

**LBG-GUYTON ASSOCIATES**  
**PROFESSIONAL GROUNDWATER AND**  
**ENVIRONMENTAL ENGINEERING SERVICES**

11111 KATY FREEWAY  
SUITE 850  
HOUSTON, TX 77079  
713-468-8600  
FAX No.: 713-468-4956

August 11, 2017

Mr. Alan Day  
General Manager  
Brazos Valley Groundwater Conservation District  
P.O. Box 528  
Hearne, Texas 77859

**Re: Groundwater Consulting Services for 2018**

Dear Mr. Day:

As requested, our firm is providing this scope of work and general engagement letter for services to be provided in 2018. Our firm will provide groundwater hydrology services as requested by the District to include groundwater availability estimates, groundwater aquifer modeling, review of well permit applications, assistance and review of groundwater monitoring information, assistance with groundwater management area (GMA) studies and representation at meetings and permit hearings, and assistance with special studies or reviews. The GMA services will principally be regarding GMA-12.

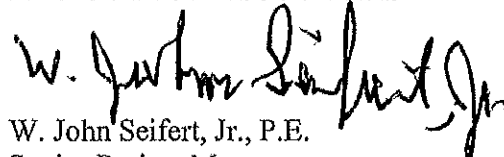
The estimated amount of the budget for 2018 is \$80,000.00 and the budget will not be exceeded without approval by the District. We propose to provide our services on an hourly rate plus expenses basis and a copy of our unit rate schedule is enclosed. Invoicing for services rendered would occur in the month following the performance of the work. Our firm will provide an updated copy of our insurance certificate to the District that includes worker's compensation coverage, comprehensive general liability, automobile liability, and professional liability insurance. Our firm provides a certificate each November when our policies renew.

If our engagement letter is acceptable, please sign both originals and return one original to us.

If you have questions concerning any of the above, please contact us. We look forward to continuing to be of service to the District in 2018.

Sincerely,

LBG-GUYTON ASSOCIATES



W. John Seifert, Jr., P.E.  
Senior Project Manager

Attachment

**ACCEPTED: Brazos Valley Groundwater Conservation District  
Authorized Representative**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**LBG-GUYTON ASSOCIATES**  
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**2018 FEE SCHEDULE FOR CONSULTING SERVICES**

Principals	\$185 to \$220/hour
Senior Consultants	\$170 to \$200/hour
Senior Associates	\$155 to \$190/hour
Associates	\$120 to \$185/hour
Senior Hydrogeologists, Senior Environmental Engineers Senior Environmental Scientists	\$ 95 to \$180/hour
Hydrogeologists II, Environmental Engineers II Environmental Scientists II	\$ 80 to \$125/hour
Hydrogeologists I, Environmental Engineers I Environmental Scientists I	\$ 70 to \$ 105/hour
Senior Technicians	\$ 71 to \$100/hour
Technicians	\$ 65 to \$100/hour
CAD Operators/Draftspersons	\$ 99/hour
Clerical	\$ 75 to \$78/hour

We require reimbursement for actual expenses incurred. The use of personal cars in the field would be billed at the IRS approved rate per mile. An administrative charge of 5 percent is affixed to actual expenses and 10 percent for subcontractors. A 2 percent charge on services will be included to cover telephone, facsimile and in-house printing costs.

Fees for pretrial conferences and expert-witness testimony are as quoted above, with no premium fees.

9/2016

**LBG-GUYTON ASSOCIATES**

**MONIQUE NORMAN**  
**ATTORNEY AT LAW**

P.O. Box 50245  
AUSTIN, TEXAS 77863

512.459.9428  
FAX 512.459.8671  
MNORMAN@EARTHLINK.NET

Brazos Valley Groundwater  
Conservation District  
P.O Box 528  
Hearne, Texas 77859

Re: Legal Services

Dear District Directors:

The purpose of this letter, together with the enclosed "Standard Terms of Engagement," is to set out my understanding with respect to the specific terms of our relationship. Please review the Standard Terms of Engagement carefully and contact me promptly if you have any questions regarding our relationship. This letter, together with the Standard Terms of Engagement, constitutes my agreement with you (this "Agreement") under which my services will be provided.

**Identity of Client**

I will be representing the interests of Brazos Valley Groundwater Conservation District.

**Nature and Scope of Representation**

I understand that while in the future I may from time to time be employed on other matters, our present relationship is limited to representing Brazos Valley Groundwater Conservation District on all general matters involving the District and the Board of Directors.

**Supervision and Delegation**

I will be the attorney who will coordinate and supervise the services to be performed on your behalf and will perform the work on this matter.

**Financial Arrangements**

The enclosed Standard Terms of Engagement, together with this letter, outlines the financial terms of my engagement. I will charge the District a flat fee rate of \$5000 per month for all general counsel services. This flat fee rate does not include litigation-related legal services. Litigation services will be charged at an hourly rate of \$225/hour, above and beyond the monthly flat fee rate. The above-quoted rates are exclusive of expenses. Any out-of-pocket expenses incurred on your behalf exceeding Five Hundred Dollars (\$500.00) in amount will be submitted to you directly for payment. If anything in this letter or the Standard Terms of Engagement is unclear or presents a problem to you, please advise me promptly so I may discuss it and reach a full understanding.

**Term of Agreement**

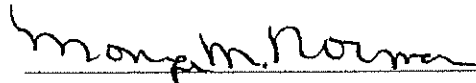
The term of this Agreement is from the execution date in October of 2017 through the following 2018 calendar year.

**Acceptance of Terms**

If this arrangement is acceptable to you, please sign the enclosed duplicate original of this letter and return it to us at your earliest convenience.

I truly appreciate the opportunity to be of service to you and look forward to working with you in a mutually beneficial relationship.

Sincerely,

  
\_\_\_\_\_  
Monique M. Norman

**AGREED TO AND ACCEPTED**

Brazos Valley Groundwater Conservation District

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Standard Terms of Engagement**

**MONIQUE NORMAN, ATTORNEY AT LAW**

This statement sets forth the standard terms of my engagement as your attorneys. Unless modified in writing by mutual agreement, these terms will be an integral part of my agreement with you. Therefore, I ask that you review this statement carefully and contact me promptly if you have any questions. I suggest that you retain this statement in your file.

### **1. The Scope of Work**

You should have a clear understanding of the legal services I will provide. Any questions that you have should be dealt with promptly. I will provide services related only to matters as to which I have been specifically engaged.

I will at all times act on your behalf to the best of my ability. Any expressions on my part concerning the outcome of your legal matters are expressions of my best professional judgment, but are not guarantees. Such opinions are necessarily limited by my knowledge of the facts and are based on the state of the law at the time they are expressed. I cannot guarantee the success of any given matter, but I will strive to represent your interests professionally and efficiently.

### **2. Fees For Legal Services**

My charges for professional services are customarily based on the time devoted to the matter, the novelty and difficulty of the questions presented, the requisite experience, reputation and skill requested to deal with those questions, time limitations imposed by the circumstances, and the amount involved and the results obtained. My fees for legal services are determined on the basis of hourly rates and/or flat fee rates, as negotiated and indicated in writing. I may adjust these rates from time to time. I will notify you in writing if this fee structure is modified.

### **3. Other Charges**

All out-of-pocket expenses (such as long distance telephone charges, copying charges, travel expenses, messenger expenses and the like) incurred by me in connection with my representation of you will be billed to you as a separate item on your monthly statement. Expenses that exceed Five Hundred Dollars (\$ 500.00) in amount will be submitted to you directly for payment. I reserve the right to modify the rates for such expenses in the event of market changes.

### **4. Billing Procedures and Terms of Payment**

My billing period begins on the 1<sup>st</sup> of the month and runs through the end of the month. I will render periodic statements to you for legal services and expenses. I usually mail these periodic statements after the first of the month following the latest date covered in the statement. Each statement is payable within 30 days of its stated date and must be paid in U.S. Dollars. If any statement is not paid within 30 days after its stated date, interest at the rate of 1 ½ percent

per month (18 percent per annum) will accrue on the balance due. However, if at any time 18 percent per annum exceeds the highest interest rate permitted by applicable law, then the interest rate that will be applied to any overdue amounts will be reduced to the maximum rate permitted under applicable law.

If you have any question or disagreement about any statement that I submit to you for payment, please contact me at your earliest convenience so that I can resolve any problems without delay. Typically, such questions or disagreements can be resolved to the satisfaction of both sides with little inconvenience or formality.

## **5. Termination of Services**

You have the right at any time to terminate my employment upon written notice to me, and if you do I will immediately cease to render additional services. I reserve the right to discontinue work on pending matters or terminate our attorney-client relationship with you at any time that payment of your account becomes delinquent. Additionally, in the event that you fail to follow my advice and counsel, or otherwise fail to cooperate reasonably with me, I reserve the right to withdraw from representing you upon short notice, regardless of the then status of your matter. No termination shall relieve you of the obligation to pay fees and expenses incurred prior to such termination.

## **6. Retainers**

With new clients or with substantial new matters for existing clients, I may require a retainer. The retainer amount is not meant to be an estimate or limit of the fees and expenses required to complete the work on this matter, but is intended as your good faith deposit against a portion of such fees and expenses. The retainer will be placed in our Trust Account and I will bill our fees and disbursements against the retainer. I will advise you if additional amounts are necessary to be placed in trust against which to bill future work.

## **7. Retention of Documents**

Although historically I have attempted to retain for a reasonable time copies of most documents generated by this Firm, I cannot be held responsible in any way for failure to do so, and I hereby expressly disclaim any such responsibility or liability. You must ultimately retain all originals and copies you desire among your own files for future reference.

## **8. Fee Estimates**

I am often requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. I do my best to estimate fees and expenses for particular matters when asked to do so. However, an estimate is just that, and the fees and expenses required are ultimately a function of many conditions over which I have little or no control, especially in litigation or negotiation situations where the extent of necessary legal services may depend to a significant degree upon the tactics of the opposition. Unless otherwise agreed in writing with respect to a specific matter, all estimates made by me shall be subject to your

agreement and understanding that such estimates do not constitute maximum or fixed fee quotations and that the ultimate cost is frequently more or less than the amount estimated.

**9. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, United States of America. Venue of any case or controversy arising under or pursuant to this Agreement shall be in the State District Courts of Brazos or Robertson counties, Texas, United States of America.

**10. Questions**

If you have any questions from time to time about any aspect of our arrangements, please feel entirely free to raise those questions. I want to proceed in my work for you with a clear and satisfactory understanding about every aspect of my billing and payment policies; and I encourage an open and frank discussion of any or all of the matters mentioned in this memorandum.



**Client Costs Advanced**  
**MONIQUE NORMAN, ATTORNEY AT LAW**

The firm incurs expenses on behalf of clients only when required by the legal needs of the clients. Some cases or matters require extensive use of copy facilities, and other cases may not be so paper intensive. Standard services such as secretarial and word processing time, file setup, and file storage are not charged; however, other expenses such as long distance fees, copies, delivery fees, and fax charges are billed to the client needing those services. An explanation of the billing structure is as follows:

**Delivery Services**

Outside delivery services are used for pick-up and delivery of documents to the client as well as to courts, agencies, and opposing parties. Outside delivery fees are charged to the client at the rate charged to the firm. Overnight delivery services are also charged at the rate charged to the firm. Firm personnel may provide delivery service in urgent situations and charges for such in-house service will not exceed the charge that would be made by an outside service in a similar situation.

**Telephone**

My long distance charges are based on the exact number of minutes per call as provided by my carriers. The rate applied to the call is \$.10 per minute. Cell phone charges will be charged at invoice rate.

**Postage**

My postal equipment calculates exact US postage for all sizes and weights of posted material. The rate charged for postage is the same as the amount affixed to the material that is mailed.

**Copies**

My standard rate for copies made by firm personnel is \$.15 per copy. This charge covers paper, equipment costs, and other supplies. If savings can be realized within the required time frame by sending copy jobs to subcontractors, the firm uses only qualified legal services copiers and the cost charged to the client is the same as the amount billed to the firm.

**Computerized Research**

If a case requires the use of computerized legal research, trained and skilled legal researchers are used to minimize on-line data charges. The firm charges \$4.00 per minute of on-line connect time.

**Fax**

Fax copies will be charged at the rate of \$.25 per page.

**OCR Scanning**

Electronic images of all pleadings and/or correspondence regarding your case file will be charged at the rate of \$.16 per page. OCR scanning makes images available to the attorneys and staff working on a case through my internal, secure computer network

**Travel**

Attorney time spent traveling on behalf of a client is billed to the client. Hotel, meal, local transportation, and similar expenses are charged based on receipts and travel expense forms submitted by the attorney. Documentation is available to the client if requested.

**Other Expenses**

Expenses incurred to outside providers in connection with the client's legal services should be paid by the client directly to the outside provider unless specifically arranged in advance. If the firm agrees to pay outside providers, the cost charged to the client is the same as the amount billed to the firm. Examples of such charges include: court reporter fees, filing fees, newspaper charges for publication notices, PUC download fees, expert witness fees, consultants, and other similar expenses. Such expenses will not be incurred without approval from the client. In addition, expenses incurred on a client's behalf that exceed Five Hundred Dollars (\$ 500.00) in amount will be submitted to you directly for payment.

**Brazos Valley Groundwater Conservation District  
Task Order Authorization Agreement  
For  
Professional Services with Halff Associates, Inc.**

**Web Map Hosting and General Support  
GIS Services Task Order Authorization No. 13  
September 5, 2017**

<b>Scope of Work:</b>	1. Groundwater database hosting services a. One (1) year of hosting services from January 1, 2018 till December 31, 2018.
<b>Deliverables:</b>	1. Hosting Services
<b>Items Furnished by BVGCD:</b>	1. N/A
<b>Schedule:</b>	1. Hosting services will be provided from January 1, 2018 till December 31, 2018.

**Brazos Valley Groundwater Conservation District  
Task Order Authorization Agreement  
For  
Professional Services with Halff Associates, Inc.**

<b>Fees:</b>	1. <u>Annual Hosting Service</u>	<u>\$3,000.00</u>
	Total Fee:	\$3,000.00
	This is a lump sum fee contract and will be billed monthly based on percent complete. Direct costs are included in this proposal. See Agreement Exhibit 'A' for Hourly Rate Schedule.	

Halff Associates is performing the services above under the terms and conditions described in the **Agreement For Professional Services On A Task Order Basis**, dated November 26, 2012, between Halff Associates and the Brazos Valley Groundwater Conservation District. Halff Associates will bill the above described services under AVO 29239.

Submitted

Approved

**Halff Associates, Inc.**

**Brazos Valley Groundwater  
Conservation District**



\_\_\_\_\_

Erin Atkinson

\_\_\_\_\_

Title: Vice President

Title: \_\_\_\_\_

Date: September 5, 2017

Date: \_\_\_\_\_

# MILBERGER, NESBITT & ASK, L.L.P.

(a Registered Limited Liability Partnership consisting of a Professional Corporation and an Individual)

Milberger & Nesbitt, P.C.  
William V. Milberger, CPA  
Clay W. Nesbitt, CPA  
Paul E. Ask, CPA

*Certified Public Accountants*

3833 S. Texas Ave., Suite 240  
Bryan, Texas 77802-4015

Telephone (979) 822-0175

Fax (979) 779-8422

[www.dmnacpas.com](http://www.dmnacpas.com)

Russell C. Armagost, CPA  
Xi (Sophie) Li, CPA

August 14, 2017

Board of Directors  
Brazos Valley Groundwater  
Conservation District  
P. O. Box 528  
Hearne, TX 77859

We are pleased to confirm our understanding of the services we are to provide the Brazos Valley Groundwater Conservation District for the year ended December 31, 2017. We will audit the financial statements of the governmental activities, including the related notes to the financial statements, which comprise the basic financial statements of Brazos Valley Groundwater Conservation District as of and for the year ended December 31, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Brazos Valley Groundwater Conservation District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Brazos Valley Groundwater Conservation District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Brazos Valley Groundwater Conservation District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Brazos Valley Groundwater Conservation District's financial statements. Our report will be addressed to the Board of Directors and management of Brazos Valley Groundwater Conservation District. We

cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Brazos Valley Groundwater Conservation District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory or contractual requirements.

#### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgement about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free from material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Brazos Valley Groundwater Conservation District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will also assist in preparing the financial statements and related notes of Brazos Valley Groundwater Conservation District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help insure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees

who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations, contracts, agreements and grants for taking timely and appropriate steps to remedy fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations, resulting from those audits, attestation engagements, performance audits or other studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing.

We will provide copies of our reports to Brazos Valley Groundwater Conservation District, however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

We will provide copies of our reports to the Board of Directors and management; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is property of Milberger, Nesbitt & Ask, L.L.P., and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be available upon request and in a timely manner to the State of Texas or its designee, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit



documentation will be provided under the supervision of Milberger, Nesbitt & Ask, L.L.P.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any other additional period requested by the State of Texas. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 1, 2018 and to issue our reports no later than July 31, 2018. Paul E. Ask is the engagement partner and is responsible for supervising the engagement and signing the report. Our fees for these services will be based on the actual time spent at our standard hourly rates, plus travel and other out-of-pocket costs such as report production, typing, postage, etc. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to our audit. We estimate our fees for the audit to be \$4,350. This fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2014 peer review report accompanies this letter.

The parties agree that any controversy or claim arising out of or relating to the services provided pursuant to this engagement letter agreement shall first be submitted for resolution with a mediator to be agreed upon by the parties. If mediation is not successful in resolving such controversy or claim, it shall be determined by binding arbitration in accordance with the applicable Arbitration Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association; and judgment on the award by the arbitrator (s) may be rendered in any court of competent jurisdiction.

We appreciate the opportunity to be of service to the Brazos Valley Groundwater Conservation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

  
Milberger, Nesbitt & Ask, L.L.P.

RESPONSE:

This letter correctly sets forth the understanding of the Brazos Valley Groundwater Conservation District.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## GOVERNMENT RELATIONS CONSULTING AGREEMENT

This agreement is made between Brazos Valley Ground Water Conservation District ("Brazos Valley GCD") and Heather Harward Consulting, LLC ("HHC") for the performance of government relations consulting services for Brazos Valley GCD.

### Terms

1. This agreement is effective for the period from January 1, 2018, through December 31, 2018. It may be renewed and/or amended at the expiration of this contract upon the written consent of both parties.
2. HHC, by and through its employees and agents, agrees to act as an independent consultant with respect to various activities (including, but not limited to, government relations, public affairs and public relations activities) as directed by Brazos Valley GCD, relating to state government legislation and regulatory actions. The government relations representation services by HHC include but are not limited to: as directed by the General Manager, representing Brazos Valley GCD before the State of Texas government and agencies; assisting in development of Brazos Valley GCD legislative agenda; monitoring standing committee hearings and communicating relevant information to Brazos Valley GCD executive management; coordinating Brazos Valley GCD responses to legislative inquiries, advising on government/regulatory strategy; monitoring local and state issues pertinent to Brazos Valley GCD; and attending conferences and/or meetings as requested by Brazos Valley GCD. The parties acknowledge that the foregoing scope does not include proactive development and support of legislation on behalf of Brazos Valley GCD, and if Brazos Valley GCD seeks to introduce and advance through the legislative process any such legislation, the parties will amend this agreement to document such increase in scope and associated fees.
3. HHC will devote the number of hours reasonably necessary to fulfill the spirit and purpose of this contract. Notwithstanding any other term or condition of this agreement, Brazos Valley GCD specifically acknowledges that HHC has other clients and/or outside employment. Subject to the direction of the General Manager of Brazos Valley GCD as referenced in Paragraph 2 above, HHC shall have control over the time and manner of performing her duties described above, and shall make available such time as it, in her sole discretion, shall deem appropriate for the performance of her duties under this agreement.
4. Brazos Valley GCD will pay to HHC a retainer of \$3,250 for each calendar month from January 1, 2018, through December 31, 2018. The first such payment shall be due on January 1, 2018, and subsequent payments are to become due on the first day of each month thereafter, without the need for HHC to provide a written invoice.
5. HHC will bill Brazos Valley GCD for all reasonable and necessary business expenses incident to the services provided under this agreement, provided that any travel and lodging expenses and any other expenses over \$100 must be approved in advance by the General Manager of Brazos Valley GCD. Such expenses include, but are not limited to, travel on behalf of Brazos Valley GCD; meals and lodging while on travel performing services under this agreement;

entertainment of state officials (only when directly related to Brazos Valley GCD issues); and telephone, facsimile, copy, and mailing expenses directly related to Brazos Valley GCD business. HHC shall submit an invoice and appropriate documentation for each expense in accordance with IRS guidelines to Brazos Valley GCD as soon as practicable for the prior month's reasonable and necessary business expenses incurred by HHC on behalf of Brazos Valley GCD. Brazos Valley GCD shall pay these invoices within fifteen (15) days of receipt from HHC. Brazos Valley GCD acknowledges that registration and reasonable travel and lodging for the 2018 TAGD Groundwater Summit are preapproved and will be reimbursed consistent with this Section.

6. The information furnished by Brazos Valley GCD to HHC shall be treated as confidential. The parties agree that they shall not disclose or divulge this agreement, or any of its term or conditions to third parties, except as is necessary to perform the terms and conditions stated herein and in compliance with State law.

7. HHC shall perform its services hereunder as an independent contractor and not as an employee of Brazos Valley GCD or an affiliate thereof. It is expressly understood and agreed to by the parties hereto that HHC shall have no authority to act for, represent or bind Brazos Valley GCD or any affiliate thereof in any manner, except as may be agreed to expressly by Brazos Valley GCD from time to time. Upon notice, HHC may assign this agreement to a limited liability company or other such business entity that HHC may create and control, and Brazos Valley GCD hereby consents to such assignment.

8. The following sections shall survive expiration or termination of this agreement: 4, 5, 6, 11, and 13.

9. By executing this agreement, Brazos Valley GCD acknowledges that the representation of Brazos Valley GCD is not exclusive to the representation of other clients by HHC. As of the date of this agreement, HHC represents that no actual conflicts exist between the interests of Brazos Valley GCD and any other existing clients. To the extent that any actual or perceived conflict arises between the interests of Brazos Valley GCD and any other client or potential clients, both parties agree that HHC shall notify and consult with Brazos Valley GCD regarding any actual conflict that would affect its ability to discharge her obligations hereunder. Upon such consultation and determination of the existence of an actual conflict, HHC agrees to accord priority to the interests of Brazos Valley GCD and reject representation of any other party that would lead to a conflict unless Brazos Valley GCD consents in writing. HHC will comply with regulatory requirements applicable to legislative consultants, including requisite filings with the Texas Ethics Commissions.

10. Brazos Valley GCD acknowledges and agrees that HHC does not have control over third party decision makers, and therefore HHC makes no representations, warranties or guarantees that it can achieve any particular results. HHC, however, shall act in good faith toward the performance of its duties described above.

11. IN NO EVENT SHALL HHC BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, BUSINESS INTERRUPTIONS, LOSS OF REVENUE OR

PROFITS, LOST MANAGEMENT TIME, SAVINGS, DATA OR GOODWILL, OR ANY PENALTIES, FINES OR EXPENSES. HHC'S TOTAL LIABILITY ON ANY CLAIM FOR ANY LOSS OR DAMAGE ARISING OUT OF, RESULTING FROM OR IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER SHALL NOT EXCEED

THE FEE PAID FOR THE SERVICES GIVING RISE TO THE LIABILITY. THE LIMIT OF LIABILITY APPLIES TO DAMAGES ARISING FROM ANY CAUSE OF ACTION WHATSOEVER, INCLUDING WITHOUT LIMITATION CONTRACT, WARRANTY, STRICT LIABILITY, TORT, OR NEGLIGENCE, EVEN IF SUCH LOSS OR DAMAGE WAS FORESEEABLE OR CONTEMPLATED BY THE PARTIES.

12. This contract may be terminated by either party providing written notice to the other effective on the last day of the next calendar month from the date of the notice. (Example: notice given March 18 would be effective April 31.) Brazos Valley GCD shall compensate HHC for all services rendered prior to the effective date of termination. There shall be no liquidated or consequential damages in the event of termination under this provision.

13. This contract shall be governed by the laws of the State of Texas. If any provision of this agreement shall be invalid or unenforceable for any reason, the validity and enforceability of any such provision in any other respect and of the remaining provisions of this agreement shall not be in any way impaired.

14. This contract constitutes the entire agreement and understanding between the parties, and any amendment shall be in writing signed by both parties.

EXECUTED on this the \_\_\_\_ day of \_\_\_\_\_ 201\_\_.

\_\_\_\_\_  
Alan M. Day

General Manager

Brazos Valley GCD

\_\_\_\_\_  
Heather L. Harward

Founder/Consultant

Heather Harward Consulting, LLC

## Alan Day

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**From:** Jeff Skelton <jskel1@outlook.com>  
**Sent:** Friday, September 08, 2017 4:32 PM  
**To:** Alan Day  
**Subject:** Scope of work

Monthly retainer fee - \$75 per hour x 3 hours.

**Retainer services:**

Scanning logs sent from email, email archive, backups and other services for errors. These logs are sent daily.  
Availability for general questions and other simple consulting from GM.

**Services provided at additional cost:**

The three hour retainer should cover time spent doing task listed above. The purpose of the retainer is to allow more efficient billing without having to keep up with every conversation or time looking at emailed logs.

Any other service above the basic retainer service will be billed at \$75 per hour in quarter hour increments and the amount of hours will vary based on requested services. Services are classified as IT consulting and any needed supply or part will be purchased by the Brazos Valley Groundwater District.