date. Further terms regarding Deferred Implementation are set forth in the Global Master Services Agreement. Subject to Credit Approval.

Promotion Terms
Promotion will be applied to Months 3 & 13 (i.e. the Promotional Periods) for Comprehensive Services Bundle, plus Comprehensive Services Ancillary Modules and Essential Time (if purchased) as reflected on the Sales Order. Client's account must be active and in good standing. Actual promotional value may vary based on a number of reasons, including but not limited to: start date and actual number of employees active in the system during the promotional months.

Other
ADP's Fees for Service will be debited directly out of client's bank account of their choosing seven (7) days from invoice date. ADP will send invoices to jbrown@casitaswater.com
Expiration Date: 4/21/2025

Important Professional Services Information

History Conversion: The services noted on this sales order are performed by ADP Professional Services and are for companies with less than 1000 active employees with a maximum of 5000 total records (a combination of both active and terminated lives) with data coming from a single data base source. Conversion of history from a database with a greater number of records or from multiple databases must be quoted via a customized statement of work.

Summary			
Estimated Annual Net Investment:	\$62,437.35	Total Implementation:	\$11,000.00

The ADP Services Listed on this Sales Order are provided at the prices set forth herein and in accordance with the ADP Master Services Agreement (or other similar agreement governing ADP's services), which shall include any appendix, exhibit, addendum, schedule or other similar document attached thereto or accompanying this Sales Order. By signing below you are acknowledging and agreeing to such terms and conditions and to the listed prices.

ADP, Inc.	Client: Casitas Municipal Water District
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Workforce Now Included Services

Comprehensive Services Essentials

- Enhanced Payroll
- Enhanced HR with Onboarding & EI-9
- Enhanced Benefits with Essential ACA
- Decision Support
- Document Cloud
- Voice of Employee
- Designated Open Enrollment Specialist
- Tax Registration Services
- Wage and Hour Compliance on Demand
- ACA Center of Excellence
- MyLife Advisors (EE & Mgr Service Center)
- ADP DataCloud: Analytics
- Relationship Manager
- Designated WFN Technology Specialists
- Employee Discount Program
- Benefits Invoice Discrepancy Reporting
- 5 Standard Management Reports

Recruitment and Talent Acquisition

- Mobile-first, branded career site for applicants
- Seamless job posting on 25,000+ job sites
- Candidate communications using email and mobile text
- ZipRecruiter Job Slots
- Requisition management and reporting
- Talent communities
- Interview scheduling and offer letter management
- Industry and Geographic Compensation Benchmarks

Essential Time

- Time Collection
- PTO Management & Reporting
- Request & Approval Workflows
- ADP Portal with Customized Content
- Rule Based Calculations
- Scheduling
- Mobile Access
- Paid Time Off Accruals

Employment and Income Verification

- Commercial Employment and Income Verifications
- Client access to Electronic Reports and Tools

Implementation Support and Data Conversion

- Pay Rate (or Salary) History: Inc. up to 7 years; Max 5000 records (Total Lives, Terms, LOA)
- Position (or Job Profile) History: Inc. up to 7 years; Max 5000 records (Total Lives, Terms, LOA)

Thank you for your consideration

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: FINANCE COMMITTEE

FROM: MICHAEL FLOOD, GENERAL MANAGER

SUBJECT: ANNUAL REVIEW OF INVESTMENT POLICY

DATE: 03/28/2025

RECOMMENDATION:

It is recommended that the Committee direct staff to forward the investment policy to the Board of Directors for review during the regular board meeting of April 9th, 2025.

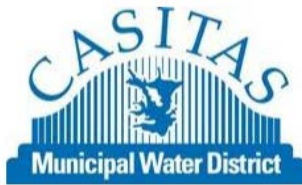
BACKGROUND:

During the June 28th, 2024 regular meeting the Casitas MWD Board of Directors, approved the Investment Policy (attached) which can be found on Casitas MWD's website at:
<https://www.casitaswater.org/files/60fd0b446/CMWD+Investment+Policy+app.pdf>

DISCUSSION:

Per the Districts Investment Policy and Government Code Section 53646(a) requires the board of directors to annually review the investment policy. The policy has been reviewed by the Districts financial advisor. At this time there are no recommended changes.

Attachment: Current Investment Policy



Investment Policy

November 24, 2021

Policy, Scope, & Objective

The purpose of this investment policy is intended to provide guidelines for the prudent investment of Casitas Municipal Water District's ("District") reserves. The goal is to invest funds in a manner which will provide the highest investment return with the maximum security while meeting daily cash flow demands. This policy also organizes and formalizes the District's investment related activities, while complying with all applicable statutes governing the investment of public funds.

Except for funds held in the District's working bank accounts used for daily operations and retirement funds held in a trust, it is intended that the investment policy cover all investment activities and financial assets of the District. These funds are accounted for in the annual district audit.

Pursuant to California Government Code 53600.5 and in order of importance the following criteria shall be followed in the investment program.

1. Safety: Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
2. Liquidity: The investment portfolio will remain sufficiently liquid to enable the District to meet all operating requirements that might be reasonably anticipated.
3. Return of Investment: The investment portfolio shall have the objective of attaining an acceptable rate of return throughout budgetary and economic cycles, taking into account investment risk constraints.

Prudence

Pursuant to California Government Code 53600.3 the "prudent investor" standard shall be used by all persons authorized to make investment decisions and be applied in managing the overall portfolio. Directors of the District ("Board"), Chief Financial Officer, and all persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, prudence, and diligence under circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the District, to safeguard the principal and maintain the liquidity needs of the District.

All persons authorized to make investment decisions on behalf of the District acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual's security credit risk or market price changes, provided deviations from expectation are reported in a timely fashion and appropriate action is taken to control adverse

Approved 11.24.21 Board Meeting

developments.

Ethics and Conflict of Interest

All authorized persons involved in the investment process shall refrain from personal business activities that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions.

Responsibilities of the Board of Directors

- Policy Adoption and Review. Pursuant to California Government code 53646 the Investment Policy and any amendments shall be approved at a public meeting by the Board. The Board shall review the investment Policy annually to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same.
- Delegation of Authority. Pursuant to California Government Code 53607, the Board shall delegate authority for investment of funds, investment management services, and emergency actions by the board.
- Investment of Funds. The Board delegates the responsibility to invest or reinvest the District's funds or to sell or exchange securities purchased to the Chief Financial Officer, who shall act in accordance with established written procedures for the operation of the investment program consistent with the investment policy. Delegation of this authority shall be reviewed as desired by the Board.
- Investment Management Services. The District can authorize the use of investment management service for District funds. Any change in investment management services must be approved by the Board.
- Emergency Actions by the Board. An emergency meeting of the board will be called whenever necessary to deal with important investment issues that cannot await a regularly scheduled Board meeting.

Responsibilities of the Chief Financial Officer

- Pursuant to California Government Code 53607 the Chief Financial Officer is responsible for investing or reinvesting the District's funds or to sell or exchange securities purchased. They shall be responsible for coordinating and communicating with investment management service provider.
- Annual Review of the portfolio for compliance and shall report to the Board major incidences of noncompliance.
- In accordance with section 53646 of the California Government code they shall submit monthly investment reports to the board. The report shall include the type of investment, issuer, date of maturity, par values and dollar amount invested for all securities, investments and moneys held by the District as well as the current market value as of the date of the report and the source of valuation.
- Annual review of the investment Policy to determine whether stated investment objectives are still relevant and the continued feasibility of achieving the same.
- Maintain written procedures for the operation of the investment program.

Responsibility of Investment Management Services

- The investment management service provider must meet the requirements for authorized financial dealers in accordance with California Government Code 53601.5 and be reputable and trustworthy as well as knowledgeable and experienced with public agency investing.
- Work with the Chief Financial Officer in regards to investing or reinvesting the District's funds or to sell

Approved 11.24.21 Board Meeting

or exchange securities purchased while exercising full investment discretion and prudence in the selection and diversification of investments.

- Manage the day-to-day investment of Portfolio assets in accordance with the Policy guidelines and objectives included herein. If at any time the guidelines become too restrictive or possibly injurious to investment returns, they should communicate that information immediately to the Board and Chief Financial Officer.
- Promptly bring to the attention of the District any investment that subsequently fails to meet the policy guidelines, along with a recommendation of retention or disposal.
- Provide timely investment reporting.

Authorized Investments

Pursuant to California Government Code 53601, the District is empowered to invest in the following:

- Bonds issued by the District
- United States Treasury Bills, Notes, and Bonds. There is no limit of the portfolio invested in this category.
- United States Agency Securities
- Certificates of Deposit. Investments is limited to maximum of 30% of the portfolio.
- Corporate Bonds. Investments is limited to maximum of 30% of the portfolio and must have minimum rating of A- / A3 or better (by one rating agency)
- Mutual Funds (that invest in the above securities, including Money Market Funds)
- Municipal Bonds
- Commercial Paper
- Bankers Acceptances
- Repurchase Agreements
- Local Agency Investment Fund (LAIF) and Ventura County's pooled investment fund and shall not exceed 95% of the District's investable assets.

Not more than 10% of Districts funds shall be invested in any one single institution with the exception of United States Government Securities.

No investments shall be made in financial futures or financial options contracts which are otherwise allowed pursuant to Section 53601.1 of the Government Code. No investment shall be made in any security that at the time of the investment has a term remaining to maturity more than five years.

It is the District's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars. However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time.

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: FINANCE COMMITTEE

FROM: MICHAEL FLOOD, GENERAL MANAGER

SUBJECT: REVIEW OF PROPOSALS FOR DISTRICT AUDITOR SERVICES

DATE: 03/28/2025

RECOMMENDATION:

It is recommended that the Finance Committee forward the RFP from Clifton Larson Allen to the Board of Directors for review and approval during the regular board meeting of April 9th, 2025.

BACKGROUND:

In April 2020 the District awarded auditing services to Clifton Larson Allen (CLA), formerly White Nelson Diehl Evans (WNDE). The awarded contract included auditing services for three fiscal years with the option of two one-year periods commencing FY19-20.

A request for proposals (RFP) was issued January 14, 2025, for auditing services. The RFP was sent to ten qualified certified public accounting firms. Two responses to the RFP were received in February 2025.

DISCUSSION:

The below two proposals were reviewed by staff:

1. Davis Farr in the amount of \$37,660 financial audit and \$3,890 single audit if applicable
2. Clifton Larson Allen (CLA) in the amount of \$35,665 financial audit and \$6,860 single audit if applicable

Upon review of the proposals staff recommends award of the FY2025-FY2027 audit services with the option of two one-year periods to CLA.

CLA is the District's current auditor. For the FY2025-2027 audit there will be a new auditing team along with a new partner overseeing the audit. Changing the lead audit partner will be in conformance with government code. The new auditing team has experience with Southern California water agencies as well as depth of staff to carry out the audit with the highest level of success.

BUDGET IMPACT:

The budget for fiscal year 2025-2027 will include auditing services.

Attachment: Proposal from CLA



February 11, 2025

Proposal to provide professional
audit services to:

Casitas Municipal Water District

Prepared by:

Daphnie Munoz, CPA, Principal

daphnie.munoz@CLAconnect.com

Direct 714-795-5474

CLAconnect.com

CPAS | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://claglobal.com/disclaimer).

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





February 11, 2025

Ms. Janyne Brown
Chief Financial Officer
Casitas Municipal Water District
1055 Ventura Avenue
Oak View, CA 93022

Dear Ms. Brown:

Thank you for inviting us to propose. We look forward to the opportunity to provide services to Casitas Municipal Water District (the District). We are confident that our extensive experience serving similar governmental entities, bolstered by our client-oriented philosophy and depth of resources, will make CLA a top qualified candidate to fulfill the scope of your engagement. The following differentiators are offered for the District's consideration:

- **Industry-specialized insight and resources** – As one of the nation's leading professional services firms, and one of the largest firms who specialize in regulated industries, CLA has the experience and resources to assist the District with their audit needs. In addition to your experienced local engagement team, the District will have access to one of the country's largest and most knowledgeable pools of regulated industry resources.
- **OMB Uniform Guidance (UG) experience** – CLA performs single audits for hundreds of organizations annually, ranking top in the nation for the number of single audits performed by any CPA firm. The single audit requires a specific set of skills to properly perform the procedures. As such, we have developed a group of professionals who specialize in providing single audit services.
- **Strong methodology and responsive timeline** – In forming our overall audit approach, we have carefully reviewed the RFP and other information made available and considered our experience performing similar work for other municipalities. Our local government clients are included amongst the more than 4,200 governmental organizations we serve nationally. Our staff understands your complexities not just from a compliance standpoint, but also from an operational point of view. The work plan also minimizes the disruption of your staff and operations and provides a blueprint for timely delivery of your required reports.
- **Communication and proactive leadership** – The District will benefit from a high level of hands-on service from our team's senior professionals. We can provide this level of service because, unlike other national firms, our principal-to-staff ratio is similar to smaller firms – allowing our senior level professionals to be involved and immediately available throughout the entire engagement process. Our approach helps members of the engagement team stay abreast of key issues at the District and take an active role in addressing them.
- **A focus on providing consistent, dependable service** – We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, thus allowing us to avoid the workload compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is organized into industry teams, affording our clients with specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our state and local government services team who understand the issues and environment critical to governmental entities.
- **We know you!** We know and understand the District. Having provided past services, we understand your organization well. This familiarity gives your project momentum from the start, reducing time spent on initial learning. Minimizing onboarding hours for new auditors saves District staff time and allows employees to focus on critical tasks, increasing overall efficiency.

Scope of our Services

Our understanding of the objectives and scope of the work to be performed is as follows:

- A financial audit of the basic financial statements of the Casitas Municipal Water District in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, and preparation of the Annual Comprehensive Financial Report.
- A letter to management (SAS 115) containing any comments resulting from our review of the systems of internal controls in connection with the financial audit and recommendations for ways to improve these controls that will help to mitigate risk and strengthen the District's accounting processes
- A letter to those charged with governance (SAS 114) that present the results of the audit including any significant audit findings, audit adjustments, and other information.

- A Single Audit of Federal Grants to be performed to meet the requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* (Uniform Guidance) for the District, if applicable
- Prepare and transmit the Special District Financial Transactions Report to the State Controller's Office.

We want to serve you and we have the qualifications to deliver quality, timely work. Throughout this proposal, we take you on a journey outlining how we'll work together and the value you can come to appreciate when we exceed expectations.

Please contact me if I can provide additional information on our firm or our proposal.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in blue ink that reads "Daphne Munoz". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Daphnie Munoz, CPA, Principal
714-795-5474 | daphnie.munoz@CLAconnect.com

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Section A: Firm Qualifications and Experience Including References

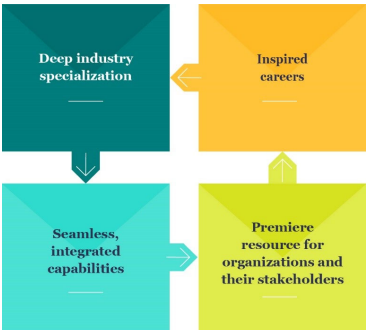
Firm overview

It takes balance.™ With CLA by your side, you can find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.



As a professional services firm, we exist to create opportunities ... for you, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. We do this when we live the CLA Promise — a promise to know you and help you.

Opportunities for you



You'll find resources you would expect in the largest firms, with the personal touch of people who live and work in your community.

You'll access leaders and professionals in communities across the country, rather than from one central headquarters. We work together to look at your organization holistically, and then help you address challenges by offering support where you need it, from traditional audit and tax to outsourcing and wealth advisory.

As you navigate opportunities and challenges in a competitive and constantly changing environment, we'll embrace change, learn from it, and design processes to make interactions easier, more transparent, and seamless.

Opportunities for our people

At CLA, people find meaningful work in a fun, compelling, and energizing culture. Our people design their own customized careers through our inspired careers strategic advantage. In 2023 our total headcount was up 4% and we saw an incredible retention rate of 87%. Inspired by their careers, our family members develop client relationships that bring deeper knowledge and help you shine. We're one family, working together to create opportunities.

What's more, CLA is building a [diverse, inclusive, and equitable culture](#) that welcomes different beliefs and perspectives. We want to be representative of the communities we serve and foster an environment of inclusion and belonging, resulting in enhanced value for our clients, our communities, and each other.

Inclusive: We embrace all voices and create opportunities by removing barriers and helping our people build inspired careers.



Opportunities for our community

CLA's community impact team unifies the work and missions of our diversity, equity, and inclusion council and the CLA Foundation with a laser focus on advancing education, employment, and entrepreneurship within CLA and throughout our society.

Since 2015, our [CLA Foundation](#) has granted more than \$13 million from nominations made by and funds raised from CLA family members. Each grant recipient's work aligns with the foundation's mission to create career opportunities through education, employment, and entrepreneurship by connecting diverse networks inclusive of all genders and races, veterans, and the disability community.

Read more in CLA's annual [Promise and Transparency Report](#).

State and local government experience

With more than 600 professionals dedicated to our state and local government practice, CLA has one of the largest governmental audit and consulting practices in the country and brings extensive experience providing a variety of such services to state and local government entities. Our state and local government team serves more than 4,200 governmental engagements nationwide, including numerous cities, counties, municipalities, states and state agencies, and school boards. In addition, we perform single audits for hundreds of organizations annually (1,681 according to the most recent Federal Audit Clearinghouse data), ranking top in the nation for the number of single audits performed by any CPA firm.

You can benefit from a close personal connection with a team of professionals devoted to governments. Our goal is to become familiar with all aspects of your operations — not just the information needed for the year-end audit so that we can offer proactive approaches in the areas that matter most to you:

- Finding new ways to operate more effectively and efficiently
- Responding to regulatory pressures and complexities
- Maintaining quality services in the face changing budgetary priorities
- Providing transparent, accurate, and meaningful financial information to stakeholders, decision-makers, and your constituents



Office location assigned to manage the engagement

Our firm matches the necessary skill set to an engagement before considering the geographic location of the staff. Assigning team members who specialize in working with similar clients can provide the District higher quality services and allows us to complete the engagement in a more efficient and effective manner with little interruption to your staff.

The District will be served by an industry-specialized engagement team located in our Irvine, California office. The Irvine office, formerly White Nelson Diehl Evans (WNDE), has 15 professionals solely focused on providing high quality accounting, auditing, and consulting services to California municipalities, special districts, school districts, community colleges and other government entities.



CLA Irvine

2875 Michelle Drive, Suite 300
Irvine, CA 92606
P: 714-978-1300 | F: 714-978-7893

California government experience

CLA is a leading provider of government audit and consulting services in California. We serve more than 130 California municipalities, special purpose governments, and school districts. As such, we understand the complexities within California governments, grant funding, and the specific federal and state compliance requirements of that funding. Inherently, with the size of CLA’s government practice, we are continually consulting other governments and professionals to stay current on constant changes and local issues that may affect the District.



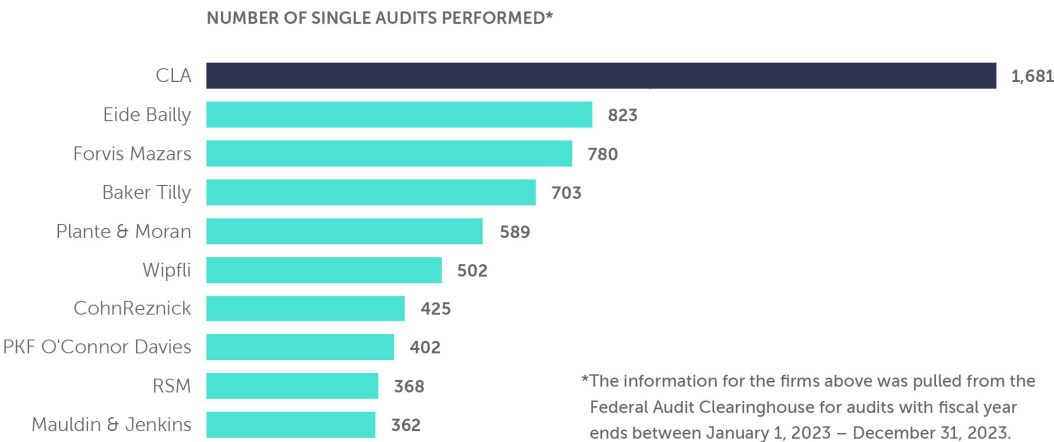
The following represents California clients audited by CLA during the last five years.

Camarosa Water District	Padre Dam Municipal Water District
Casitas Municipal Water District	Placentia Library District
Chino Basin Regional Financing Authority	Rancho Santa Fe Community Service District
Coachella Valley Water District	Rincon del Diablo Municipal Water District
El Toro Water District	Serrano Water District
Fallbrook Public Utility District	South Coast Water District
Grossmont Healthcare District	Sunset Beach Sanitary District
Heber Public Utilities District	Surfside Colony Stormwater Protection District
Inland Empire Regional Composting Authority	Surfside Colony Community Services District
Inland Empire Utilities Agency	Town of Discovery Bay Community Services District
La Habra Heights County Water District	Valley Wide Recreation and Park District
Laguna Beach County Water District	Ventura Port District
Mesa Water District	Vista Irrigation District
Midway City Sanitary District	Western Municipal Water District
Monterey Peninsula Regional Park District	Western Riverside County Regional Water Authority
Moulton Niguel Water District	Whispering Palms Community Service District
Orange County Mosquito and Vector Control District	Yorba Linda Water District
Orange County Water District	

Single audit experience

CLA performs the largest number of single audits in the United States

We audited nearly \$229 billion dollars in federal funds expended in 2023. The chart below illustrates CLA’s experience in serving organizations that receive federal funds and demonstrates our firm’s dedication to serving the government and nonprofit industry.



It is more important than ever to find qualified auditors who have significant experience with federal grants specific to the District and can enhance the quality of the District’s single audit. Therefore, the single audit will be performed by a team of individuals who are managed by personnel who specialize in single audits in accordance with OMB’s *Uniform Guidance* and who can offer both knowledge and quality for the District. As part of our quality control process, the single audit will be reviewed by a firm Designated Single Audit Reviewer.

You'll need an audit firm experienced in performing single audits and a familiarity with the specific programs in which you are involved and will benefit from CLA's experience in this area.

Single Audit Resource Center (SARC) award

CLA received the [Single Audit Resource Center \(SARC\) Award](#) for Excellence in Knowledge, Value, and Overall Client Satisfaction. SARC's award recognizes audit firms that provide an outstanding service to their clients based on feedback received from an independent survey.

The survey queried more than 10,920 nonprofit and government entities about the knowledge of their auditors, the value of their service, and overall satisfaction with their 2023 fiscal year-end audit. The SARC award demonstrates CLA’s dedication to serving the government and nonprofit industry and maintaining the most stringent regulatory requirements in those sectors.

Certificate of achievement assistance

The Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting is awarded to state and local governments that go beyond the minimum requirements of generally accepted accounting principles. It is awarded to state and local governments who produce an annual comprehensive financial report that evidences the spirit of transparency and full disclosure. Members of the GFOA staff and the GFOA Special Review Committee (SRC) review reports submitted to the ACFR program.

CLA provides audit services to many entities that received the GFOA Certificate of Excellence in Financial Report. All of the procedures noted in our audit approach and our technical review of the ACFR are done to help the District prepare and publish the top product possible. Our managers and principals who review the ACFR have a strong understanding of the GFOA requirement for the certificate. We understand that this is a prestigious award for the District and a great accomplishment for the Finance and Accounting departments.

We will review the GFOA comment letter for each ACFR and provide the District advice regarding the response to the GFOA reviewer’s comments. Our procedures with respect to the ACFR will be the review of the comments from GFOA on the prior



year submission to determine they were adequately addressed, completion of the ACFR checklist, and review of the transmittal letter and statistical data to determine that information presented is reasonable and agrees with the information in the financial statements and management’s discussion and analysis (MD&A), where applicable.

We understand the interrelationships of the many and varied components of a governmental entity’s financial statements, allowing us to quickly determine errors or problems with the financial statements. Our depth of knowledge and experience also allows us to assist the District with the preparation of the ACFR and improvement of the District’s financial statements.

Our involvement with clients in the GFOA Certificate program helps to determine that we are on the leading edge of reporting trends and techniques. We have been engaged by various entities to review their statements for compliance with program requirements. We have aided clients in the early implementation of professional pronouncements and regularly provide our clients with updates on new pronouncements which will affect them and will do the same for the District.

The table below identifies the professionals who are currently members of the GFOA Special Review Committee together with their length of service with the Committee.

Name	Title	Location	Years Served
Robert J. Callanan, CPA	Principal	Irvine, CA	10+
Julie S. Fowler, CPA	Signing Director	Sebring, FL	10+
Richard Gonzalez, CPA	Principal	Roseville, CA	10+
Daphnie Munoz, CPA	Principal	Irvine, CA	10+
Michelle Hoffman, CPA	Principal	Minneapolis, MN	6+
Christopher Kessler, CPA	Principal	Fort Myers, FL	4+
Christopher G. Knopik, CPA, CFE	Principal	Minneapolis, MN	7+
Jacob S. Lenell, CPA	Principal	Milwaukee, WI	12+
Remi Omisore, CPA	Principal	Baltimore, MD	11+
Jeffrey Peek, CPA	Principal	Roseville, CA	4+
Sue Pessano, CPA	Director	Tampa, FL	1+
Shannon D. Small, CPA, MPA	Signing Director	Wauwatosa, WI	3+
Miranda Wendlandt, CPA, CFE	Principal	Alexandria, MN	5+

Deep industry connections

CLA actively supports industry education as a thought leader and industry speaker. We focus on supporting the educational needs of the industry through nationally sponsored trade events. Our team of professionals is sought after, both as educators and as experienced speakers who are invited to speak and teach at major professional events by leading trade associations, including those shown here.

We are also actively involved in and/or are members of the following professional organizations:

- American Institute of Certified Public Accountants (AICPA)
- AICPA’s State and Local Government Expert Panel
- AICPA’s Government Audit Quality Center (GAQC)



- Government Finance Officers Association (GFOA)
- Special Review Committee for the GFOA's Certificate of Achievement for Excellence in Financial Reporting (Certificate) Program
- Association of Government Accountants

Our involvement in these professional organizations, combined with various technical services we subscribe to, allows us to be at the forefront of change in the constantly changing government environment. We take our responsibility for staying current with new accounting pronouncements, auditing standards, other professional standards and laws and regulations seriously.

Insight to strengthen your organization

When you're ready to go beyond the numbers to find value-added strategies, we offer resources to help you respond to challenges and opportunities including:

- [National webinars](#) — Access complimentary professional development opportunities for your team.
- [Articles and white papers](#) — Stay current on industry information as issues arise.

Curious: *We care, we listen, we get to know you.*

Support at every turn

With [dedicated services specific to state and local governments](#), you have access to guidance on all aspects of your operations.

- [Audit](#), review, and compilation of financial statements
- Compliance audits (HUD, OMB Single Audits)
- [Cybersecurity](#)
- [Enterprise risk management](#)
- [Forensic accounting, auditing, and fraud investigation](#)
- Fraud risk management
- [Grant compliance](#)
- Implementation assistance for complex Governmental Accounting Standards Board (GASB) statements
- [Internal audit](#)
- [Outsourced business operations](#)
- [Performance auditing](#)
- [Purchase card \(p-card\) monitoring and analytics](#)
- [Risk assessments](#)
- Strategic, financial, and operational consulting
- [Telecom management services](#)
- [Business opportunity assessments](#)
- [System optimization and selection](#)



Section B: Staff, Teams Qualifications and Experience

We staff our engagements based on your specific needs, offering local or national resources as necessary to generate exceptional service. Our principals and managers are directly involved in fieldwork to help proactively identify significant issues and resolve them with management — which means the engagement is essentially complete when fieldwork ends. While it is not our policy to rotate the engagement team management, we have the resources to offer additional involvement or bring in other members of our firm as necessary.

Our approach recognizes that the most valuable time at your location is spent with key decision makers asking clarifying questions, discussing organizational strategies, and dealing with sensitive reporting issues. We believe this approach is effective, cost-efficient, and produces a high-quality audit.

The true value in working with our team is developing a personal and professional relationship with leaders who understand your industry, challenges, and opportunities — with the full support of an entire CLA family behind them.

Meet your service team below.

Engagement Team Member	Role	Years' Experience	Certified Public Accountant?
Daphnie Munoz, CPA	Engagement principal – Daphnie will have overall engagement responsibility including planning the engagement, developing the audit approach, supervising staff, and maintaining client contact throughout the engagement and throughout the year. Daphnie is responsible for total client satisfaction through the deployment of all required resources and continuous communication with management and the engagement team.	26+	✓
Rebecca Hoang Tai, CPA	Engagement manager – Rebecca will act as the lead manager on the engagement. In this role, Rebecca will assist the engagement principal with planning the engagement and performing complex audit areas. She will perform a technical review of all work performed and is responsible for the review of comprehensive annual financial report and all related reports.	11+	✓
Stephen Coverstone, CPA	Senior – Stephen will be responsible for the day-to-day activities for this engagement, including the supervision of all staff assigned.	5+	✓
Additional staff – We will assign additional staff to your engagement based on your needs and their experience providing services to state and local governments.			

Detailed biographies can be found in the *Appendix*.

Collaborative: *Support from a responsive local team complemented by national resources. We consider the whole of your organization, bringing innovative teams to the table.*



Section C: Similar Engagements and References

Our clients say it best. And their independent, authentic perspective is invaluable in learning about the experience you’ll have when working with us. We encourage you to connect with our clients to hear it firsthand

South Coast Water District	
Client Contact Information	Jenny Pan, Accounting Manager 949-832-0192 jpan@scwd.org
Services Provided	Audit, single audit
Length of Services	2018 – current

Town of Discovery Bay	
Client Contact Information	Margaret Moggia, Finance Manager 925-658-0974 mmoggia@todb.ca.gov
Services Provided	Audit
Length of Services	2024 – current

City of Fillmore	
Client Contact Information	Debra Cavaletto, Finance Director 805-727-4201 dcavaletto@fillmoreca.gov
Services Provided	Audit, single audit, SCO preparation
Length of Services	2020 – current



Section D: Demonstrated Understanding of the Overall Project and Requested Scope of Work

The CLA seamless assurance advantage (SAA)

SAA is an innovative approach to auditing that utilizes leading technologies, analytics, and audit methods to help solve client problems and create a seamless experience.



A different approach

SAA is unlike any conventional audit process. SAA does not depend on physical location. It reduces the time our professionals spend on site, creates fewer disruptions, enables more efficient use of resources (yours and ours), and allows for more impactful interactions with your people.



Insights through analytics

CLA uses strategic data analysis to evaluate whole data sets to gain a deeper understanding of your organization. Insights that were once impossible can now come into focus to help you measure performance, enhance strategic decision making, and understand your competitive opportunities.

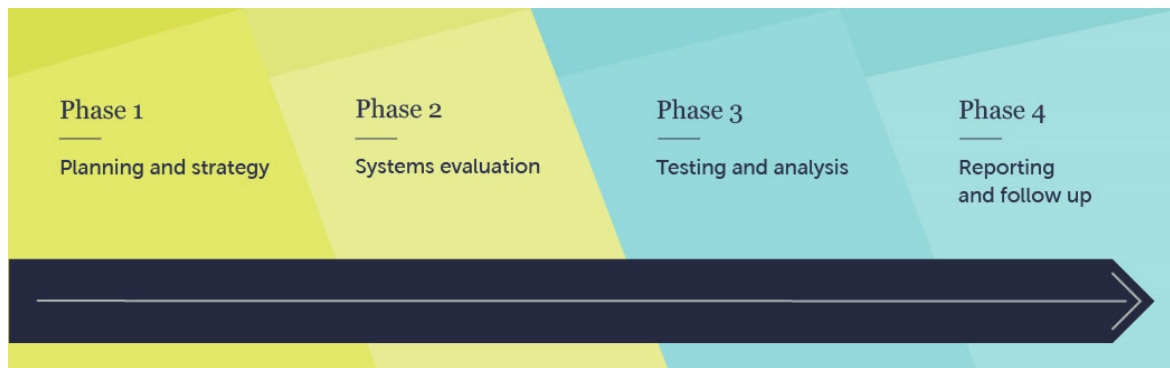


Effective technology

CLA embraces technologies that help solve client problems and create a seamless experience. Assurance Information Exchange (AIE) is a web-based application developed by CLA to digitally request and obtain audit documents through a secure and efficient online portal.



Financial statement audit approach



Phase 1: Planning and strategy

The main objective of the planning phase is to identify significant areas and design efficient audit procedures.

- Conduct an entrance meeting – Daphnie and staff will meet with the District personnel to agree on an outline of responsibilities and time frames
 - Establish audit approach and timing schedule
 - Determine assistance to be provided by the District personnel
 - Discuss application of generally accepted accounting principles
 - Address initial audit concerns
 - Establish report parameters and timetables
 - Progress reporting process
 - Establish principal contacts
- Gain an understanding of your operations, including any changes in organization, management style, and internal and external factors influencing the operating environment
- Identify significant accounts and accounting applications, critical audit areas, significant provisions of laws and regulations, and relevant controls over operations
- Determine the likelihood of effective Information Systems (IS) - related controls
- Perform a preliminary overall risk assessment
- Confirm protocol for meeting with and requesting information from relevant staff
- Establish a timetable for the fieldwork phase of the audit
- Determine a protocol for using TeamMate Analytics and Expert Analyzer (TeamMate), our data extraction and analysis software, to facilitate timely receipt and analysis of reports from management
- Compile an initial comprehensive list of items to be prepared by the District, and establish deadlines

We will document our planning through:

- **Entity profile** — This profile will help us understand the District's activities, organizational structure, services, management, key employees, and regulatory requirements.
- **Preliminary analytical procedures** — These procedures will assist in planning the nature, timing, and extent of auditing procedures that will be used to obtain evidential matter. They will focus on enhancing our understanding of the financial results and will be used to identify any significant transactions and events that have occurred since the last audit date, as well as to identify any areas that may represent specific risks relevant to the audit.
- **General risk analysis** — This will contain our overall audit plan, including materiality calculations, fraud risk assessments, overall audit risk assessments, effects of our IS assessment, timing, staffing, client assistance, a listing of significant provisions of laws and regulations, and other key planning considerations.
- **Account risk analysis** — This document will contain the audit plan for the financial statements, including risk assessment and the extent and nature of testing by assertion.
- **Prepared by client listing** — This document will contain a listing of schedules and reports to be prepared by the District personnel with due dates for each item.



- **Assurance Information Exchange (AIE)** — CLA uses a secure web-based application to request and obtain documents. This application allows clients to view detailed information, including due dates for all items CLA is requesting. Clients can attach electronic files and add commentary directly on the application.

The audit engagement will be planned under the direction of the engagement leader and in-charge. We will clearly communicate any issues in a timely manner and will be in constant contact as to what we are finding and where we expect it will lead.

Using the information we have gathered and the risks identified, we will produce an audit program specifically tailored to the District that will detail the nature and types of tests to be performed. We view our programs as living documents, subject to change as conditions warrant.

Phase 2: Systems evaluation

We will gain an understanding of the internal control structure of the District for financial accounting and relevant operations. Next, we will identify control objectives for each type of control material to the financial statements, and then identify and gain an understanding of the relevant control policies and procedures that effectively achieve the control objectives. Finally, we will determine the nature, timing, and extent of our control testing and perform tests of controls. This phase of the audit will include testing of certain key internal controls:

- Electronic data, including general and application controls reviews and various user controls
- Financial reporting and compliance with laws and regulations

We will test controls over certain key cycles, not only to gather evidence about the existence and effectiveness of internal control for purposes of assessing control risk, but also to gather evidence about the reasonableness of an account balance. Our use of multi-purpose tests allows us to provide a more efficient audit without sacrificing quality.

Our assessment of internal controls will determine whether the District has established and maintained internal controls to provide reasonable assurance that the following objectives are met:

- Transactions are properly recorded, processed, and summarized to permit the preparation of reliable financial statements and to maintain accountability over assets
- Assets are safeguarded against loss from unauthorized acquisition, use, or disposition
- Transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements

We will finalize our audit programs during this phase. We will also provide an updated prepared by client listing based on our test results and anticipated substantive testing.

During the internal control phase, we will also perform a review of general and application IS controls for applications significant to financial statements to conclude whether IS general controls are properly designed and operating effectively.

Based on our preliminary review, we will perform an initial risk assessment of each critical element in each general control category, as well as an overall assessment of each control category. We will then assess the significant computer-related controls.

For IS-related controls we deem to be ineffectively designed or not operating as intended, we will gather sufficient evidence to support findings and will provide recommendations for improvement. For IS controls we deem to be effectively designed, we will perform testing to determine if they are operating as intended through a combination of procedures, including observation, inquiry, inspection, and re-performance.

Phase 3: Testing and analysis

The extent of our substantive testing will be based on results of our internal control tests. Audit sampling will be used only in those situations where it is the most effective method of testing.

After identifying individually significant or unusual items, we will decide the audit approach for the remaining balance of items by considering tolerable error and audit risk. This may include (1) testing a sample of the remaining balance; (2) lowering the previously determined threshold for individually significant items to increase the percent of coverage of the account



balance; or (3) applying analytical procedures to the remaining balance. When we elect to sample balances, we will use TeamMate to efficiently control and select our samples.

Our workpapers during this phase will clearly document our work as outlined in our audit programs. We will provide the District with status reports and be in constant communication with the District to determine that all identified issues are resolved in a timely manner. We will hold a final exit conference with the District to summarize the results of our fieldwork and review significant findings.

Phase 4: Reporting and follow up

Reports to management will include oral and/or written reports regarding:

- Independent Auditors' Report
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
- Management Letter, if applicable
- Written Communication to Those Charged with Governance, which includes the following areas:
 - Our responsibility under auditing standards generally accepted in the United States of America
 - Changes in significant accounting policies or their application
 - Unusual transactions
 - Management judgments and accounting estimates
 - Significant audit adjustments
 - Other information in documents containing the audited financial statements
 - Disagreements with the District
 - The District's consultations with other accountants
 - Major issues discussed with management prior to retention
 - Difficulties encountered in performing the audit
 - Fraud or illegal acts

Once the final reviews of working papers and financial statements are completed, our opinion, the financial statements, and management letter, if applicable, will be issued.

If applicable, the District will be given a draft of any comments we propose to include in the management letter. Items not considered major may be discussed verbally with management instead of in the management letter. Our management letter will include items noted during our analysis of your operations.

We will make a formal presentation of the audit results to those charged with governance, if requested.

Elevating with artificial intelligence (AI)

CLA is committed to harnessing cutting-edge technology to enhance client service. We may use AI to enhance your audit engagements. This can include:

- **Research and document drafting:** CLA professionals may use CLAgpt, our secure, proprietary tool to ask questions and make requests of generative AI trained on several CLA-specific resources.
- **Document summarization:** We may use CLA Family Assistant to help extract and summarize information relevant to our audits, including minutes review, leases, debt agreements, and other document types.
- **Invoice extraction:** CLA may use AI tools to extract relevant fields from invoices and other documents.

When AI is used, the work is supervised by CLA professionals who verify results before making final decisions. Client information remains confidential when working with these tools.

Single audit approach

OMB's *Uniform Guidance* (2 CFR Part 200) affects how federal grants are managed and audited and impacts every organization that receives federal assistance. Grant compliance can be a confusing topic and many of our clients rely on their federal funding as a major revenue source, so it is important that they understand what these changes mean to their



organization. As a leader in the industry, CLA professionals are available to provide guidance and tools tailored to the District's needs, and to assist in compliance with these rules.

The AICPA clarified auditing standard, AU-C 935 "Compliance Audits", requires risk-based concepts to be used in all compliance audits including those performed in accordance with 2 CFR Part 200. Our risk-based approach incorporates this guidance.

We conduct our single audit in three primary phases, as shown, below:



Phase 1: Risk assessment and planning

The risk assessment and planning phase encompasses the overall planning stage of the single audit engagement. During this phase, we work closely with the District's management to determine that programs and all clusters of programs are properly identified and risk-rated for determination of the major programs for testing. We also review the forms and programs utilized in the prior year to determine the extent of any changes which are required.

We accomplish this by following the methodology below:

- Determine the threshold to distinguish between Type A and B programs, including the effect of any loans and loan programs
- Utilizing the preliminary Schedule of Expenditure of Federal Awards, we can identify the Type A and significant Type B programs (25% of Type A threshold) in accordance with the Uniform Guidance
- Identify the programs tested and the findings reported for the past two fiscal years. Determine and document the program risk based on the past two single audits
- Prepare and distribute Type B program questionnaires to determine risk associated with Type B programs
- Determine the major programs to be tested for the current fiscal year based on the previous steps
- Based on our determination of the major programs, we obtain the current year compliance supplement to aid in the determination of Direct and Material Compliance requirements, and customize the audit program accordingly
- Determine the preferred methods of communication during the audit

Phase 2: Major program testing

We determine the programs to be audited based on the risk assessment performed in the planning phase. We perform the audit of the programs in accordance with UG.

To accomplish this, we perform the following:

- Schedule an introductory meeting and notify the District's management of the major programs for the current fiscal year
- Plan and execute the testing of the expenditures reported on the Schedule of Expenditures of Federal Awards
- Perform tests of compliance and internal controls over compliance for each major program identified
- Schedule periodic progress meetings to determine that schedules are adhered to and identify issues as they arise
- Conduct entrance and exit conference meetings with each grant manager

Phase 3: Final assessment and reporting

We re-perform the steps noted in the preliminary assessment and planning stage once the final Schedule of Expenditures of Federal Awards is received to determine if additional major programs were identified.

Based on the final determination of the programs we perform the following:

- Identify Type A and significant Type B programs which were not previously identified
- Re-assess the risk and determine if we are required to audit additional programs
- Perform compliance testing at the entity wide level related to procurement and cash management requirements
- Perform testing to validate the status of prior year findings for those programs not selected for audit.
- Prepare the Schedule of Findings and Questioned Costs
- Conduct exit conference with the District's management to review drafts of required reports:
 - Independent Auditors' Report on Internal Control over financial reporting and on compliance and other matters based on an audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
 - Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the *Uniform Guidance*

Throughout the single audit, we maintain communication through periodic progress meetings with those designated by the District. These meetings will be on a set schedule, but as frequently as the District determines. During these meetings, we discuss progress impediments and findings as they arise.

Communication process

Effective communication is critical to a successful engagement. This includes weekly status meetings where observations, potential exceptions, and leading practices are discussed. To avoid surprises at the end of the engagement, we discuss and document our observations, clarify fact patterns, and confirm management's understanding and agreement with our findings.

CLA adheres to all auditing standards related to reporting observations, recommendations, and findings. All significant deficiencies and material weaknesses will be reported to the audit committee/governance in writing. Best practices, observations, and other matters will be reported to management in a management letter that can be used as a tool to track the implementation of our recommendations.

Report to those charged with governance — In addition to observations and recommendations, we will inform the audit committee of:

- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments and passed adjustments, if any
- Disagreements with management, if any
- Management consultation with other accountants, if any
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit, if any

We are sensitive and understanding of the fact that we report to those charged with governance, and our audit professionals maintain objectivity and independence in issuing audit opinions. If we identify significant fraud, illegal acts, or significant delays during the audit process, we will alert the audit committee timely.

Information related to overall fiscal health or other concerns of your organization observed during audit testing will be presented in the exit presentation and as part of the management letter. We will also help you create opportunities for improvement through recommendations and suggestions for strengthening your policies, accounting procedures, and processes.



Data analytics

In addition to standard auditing methodology, a distinguishing aspect of CLA's audit services incorporates the power of data analytics to multiply the value of the analyses and the results we produce for clients. CLA's data methodology is a six-phase, systematic approach to examining an organization's known risks and identifying unknown risks. Successful data analysis is a dynamic process that continuously evolves throughout the duration of an engagement and requires collaboration of the engagement team.

Data analytics are utilized throughout our audit process, our **Risk Assessment, Data Analytics and Review ("RADAR")** is a specific application of general ledger data analytics that has been implemented on all audit engagements. RADAR is an innovative approach created and used only by CLA that aims to improve and replace traditional preliminary analytics that were being performed.

The phases in our data analytics process are as follows:

1. Planning

In the planning stage of the engagement, the use of data analysis is considered and discussed to determine that analytics are directed and focused on accomplishing objectives within the risk assessment. Areas of focus, such as journal entries, cash disbursements, inventory, and accounts receivable are common.

2. Expectations

We consider the risks facing our client and design analytics to address these risks. Through preliminary discussions with management and governance, we develop and document expectations of financial transactions and results for the year. These expectations will assist in identifying anomalies and significant audit areas in order to assess risk.

3. Data acquisition

Sufficient planning, a strong initial risk assessment, and an adequate understanding of your systems will serve as the foundation necessary to prepare our draft data request list. We will initially request information in written format and conduct follow-up conversations helping CLA practitioners share a mutual understanding of the type of data requested and the format required. If there are going to be any challenges/obstacles related to obtaining data, or obtaining data in the preferred format, they will generally be discovered at this point.

4. Technical data analysis

Technical analysis of the data requires the skillful blend of knowledge and technical capability. Meaningful technical analysis provides the engagement team with a better understanding of the organization. The additional clarity assists the engagement team to better assess what is "normal" and, in turn, be better suited to spot anomalies, red flags, and other indications of risk. Analytics generally fall into five categories, each looking into the data set in a different way and deployed with a different purpose.

5. Interpret results and subsequent risk assessment

Trends and anomalies will be identified through the performance of the above referenced analytics. Comments regarding the interpretation of those trends and anomalies will be captured. When trends are identified, they are reconciled against expectations. For anomalies identified, the approach to further audit procedures will be considered.

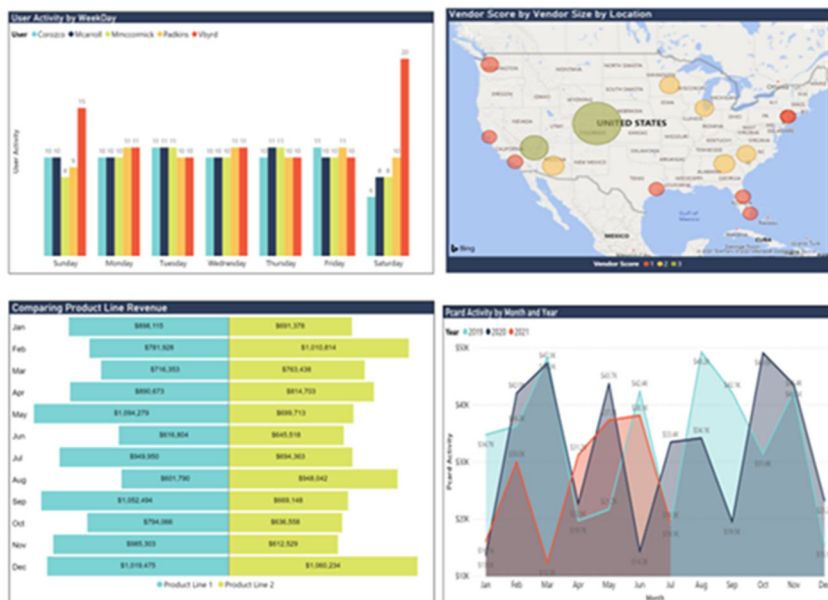
6. Response and document

The last process is to capture responses and determine that our procedures are properly documented. Abstracts, charts, or summaries of both trends and anomalies are retained in audit documentation to support our identification of risks. Our analysis can be tailored and customized to help analyze an array of information, including client-specific and proprietary data. Key benefits of data analytics include:



- Built-in audit functionality including powerful, audit specific commands and a self-documenting audit trail
- 100% data coverage, which means that certain audit procedures can be performed on entire populations, and not just samples
- Unlimited data access allows us to access and analyze data from virtually any computing environment
- Eliminates the need to extrapolate information from errors (a common effort when manually auditing data) and allows for more precise conclusions

The below figure illustrates typical data analytics scenarios.



CLA Intelligence Platform: Digital services and generative AI

Let us help you harness cutting-edge technology to transform the way your teams work and uncover deeper business and financial insights.



Digital transformation is no longer optional, it's a necessity. With CLA, you'll find a [comprehensive suite of capabilities](#) spanning automation and integration, data analytics, software, and cybersecurity — offering you new opportunities to navigate and thrive in the digital age.

By leveraging digital product solutions and services, you can improve your business operations and achieve big goals, whether that's streamlining processes, enhancing customer experiences, embracing generative artificial intelligence (AI), or driving innovation.



Engagement timeline

Count on clear communication and regular updates.

Per our discussions we have designed a plan that meets your needs and key deadlines. In our planning meeting, we will discuss this timeline with you in greater detail and adjust as appropriate.

Date Completed By	Task
April	Initial planning meeting
June 30	Interim audit work
October 1	Field audit work
October 15	Management review and exit conference
See below	Draft and final reports
Ongoing	Planning and update meetings

Reports to be issued

Report	Draft Due Date	Final Due Date
Independent Auditor's Report on Annual Comprehensive Financial Report	November 1	November 14
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	November 1	November 14
Communication to Those In Charge of Governance	November 1	November 14
If necessary, Independent Auditors' Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	November 1	November 14
Annual State Controller's Reports for District	Subject to availability of forms from SCO (normally available by third week of November)	Will be determined and discussed once forms are available

Reliable: Look for us to respond in hours, not days. We strive to deliver service that exceeds your expectations.



Section E: Pricing

Schedule of Maximum Fees

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added strategies. As part of our fee, we propose to hold routine, proactive meetings to review and discuss the impact of new accounting issues and other business issues you are facing. We'll help you decide how to handle challenges as they come up — and take advantage of every potential opportunity.

Our maximum fees for the five years ending June 30, 2030 will be as follows:

	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>Option Years</u>	
				<u>2028-2029</u>	<u>2029-2030</u>
Casitas Municipal Water District	\$ 33,825	\$ 34,840	\$ 35,890	\$ 36,970	\$ 38,080
Single Audit, if necessary (1 program)	6,860	7,070	7,280	7,500	7,730
State Controller's Report	<u>1,840</u>	<u>1,900</u>	<u>1,960</u>	<u>2,020</u>	<u>2,080</u>
NOT-TO-EXCEED MAXIMUM FEE	<u>\$ 42,525</u>	<u>\$ 43,810</u>	<u>\$ 45,130</u>	<u>\$ 46,490</u>	<u>\$ 47,890</u>

The above fees are inclusive of 5% technology and client support fee which supports our continuous investment in technology and innovation to enhance your experience and protect your data.

Hourly rates

The table below shows our hourly billing rates by classification for services not included as part of this initial request for proposal:

	<u>2024-2025</u>	<u>2025-2026</u>	<u>2026-2027</u>	<u>Option Years</u>	
				<u>2028-2029</u>	<u>2029-30</u>
Principals	\$ 350	\$ 368	\$ 386	\$ 405	\$ 426
Managers	230	242	254	267	280
Supervisory Staff	135	142	149	156	164
Professional Staff	115	121	127	133	140
Clerical/Support Staff	90	95	99	104	109



Out-of-pocket expenses

Our fees are firm-fixed fees and include out-of-pocket costs associated with the engagement such as local travel. We understand that clients do not want fee surprises; our fee and billing practices reflect this understanding.

Our fixed-fee quote is designed with an understanding that:

- District personnel will provide documents and information requested in a timely fashion.
- The operations of your organization do not change significantly.
- There are not significant changes to the scope, including no significant changes in auditing, accounting, or reporting requirements.

No surprises

Our clients don't like fee surprises. Neither do we. If changes or complexities occur — or any “out-of-scope” work is required — we'll discuss a revised fee proposal with you first.

It's not our policy or practice to bill our clients every time we receive a phone call or email. We're invested in our relationships and strongly encourage intentional and frequent communication. Contact us year-round as changes or questions arise.



Appendix

A. Your service team biographies





Daphnie Munoz, CPA

CLA (CliftonLarsonAllen LLP)

Audit and Assurance Principal
Irvine, California

714-975-5474
daphnie.munoz@CLAconnect.com



Profile

Daphnie is an assurance principal at our CLA's Irvine office, formerly White Nelson Diehl Evans (WNDE). She has more than 26 years' experience with a focus on state and local government audit and assurance services. She earned her CPA designation in 2001 and became an audit and assurance principal in 2011.

A key figure in the firm's government audit practice, Daphnie works closely with government entities to provide thorough attestation services, including single audits. She has extensive experience with a wide range of local government related audit engagements, including cities, successor agencies/redevelopment agencies, federal grants, special districts, compliance audits, and agreed-upon procedures engagements.

Technical experience

- Government entities, including nonprofits and special districts

Education and professional involvement

- Bachelor of science in accounting from De La Salle University, Manila, Philippines
- Certified Public Accountant in the state of California
- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)
- California Society of Municipal Finance Officers (CSMFO)
- Government Finance Officers Association (GFOA)

Local government experience

Cities

- | | | | |
|------------|---------------|----------------|-----------------|
| • Alhambra | • Fillmore | • Murrieta | • Santa Barbara |
| • Banning | • Glendale | • Palos Verdes | • Stanton |
| • Blythe | • Hesperia | • Estates | • Torrance |
| • Burbank | • Lake Forest | • Riverside | |
| • Colton | • Lancaster | • Santa Ana | |

Special districts

- | | |
|-------------------------------------|---|
| • El Toro Water District | • Rancho Santa Fe Community Services District |
| • Fallbrook Public Utility District | • Valley Wide Recreation and Park District |
| • Heber Public Utilities District | • Vista Irrigation District |
| • Midway City Sanitary District | • South Coast Water District |
| • Placentia Library District | • Yorba Linda Water District |





Rebecca Hoang Tai, CPA

CLA (CliftonLarsonAllen LLP)

Director
Irvine, California

714-795-5442
rebecca.hoang@CLAconnect.com



Profile

Rebecca is a director at our CLA Irvine office, formerly White Nelson Diehl Evans (WNDE), with more than 11 years of experience and has been an integral member of the team. She specializes in governmental agencies but also works with clients in a wide variety of industries, including manufacturing, professional services, construction contracting, and employee benefit plans.

A knowledgeable professional, Rebecca is a great resource for her team. She credits her career success to having both a great support system and a number of wonderful mentors to guide her along the way. She was inspired to pursue a career in accounting after several introductory accounting classes she took in college sparked her interest.

Technical experience

- Local government audits, including cities and special districts

Education and professional involvement

- Bachelor of arts in business economics from University of California, Irvine, Irvine, California
- Certified Public Accountant in the state of California
- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CalCPA)

Local government experience

- | | |
|--------------------------------------|-----------------------|
| • Laguna Beach County Water District | • City of Vernon |
| • Midway Sanitary District | • City of Colton |
| • City of Escondido | • City of Irvine |
| • City of Norco | • City of Temple City |
| • City of Lake Forest | • City of Chino |





Stephen Coverstone, CPA

CLA (CliftonLarsonAllen LLP)

Senior
Irvine, California

714-795-5362
stephen.coverstone@CLAconnect.com



Profile

Stephen is a senior associate with CLA working primarily with state and local governments. He has more than five years' experience performing audits for local governments. Stephen delivers high quality work products using efficient and effective communication styles, problem-solving leadership, and detail-oriented planning abilities. He continues to develop and apply a growing knowledge of different accounting principles and auditing standards throughout every engagement. Stephen strives to keep all engagements progressing in a timely manner and carried out accurately by working directly with experienced staff, as well as engagement principals and managers.

Technical experience

- State and local government
 - Currently in-charges the overall audit process including the planning, performing, and preparation of numerous financial statement audits, single audits, and agreed upon procedures for various cities, water districts, and retirement systems
 - Audits of schedules required by GASB 68 and GASB 75 and performance of related census data testing

Education and professional involvement

- Bachelor of science in accounting from Portland State University, Portland, Oregon
- Certified Public Accountant in the state of California
- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants

Local government experience

Cities

- City of Camarillo
- City of Colton
- City of Escondido
- City of Irvine
- City of Pico Rivera
- City of Placentia
- City of Santa Barbara

Special districts

- Inland Empire Utilities Agency
- La Habra Heights County Water District
- Moulton Niguel Water District
- Valley Wide Recreation and Park District

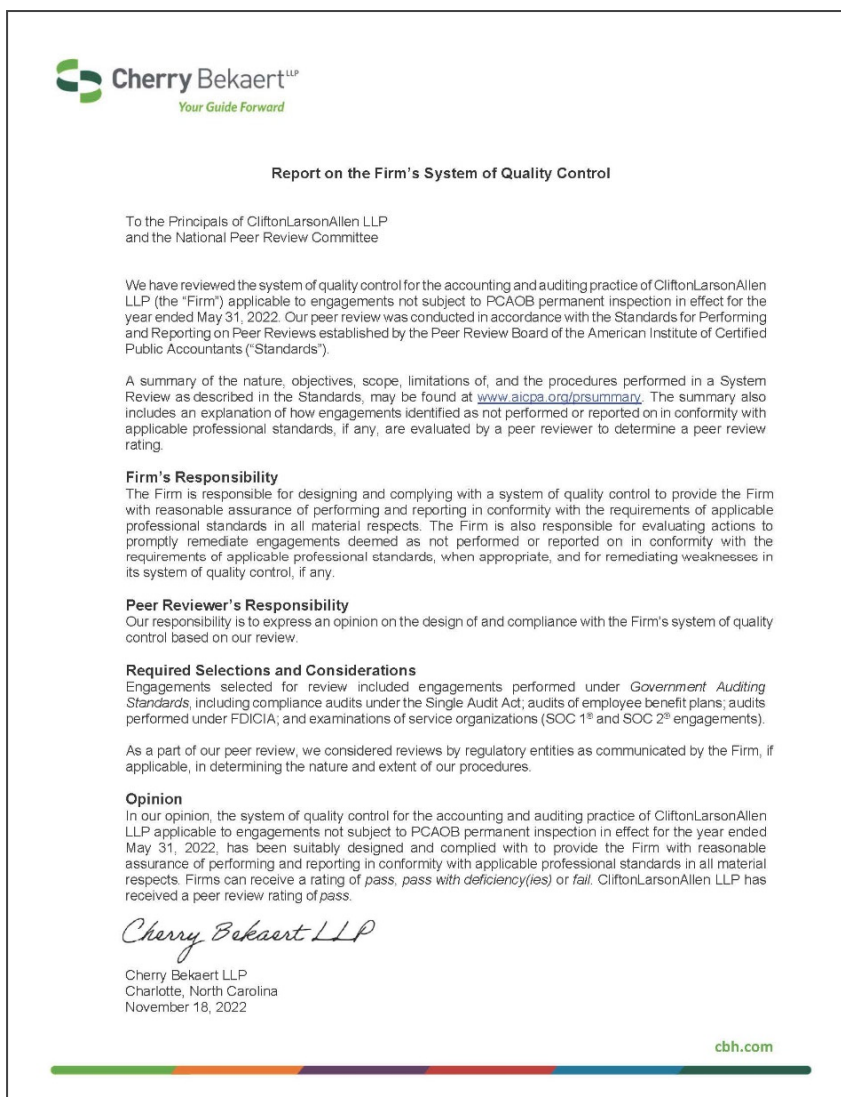


B. Quality control procedures and peer review report

In the most recent peer review report, dated November 2022, we received a rating of pass, which is the most positive report a firm can receive. We are proud of this accomplishment and its strong evidence of our commitment to technical excellence and quality service. The full report is provided below. ***This quality review included a review of specific government engagements.***

In addition to an external peer review, we have implemented an intensive internal quality control system to provide reasonable assurance that the firm and our personnel comply with professional standards and applicable legal and regulatory requirements. Our quality control system includes the following:

- A quality control document that dictates the quality control policies of our firm. In many cases, these policies exceed the requirements of standard setters and regulatory bodies. Firm leadership promotes and demonstrates a culture of quality that is pervasive throughout the firm's operations. To monitor our adherence to our policies and procedures, and to foster quality and accuracy in our services, internal inspections are performed annually.
- Quality control standards as prescribed by the AICPA. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.
- Hiring decisions and professional development programs designed so personnel possess the competence, capabilities, and commitment to ethical principles, including independence, integrity, and objectivity, to perform our services with due professional care.
- An annual internal inspection program to monitor compliance with CLA's quality control policies. Workpapers from a representative sample of engagements are reviewed and improvements to our practices and processes are made, if necessary, based on the results of the internal inspection.
- Strict adherence to the AICPA's rules of professional conduct, which specifically require maintaining the confidentiality of client records and information. Privacy and trust are implicit in the accounting profession, and CLA strives to act in a way that will honor the public trust.
- A requirement that all single audit engagements be reviewed by a designated single audit reviewer, thereby confirming we are in compliance with the standards set forth in the *Uniform Guidance*.



C. Exceptions to Standard Consultant Contract

We have reviewed the District's standard Consultant Contract for Services with our Quality and Risk Management and have summarized our proposed revisions below. These revisions specifically tailor the contract to better align with the scope of work and remove generic language not applicable to the related services.

We believe the District will find these modifications reasonable and appropriate. However, we are willing to discuss these proposed revisions in an effort to achieve a mutually agreed-upon contract.

Section 10. Indemnification

10. INDEMNIFICATION. Consultant shall defend, indemnify and hold District and its officers, directors, employees, and agents ("Indemnitees") harmless from all loss, liability and expense from all claims, demands or liability ("Claims") if and to the extent caused by negligence or willful misconduct of Consultant, its sub consultants and employees whether such claims, demands or liability are caused by Consultant, Consultant's agents or employees, or sub consultants employed by Consultant, their agents or employees, or products installed on the project by Consultant or its sub consultant, excepting such loss, liability or expense as may be caused by District's negligence or willful misconduct. Such indemnification shall extend to claims, demands or liability for injury, death or damage to property arising after completion of the project as well as during the work's progress. The foregoing indemnification shall apply, without limitation, to bodily injury and property damage claims as well as to stop notices and monetary claims for labor, materials or equipment furnished in the performance of the assessment services covered by this Agreement. In the event such liability, claims, actions, causes of action or demands are caused by the joint or concurrent negligence of more than one party, such liability shall be borne by each party in proportion to its own fault. Consultant's indemnification obligations hereunder shall not extend to Claims arising from the sole negligence or willful misconduct of Indemnitees.

Section 13. Ownership of Documents

13. OWNERSHIP of DOCUMENTS. All plans, studies, sketches, reports, test data, records, documents, and drawings, ("Deliverables") prepared by or for either party pursuant to this Agreement including copyright ownership shall be the property of District when Consultant has been compensated for all undisputed billings in accordance with this Agreement, whether the work for which they are prepared be executed or not. For the avoidance of doubt, Deliverables does not include Contractor's workpapers which are proprietary information and access is restricted. Upon completion of all work under this Agreement, or in the event this Agreement is terminated prior to completion of all such work, all documents, plans, specifications, drawings pertaining to the facility, and all other material provided to assist Consultant in performing under this Agreement shall be delivered forthwith to District. However, nothing shall prevent Consultant from using intellectual property developed under this contract in other works. All documents, including, but not limited to, drawings, specifications, and computer software prepared by Consultant pursuant to this Agreement are instruments for service specific to this project. They are not intended or represented to be suitable for reuse by District or others on extensions of the project or on any other project. Any reuse without the prior written verification or adaptation by District for the specific purpose intended shall be at District's sole risk.



Casitas Municipal Water District
Revenue & Expense Report
For the Month Ending, January 31st, 2025

% of the Year Completed: 58.33%

	Current Budget (a)	Current Period Balance	Year to Date Balance (b)	Prior Year to Date Balance
Water Sales	9,563,915	781,728	6,763,703	3,996,483
Water Standby	6,565,471	566,086	3,758,398	3,374,460
Water Delinquency & Penalties	112,974	11,027	66,538	81,284
Water Other	22,397	2,300	23,310	13,185
Recreation- Operations	4,677,717	204,936	2,807,617	2,202,409
Recreation- Water Park	1,579,649	60	1,163,227	1,004,796
Miscellaneous Operational	108,885	250	316,561	108,885
Subtotal Operating Revenue (d)	22,631,008	1,566,387	14,899,355	10,781,501
Miscellaneous Non-Operational	1,188,852	4,384	197,668	1,655,877
Grants/ Reimbursements	900,000	-	703,640	125,151
Taxes & Assessments	7,602,003	389,502	4,477,229	4,204,499
Subtotal Non-Operating Revenue (e)	9,690,855	393,886	5,378,536	5,985,527
Total Revenue (d+e)	32,321,863	1,960,273	20,277,891	16,767,028

Total Encumbered (c)	Budget Remaining (a)-(b)-(c)	% YTD Budget (b)/(a)	% YTD Budget Encumbered (b+c)/(a)
-	2,800,212	70.72%	70.72%
-	2,807,073	57.24%	57.24%
-	46,436	58.90%	58.90%
-	(913)	104.08%	104.08%
-	1,870,100	60.02%	60.02%
-	416,422	73.64%	73.64%
-	(207,676)	290.73%	290.73%
-	7,731,653	65.84%	65.84%
-	991,184	16.63%	16.63%
-	196,360	78.18%	78.18%
-	3,124,774	58.90%	58.90%
-	4,312,319	55.50%	55.50%
-	12,043,972	62.74%	62.74%

Expenses				
Administration	1,274,198	117,631	940,190	1,016,471
Board of Directors	158,312	5,688	47,355	59,411
District Maintenance	795,477	62,125	370,767	385,629
Electrical Mechanical	3,264,135	343,796	1,769,045	1,631,174
Engineering	1,449,136	109,236	755,224	822,042
Fisheries	744,625	49,487	360,568	391,462
General O&M	770,627	65,192	468,074	398,035
Human Resources	649,520	30,940	515,783	483,173
Information Technology	505,475	37,969	273,657	260,094
Management	1,181,335	115,116	678,068	618,368
Pipeline	1,992,164	206,989	1,005,010	805,001
Recreation - Operations / Maint. / PR / Water Pk	5,604,323	378,066	2,803,896	2,917,601
Retirees	363,707	34,386	212,965	203,570
Safety / Garage	268,019	21,518	148,234	159,266
Utilities Maintenance	952,183	76,281	556,049	555,540
Water Conservation - P/R	672,939	47,349	357,916	406,221
Water Quality- Lab	1,014,021	114,166	525,807	468,607
Water Treatment	2,481,244	248,212	1,312,436	1,760,511
Total Operating Expenses (f)	24,141,440	2,064,147	13,101,046	13,342,175
Net, Operating gain/(loss) (d-f)	(1,510,432)	(497,760)	1,798,309	(2,560,674)
Net, total gain/(loss) (d+e-f)	8,180,423	(103,873)	7,176,845	3,424,853

7,913	326,094	73.79%	74.41%
-	110,957	29.91%	29.91%
22,957	401,753	46.61%	49.50%
64,215	1,430,875	54.20%	56.16%
216,976	476,937	52.12%	67.09%
-	384,057	48.42%	48.42%
4,526	298,026	60.74%	61.33%
-	133,737	79.41%	79.41%
15,912	215,906	54.14%	57.29%
7,450	495,817	57.40%	58.03%
108,297	878,856	50.45%	55.88%
66,197	2,734,230	50.03%	51.21%
-	150,742	58.55%	58.55%
1,526	118,260	55.31%	55.88%
21,085	375,049	58.40%	60.61%
-	315,023	53.19%	53.19%
18,154	470,060	51.85%	53.64%
502,767	666,040	52.89%	73.16%
1,057,975	9,982,419	54.27%	58.65%

Debt Service	Current Budget (a)	Current Period Balance	Year to Date Balance (b)	Prior Year to Date Balance
CFD 2013-1	2,913,983	1,122,219	2,903,537	2,291,117
USBR- Dam Safety Loan	77,228	-	-	77,228
State Water Project	1,277,767	47,321	519,276	695,945
Aquatic Play Structure	326,376	163,188	326,376	207,356
Total Debt Service	4,595,354	1,332,728	3,749,188	3,271,646

Total Encumbered (c)	Budget Remaining (a)-(b)-(c)	% YTD Budget (b)/(a)	% YTD Budget encumbered (b+c)/(a)
-	10,446	99.64%	99.64%
-	77,228	0.00%	0.00%
-	758,491	40.64%	40.64%
-	1	100.00%	100.00%
-	846,166	81.59%	81.59%

	Current Budget (a)	Current Period Balance	Year to Date Balance (b)	Prior Year to Date Balance
Capital				
Administration	-	-	-	-
Board of Directors	-	-	-	-
District Maintenance	-	-	-	-
Electrical Mechanical	50,754	-	116	36,418
Engineering	2,420,000	231,345	2,806,741	938,896
Engineering- CFD	-	-	-	1,071,692
Fisheries	-	-	-	-
General O&M	-	-	-	-
Information Technology	15,000	-	-	-
Management	-	-	-	-
Pipeline	82,500	-	17,644	15,160
Recreation - Operations / Maint. / PR / Water Pk	274,115	167,193	467,711	228,906
Retirees	-	-	-	-
Safety / Garage	169,484	14,098	57,292	90,550
Utilities Maintenance	96,500	12,366	81,779	45,141
Water Conservation - P/R	-	-	-	-
Water Quality- Lab	689,800	11,384	80,754	51,969
Water Treatment	276,550	-	88,710	104,846
Total Capital	4,074,703	436,387	3,600,747	2,583,578

Cannon Eng. Services Intertie Project (6/12)	599,810
MWPFPP Emergency Generator (8/14)	35,000
LCRA Vacuum Truck (9/11)	277,902
LCRA Paving (9/25)	21,440
Matilija Groundwater Supply Project (9/25)	65,920
Salary changes: Biologist & Park Mgr (11/13)	18,936
New Treatment Plant Position (Feb-June) (11/13)	40,390
Casitas and Ojai Water System Integration (12/11)	70,000
Campground Fox Cabin (2/26)	40,000
MWPFPP Emergency Generator Construction (3/12)	212,000

Board Approved unbudgeted items 1,381,397

Net assets, End of year

(Total Revenue-Total Expenses-Total Debt Service-Total Capital-Unbudgeted Items)

	Beginning of Fiscal Year Balance	Year to Date Balance
General Fund Balance	3,909,034	6,639,112
U.S Bank Investments	9,684,844	9,939,211
U.S Bank Money Market Account	123,091	36,569
LAIF	496	516
County of Ventura Investment (COVI)	3,150	3,287
CFD-2013-1 Improvement Bond	133,776	-
Total Reserves	13,854,391	16,618,695

Total Encumbered (c)	Budget Remaining (a)-(b)-(c)	% YTD Budget (b)/(a)	% YTD Budget encumbered (b+c)/(a)
-	-	0.00%	0.00%
-	-	0.00%	0.00%
-	-	0.00%	0.00%
5,139	45,499	0.23%	10.35%
1,249,179	(1,635,919)	115.98%	167.60%
-	-	0.00%	0.00%
-	-	0.00%	0.00%
-	-	0.00%	0.00%
-	15,000	0.00%	0.00%
-	-	0.00%	0.00%
-	64,856	21.39%	21.39%
128,811	(322,408)	170.63%	217.62%
-	-	0.00%	0.00%
-	112,192	33.80%	33.80%
-	14,721	84.75%	84.75%
-	-	0.00%	0.00%
-	609,046	11.71%	11.71%
56,534	131,306	32.08%	52.52%
1,439,663	(965,707)	88.37%	123.70%

September-January Summary

-Received property tax deposits totaling \$4.5 million of which \$1.6million is for CFD 2013-1 assessment, \$2 million is related to 1% allocation, and \$728k relates to State Water Project.

-Received \$657k reimbursement for the Rincon Generators and \$46k for the intertie project.

- Human Resource and Admin Department monthly expense continue to trend high due annual fees paid at the beginning of the fiscal year.

-Capital expenses include \$1.1M Rincon Generator, \$836K Ventura- Santa Barbara County Intertie project, \$481k DBP reduction, \$278k LCRA Vacuum Truck, \$220k Robles Canal Panels, and \$165k LCRA paving.

-Capital encumbered funds include \$573k for the Ventura- Santa Barbara County Intertie project, \$411k for the Rincon Generator, \$148k MWTP

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

11 -GENERAL FUND
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
<u>REVENUE SUMMARY</u>							
<u>NON DEPARTMENTAL</u>							
WATER SALES	9,563,915	784,572.97	6,763,703.26	3,996,483.08	0.00	2,800,211.74	70.72
WATER SERVICES	12,471 (	2,644.70)	9,350.00	7,275.00	0.00	3,121.00	74.97
WATER STANDBY	6,565,471	566,085.85	3,758,398.28	3,374,459.68	0.00	2,807,072.72	57.24
WATER DELINQUENCY	112,974	11,026.81	66,538.28	81,283.50	0.00	46,435.72	58.90
WATER REVENUE OTHER	1,055,818	6,734.25	98,929.74	1,468,145.25	0.00	956,888.26	9.37
CAPITAL FACILITIES	108,885	0.00	315,583.60	108,884.86	0.00 (	206,698.60)	289.83
INTEREST	142,960	0.00	113,674.95	193,641.57	0.00	29,285.05	79.52
TAXES & ASSESSMENTS	2,952,435	93,318.49	1,786,600.60	1,687,081.50	0.00	1,165,834.40	60.51
OTHER GOVT. AGENCIES	918,114	0.00	703,639.75	125,150.91	0.00	214,474.25	76.64
MISCELLANEOUS REVENUES	342,373	277,576.18	277,576.18	238,413.02	0.00	64,796.82	81.07
TOTAL NON DEPARTMENTAL	21,775,416	1,736,669.85	13,893,994.64	11,280,818.37	0.00	7,881,421.36	63.81
<u>RECREATION - OPERATIONS</u>							
RECREATION PARK	4,451,137	188,148.62	2,650,567.08	2,066,653.52	0.00	1,800,569.92	59.55
RECREATION-CONCESSION	226,580	16,827.64	152,461.32	134,939.29	0.00	74,118.68	67.29
RECREATION OTHER	0 (	40.00)	4,588.89	816.67	0.00 (	4,588.89)	0.00
TOTAL RECREATION - OPERATIONS	4,677,717	204,936.26	2,807,617.29	2,202,409.48	0.00	1,870,099.71	60.02
<u>RECREATION - WATER PARK</u>							
RECREATION-CONCESSION	11,607	0.00	15,161.94	11,606.74	0.00 (	3,554.94)	130.63
RECREATION-WATER PARK	1,568,042	60.00	1,148,065.00	993,189.00	0.00	419,977.00	73.22
TOTAL RECREATION - WATER PARK	1,579,649	60.00	1,163,226.94	1,004,795.74	0.00	416,422.06	73.64
TOTAL REVENUES	28,032,782	1,941,666.11	17,864,838.87	14,488,023.59	0.00	0.00	63.73

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

11 -GENERAL FUND
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
<u>EXPENDITURE SUMMARY</u>							
<u>RETIREEES</u>							
Benefits	363,708	34,385.61	212,965.08	203,569.68	0.00	150,742.51	58.55
TOTAL RETIREEES	363,708	34,385.61	212,965.08	203,569.68	0.00	150,742.51	58.55
<u>BOARD OF DIRECTORS</u>							
Salaries	78,415	1,524.74	19,385.98	29,187.88	0.00	59,029.22	24.72
Benefits	56,229	4,027.88	27,113.70	29,328.60	0.00	29,115.02	48.22
Services & Supplies	23,668	135.47	855.62	894.18	0.00	22,812.38	3.62
TOTAL BOARD OF DIRECTORS	158,312	5,688.09	47,355.30	59,410.66	0.00	110,956.62	29.91
<u>MANAGEMENT</u>							
Salaries	740,068	50,950.92	391,790.36	410,410.28	0.00	348,277.64	52.94
Benefits	281,699	24,893.73	152,289.08	132,212.89	0.00	129,409.61	54.06
Services & Supplies	159,568	39,271.81	133,988.90	75,745.30	7,450.00	18,129.10	88.64
TOTAL MANAGEMENT	1,181,335	115,116.46	678,068.34	618,368.47	7,450.00	495,816.35	58.03
<u>HUMAN RESOURCES</u>							
Salaries	168,085	12,929.43	100,108.97	94,030.37	0.00	67,976.03	59.56
Benefits	79,116	7,183.60	51,212.22	42,208.31	0.00	27,904.22	64.73
Services & Supplies	402,319	10,827.21	364,461.39	346,934.46	0.00	37,857.20	90.59
TOTAL HUMAN RESOURCES	649,520	30,940.24	515,782.58	483,173.14	0.00	133,737.45	79.41
<u>INFORMATION TECHNOLOGY</u>							
Salaries	281,691	21,428.69	162,016.23	156,170.96	0.00	119,674.38	57.52
Benefits	143,567	12,448.03	87,464.16	76,017.15	0.00	56,103.28	60.92
Services & Supplies	80,216	4,092.42	24,177.05	27,905.87	15,912.00	40,126.95	49.98
Services & Supplies-W.O.	15,000	0.00	0.00	0.00	0.00	15,000.00	0.00
TOTAL INFORMATION TECHNOLOGY	520,474	37,969.14	273,657.44	260,093.98	15,912.00	230,904.61	55.64
<u>WATER CONSERVATION</u>							
Salaries	439,336	31,474.59	229,493.62	249,881.09	0.00	209,842.38	52.24
Benefits	142,146	12,403.39	80,597.75	72,778.19	0.00	61,548.28	56.70
Services & Supplies	91,457	3,471.33	47,824.37	83,561.29	0.00	43,632.63	52.29
TOTAL WATER CONSERVATION	672,939	47,349.31	357,915.74	406,220.57	0.00	315,023.29	53.19
<u>FISHERIES</u>							
Salaries	463,832	31,582.90	234,326.14	248,329.89	0.00	229,505.86	50.52
Benefits	205,634	17,005.04	118,389.61	106,700.01	0.00	87,244.30	57.57
Services & Supplies	75,160	898.90	7,852.10	36,432.48	0.00	67,307.90	10.45
TOTAL FISHERIES	744,626	49,486.84	360,567.85	391,462.38	0.00	384,058.06	48.42
<u>ADMINISTRATION SERVICES</u>							
Salaries	882,808	64,452.65	460,238.82	472,640.74	0.00	422,569.18	52.13
Benefits	383,820	31,859.44	213,281.66	196,681.80	0.00	170,538.58	55.57
Services & Supplies	628,812	21,061.50	265,733.52	424,376.88	7,913.18	355,165.57	43.52
Other Operating Expenses	(544,014)	0.00	0.00	0.00	0.00 (	544,013.96)	0.00
Salaries - Work Orders	0	223.07	892.28	0.00	0.00 (	892.28)	0.00

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

11 -GENERAL FUND
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
Benefits - Work Orders	0	16.92	26.58	0.00	0.00 (	26.58)	0.00
Services & Supplies-W.O.	0	17.56	17.56	0.00	0.00 (	17.56)	0.00
TOTAL ADMINISTRATION SERVICES	1,351,427	117,631.14	940,190.42	1,093,699.42	7,913.18	403,322.95	70.16
WAREHOUSE							
GARAGE							
Salaries	13,642	818.52	6,813.05	0.00	0.00	6,828.95	49.94
Benefits	4,928	126.86	1,115.63	0.00	0.00	3,812.84	22.64
Services & Supplies	51,696	3,964.19	25,289.72	39,643.53	1,525.52	24,880.76	51.87
Services & Supplies-W.O.	169,484	14,098.13	57,292.06	90,549.69	0.00	112,191.45	33.80
TOTAL GARAGE	239,750	19,007.70	90,510.46	130,193.22	1,525.52	147,714.00	38.39
SAFETY							
Salaries	132,920	10,469.92	74,945.92	76,722.96	0.00	57,974.08	56.38
Benefits	48,577	4,251.27	29,215.80	27,058.12	0.00	19,361.14	60.14
Services & Supplies	16,256	1,887.32	10,853.62	15,841.04	0.00	5,402.38	66.77
TOTAL SAFETY	197,753	16,608.51	115,015.34	119,622.12	0.00	82,737.60	58.16
ENGINEERING							
Salaries	967,040	64,964.64	450,316.12	496,148.62	0.00	516,723.88	46.57
Benefits	331,009	27,710.68	176,119.89	159,753.49	0.00	154,888.73	53.21
Services & Supplies	151,088	16,560.41	128,787.63	166,139.72	216,975.54 (	194,675.17)	228.85
Salaries - Work Orders	0	9,049.94	88,630.93	32,246.69	0.00 (	88,630.93)	0.00
Benefits - Work Orders	0	1,215.13	10,476.43	3,738.49	0.00 (	10,476.43)	0.00
Services & Supplies-W.O.	2,420,000	228,366.13	2,714,919.66	2,443,787.25	1,377,884.70 (	1,672,804.36)	169.12
TOTAL ENGINEERING	3,869,137	347,866.93	3,569,250.66	3,301,814.26	1,594,860.24 (	1,294,974.28)	133.47
WATER QUALITY - LAB							
Salaries	410,179	35,563.00	256,072.84	224,958.85	0.00	154,106.08	62.43
Benefits	195,375	16,849.75	117,368.33	103,256.24	0.00	78,006.19	60.07
Services & Supplies	408,468	61,752.91	152,366.01	140,391.78	18,154.22	237,947.36	41.75
Services & Supplies-W.O.	689,800	11,384.33	80,753.61	51,968.80 (	6.94)	609,053.33	11.71
TOTAL WATER QUALITY - LAB	1,703,821	125,549.99	606,560.79	520,575.67	18,147.28	1,079,112.96	36.67
UTILITIES MAINTENANCE							
Salaries	468,223	43,787.85	312,555.60	273,721.72	0.00	155,667.18	66.75
Benefits	218,572	17,941.14	125,060.62	116,656.24	0.00	93,511.00	57.22
Services & Supplies	265,389	14,551.68	116,803.71	164,759.20	21,085.04	127,500.25	51.96
Salaries - Work Orders	0	0.00	0.00	353.70	0.00	0.00	0.00
Benefits - Work Orders	0	0.00	0.00	27.07	0.00	0.00	0.00
Services & Supplies-W.O.	96,500	12,366.49	81,778.96	45,163.56	0.00	14,721.04	84.75
TOTAL UTILITIES MAINTENANCE	1,048,683	88,647.16	636,198.89	600,681.49	21,085.04	391,399.47	62.68
ELECTRICAL MECHANICAL							
Salaries	551,602	47,549.91	314,717.09	265,830.63	0.00	236,884.88	57.06
Benefits	172,636	14,360.14	98,194.68	93,982.03	0.00	74,441.03	56.88
Services & Supplies	2,539,898	281,885.79	1,356,133.61	1,271,361.24	64,214.87	1,119,549.52	55.92
Salaries - Work Orders	0	0.00	1,522.31	0.00	0.00 (	1,522.31)	0.00
Benefits - Work Orders	0	0.00	115.93	0.00	0.00 (	115.93)	0.00

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

11 -GENERAL FUND
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
Services & Supplies-W.O.	50,754	0.00	106.88	36,417.99	5,139.09	45,508.03	10.34
TOTAL ELECTRICAL MECHANICAL	3,314,890	343,795.84	1,770,790.50	1,667,591.89	69,353.96	1,474,745.22	55.51
<u>DIST MAINT - PIPELINE</u>							
Salaries	677,728	61,504.49	402,780.81	282,433.31	0.00	274,947.30	59.43
Benefits	270,515	23,333.17	159,337.70	124,978.54	0.00	111,176.98	58.90
Services & Supplies	1,043,922	122,151.16	442,891.69	315,617.08	108,297.39	492,732.92	52.80
Salaries - Work Orders	0	0.00	0.00	73,792.26	0.00	0.00	0.00
Benefits - Work Orders	0	0.00	0.00	6,827.45	0.00	0.00	0.00
Services & Supplies-W.O.	82,500	0.00	17,644.23	16,511.87	0.00	64,855.77	21.39
TOTAL DIST MAINT - PIPELINE	2,074,665	206,988.82	1,022,654.43	820,160.51	108,297.39	943,712.97	54.51
<u>WATER TREATMENT</u>							
Salaries	829,608	72,050.99	458,092.84	493,005.80	0.00	371,515.36	55.22
Benefits	301,757	31,116.24	204,941.25	214,676.50	0.00	96,816.20	67.92
Services & Supplies	1,349,878	137,758.59	642,116.18	581,716.54	374,061.04	333,700.78	75.28
Salaries - Work Orders	0	0.00	0.00	1,674.21	0.00	0.00	0.00
Benefits - Work Orders	0	0.00	0.00	125.73	0.00	0.00	0.00
Services & Supplies-W.O.	276,550	0.00	88,710.36	104,973.66	56,533.97	131,305.67	52.52
TOTAL WATER TREATMENT	2,757,794	240,925.82	1,393,860.63	1,396,172.44	430,595.01	933,338.01	66.16
<u>OPERATIONS - MAINTENANCE</u>							
Salaries	331,609	27,738.53	180,255.98	147,531.50	0.00	151,353.07	54.36
Benefits	141,656	10,425.17	69,434.20	109,705.47	0.00	72,221.67	49.02
Services & Supplies	322,212	23,961.48	121,076.53	116,525.38	22,956.81	178,178.66	44.70
Salaries - Work Orders	0	0.00	0.00	10,336.41	0.00	0.00	0.00
Benefits - Work Orders	0	0.00	0.00	793.51	0.00	0.00	0.00
Services & Supplies-W.O.	0	0.00	0.00	736.59	0.00	0.00	0.00
TOTAL OPERATIONS - MAINTENANCE	795,477	62,125.18	370,766.71	385,628.86	22,956.81	401,753.40	49.50
<u>GENERAL O&M</u>							
Salaries	482,583	38,830.44	276,138.35	266,310.24	0.00	206,444.65	57.22
Benefits	269,632	24,556.39	168,401.48	106,138.39	0.00	101,230.34	62.46
Services & Supplies	18,412	1,804.94	14,469.55	22,697.63	4,526.30 (	583.85)	103.17
Salaries - Work Orders	0	0.00	7,971.83	2,526.72	0.00 (	7,971.83)	0.00
Benefits - Work Orders	0	0.00	1,093.25	362.28	0.00 (	1,093.25)	0.00
TOTAL GENERAL O&M	770,627	65,191.77	468,074.46	398,035.26	4,526.30	298,026.06	61.33
<u>RECREATION - OPERATIONS</u>							
Salaries	1,193,297	120,671.58	821,950.20	861,006.62	0.00	371,346.80	68.88
Benefits	429,814	42,648.80	284,210.23	251,925.56	0.00	145,603.96	66.12
Services & Supplies	456,493	31,961.92	280,650.71	169,158.38	4,772.04	171,070.25	62.53
Other Operating Expenses	544,014	0.00	0.00	0.00	0.00	544,013.96	0.00
TOTAL RECREATION - OPERATIONS	2,623,618	195,282.30	1,386,811.14	1,282,090.56	4,772.04	1,232,034.97	53.04
<u>RECREATION - MAINTENANCE</u>							
Salaries	651,556	40,689.33	301,397.85	357,108.87	0.00	350,157.74	46.26
Benefits	213,203	15,996.48	115,165.92	123,501.25	0.00	98,037.08	54.02
Services & Supplies	264,788	60,436.38	278,463.89	441,703.26	20,485.51 (	34,161.40)	112.90
Services & Supplies-W.O.	217,308	167,193.33	467,711.38	214,833.10	70,058.76 (	320,461.80)	247.47
TOTAL RECREATION - MAINTENANCE	1,346,855	284,315.52	1,162,739.04	1,137,146.48	90,544.27	93,571.62	93.05

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

11 -GENERAL FUND
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
<u>RECREATION - PUBLIC REL</u>							
Salaries	458,940	0.00	15,452.80	0.00	0.00	443,487.01	3.37
Benefits	69,915	0.00	1,397.30	0.00	0.00	68,517.63	2.00
Services & Supplies	214,100	10,475.74	74,000.84	131,729.30	26,600.00	113,499.16	46.99
TOTAL RECREATION - PUBLIC REL	742,955	10,475.74	90,850.94	131,729.30	26,600.00	625,503.80	15.81
<u>RECREATION - WATER PARK</u>							
Salaries	706,997	11,794.73	418,573.44	364,866.37	0.00	288,423.76	59.20
Benefits	112,757	5,462.11	65,678.01	58,997.16	0.00	47,079.28	58.25
Services & Supplies	288,450	37,929.12	146,954.96	157,603.90	14,339.42	127,155.62	55.92
Services & Supplies-W.O.	56,807	0.00	0.00	14,073.32	58,752.54	(1,945.54)	103.42
TOTAL RECREATION - WATER PARK	1,165,011	55,185.96	631,206.41	595,540.75	73,091.96	460,713.12	60.45
TOTAL EXPENDITURES	28,293,375	2,500,534.07	16,701,793.15	16,002,981.11	2,497,631.00	9,093,950.76	67.86
REVENUE OVER/(UNDER) EXPENDITURES	(260,593)	(558,867.96)	1,163,045.72	(1,514,957.52)	(2,497,631.00)	(9,093,950.76)	512.13

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

29 -USBR & SWP BONDED INDEBT
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
REVENUE SUMMARY							
Non Departmental							
WATER SALES	<u>1,277,767</u>	<u>18,607.34</u>	<u>733,621.05</u>	<u>634,215.60</u>	<u>0.00</u>	<u>544,145.95</u>	<u>57.41</u>
TOTAL Non Departmental	<u>1,277,767</u>	<u>18,607.34</u>	<u>733,621.05</u>	<u>634,215.60</u>	<u>0.00</u>	<u>544,145.95</u>	<u>57.41</u>
TOTAL REVENUES	1,277,767	18,607.34	733,621.05	634,215.60	0.00	0.00	57.41

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

29 -USBR & SWP BONDED INDEBT
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
<u>EXPENDITURE SUMMARY</u>							
PROPERTY TAX							
Services & Supplies	1,273,483	47,321.37	517,398.74	694,516.19	0.00	756,084.26	40.63
Other Operating Expenses	<u>4,284</u>	<u>0.00</u>	<u>1,877.00</u>	<u>1,429.25</u>	<u>0.00</u>	<u>2,407.00</u>	<u>43.81</u>
TOTAL PROPERTY TAX	1,277,767	47,321.37	519,275.74	695,945.44	0.00	758,491.26	40.64
TOTAL EXPENDITURES	1,277,767	47,321.37	519,275.74	695,945.44	0.00	758,491.26	40.64
REVENUE OVER/(UNDER) EXPENDITURES	0 (	28,714.03)	214,345.31 (	61,729.84)	0.00 (	758,491.26)	0.00

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

75 -CFD -2013-1
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
<u>REVENUE SUMMARY</u>							
<u>Non Departmental</u>							
WATER SALES	<u>3,011,314</u>	<u>0.00</u>	<u>1,679,430.89</u>	<u>1,644,789.24</u>	<u>0.00</u>	<u>1,331,883.11</u>	<u>55.77</u>
TOTAL Non Departmental	<u>3,011,314</u>	<u>0.00</u>	<u>1,679,430.89</u>	<u>1,644,789.24</u>	<u>0.00</u>	<u>1,331,883.11</u>	<u>55.77</u>
TOTAL REVENUES	3,011,314	0.00	1,679,430.89	1,644,789.24	0.00	0.00	55.77

CASITAS MUNICIPAL WATER DISTRICT
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2025

75 -CFD -2013-1
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
<u>EXPENDITURE SUMMARY</u>							
Property Tax							
Services & Supplies	2,913,983	1,122,218.75	2,903,536.88	2,291,116.69	0.00	10,445.62	99.64
TOTAL Property Tax	2,913,983	1,122,218.75	2,903,536.88	2,291,116.69	0.00	10,445.62	99.64
TOTAL EXPENDITURES	2,913,983	1,122,218.75	2,903,536.88	2,291,116.69	0.00	10,445.62	99.64
REVENUE OVER/(UNDER) EXPENDITURES	97,332	(1,122,218.75)	(1,224,105.99)	(646,327.45)	0.00	(10,445.62)	1,257.67-

CASITAS MUNICIPAL WATER DISTRICT
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AS OF: JANUARY 31ST, 2025

75 -CFD -2013-1
FINANCIAL SUMMARY

% OF YEAR COMPLETED: 58.33

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE BALANCE	PRIOR YEAR YEAR TO DATE	TOTAL ENCUMBERED	TOTAL BALANCE	% YTD BUDGET
SUMMARY OF EXPENSES							
SERVICES & SUPPLIES	<u>2,913,983</u>	<u>1,122,218.75</u>	<u>2,903,536.88</u>	<u>2,291,116.69</u>	<u>0.00</u>	<u>10,445.62</u>	<u>99.64</u>
TOTAL EXPENDITURES	2,913,983	1,122,218.75	2,903,536.88	2,291,116.69	0.00	10,445.62	99.64

Non-Budgeted Items Log Sheet - FY 2025

Approval Date	Item	Budgeted Amount	Actual Amount	Notes	Grant Potential (Y or N)
12-Jun-24	Cannon Eng. Services Intertie Project	\$ 599,810.00			Y
14-Aug-24	Design Services MWPFP Generator	\$ 35,000.00			N
11-Sep-24	LCRA Vacuum Truck	\$ 277,901.95		\$100,000 USBR Grant	Y
25-Sep-24	LCRA Paving	\$ 21,440.00		\$10,7200 USBR Grant	Y
25-Sep-24	Matilija Groundwater Supply Project	\$ 65,920.00		75% DWR Grant	Y
13-Nov-24	Salary changes: Biologist & Park Mgr	\$ 18,935.61			N
13-Nov-24	New Treatment Plant Position (Feb-June)	\$ 40,389.92			N
11-Dec-14	Casitas and Ojai Water System Integration	\$ 70,000.00		100% DWRSF Grant	Y
26-Feb-25	Campground Fox Cabin	\$ 40,000.00			N
12-Mar-25	MWPFP Emergency Generator Construction	\$ 212,000.00			N
	Total	\$ 1,381,397.48	\$ -		