



Title: Selection of Vendor and Authorization to Execute a Contract for Audit Services
Resolution number: 26-078

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Recommended action: Selection of audit vendor and authorization for District Administrator to enter into a contract for audit services for the fiscal years of 2026 and 2027

Budget considerations: Fund name and code: Accounting & Auditing 1-1002-4330
Fund budget: 2027 - \$145,000
Requested amount of funding: as stated in proposal

Past Board action: Res #: 26-063 Title: Authorization to Release RFP for Audit Services
August 13, 2026

Summary

Minnesota Statute 103B.227, subdivision 5, requires a watershed district to solicit interest proposals for professional services, including audit services, at least every two years. At the August 13, 2026, Board Meeting, the Board of Managers adopted Resolution 26-063 authorizing the solicitation of proposals for Audit Services. A request for proposals was released on August 14, 2026, with posting on the District and League of Minnesota Cities websites. Proposals were due on September 10, 2026.

The District received three proposals. These included Redpath and Company (the District's current provider), berganKDV, and Abdo Financial Services. Under the Minnesota Data Practices Act, proposals are non-public data until the District has entered into an agreement with the selected vendor. Accordingly, the proposals are being transmitted to the Board Managers via a separate email.

Analysis

Staff reviewed the three proposals evaluating qualifications, experience (including watershed experience), methods, proposal clarity, total cost, and timeline.

Total Cost

Proposed pricing for each of the auditors by audit year is provided in each proposal (being transmitted separately to the Board Managers.)

Redpath: The proposed cost of the 2026 fiscal year audit is 3% greater than that of Redpath's 2025 fiscal year audit; and the proposed cost of the 2027 fiscal year audit is also 3% greater than the 2026 audit cost.

berganKDV: The proposed cost of the 2026 fiscal year audit is a 6.5% decrease from that of the 2025 fiscal year audit; and the proposed cost of the 2027 fiscal year audit is 4% greater than the 2026 audit cost.

Abdo: The proposed cost of the 2026 fiscal year audit is 9% greater than that of the 2025 fiscal year audit; and the proposed cost of the 2027 fiscal year audit is 2.5% greater than the 2026 audit cost.

Audit Methodology

All three firms employ a multi-step audit process, including an audit planning phase, field work and finally a presentation to the Board of Managers. They use sampling techniques, interviews of key staff and a paperless workflow software to gather their information.

Firm Qualifications

Redpath is qualified to provide audit services and has experience as an independent auditor for public agencies, including cities, watershed districts and other units of government. Redpath has experience working with governmental entities including two municipalities within the MCWD with populations over 15,000, and a history of previous work with several metro area watershed districts.

berganKDV is qualified to provide audit services and has experience as an independent auditor for public agencies, including cities, school districts, and other units of government. The proposal makes no mention of watershed experience.

Abdo is qualified to provide audit services and has experience as an independent auditor for public agencies, including cities, watershed districts and other units of government.

Team Qualifications

Redpath has a qualified staff that includes a partner and manager, both of which are familiar with the MCWD having performed previous audit services for the District. Redpath's partner has been with the firm 26 years, performing government audits each of those years. The Manager, who will work closely with the MCWD staff, has been employed with Redpath since 2016 and has been the District primary contact for audit services the last four audits.

berganKDV has a qualified staff that includes a concurring partner and manager. berganKDV's partner has over 25 years of experience in auditing governmental entities. The Manager, who will work closely with MCWD staff, has 11 years of experience with financial reporting.

Abdo has a qualified staff that includes two partners, one supervisor, and two associates.

Clarity of Approach and Timeline

The Redpath proposal is clear and presents an understandable approach. It breaks down the phases of work and estimates the level of staff and hours assigned, in addition to providing a monthly timeline of tasks.

The berganKDV proposal presents an understandable approach and breaks down the phases of work.

The Abdo proposal is clear and presents an understandable approach. It breaks down the phases of work and provides a timeline of tasks.

Recommendation

Redpath has served as MCWD's auditor for 25 years. During that time, while maintaining a rigorous third-party objectivity, Redpath has built a deep familiarity with MCWD's approach to watershed management and its projects, programs and grant priorities which span multiple years. This understanding generally reduces the level of time that program and project staff need to invest in support of the audit process. Redpath can seamlessly carry forward their knowledge and information on construction projects, understanding of the District's outstanding debt and associated agreements and payment schedules, and trend analysis for revenues and expenditures.

Based on methods, firm qualifications, watershed experience, team qualifications, clarity of approach and timeline, analysis of staff audit support and total proposal cost, and trust and familiarity in a time of Operations staff transition, staff recommends that the Board of Managers authorize the selection of Redpath and Company and direct the District Administrator to enter into a contract for audit services for fiscal years 2026-2027 at a price not to exceed that stated in the proposal.



RESOLUTION

Resolution number: 26-078

Title: Selection of Vendor and Authorization to Enter into a Contract for Audit Services

WHEREAS, Pursuant to Minnesota Statutes 103B.227 at least every two years watershed districts are required to solicit interest proposals for professional or technical consultant services before retaining the services of a consultant or extending an annual services agreement;

WHEREAS, The Board authorized the solicitation of proposals for audit services on August 13, 2026;

WHEREAS, The District solicited proposals and received responses from three providers of audit services;

WHEREAS, District staff reviewed the proposals based on methods, firm qualifications, watershed experience, team qualifications, clarity of approach and timeline, analysis of staff audit support, and total proposal costs;

WHEREAS, Based on this evaluation, staff recommends the selection of Redpath and Company as the audit services provider; and

WHEREAS, The Board has reviewed the submitted proposals and concurs with the recommendation of staff.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby authorizes the District Administrator to enter into an audit contract for fiscal years 2026-2027 with Redpath and Company, at a price not to exceed the amount stated in its proposal, on advice of legal counsel.

Resolution Number 26-078 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: 10/8/2026

Secretary Date: _____