



December 10, 2025

SENT VIA SAFESEND

Bonnie Mullaney: bmullaney@chesterpud.org
Chester Public Utilities District General Manager
251 Chester Airport Rd
Chester, California 96020

Dear Ms. Mullaney:

This letter confirms the agreement between Chester Public Utilities District (CPUD, or the District) and Fechter & Company, Certified Public Accountants (Firm) for the accounting services described below.

Scope of Services

CPUD has agreed to provide Firm remote access to the district's accounting and payroll system in order to perform the following procedures:

- Reconcile the bank account and cash in county to the general ledger
- Reconcile accounts payable to the general ledger
- Prepare and review financial reports for distribution by the general manager
- Process bi-weekly payroll.
- Prepare and review payroll reports for distribution.
- Prepare required payroll tax deposits.
- Prepare quarterly and annual payroll tax returns for respective federal and state agencies.

Our firm's remote access to your accounting and payroll systems will be on an as-needed basis in order to perform the procedures identified above and will be for your convenience. However, by your signature below, you understand that the accounting records are solely the responsibility of CPUD. Our work in connection with this engagement is not intended to result in the submission or issuance of financial statements by Firm as defined by Statements on Standards for Accounting and Review Services (SSARS) issued by the American Institute of Certified Public Accountants (AICPA). As such, this engagement does not contemplate the audit, review, compilation or preparation of financial statements.

As our services are limited in nature, we will not verify the accuracy of the records being provided to Firm beyond the normal authorizations provided by your office. If we notice that an amount appears unusual or out of the ordinary, we will call it to your attention, but our engagement cannot be relied upon to disclose errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with laws and regulations that may have occurred. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our engagement that fraud may have occurred. We will also report to the appropriate level of management any evidence or information that comes to our attention regarding noncompliance with laws and regulations that may have occurred, unless it is clearly inconsequential.

In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your system of internal control as part of this engagement. By your signature below, you understand and agree that you are responsible for preventing and detecting fraud. Should you wish us to expand our procedures to include additional work and investigations, we will arrange this with you in a separate engagement letter.

Starting in 2024, the Corporate Transparency Act (“CTA”) mandates certain entities (primarily small and medium-size businesses) created in or registered to do business in the United States report information about their beneficial owners — the individuals who ultimately own or control a district — to the Financial Crimes Enforcement Network (“FinCEN”). Management is responsible for CPUD’s compliance with the CTA, if applicable, and for ensuring that any required reporting of beneficial ownership information (including the initial filing and any required ongoing updates and/or corrected reports that may be necessary) is timely filed with FinCEN as required by the CTA. Our firm’s services under the terms of this agreement do NOT include any advising, consulting, or submission of any required reporting related to your entity’s compliance with the CTA.

If you need assistance with any required CTA reporting and/or have any questions regarding CPUD’s compliance with the CTA, including but not limited to whether an exemption may apply to your organization or to ascertain whether relationships constitute beneficial ownership under CTA rules, please contact us. Any CTA-related services we agree to perform will be covered under a separate engagement letter.

You also understand and agree, by your signature below, that you maintain sole responsibility for the appropriateness of your district’s security measures related to its remote access users.

Confidentiality

During the course of this engagement, we may have access to proprietary information of the district, including, without limitations, oral and written information and material concerning or pertaining to the district’s trade secrets, business methods, plans, and/or projects. We acknowledge that such information, regardless of its form, is confidential and proprietary to the district, and that we shall not use, copy, or disclose the information in whole or in part in any manner or to any person or entity without the express prior written consent of a duly authorized officer of the district, unless otherwise required by law.

We may from time to time and depending on the circumstances and nature of the services we are providing, share your confidential information with third-party service providers, some of whom may be cloud-based, but we remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality terms with all service providers to maintain the confidentiality of your information and will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure appropriate confidentiality terms with a third-party service provider, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Although we will use our best efforts to make the sharing of your information with such third parties secure from

unauthorized access, no completely secure system for electronic data transfer exists. As such, by your signature below, you understand that the firm makes no warranty, expressed or implied, on the security of electronic data transfers.

In connection with this engagement, we may communicate with you or others via email transmission. We take reasonable measures to secure your confidential information in our email transmissions. However, as email can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom it is directed and only to such parties, we cannot guarantee or warrant that email from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of email transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

Fees

Our fees will be as follows:

One time onboarding fee	\$3,500
Each payroll processed \$30 per person,per pay period:	
5 current payrolls for a total fee per payroll processed	150
Monthly bookkeeping	1,200
Estimated partner/staff (not flat fee)	1,036

Fees in excess of the estimates above will be discussed with you in advance and may result in additional engagement letters being issued should the scope of work be outside of that listed above. invoices will be rendered every two weeks and are due following 30 days.

You understand and agree that we may withdraw from the present engagement at any time for any reason at our sole discretion. In particular, you agree that if you fail to pay for services rendered or expenses incurred for this engagement, we may either discontinue performing services for you until all outstanding balances are paid, and/or may withdraw from the engagement ten (10) days after the mailing of written notice to you at the same address to which invoices are sent. You recognize that any discontinuation of work or withdrawal by us could seriously harm your interests but nevertheless specifically give your consent to us to do so regardless of any filing or other deadlines you face. As such, CPUD acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of CPUD's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

In addition, in the event our firm or any of its employees or agents is called as a witness or requested to provide any information whether oral, written, or electronic in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that you have provided to this firm, or any documents and workpapers prepared by Firm in accordance with the terms of this agreement, you agree to pay any and all reasonable expenses, including fees and costs for our time at the rates then in effect, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

Mediation/Arbitration

If a dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION. The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

Limitation of Liability

In accordance with the terms and conditions of this agreement, CPUD shall be responsible for the accuracy and completeness of all data, information and representations provided to us for purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of our services, CPUD releases and indemnifies our firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

Indemnification.

Vendor shall indemnify, defend, and hold harmless Chester Public Utilities District, its affiliates, officers, directors, employees, and agents from and against any and all claims, damages, liabilities, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to:

- (a) Vendor's breach of this Agreement;**
- (b) Vendor's negligence or willful misconduct; and**
- (c) any third-party claim alleging that Vendor's products, services, or deliverables infringe upon or misappropriate any intellectual property rights.**

The Firm shall indemnify, defend, and hold harmless CPUD, its directors, officers, employees, and agents from and against any and all claims, demands, liabilities, damages, losses, fines, penalties, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (i) the Firm's negligent acts, errors, or omissions; (ii) the Firm's breach of this agreement; and (iii) any failure by the Firm, its employees, subcontractors, or agents to comply with applicable laws, regulations, or professional standards in connection with the services performed under this agreement. This indemnity shall not apply to the extent any claim results from CPUD's sole negligence or willful misconduct. Nothing in this section shall be construed as a waiver of any immunities or limitations of liability available to CPUD under the California Government Claims Act or other applicable law.

Limitation of Liability.

Notwithstanding the foregoing, Vendor's total aggregate liability under this Agreement, including its indemnification obligations, shall not exceed \$5,000 or the total fees paid by Client to Vendor under this Agreement during the preceding 12 months, except for liability arising from Vendor's gross negligence, willful misconduct, or infringement of intellectual property rights.

This indemnification obligation shall survive termination of this Agreement.

Termination of Services

While we do not anticipate the need to terminate our relationship. Either party may terminate the relationship with a 45-day written notice via electronic communication or US mail.

Conclusion

This letter sets forth the entire agreement relating to our services. Any prior agreements, discussions, or understandings are superseded by this letter. No amendment or modification of this agreement shall be valid unless in writing, signed by both parties to this agreement.

If this letter correctly describes our engagement, please sign the original and return it in the enclosed envelope for our files.

Sincerely,

A handwritten signature in blue ink that reads "Fechter & Company". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Fechter & Company
Certified Public Accountants

The above letter confirms our understanding of the services to be performed and the limitations of those services.

A handwritten signature in blue ink that reads "Bonnie Mullaney". The signature is in a cursive script.

Bonnie Mullaney

12/10/2025

Date

Default

Final Audit Report

December 10, 2025

Created:	December 10, 2025
By:	Fechter & Company, Certified Public Accountants(kschramm@fechtercpa.com)
Status:	ESigned
Transaction ID:	PFWFYZL5LW8MLEVV4G0NWLDW68
Documents:	Engagement Letter Sent to Client 7.pdf

"Default" History

-  Document emailed to Bonnie Mullaney(bmullaney@chesterpud.org) for signature
12/10/2025 12:59:19 PM Pacific Standard Time
-  Document viewed by Bonnie Mullaney(bmullaney@chesterpud.org)
12/10/2025 13:03:24 PM Pacific Standard Time - IP address: 172.77.19.97
-  Document e-signed by Bonnie Mullaney(bmullaney@chesterpud.org)
Signature Date: 12/10/2025 13:03:57 PM Pacific Standard Time - IP address: 172.77.19.97
-  Document Signed
12/10/2025 13:03:58 PM Pacific Standard Time