

MIDLAND COUNTY UTILITY DISTRICT

**FOR STATEMENT OF QUALIFICATIONS
COMPREHENSIVE FINANCIAL & ACCOUNTING SERVICES**

SOQ No. 2026-FS-01

SUBMITTALS DUE NO LATER THAN SEPTEMBER 10, 2026 AT 3:00 P.M. CST
SOQ'S SHALL BE SUBMITTED TO:

MIDLAND COUNTY UTILITY DISTRICT
ATTN: NORMAN ASHTON, GENERAL MANAGER
415 W. WALL STREET, SUITE 1815
MIDLAND, TEXAS 79701

MIDLAND COUNTY UTILITY DISTRICT

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MIDLAND COUNTY UTILITY DISTRICT
REQUEST FOR STATEMENTS OF QUALIFICATIONS

GENERAL NOTICE

. Midland County Utility District ("MCUD" or the "District") provides safe and dispensable water services to its retail and wholesale customers in Midland County, Texas.

MCUD is led by a publicly elected five (5) member board.

MCUD is inviting Statements of Qualifications ("SOQs") from qualified firms to provide comprehensive financial and accounting services of MCUD in accordance with the specifications contained in this Request for Statements of Qualifications ("RFSOQ"), in particular, the services requested herein and to be provided under any contract(s) awarded as result of this RFSOQ.

Do not provide any fee estimates, pricing or billing rate information as a part of the SOQ submittal. The Scope of Service is not comprehensive. Rather, it represents what MCUD anticipates will be needed for its financial and accounting needs. Respondents may recommend improvements to the Scope of Services in their SOQ submittal. The selected Respondent will prepare a comprehensive scope that will be negotiated with MCUD.

The selected firm is expected to begin transition activities promptly following award and be prepared to assume full responsibility for the agreed services on October 1, 2026.

SCOPE OF SERVICES

Governmental Accounting and Fund Accounting. Maintain the District's general ledger and fund accounting records, including General, Revenue/Operating, Capital Projects/Construction, Debt Service, and other funds established by MCUD; record revenues, expenditures,

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transfers, receivables, payables, and other transactions; and perform monthly bank and investment reconciliations.

Accounts Payable and Disbursement Support. Review, code and process vendor invoices and payment requests; prepare payment registers and supporting documentation; maintain vendor records; track contracts, retainage, construction pay applications and commitments as requested; and prepare required Forms 1099 and related filings.

Payroll and Employee Financial Administration. Coordinate or administer payroll processing and accounting, payroll liabilities, reconciliations, tax filings, Forms W-2/W-3 and 941, and coordination with retirement and benefit providers.

Monthly Financial Reporting and Board Support. Prepare monthly fund-level financial statements, balance sheet information, budget-to-actual reports, cash and investment reports, accounts payable/check registers, capital project reporting, cash-flow information, and explanations of material variances. Attend Board meetings when requested.

Budgeting and Financial Planning. Assist the General Manager with annual budgets, budget amendments, multi-year forecasts, cash-flow projections, revenue and expenditure forecasting, rate-impact analysis, and financial evaluation of major contracts, acquisitions, grants and financing alternatives.

Investment and Treasury Services. Assist with compliance under the Texas Public Funds Investment Act and MCUD's Investment Policy; provide qualified personnel capable of serving as Investment Officer if designated and legally permitted; prepare required investment reports; monitor liquidity; recommend lawful investment strategies; and coordinate with approved banks, investment pools and financial institutions.

Bond, Debt and Capital Project Accounting. Provide accounting support for bond planning, issuance and closing; coordinate with the District's financial advisor, bond counsel, general counsel, engineers and other

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consultants; account for bond proceeds; maintain debt service and capital project funds; track use of proceeds and construction expenditures; prepare debt service schedules; and provide financial schedules required for financing and continuing reporting.

Audit and Year-End Support. Close the District's books, prepare audit schedules and workpapers, coordinate with the independent auditor, support confirmations and reconciliations, and assist management in implementing audit recommendations. The selected firm will not replace the District's independent external auditor.

Grant and Funding Compliance Support. Provide financial schedules, cost documentation, reimbursement support and restricted-fund accounting for state, federal or other funding programs and coordinate with District consultants and funding agencies.

Internal Controls, Policies and Systems. Review and recommend internal controls, accounting procedures, cash-handling and purchasing/payment workflows, records practices, financial close procedures, accounting software, electronic workflow, cybersecurity and data backup practices.

Transition Services. Work with District management and the outgoing bookkeeper to obtain and validate beginning balances, reconciliations, investments, vendor and payroll records, budgets, contracts, capital asset information, construction records and audit workpapers; identify unresolved issues; and provide a transition status report.

Working Papers. All working papers shall be retained for a minimum period of five (5) years after the termination date of the contract. All original working papers shall be available for examination by authorized representatives of federal and state agencies and of the District.

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QUESTIONS REGARDING SOQ PROCESS OR DOCUMENTS

Questions must be submitted in writing via email to Norman.Ashton@mcud.org. A response will be provided for timely questions received by the deadline shown in Article VI.

Modifications to the RFSOQ Documents prior to award may only be made by written addenda authorized by the District. Oral interpretations or clarifications shall have no legal effect.

DELIVERY OF SOQS

SOQ's must be delivered to Midland County Utility District at the address below no later than the date and time stated in Article VI. SOQs received after the deadline may be returned unopened.

Midland County Utility District
Attention: Norman Ashton, General Manager
415 W. Wall Street, Suite 1815
Midland, Texas 79701

The SOQ envelope shall be plainly marked with the Respondent's name and address, RFSOQ No. 2026-FS-01, "Comprehensive Financial & Accounting Services," and the SOQ due date and time.

Electronic submissions will not be accepted. It is the sole responsibility of the Respondent to ensure timely delivery.

OPENING OF SOQS

SOQs will be received at the District office. The District may publicly identify the names of submitting Respondents at the due date and time. All SOQs received after the due date and time will not be considered and will be returned.

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SOQ SCHEDULE

The District reserves the right to modify this schedule by addendum.

EVENT	ANTICIPATED DATE
Release / RFSOQ	Tuesday, September 8, 2026
Deadline for Written Questions	Friday, September 18, 2026 – 5:00 p.m. CST
SOQ's Due	Tuesday, September 22, 2026 – 3:00 p.m. CST
Evaluation / Discussions	September 22-23, 2026
Interviews, if requested	September 28-29, 2026
Anticipated Board Selection / Authorization	October, 2026
Transition Period	Immediately following award
Target Full Service Commencement	October 1, 2026

MIDLAND COUNTY UTILITY DISTRICT
INSTRUCTIONS TO RESPONDENTS

DEFINED TERMS

"District" or "MCUD" means Midland County Utility District. "Respondent" means a firm submitting an SOQ. "Agreement" means the Professional Services Agreement by the District.

RESTRICTION OF COMMUNICATION

All communications concerning this SOQ shall be directed to Norman Ashton, General Manager, at Norman.Ashton@mcud.org. Respondents shall not contact individual Board members regarding this procurement.

Violation of this provision by a Respondent and/or their agent may lead to disqualification of the Respondent's SOQ from consideration.

PREPARATION OF SOQS

Submit the SOQ using the SOQ Submittal Form and requested attachments. All blanks should be completed or marked "N/A."

The SOQ shall identify the legal name and form of organization of the Respondent and shall be signed by a person authorized to bind the firm.

Respondents shall acknowledge receipt of all addenda.

MCUD is a governmental body subject to the Texas Public Information Act. Respondents are responsible for clearly identifying information they contend is confidential or proprietary, subject to applicable law and determinations by the Texas Attorney General. If a Respondent does not wish proprietary information in the SOQ to be disclosed, each page must be identified and marked "Proprietary" at time of submittal. Upon request for disclosure of information marked as "Proprietary," MCUD shall

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promptly notify the Respondent as required by the Act. Respondents are solely responsible for submitting any arguments, authorities or other information to the Attorney General of Texas regarding release of the claimed proprietary information. MCUD shall have no liability for disclosures made pursuant to the Act.

MINIMUM QUALIFICATIONS

Demonstrated experience providing accounting and financial services to Texas governmental entities, with preference for water districts, municipal utility districts, special districts, cities, or comparable political subdivisions.

Demonstrated knowledge of governmental accounting, fund accounting and financial reporting requirements applicable to Texas public entities.

Demonstrated experience with public debt, bond proceeds, debt service funds, capital project funds, bond closings and construction/capital accounting.

Demonstrated experience with governmental investments and the Texas Public Funds Investment Act.

Sufficient staffing depth and backup coverage so District service is not dependent upon one individual.

Ability to begin transition promptly after award and assume full service responsibility by October 1, 2026.

Ability to maintain insurance and professional protections acceptable to MCUD.

SUBMISSION REQUIREMENTS

Signed SOQ Submittal Form.

Firm overview, ownership, office locations, years in business and governmental practice description.

Description of Texas governmental and water-district accounting experience.

Description of bond, debt-service, capital-project and public-finance accounting experience.

Description of investment and Public Funds Investment Act experience.

Proposed engagement team, roles, qualifications, location, availability and backup staffing.

Detailed transition plan demonstrating readiness for October 1, 2026.

Sample monthly governmental financial reporting package.

Description of accounting systems, document management, cybersecurity, backup and business-continuity practices.

At least three references from Texas governmental clients, preferably water or special districts.

Disclosure of actual or potential conflicts of interest and material professional claims, discipline or litigation relevant to the proposed services.

Evidence of insurance or ability to meet District insurance requirements.

Any proposed exceptions to the District's agreement or SOQ requirements.

Executed Form CIQ.

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SOQ EVALUATION AND AWARD OF AGREEMENT

All properly submitted SOQs will be reviewed, evaluated and ranked by an evaluation committee established by MCUD.

MCUD may request clarification, conduct interviews, verify references, request Best and Final Offers, and negotiate scope and fees as permitted by law.

MCUD will determine the best qualified Respondent based on the demonstrated competence and qualifications to perform the services and for a fair and reasonable price based on the following weighted criteria:

CRITERIA	WEIGHTED VALUE
Experience of Team and Firm – Texas governmental, water district, bond/debt and investment experience	40%
Transition Plan, Staffing Availability and Ability to Meet October 1, 2026 Service Commencement	25%
Technical Expertise – Licensing, sales leadership	10%
Project Approval of Methodology – Demonstrated understanding of the project's goals, Methods for ensuing accuracy and managing errors.	15%
Past Performance and References	10%

MCUD reserves the right to reject any or all SOQs, waive formalities or minor irregularities, disregard nonconforming or conditional SOQs, and select the SOQ determined to provide the best value to MCUD.

This Request does not commit MCUD to enter into an agreement or to pay any costs incurred in the preparation and submittal of an SOQ in response to this request or in subsequent interviews and negotiations, or to procure a contract for the project. MCUD will require the selected Respondent(s), if any, to participate in negotiation for the fees of the services. MCUD reserves the right to perform all or some of the services with its own staff.

MCUD may decide that selection of a Respondent may require interviews with up to three (3) top ranked Respondents or decide that interviews are not needed and request a comprehensive scope and fees proposal from the top ranked Respondents. If interviews are necessary, the top ranked Respondents will be notified and provided instructions for the interview.

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All other Respondents will be notified that the selection process has been completed and they were not selected. Once interviews have been completed, MCUD will re-rank the top ranked Respondents based on the interviews and request a comprehensive scope and fees proposal from the top ranked Respondents. If a successful Respondent cannot be negotiated, MCUD will formally and in writing end negotiations and proceed with the next highest qualified Respondent in the order of the selection ranking until an agreement is reached or all submittals are rejected. MCUD reserves the right to evaluate the SOQ submitted, to waive any irregularities therein; or to reject any and all SOQ should it be deemed in MCUD's best interest to do so.

SOQS TO REMAIN SUBJECT TO ACCEPTANCE

SOQs shall remain subject to acceptance for ninety (90) calendar days after the SOQ due date unless released earlier by the District.

INSURANCE AND CONTRACT REQUIREMENTS

The selected Respondent shall provide certificates of insurance and other documentation required by the final Agreement.

The final Agreement will include terms approved by District counsel addressing scope, compensation, records, confidentiality, cybersecurity, insurance, indemnification, termination, statutory certifications, transition assistance and other requirements applicable to the engagement.

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SOQ SUBMITTAL FORM

Firm Name: _____

Contact: _____

Email: _____

Address: _____

Phone: _____

SOQ TO:
Midland County Utility District
Attn: Norman Ashton, General Manager
415 W. Wall Street, Suite 1815
Midland, Texas 79701

1. ADDENDA

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

2. SERVICE COMMENCEMENT

Respondent confirms that it can begin transition activities promptly following award and be fully prepared to provide the agreed services by October 1, 2026: ☐ YES ☐ NO

If no, explain: _____

3. LEGAL STATUS OF RESPONDENT

☐ Corporation ☐ Partnership ☐ Limited Liability Company ☐ Individual ☐ Other: _____

State of Organization: _____

Firm Name: _____

Business Address: _____

By (Signature): _____

Name / Title: _____

Date: _____

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RESPONDENT'S QUALIFICATIONS

Organization Doing Business As: _____
Business Address of Regional Office: _____
Name of Regional Office Manager: _____
Main Telephone: _____
Website: _____

Organization History

Years in business: _____ Years providing Texas governmental accounting services: _____
Describe ownership, related entities, prior names and any material changes in organization:

Governmental Practice

Number of Texas governmental clients currently served: _____
Number of Texas water district / MUD / special district clients currently served: _____
Describe the firm's governmental accounting practice, staffing depth and quality-control structure:

Professional History

Has the firm or a predecessor defaulted on or been terminated from a governmental financial-services engagement within the past ten years? ☐ YES ☐ NO

Has the firm been disqualified from a governmental procurement within the past five years? ☐ YES ☐ NO

Is the firm currently involved in material litigation, regulatory action or professional discipline relevant to the proposed services? ☐ YES ☐ NO

Has the firm experienced a material cybersecurity incident affecting governmental client financial data within the past five years? ☐ YES ☐ NO

For any YES response, attach a complete explanation.

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GOVERNMENTAL, BOND & INVESTMENT EXPERIENCE

Texas Governmental / Water District Accounting Experience

Describe relevant experience, representative clients, scope performed, and years of service:

Bond, Debt Service and Capital Project Experience

Describe relevant experience, representative clients, scope performed, and years of service:

Investment / Treasury / Public Funds Investment Act Experience

Describe relevant experience, representative clients, scope performed, and years of service:

Governmental References

ENTITY	CONTACT / TITLE	PHONE / EMAIL	SERVICES / YEARS

MIDLAND COUNTY UTILITY DISTRICT
PROPOSED TEAM AND TRANSITION PLAN

NAME / TITLE	ROLE FOR MCUD	LOCATION	YEARS EXPERIENCE	GOVT.

Transition Plan

Provide a detailed transition plan beginning immediately after award and demonstrating full service readiness by October 1, 2026. Address transfer and validation of general ledger balances, bank and investment reconciliations, vendor files, payroll, budget records, contracts, capital/construction records, debt records, audit workpapers, system access, internal controls and unresolved accounting items.

Reporting and Technology

Describe the proposed monthly reporting package, accounting systems, document access, cybersecurity, backups, disaster recovery and business-continuity procedures.

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CONFLICT OF INTEREST QUESTIONNAIRE For vendor doing business with local governmental entity		FORM CIQ
This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a). By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code. A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.	OFFICE USE ONLY Date Received	
1 Name of vendor who has a business relationship with local governmental entity.		
2 ☐ Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)		
3 Name of local government officer about whom the information is being disclosed. Name of Officer		
4 Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.		
A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor? ☐ Yes ☐ No B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity? ☐ Yes ☐ No		
5 Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.		
6 ☐ Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).		
Name of signatory Signature Date		

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CONFLICT OF INTEREST QUESTIONNAIRE For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

- (A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;
- (B) a transaction conducted at a price and subject to terms available to the public; or
- (C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

- (a) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

- (2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware that

- (i) a contract between the local governmental entity and vendor has been executed;
- or

- (ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the officer becomes aware that:

- (i) a contract between the local governmental entity and vendor has been executed; or
- (ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

- (a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

- (1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);
- (2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or
- (3) has a family relationship with a local government officer of that local governmental entity.

- (a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

- (1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

- (2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

MIDLAND COUNTY UTILITY DISTRICT
PROFESSIONAL SERVICES AGREEMENT

The successful Respondent will be required to execute a Professional Services Agreement in a form approved by Midland County Utility District and District counsel. MCUD may include the proposed agreement in the final solicitation package or issue it by addendum. Respondents shall identify any requested exceptions when submitting their SOQ.