AGREEMENT FOR SUPPORT SERVICES
LE GRAND COMMUNITY SERVICES DISTRICT

MERCED COUNTY
CONTRACT NO. 16079

THIS AGREEMENT, is made and entered into by and between the County of Merced, a political subdivision of the State of California, (hereinafter referred to as "County"), and Le Grand Community Services District (hereinafter referred to as "District").

WHEREAS, District wishes to obtain financial, accounting, auditing and/or consulting services related to District financial and tax activities as outlined in Exhibit A; and

WHEREAS, County is willing to provide such accounting, auditing and/or consulting services to District under the terms and conditions set forth herein; and

WHEREAS, the parties desire to set forth herein the terms and conditions under which said services shall be furnished.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the parties hereby agree as follows:

1. SCOPE OF SERVICES

County shall provide District those services set forth in Exhibit A, attached hereto and incorporated by reference herein.

2. TERM

The term of this Agreement shall commence on the 1st day of July, 2026, and continue until the 30th day of June, 2033, unless sooner terminated in accordance with the sections entitled "TERMINATION FOR CONVENIENCE" or "TERMINATION FOR CAUSE", as set forth elsewhere in this Agreement.

3. FEES

District shall be subject to fees provided by County as specifically set forth in Exhibit C. These fees will be assessed annually based on the amount determined for services provided in the previous fiscal year.

District will generally not be charged for additional services provided by County for other services provided by County outlined in Exhibit A so long as District adheres to the responsibilities and deadlines set forth therein. Any additional fees that District may be subject to are at the discretion of the Auditor-Controller. Such fees, if any, will be communicated to District prior to being billed. The amount of such

fees will be determined based upon the hours required to provide such services and at an hourly rate to cover the actual cost of such services.

4. METHOD OF PAYMENT

District will be assessed the annual charges on or before September 1st of each year by the Auditor–Controller. An itemized description of the charges will be provided to District at that time.

In the event District incurs additional charges from County, all payments for compensation and reimbursement for expenses shall be made after the delivery from County to District of an itemized description of the charges due. District shall pay County for such charges **no later than thirty (30) days following the delivery of the charges.**

In the event District is experiencing significant financial hardship, District may request full or partial relief of such charges in writing to the Auditor-Controller and, at the discretion of the Auditor–Controller, such charges may be waived or reduced.

Except as herein modified, all terms and conditions in said Agreement as heretofore approved remain unchanged and in full force and effect.

5. INDEPENDENT CONTRACTOR

The County and District are not partners or joint venturers with each other and nothing herein shall be construed to make them partners or joint venturers or impose any liability as such on either of them.

6. NOTICES

All notices, requests, demands or other communications under this Agreement shall be in writing. Notice shall be sufficiently given for all purposes as follows:

A. Personal Delivery. When personally delivered to the recipient, notice is effective upon delivery.

B. First Class Mail. When mailed first class to the last address of the recipient known to the party giving notice, notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.

C. Certified Mail. When mailed by certified mail, return receipt requested, notice is effective upon receipt, if delivery is confirmed by a return receipt.

D. Overnight Delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account, notice is effective on

delivery, if delivery is confirmed by the delivery service.

Any correctly addressed notice that is refused, unclaimed or undeliverable because of an act or omission of the party to be notified shall be deemed effective as of the first date that the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messengers or overnight delivery service.

Information for notice to the parties to this Agreement at the time of endorsement of this Agreement is as follows:

Le Grand Community Services District 13038 Jefferson Street Le Grand, CA 95333	County of Merced Auditor-Controller 2222 M Street Merced, CA 95340

Any party may change its address by giving the other party notice of the change in any manner permitted by this Agreement.

7. TERMINATION FOR CONVENIENCE

This Agreement, notwithstanding anything to the contrary herein above or hereinafter set forth, may be terminated by County at any time without cause or legal excuse by providing the other party with thirty (30) calendar days written notice of such termination. Upon effective date of termination, County shall have no further liability to District.

8. TERMINATION FOR CAUSE

The County may terminate this Agreement and be relieved of performing further services to District, should the District fail to perform any material duty or obligation of the Agreement. Notice shall be given as otherwise provided herein. Upon breach of this Agreement by District, County shall have the ability to pursue any and all remedies as may be available to the County by law.

9. MODIFICATION OF THE AGREEMENT

Notwithstanding any of the provisions of this Agreement, the parties may agree to amend this Agreement. Except as otherwise set forth herein, no alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto. No oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

10. INSURANCE

The Parties shall maintain, at their own expense, insurance, in such forms and amounts sufficient to cover claims arising from the duties and responsibilities under

this Agreement. Nothing in the provisions of this Agreement is intended to affect the legal liability of either party by imposing any standard of care different from the standard of care imposed by law. Each party shall bear its own exposure.

11. INDEMNIFICATION

County and District shall each defend and hold harmless each other as well their respective board, officers, employees, agents and assigns from and against any and all claims, demands, liability, judgments, awards, interest, attorney's fees, costs, experts' fees and expenses of whatsoever kind or nature, at any time arising out of or in any way connected with the performance of this Agreement, whether in tort, contract or otherwise. This duty shall include, but not be limited to, claims for bodily injury, property damage, personal injury, and contractual damages or any other damages alleged to be caused to any person or entity including, but not limited to employees, agents and officers of County and District.

Notwithstanding the mutual indemnification provided above, in the event that District fails to comply with the scope outlines and deadlines set forth in Exhibits "A" and "B" or format assessments as required by the Auditor-Controller, District shall defend and hold harmless County, its Board of Supervisors, officers, employees, agents and assigns from and against any and all claims, demands, liability, judgments, awards, interest, attorney's fees, costs, experts' fees and expenses of whatsoever kind or nature, at any time arising out of or in any way connected with such failure to comply.

12. RECORDS, INFORMATION AND REPORTS

County shall maintain full and accurate records with respect to all matters covered under this Agreement. To the extent permitted by law, District shall have free access at all proper times or until the expiration of four (4) years after the furnishing of services to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all data, documents, proceedings, and activities pertaining to this Agreement.

To the extent permitted by law, County shall furnish District such periodic reports as District may request pertaining to the work or services undertaken pursuant to this Agreement. The costs and obligations incurred or to be incurred in connection therewith shall be borne by the District.

13. OWNERSHIP OF DOCUMENTS

To the extent permitted by law, all technical data, evaluations, plans, specifications, reports, documents, or other work products developed by County hereunder are the exclusive property of County.

14. ENTIRE AGREEMENT

This Agreement and any additional or supplementary document or documents incorporated herein by specific reference contain all the terms and conditions agreed upon by the parties hereto, and no other contracts, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto.

15. LAWS, LICENSES, PERMITS AND REGULATIONS

County and District agree to comply with all State laws and regulations that pertain to construction, health and safety, labor, minimum wage, fair employment practice, equal opportunity, and all other matters applicable to their work.

County shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Merced and all other appropriate governmental agencies, including any certification and credentials required by District. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by County.

16. LIMITED EFFECT OF WAIVER

No waiver by either party of any default, breach or condition precedent shall be valid unless made in writing and signed by the parties hereto. No oral waiver of any default, breach or condition precedent shall be binding on any of the parties hereto. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder.

17. PERSONNEL

County represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. All of the services required hereunder will be performed by County or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

18. APPLICABLE LAW; VENUE

All parties agree that this Agreement and all documents issued or executed pursuant to this Agreement as well as the rights and obligations of the parties hereunder are subject to and governed by the laws of the State of California in all respects as to interpretation, construction, operation, effect and performance. No interpretation of any provision of this Agreement shall be binding upon County unless agreed in writing by County and counsel for County.

Notwithstanding any other provision of this Agreement, any disputes concerning

any question of fact or law arising under this Agreement or any litigation or arbitration arising out of this Agreement, shall be tried in Merced County, unless the parties agree otherwise or are otherwise required by law.

19. BREACH OF CONTRACT

Upon breach of this Agreement by County, District shall have all remedies available to it both in equity and/or at law.

20. REMEDY FOR BREACH AND RIGHT TO CURE

Notwithstanding anything else in this Agreement to the contrary, if County fails to perform any obligation of this Agreement, the District shall notice County of such failure to perform. County shall have sixty (60) days from the date of such notice to cure such issue of nonperformance.

21. SUCCESSORS IN INTEREST

All the terms, covenants, and conditions of this Agreement shall be binding and in full force and effect upon any successors in interest and assigns of the parties hereto. This paragraph shall not be deemed as a waiver of any of the conditions against assignment set forth herein.

22. CONFLICT OF INTEREST

County covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. County shall ensure that no conflict of interest exists between its officers and employees.

District covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of this Agreement. District shall ensure that no conflict of interest exists between its officers and employees.

23. CAPTIONS

The captions of each paragraph in this Agreement are inserted as a matter of convenience and reference only, and in no way define, limit, or describe the scope or intent of this Agreement or in any way affect it.

24. SEVERABILITY

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and enforceability of the remaining provisions, or portion of them, will not be affected.

Compensation due to County from the District may, however, be adjusted in proportion to the benefit received despite the removal of the effected provision.

25. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts, each of which shall be deemed a duplicate original. The Agreement shall be deemed executed when it has been signed by both parties.

Signature page to follow

Le Grand Community Services District

By _____
Michael Moroni
District Board Chairman/President

_____
Dated

Merced County Auditor-Controller

By Lisa Cardella-Presto
Lisa Cardella-Presto
Auditor-Controller

8.28.26
Dated

APPROVED AS TO LEGAL FORM
MERCED COUNTY COUNSEL

By _____
Forrest W. Hansen
County Counsel

_____
Dated

County of Merced

By _____
Mark J. Hendrickson
County Executive Officer

_____
Dated

EXHIBIT A
SCOPE OF WORK

Scope of Work. Utilizing financial and policy information from District, County (through the Merced County Auditor-Controller, hereinafter referred to as "AUDITOR-CONTROLLER"), shall provide District with the following services relating to District financial operations, utilizing County employees within AUDITOR-CONTROLLER.

1. **Payroll services**
    a) Biweekly payroll based upon information provided by District
    b) New hire employee setup
    c) Changes to W4s, DE4s, direct deposits, deferred compensation deductions, and other payroll related changes
    d) Employee garnishments
    e) Employee terminations
    f) Issue W2s
    g) Remit payroll related taxes to the State and Federal entities as established for each district
2. **Claims and Check Processing Services**
    a) Scan invoices and associated documentation
    b) Input, approve, and pay invoices in Accounting Software
    c) General oversight for compliance with internal controls for claims processing
    d) Process 1099 forms as required by the IRS
    e) Check processing services include rendering and mailing all checks for vendor payments, as well as daily reconcilements, and processing any check cancellations, replacements, and stale dating all applicable checks.
3. **General Accounting Services**
    a) Process deposits (both delivered in person and by mail) into Accounting Software
    b) Process journal entries into Accounting Software
    c) Provide template for preparation and provide support for the preparation of DISTRICT's annual Budget (as required by law)
    d) Process the annual Budget as approved by the Board in the Accounting software
    e) Send out monthly financial reports
4. **Audit and Reporting Services**
    a) Provide payroll data to District in the format required by the District to prepare their Local Government Compensation Report (as required by law)

b) Prepare District's Annual State Controller's Report if requested by District so long as District maintains operational accounts within County Treasury and provides all required information to AUDITOR-CONTROLLER within specified timeframe. These requests are accepted through a separate response letter sent by the Auditor's office each spring.
c) Review external audit reports prepared for District (as required by law)

5. Property Tax Assessments

a) Process, bill, and collect District assessments on the County tax roll based upon Government Code section 29304.
b) Apportion District assessments to DISTRICT and provide collection reports as requested. Apportionments are credited to DISTRICT funds held with the County on a schedule established at the discretion of AUDITOR-CONTROLLER to include Teeter distributions annually.
c) A statement of District assessments must be delivered to County, in a format determined by AUDITOR-CONTROLLER, by August 10th each year per Government Code Section 26911. District will be notified of the required format and other instructions in or around May of each year. Fees associated with these assessments are provided in the notice and are assessed by AUDITOR-CONTROLLER.

Level and Manner of Services. The foregoing services shall be provided in accordance with the following provisions:

1. District Responsibilities
   a) District shall be administered in accordance with all applicable provisions of California law.
   b) All expenditures made from the Funds related to the District shall be made only at the direction of District's governing board, unless proper written delegation of such authority is delivered to AUDITOR-CONTROLLER.
   c) Detailed Board minutes must be provided to the Auditor/Controller's Office in a timely manner to substantiate such approval.
   d) All payroll-related forms such as new hire packages, transmittals, payroll adjustments, W-4s, DE-4s, direct deposit information, and timesheets related to District shall be made at the direction of the appropriately appointed personnel of District.
   e) In order to provide services to District in a timely manner, District must adhere to the deadlines associated with the services provided. District agrees to submit claims, contracts, journal entries, timesheets, and any other accounting or budgetary information and requests within established deadlines and within a reasonable time for AUDITOR-CONTROLLER to provide adequate services.

i. Specifically, the deadline for all data relating to the biweekly payroll is itemized in Exhibit B.
ii. Failure to adhere to these deadlines have consequences to County payroll process, and all efforts must be made to meet these deadlines. Failure to positively report hours and other data can result in your staff payroll being delayed until the next pay cycle.
iii. Modifications to the above deadlines may be made by AUDITOR-CONTROLLER, in its sole and absolute discretion.

f) District will comply with County's established year-end accrual period, which is currently set at forty-five (45) days after the fiscal year-end.
g) District is responsible for ensuring that the most accurate and up-to-date information is provided on all claims, including vendor information, complete account coding, and appropriate support documentation.
h) District is solely responsible for ensuring all expenditures and claims meet prudent standards, are fiscally responsible, and adhere to any internal policies and California law, including but not limited to Article XVI, Section 6 of the California Constitution.
i) District will maintain an active email address specifically for the District to receive all official communications from County.
j) To the extent possible, and in order for District's financial statements to reflect all of the financial transactions for District, District shall maintain all of its cash assets with County Treasury. Should the District maintain any accounts outside of County Treasury, monthly statements for such accounts must be provided to AUDITOR-CONTROLLER in a timely manner.

2. AUDITOR-CONTROLLER Responsibilities
a) AUDITOR-CONTROLLER shall provide District with all requested revenue and expense information necessary to manage the district's affairs and perform all financial reporting to the State and applicable agencies. Such information shall be provided in a responsive and timely manner including clear and concise data.
b) AUDITOR-CONRTROLLER shall provide assistance with questions related to DISTRICT's fiscal operations.
c) AUDITOR-CONTROLLER will send monthly financial reports electronically to the established email address for District. These reports will be sent within five (5) business days of month-end or as soon thereafter as practical.
d) Upon request from District, AUDITOR-CONTROLLER shall make diligent efforts to assist in the development of accounting policies and procedures that increase the effectiveness, efficiency, and safeguard the assets of District.

EXHIBIT B
PAYROLL DEADLINES SCHEDULE

1. New hire and transmittals:

   As soon as possible, but no later than:
   Regular and one (1) day holiday week: 2:00 pm Friday before payroll week
   Three (3) day payroll week: 12:00 pm Friday before payroll week

2. Payroll adjustments, W-4 and DE-4 changes, direct deposit, and any other changes:

   As soon as possible, but no later than:
   Regular and Monday holiday week: 2:00 pm Tuesday of payroll week
   Tuesday-Friday Holiday week: 2:00 pm Tuesday of payroll week
   Three (3) day payroll week: 12:00 pm Friday before payroll week

3. Time sheets:

   As soon as possible, but no later than:
   Regular weeks: 4:00 pm Monday of payroll week
   Monday Holiday week: 9:00 am Tuesday of payroll week
   Tuesday-Friday Holiday week: 9:00 am Monday of payroll week
   Three (3) day payroll week: 12:00 pm Friday before payroll week

EXHIBIT C
SCHEDULE OF CHARGES

All charges assessed to the District are determined based on using the County's Countywide Cost Plan and its calculations for the prior fiscal year. These charges are only a portion of the overall estimated costs to provide services to the District. A detailed report on the calculation can be provided upon request.

1. **Daily Overdraft Fee**

   A $15 per day overdraft fee will be charged for overdrawn accounts.

2. **Payroll Services** — Annual assessment

3. **Claims and Check Processing Services** — Annual assessment
4. **General Accounting Services** — No current assessment
5. **Audit and Reporting Services** — Annual assessment

   This charge is specifically for the preparation of District's Annual State Controller's Report if requested by District.

6. **Property Tax Assessments** — Not applicable

   The charges for property tax and direct charge administration are assessed annually and deducted from property tax apportionment distributions and not included in this annual billing.

Le Grand Community Services District

Breakdown based on services in fiscal year 2024-2025

Payroll

Payroll related services are based on the number of employee payments. In fiscal year 2024-2025, your district had 150 payments, resulting in a cost of $1,966.91 for your district.

Warrants

Warrant related services are based on the number of checks rendered. In fiscal year 2024-2025, your district had 227 payments. This results in a cost of $ 350.48 for your district.

Accounts Payable

Accounts Payable (AP) related services are based on the number of payments made. In fiscal year 2024-2025, your district had 227 payments. This results in a cost of $2,085.36 for your district.

Overdrawn Account

Charges related to an overdrawn account are charged at a rate of $15.00 per day overdrawn. In fiscal year 2024-2025, your district had 0 overdrawn days. This results in a cost of $ 0.00 for your district.

SCO report

Services related to the preparation of the SCO's financial transactions report are charged at a tiered rate based off your district's revenue. As of fiscal year 2024-2025, your district is at tier 0 and this results in a cost of $ 0.00 for your district.

Total

The total charges are $4,402.74.