EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF JULY 22, 2026

REGULAR MEETING

TO:	**Bill Wilde, Chair, and Members of the El Dorado County Local Agency Formation Commission**
FROM:	**Shiva Frentzen, Executive Officer**
AGENDA ITEM #1:	**Consideration and Approval of the Contract with Brown Armstrong Accountancy Corporation for Audit Services for Fiscal Years 2025-26 through 2028-29**

<u>Recommendation</u>

The Executive Officer recommends that the Commission:

Authorize the Chair to execute a contract with Brown Armstrong Accountancy Corporation (Brown Armstrong) for audit services for fiscal years 2025-26 through 2028-29, at an annual cost not to exceed $13,500 for fiscal years 2025-26 and 2026-27 and $14,000 for fiscal years 2027-28 and 2028-29.

<u>Background</u>

For the past five fiscal years, El Dorado LAFCO has contracted with Fechter & Company to conduct and prepare its General Purpose Financial Statements. The contract ended with the audit for Fiscal Year 2024-25.

In 2024, El Dorado, Fresno, Marin, Santa Barbara, and Santa Cruz LAFCOs prepared and circulated a joint Request for Proposals (RFP) for individual audit services. The RFP was circulated on January 24, 2024 and four proposals were received by the March 22, 2024 deadline.

The participating LAFCO staffs independently reviewed and ranked each of the proposals. Based on this evaluation, the El Dorado LAFCO Executive Officer selected Brown Armstrong for the following reasons:

- The firm’s licensing, independence with respect to LAFCo and results of most recent peer review (mandatory requirements)
- Qualifications and Related Experience of the audit team who will serve LAFCO (Partner, Manager and Senior Auditors)
- Experience of the firm auditing California agencies
- Prior experience of the engagement team in implementation of GASB #34 and other GASB Pronouncements

- Reference of local government clients
- Thoroughness of approach to conducting the audit of LAFCO
- Demonstration of the understanding of the objectives and scope of the audit
- Commitment to timeliness in the conduct of the audit
- Maximum fees to conduct the audit

The audit for the current fiscal year is scheduled to begin in late summer 2026. The proposed contract provides for annual audit costs of $13,500 for fiscal years 2025-26 and 2026-27, increasing to $14,000 for fiscal years 2027-28 and 2028-29. The Scope of Services, Schedule, and Project Cost are detailed in Exhibit A of the agreement (Attachment A). El Dorado LAFCO Counsel has reviewed the contract.

Attachments:

Attachment A: Professional Services Agreement Between El Dorado LAFCO and Brown Armstrong Accountancy Corporation for Audit Services for Fiscal Years 2025-26 through 2028-29

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

**PROFESSIONAL SERVICES AGREEMENT
BETWEEN EL DORADO LAFCO AND BROWN ARMSTRONG ACCOUNTANCY CORPORATION
FOR A MUNICIPAL SERVICES REVIEW AND SPHERE OF INFLUENCE UPDATE
OF THE EL DORADO IRRIGATION DISTRICT**

This Agreement is made and entered into as of July 22, 2026 by and between the El Dorado County Local Agency Formation Commission ("LAFCO"), and Brown Armstrong Accountancy Corporation, a California corporation ("Consultant"). LAFCO and Consultant are hereinafter sometimes referred to individually as "Party" and collectively as the "Parties."

RECITALS

A. LAFCO is in need of professional services for the preparation of independent audit services (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for LAFCO to retain Consultant to provide the services described herein.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

1. Incorporation of Recitals. The recitals above are true and correct and are hereby incorporated herein by this reference.

2. Services. Consultant shall provide LAFCO with the services described in the Work Plan and Maximum Fee attached hereto as Exhibit "A" for the duration of the contract for FY25-26, FY26-27, FY27-28, and FY28-29.

3. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel identified in their proposal. Consultant warrants that Consultant is familiar with all laws that may affect its performance of this Agreement and shall advise LAFCO of any changes in any laws that may affect Consultant's performance of this Agreement. Consultant further represents that no LAFCO employee will provide any services under this Agreement.

4. Compensation.

a. Subject to paragraph 4(b) below, LAFCO shall pay for such services in accordance with the Maximum Fee set forth in Exhibit "A."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of Thirteen Thousand Five Hundred Dollars ($13,500) for Fiscal Year 2025-2026 AND 2026-2027 Audits and Fourteen Thousand Dollars ($14,000) for Fiscal Year 2027-2028 AND 2028-2029 Audits. This amount is to cover all related costs, and LAFCO will not pay any additional fees for printing expenses. Consultant may submit invoices to LAFCO for approval. Said invoice shall be based on the total of all Consultant's services which have been completed to LAFCO's sole satisfaction. LAFCO shall pay Consultant's invoice within forty-five (45) days from the date LAFCO receives said invoice. The invoice shall describe in detail the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as “Additional Services” and shall identify the number of the authorized change order, where applicable, on all invoices.

5. Additional Work. If changes in the work seem merited by Consultant or LAFCO, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to LAFCO by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by LAFCO and executed by both Parties before performance of such services, or LAFCO will not be required to pay for the changes in the Work Plan. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

a. Adjustments. No retroactive price adjustments will be considered and no price increases will be permitted during the term of this Agreement, unless agreed to by LAFCO and Consultant in writing.

6. Term. This Agreement shall commence on the Effective Date and continue through June 30, 2030, unless the Agreement is previously terminated as provided for herein (“Term”).

7. Maintenance of Records; Audits.

a. Records of Consultant’s services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to LAFCO for inspection and/or audit at mutually convenient times for a period of four (4) years from the Effective Date.

b. Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant, in physical or electronic form, and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by LAFCO.

8. Time of Performance. Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from LAFCO to proceed. Consultant shall complete the services required hereunder within Term.

9. Delays in Performance.

a. Neither LAFCO nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing Party. For purposes of this Agreement, such circumstances include a Force Majeure Event. A Force Majeure Event shall mean an event that materially affects the Consultant’s performance and is one or more of the following: (1) Acts of God or other natural disasters occurring at the project site; (2) terrorism or other acts of a public enemy; (3) orders of governmental authorities (including, without limitation, unreasonable and unforeseeable delay in the issuance of permits or approvals by governmental authorities that are required for the services); and (4) pandemics, epidemics or quarantine restrictions. For purposes of this section, “orders of governmental authorities,” includes ordinances, emergency proclamations and orders, rules to protect the public health, welfare and safety.

b. Should a Force Majeure Event occur, the non-performing Party shall, within a reasonable time of being prevented from performing, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement. Delays shall not entitle Consultant to any additional compensation regardless of the Party responsible for the delay.

c. Notwithstanding the foregoing, LAFCO may still terminate this Agreement in accordance with the termination provisions of this Agreement.

10. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including, if applicable, Cal/OSHA requirements.

b. If required, Consultant shall assist LAFCO, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

11. Standard of Care. Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. Consultant's performance shall conform in all material respects to the requirements of the Work Plan.

12. Conflicts of Interest. During the term of this Agreement, Consultant shall at all times maintain a duty of loyalty and a fiduciary duty to LAFCO and shall not accept payment from or employment with any person or entity which will constitute a conflict of interest with LAFCO.

13. Assignment and Subconsultant. Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of LAFCO, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

14. Independent Consultant. Consultant is retained as an independent contractor and is not an employee of LAFCO. No employee or agent of Consultant shall become an employee of LAFCO. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from LAFCO as herein provided. Any personnel performing the work governed by this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, and workers' compensation insurance.

15. Insurance. Consultant shall not commence work for LAFCO until it has provided evidence satisfactory to LAFCO it has secured all insurance required under this section. In

addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Additional Insured

El Dorado LAFCO, its officials, officers, employees, agents, and volunteers shall be named as additional insureds on Consultant's and its subconsultants' policies of commercial general liability and automobile liability insurance using the endorsements and forms specified herein or exact equivalents.

b. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to LAFCO.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

(1) Bodily Injury and Property Damage
(2) Personal Injury/Advertising Injury
(3) Premises/Operations Liability
(4) Products/Completed Operations Liability
(5) Aggregate Limits that Apply per Project
(6) Explosion, Collapse and Underground (UCX) exclusion deleted
(7) Contractual Liability with respect to this Contract
(8) Broad Form Property Damage
(9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give LAFCO, its elected and appointed officials, officers, employees, agents, and LAFCO-designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by LAFCO, and provided that such deductibles shall not apply to LAFCO as an additional insured.

c. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to LAFCO.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give LAFCO, its elected and appointed officials, officers, employees, agents and LAFCO designated volunteers additional insured status.

(iv) Subject to written approval by LAFCO, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to LAFCO as an additional insured, but not a self-insured retention.

d. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

e. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to LAFCO and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

f. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	Combined Single Limit
Commercial General Liability	$1,000,000 per occurrence/$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	$1,000,000 per occurrence
Professional Liability	$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

g. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with LAFCO evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

h. Policy Provisions Required

(i) Consultant shall provide LAFCO at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of the premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to LAFCO at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by LAFCO or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide waiver of subrogation in favor of LAFCO, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against LAFCO, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to LAFCO and shall not preclude LAFCO from taking such other actions available to LAFCO under other provisions of the Agreement or law.

i. <u>Qualifying Insurers</u>

(i) All policies required shall be issued by acceptable insurance companies, as determined by LAFCO, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

j. <u>Additional Insurance Provisions</u>

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by LAFCO, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including, but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, LAFCO has the right but not the duty to obtain the insurance it deems necessary and any premium paid by LAFCO will be promptly reimbursed by Consultant or LAFCO will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, LAFCO may cancel this Agreement.

(iii) LAFCO may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither LAFCO, nor any member of the Commission, nor any of the officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

k. <u>Subconsultant Insurance Requirements</u>. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to LAFCO that they have secured all insurance required under this section.

Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name LAFCO as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, LAFCO may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

16. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by LAFCO), indemnify and hold LAFCO, its elected and appointed officials, officers, employees, agents, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project, or this Agreement, including without limitation the payment of all damages, expert witness fees, attorneys' fees and other related costs and expenses. This indemnification clause excludes Claims arising from the sole negligence or willful misconduct of LAFCO. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by LAFCO, members of the Commission, its employees, or authorized volunteers. Consultant's indemnification obligation shall survive the expiration or earlier termination of this Agreement.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to the extent which the Claims arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant in the performance of the services or this Agreement, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

17. California Labor Code Requirements. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold LAFCO, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

If the Services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

18. Verification of Employment Eligibility. By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

19. Laws and Venue. This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of El Dorado, State of California.

20. Termination or Abandonment

a. LAFCO has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days' written notice to Consultant. In such event, LAFCO shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. LAFCO shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by LAFCO and Consultant of the portion of such task completed but not paid prior to said termination. LAFCO shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to LAFCO only in the event of substantial failure by LAFCO to perform in accordance with the terms of this Agreement through no fault of Consultant.

21. Attorneys' Fees. In the event that litigation is brought by any Party in connection with this Agreement, the prevailing Party shall be entitled to recover from the opposing Party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing Party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof. The costs, salary, and expenses of LAFCO's legal counsel in enforcing this Agreement on behalf of LAFCO shall be considered as "attorneys' fees" for the purposes of this Agreement.

22. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by LAFCO's representative, regarding any services rendered under this Agreement at no additional cost to LAFCO. In the event that an error or omission attributable to Consultant's professional services occurs, Consultant shall, at no cost to LAFCO, provide all other services necessary to rectify and correct the matter to the sole satisfaction of LAFCO and to participate in any meeting required with regard to the correction.

23. Prohibited Employment. Consultant shall not employ any current employee of LAFCO to perform the work under this Agreement while this Agreement is in effect.

24. Costs. Each Party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

25. Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of LAFCO.

26. Organization. Consultant shall assign Carol Ieromnimon as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of LAFCO.

27. Limitation of Agreement. This Agreement is limited to and includes only the work included in the Project described above.

28. Notice. Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to the following addresses and shall be effective upon receipt thereof:

LAFCO:	**CONSULTANT:**
El Dorado LAFCO 1190 Suncast Ln. Suite 11 El Dorado Hills, CA 95762 Attn: Shiva Frentzen, Executive Officer	Brown Armstrong Accountancy Corporation 4200 Truxtun Avenue, Suite 300 Bakersfield, CA 93309 Attn: Lindsey Zimmerman

29. Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than LAFCO and the Consultant.

30. Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

31. Entire Agreement. This Agreement, including Exhibit "A," represents the entire understanding of LAFCO and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises, or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This is an integrated Agreement.

32. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance, and the remaining provisions of this Agreement shall remain in full force and effect.

33. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party

to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of LAFCO. Any attempted assignment without such consent shall be invalid and void.

34. Non-Waiver. The delay or failure of either Party at any time to require performance or compliance by the other Party of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. The waiver of any right or remedy with respect to any occurrence or event shall not be deemed a waiver of any right or remedy with respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

35. Time of Essence. Time is of the essence for each and every provision of this Agreement.

36. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain, or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

37. Amendments. Only a writing executed by all of the Parties hereto or their respective successors and assigns may amend this Agreement.

38. LAFCO's Right to Employ Other Consultants. LAFCO reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

39. Prohibited Interests. Consultant maintains and warrants that it has neither employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, LAFCO shall have the right to rescind this Agreement without liability. For the term of this Agreement, no official, officer or employee of LAFCO, during the term of his or her service with LAFCO, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

40. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one single Agreement.

41. Authority. The persons executing this Agreement on behalf of the Parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that by doing so, the Parties hereto are formally bound to the provisions of this Agreement.

42. Electronic Signature. Each Party acknowledges and agrees that this Agreement may be executed by electronic or digital signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature.

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SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT BETWEEN EL DORADO LAFCO AND BROWN ARMSTRONG ACCOUNTANCY CORPORATION

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

EL DORADO LAFCO	CONSULTANT
APPROVED BY:	**BROWN ARMSTRONG ACCOUNTANCY CORPORATION**
______________________________	______________________________
Bill Wilde Chair, El Dorado LAFCO	Signature
	______________________________ Name
ATTESTED BY:	______________________________ Title
______________________________ Shiva Frentzen Executive Officer	

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EXHIBIT A

Work Plan

Timing	Phase	Staff	Hours
December – February	**Planning and Scope of Work** • Contract Award • Perform predecessor audit workpaper review • Conduct kick-off meeting with Management to discuss schedules and approach • Obtain understanding of the LAFCO and its environment • Develop audit programs • Establish critical dates list with management • Provide information request to LAFCO • Obtain confirmations from LAFCO for mailing or emailing	Partner Manager Senior Staff	1 4 85 10
September/ October	**Internal Control Evaluation and Audit Risk Assessment, Establishment of Audit Plan, and Field Work** • Trial balance to be obtained from each LAFCO • Document key accounting and compliance processes with management and/or county personnel • Obtain support for testing of controls. We will provide sample selections at least one week prior • Evaluate internal control testing results and findings, if any • Fraud risk assessment and fraud interviews • Evaluate key estimates and contingencies • Perform substantive testing over accounts and balances including predictive tests and analytical procedures • Hold exit meeting with Management to discuss any potential issues, findings.	Partner Manager Senior Staff	3 10 16 24
October – December	**Completion of the Audit and Financial Reporting** • Assist with drafting financial statement disclosures and supporting documentation • Complete review of financial reporting package • Detailed Quality Control review by technical partner • Issuance of required audit reports by the deadline	Partner Manager Senior Staff	4 4 4 6
To Be Decided by LAFCO	**Exit Meeting With Board of Directors** • Explain overall audit approach • Discuss findings and recommendations • Report opinions on financial statements • Address required communication topics		
		Total Hours	**94**

EXHIBIT A

Maximum Fee

LAFCO	25-26	26-27	27-28	28-29
El Dorado LAFCO	$ 13,500	$ 13,500	$ 14,000	$ 14,000

We do not anticipate that additional services will be necessary to complete the audit. If it should become necessary for the Agency to request Brown Armstrong to render any additional services to either supplement the services requested in the Request for Proposal, or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an amendment to the contract between the LAFCOs and the Firm. Any such additional work agreed to between the LAFCO and the Firm shall be performed at the same rates set forth in listed below.

Hourly Rates

Staff Classification	Hourly Rate
Partner	$300
Manager	$180
Senior	$120
Staff	$100