

EXHIBIT 3-A



CliftonLarsonAllen LLP
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July 25, 2023

Board of Directors/Administrative Committee
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, California 93942

Dear Suresh Prasad, C.F.O.:

We look forward to the opportunity to continue to work with The Monterey Peninsula Water Management District. At CLA our goal is to collaborate with our clients providing them the services they need at the highest level while sharing proactive ideas and resources so that they remain successful and equipped to face the changes of the future. We are always open to ideas on how we can improve our working relationship and welcome your feedback. Below are our proposed fees for financial statement audit services and additional services for the years ended June 30, 2023, 2024 and 2025. We have provided both a single year and a three-year option.

We work to keep our fees competitive while maintaining our high level of client service. Our traditional model is to increase our fees by approximately 4% annually for increasing personnel costs. However, the inflation rate is currently much higher than it has been in the past. Unfortunately, the accounting industry is not exempt from this inflation. We are seeing double digit increases in paper, software, salaries, and health insurance. As a result of rising inflation and subsequently rising costs, we have no option but to reflect these increases in our rates. Further, there are ongoing procedures that we are required to perform due to the implementation of the various reporting standards that are now included as part of the annual audit process and fees. The proposed fees below do not include any other consulting services the District may need to implement new auditing or accounting standards. The implementation of new standards requires us to perform more extensive procedures than in the past, resulting in an additional time commitment from both your employees and our audit personnel. Those would be billed at our standard rates of work.

Further, our proposed fees are based to a large extent on the quality, timeliness, and accuracy of the audit documentation that you and your staff prepare and the number and complexity of adjustments required to your general ledger(s). We will prepare a detailed list of the expected audit documentation which you will need to prepare before beginning the audit(s). The audit documentation will need to be completed prior to fieldwork at which time we perform a review of them in your offices. The estimates do not include any accounting assistance required to assist you in properly preparing the required audit documentation listed in the "Prepared by Client (PBC) List". The estimates also do not include additional time required to reconcile the audit documentation to appropriate detail and/or to the general ledger(s). Additional time will be billed at standard rates. The estimates assume that the audit documentation will be completely ready two weeks before the agreed upon starting dates for the audit(s).

In addition to the estimated base audit fee, there will be additional fees for any required ACFR assistance and preparation of the "Annual Report of Financial Transactions of Special Districts." We also bill a technology and client support fee of five (5%) of all professional fees billed.

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The following are our estimates:

	2023	2024	2025
Audit Fee* (single year \$70,000)	\$64,000	\$69,500	\$74,000
ACFR Assistance	\$7,750	\$8,000	\$8,250
Annual Report of Financial Transactions	\$2,750	\$3,000	\$3,250
Technology & Client Support Fee	\$3,725	\$4,025	\$4,275
Estimated Total	\$78,225	\$84,525	\$89,775

* Includes fees for compliance with the group audit standards and previously issued GASB pronouncements.

If you have any questions regarding these fee estimates, please feel free to contact me.

Sincerely,

CliftonLarsonAllen LLP



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Director
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