

June 1 2018

Mr. Robert Smith
City Manager
City of Bisbee
1415 Melody Lane Bldg G
Bisbee, AZ 85603

Dear Mr. Smith:

Thank you for allowing **Willdan Financial Services** the opportunity to present this proposal to provide a wastewater rate study and long-term financial plan for the City of Bisbee ("The City"). Willdan Financial Services is one of the largest public sector financial consulting firms in the United States. Our company has helped over 800 public agencies across the United States successfully address a broad range of financial challenges, such as financing the costs of growth and generating revenues to fund desired services.

On April 6, 2015, Willdan merged with **Economists.com**, a Texas-based economic and financial consulting firm established in October 1997. Our combined firm specializes in municipal and public sector utilities and our principal clients are national, state and local governments. Each of our clients is served directly by our senior level professionals with decades of experience in utility consulting and economic/financial management. We are proud of our history of building long term relationships with clients based on affordability, professionalism and performance.

Our specific services include:

- **Water and Wastewater Rate Studies**
- Sanitation Rate Studies
- Economic evaluation of water resources
- Water Planning and Management
- Connection and Impact Fee Studies
- Privatization Analysis
- Expert Witness Testimony on Reasonableness of Rate Structure
- Resource Allocation Studies
- Economic Impact and Development Studies

More information is available on our firm and professionals at our web sites, www.economists.com and www.willdan.com.

As Vice President of Willdan/Economists.com, I will manage and have primary responsibility for preparing this study for the City. I will be assisted by Ms. Rebecca Schafer, Principal Consultant, and Mr. Daniel Lanning, Project Manager.

This proposal letter is intended to incorporate the scope of services to be provided to the City. It is our understanding that the City is interested in developing a wastewater financial and rate plan that will enable the City to fund all ongoing operating and capital expenses. Specifically, the rate plan must enable the City to fund and new debt or restructuring of existing debt service. Our objective is to develop a long-term rate plan that will enable the City to fund these obligations and debt coverage requirements, while at the same time minimizing the impact of any potential rate adjustments on the ratepayers. We will work closely with City staff and Council to ensure that the rate plan alternatives reflect the preferences of the ratepayers of the City.

Our March 2018 proposal to the City of Bisbee incorporates our experience, project team, approach, rate model, deliverables, schedule and proposed fees. As listed in the proposal, we will provide the listed scope of services for not to exceed professional fees and expenses of \$19,000.

Attached is a request for the information we will require to complete the initial analysis.

If this proposal is acceptable to you, please execute one copy of this letter and return it to our Dallas office. Thank you for this opportunity; we look forward to working with you on this engagement.

Respectfully submitted,
WILLDAN FINANCIAL SERVICES



Dan V. Jackson
Vice President

ACCEPTED BY:



6-20-18

Date



CITY OF BISBEE
2018 RATE STUDY AND LONG-TERM FINANCIAL PLAN
INITIAL REQUEST FOR INFORMATION

1. Please provide a copy of the City's FY 2018 wastewater utility budget.
2. Please provide a copy of the City's most recent audited financial statement.
3. Please provide wastewater billed revenues by identified customer class by month from July 2014 to the present.
4. Please provide wastewater billing units (i.e. consumption) by identified customer class by month from July 2014 to the present. (NOTE: the project team recognizes that because the City does not manage its water utility, this data may not be accessible. If the City is unable to provide this data, please state so).
5. Please provide wastewater active accounts by identified customer class by month from July 2014 to the present.
6. Please provide debt schedules for all outstanding wastewater-related debt.
7. Please provide a copy of the most recent wastewater Capital Improvement Plan completed by the City.
8. Please provide a copy of the City's current wastewater rate schedule.
9. Please provide an electronic version of the City's logo.

