



AGENDA ITEM MEMORADUM

Item No. 146

Town Manager's Office

Connie Hoffmann

Department

Department Director

COMMISSION MEETING DATE (*) - 7:00 PM	Deadline to Town Clerk
<input type="checkbox"/> Jan 10, 2012	Dec 30 th
<input type="checkbox"/> Jan 17, 2012 SPECIAL COMMISSION MEETING	Jan 6
<input type="checkbox"/> Jan 24, 2012	Jan 13
<input checked="" type="checkbox"/> Feb 14, 2012	Feb 3
<input type="checkbox"/> Feb 28, 2012	Feb 17

***Subject to Change**

- | | | | |
|---------------------------------------|---|---|---------------------------------------|
| <input type="checkbox"/> Presentation | <input type="checkbox"/> Reports | <input checked="" type="checkbox"/> Consent | <input type="checkbox"/> Ordinance |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Quasi-Judicial | <input type="checkbox"/> Old Business | <input type="checkbox"/> New Business |

FY2011 DESIGNATED HIGH PRIORITY ITEM - PRIORITY TOPIC

SUBJECT TITLE: Sewer Rate Study

EXPLANATION: At the Commission workshop meeting of January 19, 2012, the Commission directed me to bring back a proposal for a consultant to develop a new sewer rate structure that deals equitably with the various classes of customers. The Town Commission agreed to waive the purchasing policies so that we could proceed with such an analysis quickly.

You may recall that in the fall of 2010 I had issued an RFP for a sewer rate study based on the conditions at the time, but we did not proceed with that study because of the cost. I went back and reviewed the four proposals we received in October of 2010. The proposer with the lowest fee proposal also had the least experience in doing water and wastewater rate studies, so I eliminated them from consideration. The remaining three proposers' fees ranged from \$18,750 to \$21,675. I negotiated with Burton & Associates of St. Augustine because I have found them to be very responsive, helpful and knowledgeable and because they are a consultant to Fort Lauderdale and are, therefore, familiar with the Fort Lauderdale utility billing database which includes the LBTS sewer billing data. Back in October 2010 they had proposed a fee of \$19,968, which represented a 10% discount from their normal rates. Several work items that were in the original scope of services are no longer necessary, so they have agreed to a revised discounted fee of \$17,555 to do the analysis now and prepare recommendations.

Burton & Associates will project expected sewer system expenses and use historical water consumption data to analyze the maximum demand various classes of customers place on the sewer system in order to develop a rate structure proposal that is equitable and generates sufficient funds to operate the Town-owned sewer system.

RECOMMENDATION: 1) Waive the purchasing policies and authorize the Town Manager to execute a purchase order with Burton & Associates to conduct a wastewater rate study with compensation in the amount of \$17,555.

2) Appropriate \$17,555 from the Sewer Fund balance to Sewer Fund Account 103.535.000.500.315 Professional Services to pay for the study.

EXHIBITS: Burton & Associates Response to RFP 10-09-01 with revisions to that proposal dated February 8, 2012

Reviewed by Town Attorney
 Yes No

Town Manager Initials CH

February 8, 2012

Ms. Connie Hoffmann
Town Manager
Town of Lauderdale-by-the-Sea
4501 Ocean Drive
Lauderdale-by-the-Sea, FL 33308

Re: Proposal to Conduct a Wastewater Rate Study

Dear Ms. Hoffmann:

It was a pleasure speaking with you regarding your need for a wastewater rate study. As we discussed, I have adjusted the scope of services which was included in our original proposal based upon direction from you. I have also adjusted our Project Work Plan and Cost Estimate that was also in the original proposal to reflect adjustments in our projected man-hours and price to accomplish the adjusted scope of services. The adjusted scope of services is presented in the following section and the adjusted Project Work Plan and Cost Estimate Schedule is presented following the adjusted scope of services. In both cases scope items that have been eliminated from the original proposal are shown in strikethrough text.

SCOPE OF SERVICES

It is our understanding that the scope of services required by the Town includes:

1. Provide recommendations to redesign the Town's wastewater rates and charges based on cost of services principles.
2. In designing the rate increase recommendations, project the annual operating costs of the system, as well as the impact of water conservation trends on future revenues for the next three years.
3. Calculate the increase in monthly costs for a sample of users, i.e.:
 - a. For a single family home that uses 1-5,000 gallons of water per month
 - b. For a single family home that uses 5,001-10,000 gallons per month
 - c. For several different categories of multi-family buildings ~~and specifically the four Sea Ranch Condominium buildings.~~
 - d. For a sample of hotels and other commercial customers, including several businesses that are large water consumers ~~For a sample of commercial buildings.~~
4. ~~Develop a strategy for negotiating with Pompano Beach to bring the Sea Ranch Condos under the Town's Master Sewer agreement.~~

Burton & Associates

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Page 1

5. Meet with Town staff to explain and review a draft of the recommendations.
6. Present the rate recommendations at a public meeting of the Town Commission and a subsequent public hearing on the rate increases.
7. ~~Evaluate the upcoming (expected in December) rate adjustments from Pompano Beach on the master sewer agreement for compliance with the terms of that agreement.~~

Project Cost

We have adjusted the Project Work Plan and Cost Estimate Schedule (Schedule) from our original proposal to reflect the scope changes summarized in the prior section. This adjusted Schedule shows that successful completion of the project will require approximately 124 man-hours for a total estimated project cost, inclusive of out-of-pocket expenses, of \$19,506. However, in recognition of the financial challenges facing local government today and our willingness to assist the Town in dealing with these challenges, we propose to discount our project cost by 10%, or \$1,951, resulting in a total discounted project cost of \$17,555. We are prepared to complete the scope of services for a lump sum fee of \$17,555. Our practice on a lump sum project is to invoice monthly for the percent work complete based upon the above referenced Schedule.

Project Schedule

We anticipate that preliminary results will be available within approximately 60 days and the project can be completed within approximately 90 days. A milestone schedule is presented in the right column of the above referenced Project Work Plan and Cost Estimate Schedule.

If you have any questions, or would like to discuss this adjusted proposal, don't hesitate to contact me. We look forward to working with you.

Very truly yours,



Michael E. Burton
President

Burton & Associates

200 Business Park Circle, Suite 101 • St. Augustine, Florida 32095 • Phone (904) 247-0787 • Fax (904) 241-7708
E-mail: mburton@burtonandassociates.com



Lauderdale-by-the-Sea

WASTEWATER RATE ANALYSIS

PROJECT WORK PLAN

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS				Total Project	Town Responsibility	Schedule Week of Project
	Project Director	Project Manager	Project Consultant	Clerical			
Rates ---->	\$205	\$185	\$115	\$40			
Work Element I							
Task 1 Initiate the Project							
a. Conduct kick-off meeting	0.5	0.5	0	0	1	Meeting	1
b. Review background material	0	1	2	0	3	Provide docs	1
Task 2 Revenue Sufficiency Analysis - Develop a Ten Year Financial Forecast and Financial Master Plan:							
a. Prepare wastewater customer and demand analysis to determine projected growth, trends in usage patterns and total projected system usage.	0	1	4	0	5	Provide data	2
b. Obtain, verify and input financial and billing data into Burton & Associates proprietary FAMS XL © model, run the model and produce preliminary output, including a ten year financial management program that will include the following:	0	4	16	0	20	Provide data	2
1. Capital Improvements Program							
- Project listing by year							
- Optimum funding source by project by year							
2. Borrowing Program							
- Borrowing required (by source) to fund CIP projects not funded by other sources to include but not necessarily be limited to revenue bonds and State or other programs.							
- Timing of bond issue(s)/loan(s) to provide required borrowed funds							
- Annual debt service of bond issue(s)/loan(s)							
3. Revenue Sufficiency Analysis							
- Annual revenue projections							
- Annual operations and maintenance expense projections							
- All other annual revenue requirements such as R&R, minor capital, transfers to other funds, current debt service/loan payments, replenishment of reserves, etc.							
- Annual rate plan to provide sufficient revenues and to migrate towards parity as much as possible with the monthly sewer cost of citizens in the north portion of the Town served by Pompano Beach.							
4. Sources and Uses of Funds Analysis							
5. Funds Analysis							
- Spend down limits (minimum reserve requirements) by fund							
- Beginning and ending funds balances by fund by year							

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Lauderdale-by-the-Sea

WASTEWATER RATE ANALYSIS

PROJECT WORK PLAN

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS				Total Project	Town Responsibility	Schedule Week of Project
	Project Director	Project Manager	Project Consultant	Clerical			
Rates ---->	\$205	\$185	\$115	\$40			
c. Make adjustments to FAMS© as required to model the utility's specific financial dynamics.	0	1	2	0	3	NA	2
d. Review results with consulting team, make required adjustments and create alternatives scenarios.	1	2	2	0	5	NA	3
e. Meet with Town staff in an interactive work session to review preliminary results.	3	3	3	0	9	Meeting	4
f. Make adjustments as required based upon input from Town staff in the prior sub-task.	0	1	4	0	5	NA	4
g. Meet with Town staff in a second interactive work session to review adjusted results and determine final plan of annual rate revenue adjustments and the revenue requirements for the test year for rate making.	2	2	2	0	6	Meeting	5
TOTAL ESTIMATED MAN-HOURS - WORK ELEMENT I	6.5	15.5	35	0	57		
TOTAL ESTIMATED FEE - WORK ELEMENT I	\$1,333	\$2,868	\$4,025	\$0	\$8,226		
TOTAL ESTIMATED EXPENSES - WORK ELEMENT I	6.00%				\$494		
TOTAL ESTIMATED PROJECT COST - WORK ELEMENT I					\$8,720		
<u>WORK ELEMENT II</u>							
<u>Task 3 Cost Allocation - Perform a Detailed Cost-of-Service Analysis:</u>							
a. Identify all test year costs associated with the provision of wastewater service.	0	1	2	0	3	Review	2
b. Allocate costs to service and to functional cost components, customer classes and to retail/wholesale service, as applicable, based upon appropriate allocation criteria.	0	2	4	0	6	NA	3
c. Review cost allocation worksheet with Town staff.	0	1	1	0	2	Conf Call	4
d. Prepare final cost allocation worksheet based upon input from Town staff.	1	1	2	0	4	Review	4
<u>Task 4 Rate Design - Develop Wastewater Rates, Fees and Charges:</u>							
a. Develop user fees:							
1. Perform a diagnostic evaluation of the current rate design and identify adjustments to be considered in the development of rates, to include strategies to 1) achieve parity relative to monthly wastewater costs with citizens in the north portion of the Town served by Pompano Beach, and 2) for negotiating with Pompano Beach to bring the Sea Ranch Condos under the town's Master Sewer Agreement.	1	2	0	0	3	NA	2
2. Load billing history data into our FAMS© rate model and create a bill frequency analysis.	0	1	2	0	3	NA	4
3. Conduct a revenue test to ensure accuracy of billing data.	0	1	2	0	3	NA	4

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Lauderdale-by-the-Sea

WASTEWATER RATE ANALYSIS

PROJECT WORK PLAN

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS					Total Project	Town Responsibility	Schedule Week of Project
	Project Director	Project Manager	Project Consultant	Clerical	Total			
Rates ---->	\$205	\$185	\$115	\$40				
4. Set up the rate model in conformance with the cost allocation results of Task 3 and the rate design evaluation in 4.a.1.	0	1	2	0	3	NA	5	
5. Run the model and prepare rate structure scenarios.	0	0.5	1	0	1.5	NA	5	
6. Develop specific service fees	0	0	0	0	0	Provide data		
7. Review results with consulting team and adjust as required.	0.5	0.5	1.5	0	2.5	NA	5	
8. Meet with Town staff in an interactive work session to review preliminary results.			-- Included in Task 2 ---			Meeting	5	
9. Make adjustments as required based upon input from Town staff in the prior sub-task.	1	1	4	0	6	NA	5	
10. Meet with Town staff in a second interactive work session to review adjusted results and determine final alternative rate schedules.	2	2	2	0	6	Meeting	6	
11. Conduct and compile a comparative rate survey	0	0	0	0	0	Review		
Task 5 Final Report - Prepare a Final Report of the Results of the Study								
a. Prepare a Draft Report of the Results of the Study	0.5	2	6	0	8.5	NA	8	
b. Adjust Draft Report based upon input from Town staff.	1	1	1	0	3	Review	9	
c. Present the results of the Study to Town Council.								
1. Prepare a presentation of the results of the Rate Study.	0.5	1	0	0	1.5	NA	9	
2. Review the presentation with Town staff and adjust as required.	0	0.5	0	0	0.5	Review	9	
3. Meet with the Town Council to present the results of the Rate Study.	2	2	0	0	4	Attend	10	
d. Prepare Final Report of the results of the Rate Study	0.5	1	2	1	4.5	NA	11	
e. Attend a public hearing for adoption of the recommended rate adjustments.	0	2	0	0	2	NA	12	
Task 6 Evaluate Pompano Beach Rate Adjustments								
a. Evaluate Pompano Beach Rate adjustments for compliance with the terms of the Master Agreement.	0	0	0	0	0	NA		
TOTAL ESTIMATED MAN-HOURS - WORK ELEMENT II	10	23.5	32.5	1	67			
TOTAL ESTIMATED FEE - WORK ELEMENT II	\$2,050	\$4,348	\$3,738	\$40	\$10,176			
TOTAL ESTIMATED EXPENSES - WORK ELEMENT II						6.00%	\$611	
TOTAL ESTIMATED PROJECT COST - WORK ELEMENT II							\$10,787	
TOTAL ESTIMATED MAN-HOURS - TOTAL PROJECT	16.5	39	67.5	1	124			
TOTAL ESTIMATED FEE - TOTAL PROJECT	\$3,383	\$7,215	\$7,763	\$40	\$18,401			
TOTAL ESTIMATED EXPENSES - TOTAL PROJECT						6.01%	\$1,105	
TOTAL ESTIMATED PROJECT COST - TOTAL PROJECT							\$19,506	
LESS: DISCOUNT @						10.00%	-\$1,951	
TOTAL ESTIMATED PROJECT COST - TOTAL PROJECT							\$17,555	

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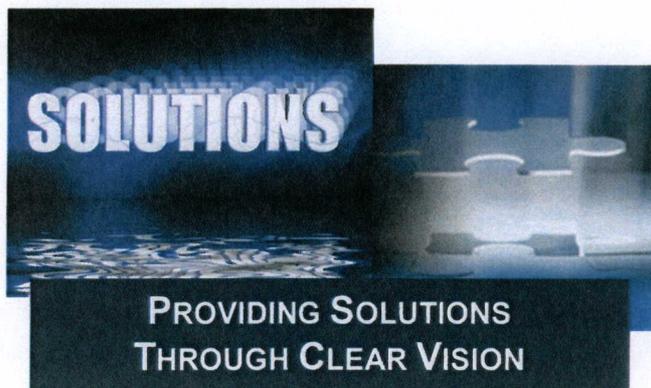


TOWN OF LAUDERDALE-BY-THE-SEA

RFP No. 10-09-01

PROPOSAL TO CONDUCT A WASTEWATER RATE STUDY

October 11, 2010



BURTON & ASSOCIATES

UTILITY RATES ■ ASSESSMENTS ■ FINANCIAL PLANNING

200 Business Park Circle, Suite 101

St. Augustine, FL 32095

(904) 247-0787



BURTON & ASSOCIATES

Letter of Interest

LETTER OF INTEREST

October 11, 2010

Town Clerk
Town of Lauderdale-by-the-Sea
4501 Ocean Drive
Lauderdale-by-the-Sea, FL 33308

Re: RFP No. 10-09-01 – Wastewater Rate Study

Dear Members of the Selection Committee:

Burton & Associates is pleased to present this proposal to conduct a Wastewater Rate Study. Burton & Associates specializes in utility rates and financial analysis for local government utilities. The financial, cost and fee/rate structure components of local governmental utilities is the primary focus of our practice.

Observations:

- The scope of this RFP indicates that you realize the importance of a truly integrated Multi-year Financial Master Plan to plan for the future of your utility, particularly the need to plan for adequate revenues to 1) preserve reserve fund balances to provide for liquidity and to provide a resource for emergency repairs of unforeseen major system failures, and 2) fund needed repair and upgrades of the Town's sewer system infrastructure.
- The scope also indicates the need to provide for more equitable rate structures to migrate towards parity in terms of the monthly sewer costs for all of the Town's citizens.
- Your utility will not achieve its goals without a clear vision as to 1) what your decision alternatives really are, 2) the variables associated with each decision alternative, and 3) the financial consequences of those decision alternatives.
- Simple multi-year projection spreadsheets are not powerful enough to provide the vision that you need.
- A truly integrated Multi-year Financial Master Plan will inform your decision process, will provide a clear path to your future and will provide for seamless updating as future repair and upgrade requirements are identified,
- Burton & Associates' FAMS© model integrates all aspects of your utility operation into an extremely powerful and robust Decision Support Process which we facilitate.
- The Multi-year Financial Master Plan that results is a flexible plan that can be easily adjusted and refined to deal with changing conditions as they evolve.
- No other consulting firm but Burton & Associates provides such a robust, flexible and powerful interactive financial planning tool and Decision Support Process.
- Ask our clients!

How we see it – Based upon your RFP, we see that:

The Town needs a plan to achieve parity between rates charged by Pompano Beach to residents in the north portion of the Town and rates charged to residents by the Town in the areas where the Town owns the sewer system, while understanding the impact upon customers in all classes and usage profiles.



Burton & Associates recently developed a plan for Marion County to migrate from six substantially different rate structures in sub-service areas that had been acquired by the County, to a common, countywide rate structure, while providing customer impact analyses for customers of varying classes and usage profiles in each sub-service area.

The Town needs a Financial Master Plan to provide sufficient revenues to avoid using reserves to fund cash flow deficits and to fund anticipated system repairs and upgrades.



Burton & Associates recently developed a ten year Financial Master Plan for the City of Fort Lauderdale water and sewer utility using our interactive decision support process, and we are using the model under a continuing services contract to perform updates to reflect changes in assumptions and requirements that change and evolve over time.

The Town may need rate structure adjustments to achieve the goals of parity discussed above and to develop specific rates that fairly apportion the costs of service to customers of the system.



Through our recent rate work with Fort Lauderdale, we are very familiar with their utility billing system, which will allow us to very cost effectively retrieve and analysis the billing data necessary for the rate study.

The Town needs a plan to raise rate revenues over a multi-year period so that residents can absorb the rate increases without undue hardship.



Burton & Associates recently developed multi-year plans of rate adjustments for the cities of Coconut Creek, Coral Springs, Fort Lauderdale and Lake Worth using our FAMS© model and our interactive decision support process.

The Town needs the rate plan to be presented to, understood by and accepted by staff, the Town Commission and the Public.



Burton & Associates has used our FAMS© model and interactive decision support process to present decision alternatives and their consequences and achieve consensus among staff, elected officials and the public in recent rate studies for all of the clients referenced in the prior paragraph, plus other notable clients to include Orange County, Pinellas County, St. Petersburg, Clearwater; and numerous smaller clients such as the cities/towns of Lake Clarke Shores, Opa Locka, Dunedin and Key Biscayne.

Industry Leader and Authority - We have successfully provided utility rate services to many governmental utilities for 22 years. As such, we bring extensive experience to any project in financial forecasting, financial plan development, cost allocation analyses, rate program design and development, and an understanding of the cost components of local government utility services. Our extensive experience in providing utility rate and financial planning assistance services to local government utilities, as well as the stature of the Firm and its founder, Michael Burton as a recognized industry leader and authority in this practice area, are all indications of our unique qualifications to serve you.

Evidence of our national stature in this regard is the fact that Mr. Burton is in his seventh year of service on the AWWA National Rates & Charges Committee, where he coauthored AWWA Manual M54 - Developing Rates for Small Systems, which was published in 2004. Mr. Burton is regularly invited to speak at industry forums, has written numerous papers and has given many presentations as described in Section I of this proposal.

"We have worked with Burton & Associates for years and have consistently recommended their firm to government colleagues who are seeking professional, timely and accurate analytical services. Their interactive work session process is the most cost effective and efficient way to conduct business and their ability to present and communicate their work product is outstanding."

Ron Nielsen
Deputy Utility Director
Orange County, FL

Our Interactive Decision Support Process and Tools - Our unique approach to providing comprehensive utility financial and rate consulting services is to use our interactive decision support process in which we use our proprietary, automated Financial Analysis and Management System (FAMS©). We use this model, which is discussed herein, to explore numerous financial plan scenarios, cost allocation scenarios, rate/fee structures or other financial parameters and to develop logical short and long term financial management plans and defensible cost recovery mechanisms, in the context of predicted financial impact, market reality, public acceptability and political reality.

This modeling tool is a powerful and important part of our unique interactive process; however, what makes our process so successful is the experience and ability of our staff to facilitate a **live interactive decision support process** with our clients. Using FAMS© as a tool to perform incredibly complex scenario analyses, we provide instantaneous feedback and results during these work sessions. Our process provides clear vision regarding alternatives and outcomes for key decision makers, builds consensus for and confidence in the financial management and rate programs developed, and offers a superior tool for future program updates.

Overall Financial Master Plan and Rates and Charges - Our unique processes provide our clients with essentially a ten year Financial Master Plan for their utility, with appropriate rates and charges to provide the necessary revenues. Our approach to the development of an integrated, strategic Financial Master Plan for our clients' utilities considers the goals and objectives of the utility, the community, other stakeholders, and regulatory agencies. Our interactive modeling process offers a clear vision for client staff of the short and long term financial issues and presents all feasible alternative solutions to those issues.

Authorized Representatives – Michael E. Burton, President and Andrew Burnham, Senior Vice President are authorized to make representations for the firm. They can be reached at Burton & Associates, 200 Business Park Circle, Suite 101, St. Augustine, Florida 32095, (904) 247-0787 [phone] and (904) 241-7708 [fax]. Mr. Burton can be reached via email at mburton@burtonandassociates.com, and Mr. Burnham can be reached at aburnham@burtonandassociates.com.

Summary - We believe that our utility financial planning and rate development experience, expertise and our interactive decision support process is second to none and serves our clients well. We deliver superior services for an excellent price and we look forward to having the opportunity to be of service to you in addressing your financial planning and rate design needs.

If you have any questions, or need any additional information, please do not hesitate to call me at (904) 247-0787.

Very truly yours,



Michael E. Burton
President

TITLE PAGE

RFP No. 10-09-01

Project: Wastewater Rate Study

October 11, 2010

Submitted by:

BURTON & ASSOCIATES

UTILITY RATES • ASSESSMENTS • FINANCIAL PLANNING

200 Business Park Circle, Suite 101
St. Augustine, FL 32095

(904) 247-0787

Contact Person:

Michael Burton
President

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Section 1

1. ORGANIZATION PROFILE AND QUALIFICATIONS

This section presents background information about Burton & Associates, qualifications of the project team, and a description the firm's experience in providing similar services along with references.

1.1 FIRM BACKGROUND

Burton & Associates, Inc. was founded by Mr. Michael Burton in April of 1988. For over 22 years, the firm has specialized in the provision of utility rate design and financial planning services to local governmental utilities.

Burton & Associates specializes in wastewater, water, reclaimed water, solid waste, stormwater and recycling studies.

The firm is a Florida Corporation headquartered at 200 Business Park Circle, Suite 101, Saint Augustine, FL 32095. Mr. Burton, the firm's principal officer and official contact person, is located in this office, and all work to be done on this project will be managed out of this location. Mr. Burton can be reached at the address above or at (904) 247-0787.

Burton & Associates specializes in water, sewer and reclaimed water rate development and financial planning and we also provide similar services for stormwater, solid waste and recycling. Our experience includes development of rates, impact fees, revenue projections, financial feasibility analyses, system and property valuation analyses, funding assistance and fully allocated cost of service and charge analysis. Burton & Associates has developed proprietary soft-ware and a "live interactive process" to accomplish the integration of key financial, capital planning and rate design components.

Our leadership in the utility rates industry is evidenced not only by our extensive experience, but also by the national stature of our president, Michael Burton, who will serve as Principal-in-Charge for this study.

Mr. Burton is serving in his seventh year as a member of the Rates and Charges Committee of the American Water Works Association (AWWA), where in 2004 Mr. Burton co-authored AWWA Manual M54 – Developing Rates for Small Systems. He is currently serving on a Sub-committee evaluating affordability as it relates to rate making principals and practice.

Burton & Associates currently employs eight individuals, including six consultants and two support staff. Forms required in this section are presented in Section 1.8 – Required Documents.

1.2 AREAS OF PRACTICE

As a specialty firm for over 20 years, Burton & Associates has provided governmental and utility consulting assistance to utility clients in the following areas of practice:



- **UTILITY COST OF SERVICE & RATE STUDIES**
 - *Wastewater & Water*
 - *Reclaimed water*
 - *Stormwater*
 - *Solid waste*
- **DEVELOPMENT OF IMPACT FEES/SYSTEM DEVELOPMENT FEES (CAPITAL COST RECOVERY FEES, ETC.)**
- **LONG-TERM FINANCIAL PLAN DEVELOPMENT**
- **DEVELOPMENT OF CAPITAL FINANCE PLANS**
 - *Integrated with the utilities overall financial management program*
 - *Our unique "live interactive process" allows us to quickly evaluate alternative capital plans and alternative financing scenarios in order to evaluate the implications to all aspects of the utility's financial management program*
- **BOND FEASIBILITY REPORTS**
 - *For inclusion in the official statements of revenue bonds*
- **SYSTEM & PROPERTY VALUATION AND ANALYSIS**
- **OPERATIONS AND PERFORMANCE REVIEWS, STRATEGIC PLANNING, FINANCIAL FEASIBILITY ANALYSES AND ANNEXATION ANALYSES**
- **PRIVATIZATION AND MANAGED COMPETITION ANALYSES AND REPORTS**
- **ADMINISTRATIVE AND NEGOTIATIONS ASSISTANCE WITH ORDINANCES, INTER-LOCAL AGREEMENTS, REGULATORY MANDATES AND FISCAL IMPACT ANALYSES**
- **ANALYSIS OF THE ACQUISITION & SALE OF UTILITY SYSTEMS**
 - *Including valuation analyses, negotiation support and the development of financial management plans for integration of acquired utilities into the overall utility system*
 - *we have represented both sellers and acquirers of utility systems*
- **EXPERT WITNESS TESTIMONY SERVICES**

"A.G. Edwards has served as investment banker/underwriter on a number of utility acquisition bond issues supported by feasibility studies prepared by Burton & Associates, and for this reason we have a great deal of confidence in their work products.

William P. Simpson
Vice President
Investment Banking

1.3 BOND ISSUES

We have provided revenue forecasts to support the issuance of utility revenue bonds. We have worked with a number of financial advisors, underwriters and engineering firms during that process. We have also utilized our FAMS © model to size bond issues and provide a revenue forecast in support of debt service coverage for the following clients:

- CITY OF CAPE CORAL – RBC Capital Markets



- OKALOOSA COUNTY – First Southwest
- CITY OF FORT MYERS – RBC Capital Markets, Prudential Bache, W.R. Hough & Company
- CITY OF DUNEDIN – RBC Capital Markets
- ORANGE COUNTY – Paine Webber, FFM
- LEE COUNTY – A.G. Edwards
- CITY OF TITUSVILLE – Morgan Stanley, W.R. Hough & Company
- ST. JOHNS COUNTY – W.R. Hough & Company
- CITY OF CRYSTAL RIVER – W.R. Hough & Company
- CITY OF PLANT CITY – A.G. Edwards
- CITY OF PANAMA CITY BEACH – Raymond James
- BONITA SPRINGS WATER SYSTEM – Prudential Bache

1.4 PUBLICATIONS

Our consultants regularly are asked to write topical papers and to make presentations at industry forums. Such papers and presentation include:

CENTRAL FLORIDA ALTERNATIVE WATER SUPPLY STRATEGY WORKSHOP – Served on a Select Panel of industry experts as a Water Resources Economics and Pricing Panelist – Sponsored by the St. Johns River Water Management District, the Southwest Florida Water Management District and the South Florida Water Management District in conjunction with the Urban Land Institute, and MyRegion, a consortium of over 70 central Florida cities and counties, the panel identified best practices to work towards an regional alternative water supply strategy for the Central Florida region. - 2010 – Orlando, Florida

WATER CONSERVATION'S ROLE IN ALTERNATIVE WATER SUPPLY PLANNING - St. Johns River Water Management District – 2009 - Palatka, Florida

FUNDING TOTAL WATER MANAGEMENT – Co-Author - Florida Section AWWA Annual Meeting – 2007, Orlando, Florida

INTEGRATION OF FINANCIAL AND CAPITAL PLANNING –Florida Water Resources Conference – 2007

UTILITY RATE STUDIES AND MINIMIZING RATE INCREASES – Co-author - Florida Governmental Finance Officers Association Annual Meeting – 2007, Orlando, Florida

EFFICIENT FINANCING OF WATER SUPPLIES THROUGH REGIONAL CO-OPERATION –Florida Chamber Summer School – 2006, Marco Island, Florida

RECLAIMED WATER METERED PRICING & ITS EFFECT UPON WATER & SEWER RATES – Co-author - WEF/TEC Annual Meeting – 2006, Houston, Texas

We regularly make presentations before industry groups regarding topical issues related to rate making and water resources financial planning

1.5 PROJECT TEAM

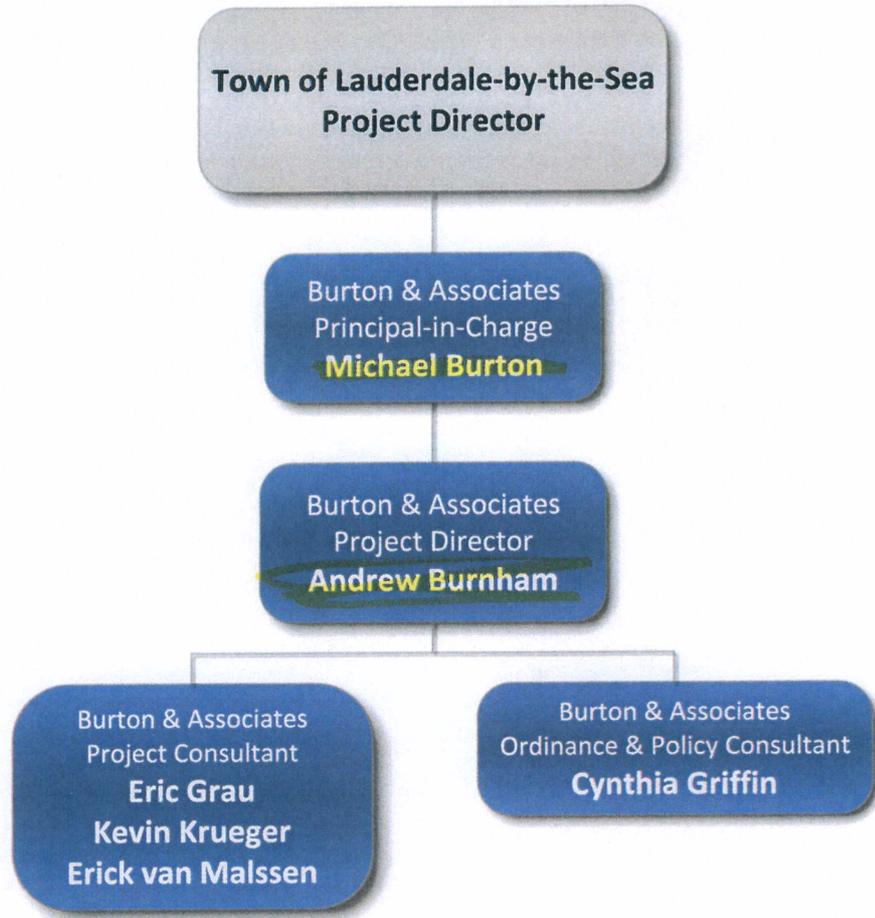
We have structured a proposed project team which will provide the Town with project team members with experience in:

- a. Development of Wastewater Multi-Year Financial Plans and Rate Programs, and the management of utility rate studies for many governmental utilities.
- b. Wastewater rate structure design concepts and theory and their practical application to specific local circumstances
- c. Detailed functional cost allocations and the financial and technical expertise and experience to analyze your specific system configuration, facilities, master plans, design criteria, operations characteristics and funding requirements.
- d. Development of retail, commercial and wholesale/bulk service water and wastewater rates.
- e. Development of Capital Finance Plans and Capital Planning to comply with the requirements of conventional capital markets (revenue bond issues) and special funding sources.



1.6 PROPOSED PROJECT TEAM

Our proposed project team organization was developed as a result of our understanding of the background, objectives, scope and key issues of this project and our prior experience with similar projects. Our proposed Project Team is presented in the Project Team Organization Chart below and the roles and experience of our team members are discussed on the pages following the organization chart. Resumes of our proposed project team members are presented at the end of this section.



1.7 RESUMES

Resumes for project team members are presented on the following pages.

SELECTED CLIENTS

- City of Fort Lauderdale
- City of Coconut Creek
- City of Coral Springs
- City of Lake Worth
- Town of Lake Clarke Shores
- City of Tamarac
- City of Cocoa
- City of Clearwater, FL
- City of Fort Myers, FL

SELECTED PUBLICATIONS

AWWA Manual M54 –
Developing Rate for Small
Systems, Co-Authored for
AWWA, Published 2004

Water Conservation's Role in
Alternative Water Supply
Planning - Written for the St.
Johns River Water Management
District, Palatka, FL, 2009

Effective Water Conservation
Rate Structures – Presented to
the St. Johns River Water
Management District, Palatka, FL,
2009

Funding Total Water
Management – Co-Authored and
presented at the Florida Section
AWWA Annual Meeting, Orlando,
FL, 2007

Utility Rate Studies & Minimizing
Rate Increases – Co-authored
and presented at the Florida
Governmental Finance Officers
Association Annual Meeting,
Orlando, FL, 2007

MICHAEL BURTON

PRESIDENT

GENERAL QUALIFICATIONS

Mr. Burton has over 30 years of industry experience in government resources financial analysis and rate setting. He was a principal at Arthur Young and Company (now Ernst & Young), one of the largest national accounting and management consulting firms, and served as Director of the Florida Governmental Service – Financial Consulting Practice.

Mr. Burton currently serves on the National AWWA Rate & Charges Subcommittee where he has co-authored AWWA Manual M-54 – Developing Rates for Small Systems. He also serves on a Water Rates Affordability Sub-Committee.

EXPERIENCE

Mike has extensive experience in a broad range of sewer, water, reclaimed water, stormwater and solid waste utility issues. He regularly provides service in the following areas:

- Design of financial management & rate programs
- Infrastructure financing programs & cost recovery mechanisms for local governments
- Development of user charge & rate studies
- Impact fee studies
- Financial advisory services for the issuance of revenue bonds, including feasibility studies
- Strategic planning for the provision of services for governmental jurisdictions and private developers
- Rate case assistance to private utilities
- Rate regulation assistance to jurisdictional counties
- Utility acquisition analysis
- Water resources planning including alternative water supply

EDUCATION

Bachelors of Industrial Engineering, University of Florida,
Gainesville, FL, 1970

EDUCATION

Bachelors of Business Administration, 2000, Lake Superior State University, Sault Ste. Marie, MI; graduated Magna cum Laude; Recipient of Outstanding Business Student Award

AREAS OF SPECIALIZATION

- Water Resources Finance
- Water, Wastewater & Electric Rates
- Utility Cost Allocation Analysis
- Utility Revenue Sufficiency Analysis
- Stormwater Finance & Rates
- Electric Utility Rates
- Revenue Forecasts
- Government Finance
- Expert Witness Testimony
- Wholesale Cost of Service Analysis
- Contract Administration
- Federal Utility Policy

SELECTED CLIENTS

- City of Fort Lauderdale
- City of Coral Springs
- City of Lake Worth
- City of Coconut Creek
- City of Tamarac
- City of Opa-Locka
- City of St. Petersburg
- City of Tarpon Springs
- Pinellas County
- Orange County
- City of Clearwater, FL

ANDREW BURNHAM

SENIOR VICE PRESIDENT

GENERAL QUALIFICATIONS

Mr. Burnham is a Senior Vice President of Burton & Associates where he has been employed for seven years. Andy is a leader in the utility industry and has extensive experience as the Project Director on a broad range of utility projects including cost of service analysis, cost allocation analysis, rate structure design and revenue sufficiency analysis. Andy has also analyzed the financial impacts upon utilities of the implementation of federal utility policy and has assisted with preparing filings to comply with regulatory directives.

EXPERIENCE

Andy's experience includes serving as Project Director for utility financial analysis and rate design projects for the following clients, to name a few:

- City of Fort Lauderdale – Water and Wastewater Revenue Sufficiency Analysis, Cost Allocation, Rate Design and Impact Fees Development
- City of Lake Worth – Comprehensive Water and Wastewater Rate Study including Retail Rate Design and Wholesale Rates for Regional Service
- City of Coral Springs – Water and Wastewater Revenue Sufficiency Analysis, Cost Allocation, Rate Design and Impact Fees Development
- City of Clearwater – Water, Wastewater, Stormwater and Solid Waste Revenue Sufficiency and Rate Design Analyses
- Orange County - Water and Wastewater Revenue Sufficiency Analysis, Rate Design, Impact Fees and Alternative Water Feasibility Analysis
- City of Deltona - Water and Wastewater Revenue Sufficiency Analysis, Rate Design and Impact Fees
- Peace River/Manasota Regional Water Supply Authority – Regional Rate Assistance

EDUCATION

Bachelor of Science in Finance,
2004, University of Florida,
Gainesville, FL; Graduated Cum
Laude

AREAS OF SPECIALIZATION

- Revenue Forecasts
- Rate Design
- Water & Wastewater Bill
Frequency Analysis
- Water & Wastewater Rate
Structures
- Impact Fees
- Reclaimed Water Rates
- Fire Service Fees
- Specific Service Charges
- Solid Waste Finance
- General Government
Finance

SELECTED CLIENTS

- City of St. Petersburg
- City of Cape Coral
- City of Fort Myers
- City of Ocala
- Pinellas County
- Town of Beverly Beach
- City of Mount Dora
- City of Dunedin
- City of Clearwater
- Volusia County
- City of Palmetto
- City of Punta Gorda
- City of Sarasota
- Glynn County, Georgia
- City of Lynn Haven
- City of St. Cloud
- City of Tarpon Springs
- Town of Front Royal, VA
- Accomack County, VA

ERIC GRAU

CONSULTANT

GENERAL QUALIFICATIONS

Mr. Grau is a Consultant with Burton & Associates. He has provided financial and rate consulting services to our clients for the past five years with Burton & Associates. He has superior financial, business and analytical skills and has provided our consulting practice with solid financial analyses based upon applications of sound financial and economic concepts.

Eric is skilled in the use of our proprietary interactive FAMS® model and his technical skills have enhanced our interactive process. He has provided our clients with exceptional problem solving analytics and a streamlined approach to utility financial planning and rate making.

EXPERIENCE

Eric's experience includes serving as Project Consultant for utility financial analysis and rate design projects for the following clients, to name a few:

- City of Clearwater – Water and Wastewater Rate Study and revenue Sufficiency Analyses
- Pinellas County – Water, Wastewater and Solid Waste Revenue Sufficiency Analysis, Cost of Service Allocation and Wholesale Rate Calculations
- Peace River/Manasota Regional Water Supply Authority – Regional Rate Assistance
- City of St. Petersburg – developed a Wholesale Water and Wastewater Cost Apportionment and Rate Design Mode
- City of Tarpon Springs - Water and Wastewater Revenue Sufficiency and Impact Fees
- City of Sarasota – Comprehensive Water and Wastewater Cost of Service Study and Rate Design

EDUCATION

Bachelor of Arts in Economics,
2006, St. Johns University,
Collegeville, MN; Minor in
Mathematics

AREAS OF SPECIALIZATION

- Water Resources Finance
- Water, Wastewater & Stormwater Rates
- Impact Fees
- Solid Waste Rates
- Revenue Forecasts
- Rate Design
- General Government Finance
- Stormwater & Drainage Assessments
- Bill Frequency Analysis

SELECTED CLIENTS

- City of Fort Lauderdale
- City of Lake Worth
- City of Coral Springs
- City of Tamarac
- Town of Lake Clarke Shores
- City of Deltona
- City of Tarpon Springs
- City of North Port
- City of Opa-Locka
- City of Coral Springs
- City of Neptune Beach
- Nassau County
- City of Fort Myers
- City of New Port Richey
- City of LaBelle
- Ranger Drainage District
- City of Lake City
- City of Dunnellon
- City of Crystal River

KEVIN KRUEGER

CONSULTANT

GENERAL QUALIFICATIONS

Mr. Krueger is a Consultant with Burton & Associates. He is a graduate economist and has provided financial and rate consulting services to a number of our clients for the past two years since joining Burton & Associates. He has assisted in developing enhancements to our FAMS© model and has extremely strong analytical and modeling skills.

Kevin has extensive experience working with large data sets and has significantly enhanced our models used to compile billing statistics in support of water and wastewater rate design. He has assisted in the development of water and wastewater impact fees as well as impact fees for general government service such as police, fire and parks and recreation.

EXPERIENCE

Kevin's experience includes serving as Project Consultant for utility financial analysis and rate design projects for the following clients, to name a few:

- City of Fort Lauderdale – Water and Wastewater Revenue Sufficiency Analysis, Cost Allocation, Rate Design and Impact Fees Development
- City of Lake Worth – Comprehensive Water and Wastewater Rate Study including Retail Rate Design and Wholesale Rates for Regional Service
- City of Lake Clarke Shores – Water and Sewer Rate study, including evaluation of two separate rate districts and wholesale water and wastewater services agreements.
- City of Coral Springs – Water and Wastewater Revenue Sufficiency Analysis, Rate Design and Impact Fees
- City of Tamarac – Revenue Sufficiency Analysis and Billing Data Analysis
- City of Deltona - Water and Wastewater Revenue Sufficiency Analysis, Rate Design and Impact Fees

AREAS OF SPECIALIZATION

- Water & Wastewater Rate Structures
- Water & Wastewater Bill Frequency Analysis
- Stormwater Rates
- Revenue Forecasts
- Rate Design
- Impact Fee Analysis
- Reclaimed Water Rates
- Fire Service Fees
- Specific Service Charges
- Solid Waste Finance
- General Government Finance
- Rate Ordinance Development
- Valuation Analysis
- Capital investment Planning

SELECTED CLIENTS

- City of Tamarac
- City of Tarpon Springs
- City of Port St. Joe
- City of Lake Worth
- City of Fort Myers
- City of Fort Lauderdale
- City of Coconut Creek
- City of St. Petersburg
- St. Johns River Water Management District

EDUCATION

Masters of Business Administration, 2005, University of Central Florida, Orlando, FL

Bachelors of Science in Business Administration, Concentration in Finance, 2004, University of Central Florida, Orlando, FL

ERICK VAN MALSSSEN CONSULTANT

GENERAL QUALIFICATIONS

Mr. van Malssen is a Consultant with Burton & Associates. He has over six years of experience in providing financial and utility rate consulting services in Florida. He has superior financial, business and analytical skills and has enhanced our consulting practice with solid financial analyses based upon applications of sound financial and economic concepts.

Erick has extensive experience in developing, presenting and implementing user rate studies, impact fees, and utility rate ordinances. He has strong Excel modeling skills and has experience working with large data sets and financial models, including our proprietary interactive Financial Analysis and Management System (FAMS©) utility rate and financial planning model.

EXPERIENCE

Erick's experience includes serving as Project Consultant for utility financial analysis and rate design projects for the following clients, to name a few:

- City of Tamarac – Revenue Sufficiency Analysis and Billing Data Analysis
- City of Fort Lauderdale – Stormwater Rate Study
- City of Port St. Joe – Water and Wastewater Revenue Sufficiency Analysis and Impact Fee Study
- City of Tarpons Springs – Fiscal Impact Analysis
- City of Lake Worth – Revenue Sufficiency Analysis and Billing Data Analysis
- City of Fort Myers – Impact Fee Waiver Analysis
- St. Petersburg – Water and Wastewater Revenue Sufficiency Analysis
- St. Johns River Water Management District – Evaluation of economic feasibility of CUP Reuse requirements

EDUCATION

Attended University of Florida,
1972-1975, Curriculum – Business
Administration

AREAS OF SPECIALIZATION

- Water Resources
- Stormwater Utilities
- Solid Waste
- Fire Assessments
- General Government
- Policy evaluation and development
- Line extension policies
- Reclaimed water connection
- Backflow prevention
- Conservation policies and programs
- Utility metering policies
- Utility connection policies
- Utility ordinance development
- Municipal code evaluation and re-write
- Stormwater ordinance evaluation and drafting
- Developer agreements
- Water loss prevention policies
- Other

CYNTHIA GRIFFIN

VICE PRESIDENT

GENERAL QUALIFICATIONS

Ms. Griffin is a Vice President of Burton & Associates. She has over 20 years experience in government resources financial analysis and policy and ordinance development. Cynthia provides assistance to governmental and private sector clients in evaluating funding requirements and development of policies to support their objectives.

Her experience includes assisting in the development of municipal services impact fees, ordinance drafting and revision, policy and procedure review and capital improvement plan funding analysis. Her experience also includes research and comparative analysis, including the preparation and evaluation of survey results.

Prior to joining Burton & Associates in 1989, Cynthia was an institutional investments analyst for a small regional firm in the southeast and prior to that performed a similar function with Merrill Lynch.

EXPERIENCE

Cynthia's experience includes performance of financial analysis and/or policy and ordinance review and drafting for the following clients to name a few:

- Okaloosa County
- City of Punta Gorda
- City of Fort Myers
- Orange County
- City of Clearwater
- City of Cape Coral
- City of Lake Mary
- City of Lake City

1.8 REFERENCES

References, along with descriptions of the services provided, are presented below.

“Burton & Associates was contracted with the City of St. Cloud to perform professional services on two key projects known as the Water and Wastewater Impact Fee and Revenue Sufficiency Analysis; and Water and Wastewater Rate Design Analysis.

Mr. Burnham’s leadership, technical experience and dedication were instrumental in the success of these projects. In obviously tough financial times, Mr. Burnham was able to assist the City in creating rate restructuring and implementation strategies that were truly balanced and considerate of the needs of both the Utility as a business and the residents that we serve. Mr. Burnham’s professionalism and sound technical judgment through our process was essential in the success of these projects.”

Mr. Todd Swingle
Environmental Utilities Director
City of St. Cloud, FL
1300 Ninth Street
St. Cloud, FL 34769
(407) 957-7344
tswingle@stcloud.org



CITY OF FORT LAUDERDALE, FLORIDA (2008) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. We developed more aggressive inclining block rates for water conservation and developed a phased implementation strategy to achieve the revenue requirements of the utility. We also developed water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the rate revenue forecast. During this work, we used our **FAMS-XL®** model to replicate the financial dynamics of the City’s water and wastewater enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management. We are also currently completing a detailed cost allocation analysis in support of development of a bulk rate for large municipal water users.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Ms. Julie Leonard, Assistant Utilities Services Director, 949 NW 38th Street, Fort Lauderdale, FL 33309, (954) 828-7802, JLeonard@fortlauderdale.gov
Mr. Albert Carbon, Public Works Director, 949 NW 38th Street, Fort Lauderdale, FL 33309, (954) 828-7802, acarbon@fortlauderdale.gov



CITY OF COCONUT CREEK, FLORIDA (2008) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. We developed inclining block rates for water conservation and developed a phased implementation strategy to achieve the revenue requirements of the utility. We also developed water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the rate revenue forecast. During this work, we used our **FAMS-XL®** model to replicate the financial dynamics of the City’s water and wastewater

enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management and the City Commission.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Ms. Karen Brooks, Finance Director, 4800 W. Copans Road, Coconut Creek, FL 33063,
(954) 973-6730, kbrooks@coconutcreek.net
Ms. Mary Blasi, Assistant City Manager, same address, (954)973-6740,
mblasi@coconutcreek.net



CITY OF LAKE WORTH, FLORIDA (2008) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. The City has a complicated service delivery configuration in terms of wholesale service and regional partners and we adapted our modeling to replicate the financial dynamics of that configuration. We also evaluated the effectiveness of the current inclining block rate structure regarding water conservation and the effects of adjustments to the rate structure in terms of elasticity of demand. We developed water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the revenue requirements from rates in the rate revenue forecast. During this work, we used our FAMS-XL® model to replicate the financial dynamics of the City’s water and wastewater enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Ms. Becky Matthey, Utility Director, 1900 2nd Avenue North, Lake Worth, FL 33460,
(561) 586-1670, bmatthey@lakeworth.org



CITY OF TAMARAC, FLORIDA (2010) – We are conducting a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. We are developing inclining block rates for water conservation and a phased implementation strategy to achieve the revenue requirements of the utility. We also developed water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the rate revenue forecast. During this work, we used our FAMS-XL® model to replicate the financial dynamics of the City’s water and wastewater enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management and the City Commission.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Mr. Ray Gagnon, Director of Utilities, 10101 State Road, Tamarac, FL 33321, (954)597-3750, rayg@tamarac.org
Mr. Mark Mason, Director of Financial Services, 7525 N.W. 88th Avenue, Room 100, Tamarac, FL 33321, (954)597-3550, mmason@tamarac.org



CITY OF CORAL SPRINGS, FLORIDA (2007 - 2008) – We conducted a Water and Wastewater Rate Study which included a Revenue Sufficiency Analysis and Rate Design. In the Revenue Sufficiency Analysis we developed a ten year financial plan and identified a series of annual rate adjustments necessary to fund all of the utility’s current and projected requirements. We used our FAMS-XL® model to replicate the financial dynamics of the City’s water and sewer enterprise fund and evaluated several scenarios of capital funding alternatives and annual rate adjustments, before City staff selected to scenario to present to

the Council. We also developed an adjusted water and wastewater rate schedule to steepen the inclining block rates and adjust the usage block ranges. This was to provide additional price incentive for water conservation. We also held one-on-one meetings with each Council member with or FAMS-XL® model up and running and demonstrated the need for the proposed series of annual rate adjustments and rate structure adjustments.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant
Client Contact: Mr. Rich Michaud, Director of Public Works, 9551 West Sample Rd. Coral Springs, FL, 33065, (954) 344-1165, rm@coralsprings.org



TOWN OF LAKE CLARKE SHORES, FLORIDA (2009) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan. The Town has a complicated service delivery configuration in terms of purchase of wholesale water and wastewater service in two distinct service areas for which we adapted our modeling to replicate the financial dynamics of that configuration. We developed a ten year financial plan and a schedule of annual rate adjustments that would be necessary for the Town to fund all of its projected requirements, including capital improvement program projects to deal with infiltration and inflow and aging distribution and collection system infrastructure. We also developed a rate adjustment plan to allow for “pass through” of rate adjustments from the Town’s water and wastewater treatment providers. During this work, we used our FAMS-XL® model to replicate the financial dynamics of the Town’s water and wastewater enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with Town staff for presentation to Town management and Council.

B&A Staff: Michael Burton: Principal-in-Charge Kevin Krueger: Project Manager
Client Contact: Ms. Joann Hatton, Town Administrator, 1701 Barbados Road West Palm Beach, FL 33406, (561) 964-1515, jhattonlcs@bellsouth.net



CITY OF ST. PETERSBURG, FLORIDA (2005 – 2010) – We conducted a Water and Wastewater Cost of Service and Rate Study and several annual updates, including development of a long term financial plan for the utility and a detailed cost allocation for setting of wholesale rates for large municipal users. The cost allocations included all direct and indirect costs and allocations were made to not only water and wastewater, but also a functional allocation was made to establish costs associated with retail and wholesale service. Wholesale rates were then established for each wholesale customer based upon the wholesale cost allocations and units of demand for each customer. The studies included an annual true-up analysis for each wholesale customer based upon actual financial results and the specific terms of their applicable service agreement. We also evaluated the City’s retail rate structure relative to fair and equitable recovery of costs and water conservation. We are currently completing a similar Water and Sewer Rate Study for the City, including the annual true-up based upon last year’s actual results.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant
Client Contact: Ms. Evelyn Rosetti, Manager of Special Projects, 1635 3rd Avenue North St., Petersburg, Florida 33713, (727) 893-7297, earosett@stpete.org



CAPE CORAL, FLORIDA (2001- 2010) – We have served as the water and wastewater rate consultant for the City for over nine years. For the past three years, the City has licensed our FAMS-XL® model for use in annual updates of its water and wastewater ten year financial plan and schedule of annual rate adjustments. We conducted a comprehensive rate study, including rate design, to initialize the

FAMS-XL® model for the City and we have assisted them for the past three years in accomplishing annual updates under the terms of the license and maintenance agreement for our **FAMS-XL®** model. We also used the **FAMS-XL®** model in an analysis to develop a detailed plan of finance for the funding of over \$180,000 of capital improvements over three years. We worked closely with the City's financial advisor, RBC Capital Markets, in developing alternative plans of interim and permanent financing to allow two years of rate increases and growth to take effect before burdening the rates with the full annual debt service of the ultimate permanent financing. We are beginning an annual update to assess the impacts of the slow down in growth and the ability of the City, where possible, to defer capital projects being driven by growth.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Client Contact: Mr. Sheena Milliken, Mgt/Budget Administrator, 1015 Cultural Park Boulevard, Cape Coral, Florida 33915-0027, (239) 574-0401, smillike@capecoral.net



THE CITY OF ST. CLOUD, FLORIDA (2008) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. We developed more aggressive inclining block rates for water conservation and we also developing water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the rate revenue forecast. During this work, we used our **FAMS-XL®** model to replicate the financial dynamics of the City's water and wastewater enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Client Contact: Mr. Todd Swingle, P.E., Director, Environmental Utilities, 1300 Ninth Street, St. Cloud FL 34769, (407) 957-7344, tswingle@stcloud.org



THE VILLAGE CENTER COMMUNITY DEVELOPMENT DISTRICT (THE VILLAGES), FLORIDA (2009-PRESENT) – We conducted a Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan and specific service charges. We developed the preliminary financial plan and rate adjustments and met with District staff in several interactive work sessions to review the financial plan using our **FAMS-XL®** model. During these work sessions, we work with District staff in the development of a ten year financial plan and a series of annual rate adjustments that would fund the utility's requirements within inflationary levels of adjustment. In addition we are currently performing a similar analysis for another of the District's service areas.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Client Contact: Ms. Janet Tutt, District Manager, 3201 Wedgewood Lane, The Villages FL 32162, (352) 751-3939, janet.tutt@districtgov.org



CITY OF CLEARWATER, FLORIDA (1995 – PRESENT) – We have served as the City's water and wastewater, solid waste and stormwater rate consultants for over 12 years. We have conducted numerous water, wastewater, solid waste and stormwater rate studies. We recently conducted a rate design analysis for the water and wastewater system and regularly provide updates to the water and wastewater revenue sufficiency analysis to update the utility's long term financial plan. During this work, we used our **FAMS-XL®** model to replicate the financial dynamics of the City's water and sewer and stormwater enterprise funds and evaluated several scenarios of capital funding alternatives and annual rate adjustments, before City staff selected to scenario to present to the Council. We also held one-on-one meetings with each Council member with or **FAMS-XL®** model up and running and demonstrated the need for the proposed series of annual rate adjustments. We are currently completing three projects for the City, including a Water, Sewer, and Reclaimed

Water Rate Design and Demand Analysis, a Water & Sewer Revenue Sufficiency Analysis and a Stormwater Revenue Sufficiency Analysis.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant

Client Contact: Ms. Margaret Simmons, Finance Director, PO Box 4748, Clearwater, Florida 33758,
(727) 562-4538, margie.simmons@myclearwater.com
Ms. Tracy Mercer, Utility Director, 1650 N. Arcturas Avenue, Building C, Clearwater, FL
33765-1945, (727) 562-4960 ext. 7222, tracy.mercer@myclearwater.com



CITY OF COCOA, FLORIDA (2009-2010) – We are nearing completion of a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. We evaluated the City's current inclining block rate structure and recommended refinements to number of usage blocks, block ranges and rates for each new block. We also are developing water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the rate revenue forecast. During this work, we used our **FAMS-XL®** model to replicate the financial dynamics of the City's water and wastewater enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Eric Grau

Client Contact: Dr. Brenda Fettrow, Deputy City Manager, 65 Stone Street, Cocoa, FL 32922, (321) 433-8686, bfettrow@cocoaf1.org
Ms. Micki Abdi, Acting Finance Director, 65 Stone Street, Cocoa, FL 32922, (321) 433-8600, mabdi@cocof1.org



MARION COUNTY, FLORIDA (2007) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a plan to merge five rate districts to one common inclining block rate structure, increase revenues to fund a significant capital program and implement conservation rates in the form of inclining block rates. We also conducted a Water and Wastewater Impact Fee Study, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the prior rate study project. We conducted one-on-one meetings with each County Commissioner where we evaluated alternative rate plan and capital funding scenarios in a live interactive work session using our **FAMS-XL®** model. We were able to demonstrate the need for the significant rate increases required which provided the Commissioners with the comfort that the increases were necessary and implementation of the series of annual rate increases recommended would ensure that the utility would proceed on a sound financial basis. This process enabled the Commissioners to confidently field questions and complaints during the public workshops and hearings that were held in the rate adoption process.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director

Client Contact: Mr. Andy Neff, P.E., Director of Utilities, Currently Director of Environmental Services in Seminole County, FL, 500 West Lake Mary Blvd, Sanford, FL 32773-7499, (407) 665-2000, anef@seminolecountyfl.gov



CITY OF FORT MYERS, FLORIDA (1988 - 2008) – We have served as the water & sewer rate consultant for the City for 20 years. Recent projects include annual updates to the water & wastewater and solid waste financial forecast, or "business plan", to ensure that the water & wastewater and solid waste rates/assessments will provide adequate revenue over a ten year forecast period. We also recently completed a comprehensive cost of service and rate study for the water and wastewater system, including a

revenue forecast, cost allocation, rate design and development of impact fees. We conducted several interactive work sessions with City staff using our **FAMS-XL®** model and developed adjustments to the plan of annual water & wastewater rate adjustments.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Ms. Donna Lovejoy, 2200 Second Street, Fort Myers, Florida 33902, (239) 461-3757,
dlovejoy@cityftmyers.com



CITY OF SARASOTA, FLORIDA (2005 – 2010) – We have served as the City’s Comprehensive Water, Wastewater & Reclaimed Water Rate Study for over 15 years. In 2006 we developed a ten year financial forecast and financial management plan for the City’s water & wastewater utility. We also recently completed a cost allocation and rate design study for water and wastewater, including the evaluation of conservation rate alternatives and development of impact fees. We used our **FAMS_XL®** model to replicate the financial dynamics of the City’s water & wastewater operations and conducted interactive work sessions with City staff to evaluate scenarios relative to inputs and assumptions. We developed a plan of water & wastewater and solid waste rate adjustments and ten year financial plan for each utility enterprise fund. We are currently completing a Water and Wastewater Rate Design project.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant

Client Contact: Mr. Bill Hallisey, Public Works Director, 1761 12th Street, Sarasota, Florida 34236,
(941) 954-4198 WilliamHallisey@ci.sarasota.fl.us
Mr. Javier Vargas, Director of Utilities, 1750 12th Street, Sarasota, FL 34326 (941) 365-2200, javier.vargas@sarasotagov.com



PINELLAS COUNTY, FLORIDA (2005) – We conducted a comprehensive water, sewer and solid waste rate study for the County. We used our **FAMS-XL®** model to develop ten year financial plans for each of the separate water, sewer and solid waste enterprise funds. We reviewed the results with County staff in several interactive work sessions and prepared a report of the results of the study. We also conducted a benchmarking analysis of selected cost categories and assisted County staff in evaluating the underlying cost of operations.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Project Consultant

Client Contact: Mr. Steve Carroll, Utilities Finance Director, 14 South Ford Harrison Avenue,
Clearwater, Florida 33756, (727) 464-4228, scarroll@co.pinellas.fl.us



ORANGE COUNTY, FLORIDA (1992 - 2008) – We have served as the water and wastewater rate consultant for the County for the past 15 years. We recently conducted a Water and Wastewater Cost of Service and Rate Study, including a ten year revenue forecast with the assessment of funding and rate scenarios to fund \$200 million + of alternative water supply projects in year eight of a ten year projection period. We also performed a Water and Wastewater Impact Fee Study, including review of the impact fee methodology with the Development Advisory Committee, which endorsed the methodology at the rate hearing for adoption. We are currently beginning an FY 2008 Update of the Water and Wastewater Impact Fees and evaluating re-design of commercial rates to include a fair and effective structure to provide a price incentive for water conservation.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director

Client Contact: Mr. Ron Nielsen, Deputy Utility Director, 9150 Curry Ford Road, Orlando, Florida 32825, (407) 254-9880, Ron.Nielsen@ocfl.net



PEACE RIVER MANASOTA REGIONAL WATER SUPPLY AUTHORITY 2005-2010 - Regional Water Supply Rate Assistance - Burton & Associates assisted the Authority in the development of a common or unitary rate for its members to provide the basis for funding of continuing new water resources. The project focused upon a way to migrate from the historic practice of determining capital cost allocations to members/customers on a project specific basis to an approach that results in an equal, prorate cost allocation into a common or unitary rate. We are currently developing an interactive model that allows evaluation of numerous scenarios and alternatives for achieving the goals of the project, including provisions to make members whole for prior investments and/or current imbedded rate advantages as a result of the historic practice of allocation of capital costs on a project specific basis. We are beginning a facilitation process in which we will meet with a members/customers working group regularly over several months to work through the alternatives towards a consensus solution and a viable overall financial plan for the Authority.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant

Client Contact: Mr. Pat Lehman, Executive Director, 6311 Atrium Drive, Suite 100, Bradenton, FL 34202, (941) 316-1776, peacemana@aol.com



CITY OF TARPON SPRINGS, FLORIDA (2005 – 2010) – We have served as the water and sewer rate consultant for the City for over 10 years. Recent projects include development and several annual updates of the long term financial plan for the utility. We also conducted a Rate Design project in which we adjusted and recalculated the water and wastewater rates to conform to generally accepted rate making practice and to provide conservation incentives in compliance with the City's Consumptive Use Permit requirements. We also conducted a financial feasibility analysis of an Alternative Water Supply Project to allow the City to become more self sufficient and reduce wholesale water purchases from Pinellas County. We also recently conducted a Water and Wastewater Impact Fee Study and evaluated the implications of adoption of full and partial cost recovery impact fees within the long term financial plan for the utility.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant

Client Contact: Ms. Arie Walker, Finance Director, 324 East Pine Street, Tarpon Springs, Florida 34688-5004, (727) 942-5612, AWalker@ci.tarpon-springs.fl.us
Mr. Paul Smith, Public Services Administrator, Same Address, (727) 942-5610, PSmith@ci.tarpon-springs.fl.us



OKALOOSA COUNTY, FLORIDA (1995 - 2009) – We have served as the County's water and wastewater rate consultants for the past 12 years. We conducted a Water and Wastewater Cost of Service and Rate Study, including development of a revenue forecast in support of the issuance of approximately \$60 million of revenue bonds to fund system improvements. We also conducted a Water and Wastewater Impact Fee Study, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the prior rate study project. We also conducted a Reclaimed Water Rate Study to develop reclaimed water rates and policies.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant

Client Contact: Mr. Jeff Littrell, Director of Utilities, 1804 Lewis Turner Parkway, Fort Walton Beach, Florida 32547 (850) 651-7173 jlittrell@co.okaloosa.fl.us



CITY OF DELTONA, FLORIDA (2008) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. The City had not adjusted its rates for a number of years and we developed a plan of annual rate adjustments to ensure sufficient revenues to meet all of the utilities current and projected financial obligations. We developed an inclining block rate structure to provide an incentive for water conservation and included the impact upon water usage in terms of elasticity of demand. During this work, we used our FAMS-XL© model to replicate the financial dynamics of the City's separate water and wastewater enterprise funds and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

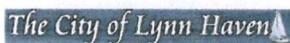
Client Contact: Mr. Dave Denny, Deputy City Manager, 2345 Providence Blvd., Deltona, FL 32725,
(386) 878-8100, ddenny@deltonafl.gov



CITY OF NEPTUNE BEACH, FLORIDA (2007 – 2008) – We conducted a Water and Wastewater Revenue Sufficiency Analysis in which we developed a ten year financial plan and identified a series of annual rate adjustments necessary to fund all of the utility's current and projected requirements. We used our FAMS-XL© model to replicate the financial dynamics of the City's water and sewer enterprise fund and evaluated several scenarios of capital funding alternatives and annual rate adjustments, before City staff selected to scenario to present to the Council. We also held one-on-one meetings with each Council member with or FAMS-XL© model up and running and demonstrated the need for the proposed series of annual rate adjustments.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Mr. Jim Jarboe, City Manager 116 First Street, Neptune Beach, Florida 32266, (904)
270-2400, JJarboe@neptune-beach.com
Mr. Steve Ramsey, Finance Director, Same Address, (904) 270-2400,
SRamsey@neptune-beach.com



CITY OF LYNN HAVEN, FLORIDA (1996 – 2006) – We have served as the City's Comprehensive Water, Wastewater & Reclaimed Water Rate Study for the past 10 years. We have conducted numerous annual water & wastewater revenue sufficiency analysis updates and have also conducted a solid waste rate study, including the development of a ten year financial plan and the evaluation of the current rate structure and recommendations for adjustments to more fairly apportion the cost of solid waste service to the various classes of service offered by the City. We used our FAMS-XL© model to develop the long range financial plan and will evaluate alternative scenarios of service delivery and other variables in the development of the plan.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant

Client Contact: Mr. John Lynch, City Manager, 825 Ohio Avenue, Lynn Haven, Florida 32444, (850)
265-2121, citymanager@cityoflynnhaven.com



CITY OF FERNANDINA BEACH, FLORIDA (2008) – We conducted a comprehensive Water and Wastewater Cost of Service and Rate Study, including development of a ten year financial management plan, rate design, impact fees and specific service charges. The City had not adjusted its rates for a

number of years and we developed a plan of annual rate adjustments to ensure sufficient revenues to meet all of the utilities current and projected financial obligations. We are also proposed an inclining block rate structure to provide an incentive for water conservation and included the impact upon water usage in terms of elasticity of demand. During this work, we used our FAMS-XL© model to replicate the financial dynamics of the City's separate water and wastewater enterprise funds and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Eric Grau: Consultant Brian Fitzpatrick: Consultant

Client Contact: Mr. John Mandrick, P.E., Director of Utilities, 1180 South 5th Street, Fernandina Beach, Florida 32034, (904) 277-7380, jmandrick@fbfl.org



NASSAU COUNTY, FLORIDA (2007-2010) – We conducted a Solid Waste Assessment Study and a Water and Wastewater Cost of Service and Rate Study, including development of specific service fees. We also conducted a Water and Wastewater Impact Fee Study which included assessment of the effects of adjusted impact fees upon the rate plan scenarios in the long term financial plan. The Solid Waste Assessment Study included developing a residential assessment for collection and disposal of all solid waste generated by residents of the County. We are currently completing a Water and Wastewater Rate Study.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Ms. Cathy Lewis, Administrative Service Analyst, 96160 Nassau Place, Yulee, Florida



CITY OF OPA LOCKA, FLORIDA (2008-2009) – We conducted a Rate Study for which the scope of work included a Water and Wastewater Rate Study and a Sanitation Rate Study. The Water and Wastewater Rate Study included development of a ten year financial management plan, rate design, impact fees and specific service charges. We developed inclining block rates for water conservation and developed a phased implementation strategy to achieve the revenue requirements of the utility. We also developed water and wastewater impact fees, including assessment of the effects of adjusted impact fees upon the rate plan scenarios in the rate revenue forecast. During this work, we used our FAMS-XL© model to replicate the financial dynamics of the City's water and wastewater enterprise fund and we evaluated several scenarios of capital funding alternatives and annual rate adjustments with City staff for presentation to City management and the City Commission. We also completed a FY2009 update to the revenue sufficiency analysis.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Dr. Ezekiel O. Orji, PhD, C.P.A. Assistant City Manager/Finance Director, 777 Sharazad Blvd., Opa-locka, FL 33054, (305) 953-2852, eorji@Opalockafl.gov



CITY OF BAYTOWN AND THE BAYTOWN AREA WATER AUTHORITY, BAYTOWN, TEXAS (2009) – We are currently completing a Water and Wastewater Rate Study and a Wholesale Water Rate Study for the City of Baytown and the Baytown Water Authority respectively. The study has included development of a ten year financial management plan, including identification of annual percentage rate revenue adjustments, amount and timing of required borrowing to fund the capital improvement program, maintenance of proper reserve levels and maintenance of adequate debt service coverage levels. The study also has included evaluation of the current rate structure and development of recommended changes to provide for fair and equitable recovery of the revenue requirements and to provide a pricing signal as an incentive for water conservation in the form of an inclining block rate structure.

B&A Staff: Michael Burton: Principal-in-Charge Andrew Burnham: Project Director
Kevin Krueger: Consultant

Client Contact: Garry Brumback, City Manager, 2401 Market Street, Baytown, TX 77522, (281) 420-5891, citymanager@baytown.org
Genie Ginzle, Utility Billing Manager, same address, (281) 420-6515, genie.ginzle@baytown.org
Andrea Denton, Assistant Director of Finance, same address, (281) 420-6530, andrea.deaton@baytown.org



BRUNSWICK-GLYNN COUNTY JOINT WATER & SEWER COMMISSION (JWSC) (2008-PRESENT) – We conducted ten year Revenue Sufficiency Analyses for the water and sewer systems within the JWSC's two districts (i.e. City of Brunswick and Glynn County). The Revenue Sufficiency Analyses included a detailed cost allocation between each district and between water and sewer service within each district. We also, conducted an update of water and sewer capital tap fees (impact fees) for each district. In addition, we performed a bond feasibility analysis and developed financial pro forma reports in support of the anticipated issuance of \$13.0 million of debt for wastewater plant improvements. In addition, we are currently beginning work on a FY 2010 Water and Sewer Rate Study which includes 1) development of a long term financial plan and schedule of annual rate adjustments and 2) development of a financial feasibility report in support of an upcoming bond issue to refund a portion of the Authority's outstanding debt and obtain new money to fund system improvements.

B&A Staff: Andrew Burnham: Project Director

Client Contact: Mr. Keith Morgan, Executive Director, 700 Gloucester St. Suite 300, Brunswick, GA 31520, (912) 261-7112, kmorgan@bgjwsc.com
Mr. John Donaghy, Chief Financial Officer, 700 Gloucester St. Suite 300, Brunswick, GA 31520, (912) 261-7137, jdonaghy@bgjwsc.com

1.9 SIMILAR PROJECT LISTING

We have presented on the following pages a complete chronological list of projects completed by the Firm over the past five years. It is important to mention that Mr. Michael Burton and Mr. Andrew Burnham, the Principal-in-Charge and Project Director respectively for your project, were involved in all of the projects on this list.

BURTON & ASSOCIATES

Selected Recent Clients & Projects By Year

Client	Project Description	Year Begun
Village of Key Biscayne	Stormwater Rate Study	2010
City of Fort Lauderdale	Stormwater Rate Study	2010
St. Johns River Water Management District	CUP Economic Feasibility Analysis	2010
City of Clearwater	Recycling Revenue Sufficiency Analysis	2010
City of Clearwater	Solid Waste Revenue Sufficiency Analysis Update	2010
City of New Port Richey	Bulk Sewer Rate Analysis	2010
City of Zephyrhills, FL	Water and Wastewater Revenue Sufficiency Analysis	2010
Town of Orange Park	Water and Sewer Rate Study	2010
City of Lynn Haven	Water and Wastewater Revenue Sufficiency Analysis	2010
City of Tamarac	Water & Sewer Rate Study	2010
City of Port St. Joe	Water and Sewer Rate & Impact Fee Study	2010
City of Dunedin, FL	Stormwater Revenue Sufficiency Analysis Update	2010
City of Neptune Beach, FL	Water & Sewer Revenue Sufficiency Analysis	2010
City of Coconut Creek	Fire Assessment Fee Development	2010
Brunswick/Glynn County, GA	Water & Sewer Rate Study and Bond Feasibility Analysis	2010
City of Cape Coral, FL	Water & Sewer Revenue Sufficiency Analysis	2010
Orange Water and Sewer Authority, NC	Water & Sewer Revenue Sufficiency Analysis	2010
The Village Center Community Development District	Utility Rate Sufficiency Study	2010
Marion County, FL	Water & Wastewater Revenue Sufficiency Update	2010
City of Fort Myers, FL	Water & Sewer Revenue Sufficiency Analysis	2010
City of Clearwater, FL	Water & Sewer Revenue Sufficiency Analysis	2010
City of Clearwater, FL	Stormwater Revenue Sufficiency Analysis	2010
City of Coconut Creek, FL	Fire Service Consolidation Study	2010
City of Clearwater, FL	Water Demand and Rate Study Update	2010
City of Lake Worth, FL	Water & Sewer Rate Study Update	2010
Seminole County, Florida	Water & Wastewater Revenue Sufficiency Analysis	2010
Okaloosa County, Florida	Water & Sewer Revenue Sufficiency Analysis Update	2009
Peace River Manasota Reg. Water Supply Authority	Revenue Sufficiency & Rate Analysis Update	2009
Pinellas County, Florida	Water & Sewer Rate Study	2009
City of Fort Lauderdale	Cost Allocation Analysis	2009
City of Cocoa	Water, Wastewater and Reclaimed Water Rate Study	2009
City of Fort Lauderdale	Water and Wastewater Cost Allocation and Bulk Rate Analysis	2009
City of Fort Myers	Recycling Rate Study	2009
Town of Lake Clarke Shores	Water and Wastewater Rate Study	2009
Town of Orange Park	Fire Assessment Study	2009
City of Cape Coral	Wholesale Sewer Rate Analysis	2009
City of Deltona	Fire Assessment Study	2009
Citrus County	Regulatory Rate Assistance - Water and Wastewater Utilities	2009
Okaloosa County, FL	Water and Wastewater Revenue Sufficiency Analysis Update	2009
City of Crystal River	Water and Wastewater Revenue Sufficiency Analysis Update	2009
Accomack County, VA	Developed Interactive Utility Financial Forecast Model	2009
City of Tarpon Springs	Water and Wastewater Revenue Sufficiency Analysis Update	2009
Marion County, FL	Financial Forecast Model of Water and Wastewater Master Plan Scenarios	2009
City of North Port	Stormwater Assessment Study	2009
Baytown Area Water Authority, TX	Wholesale Water Rate Study	2009
City of Baytown, TX	Water & Wastewater Rate Study	2009
The Village Center Community Development District	Water & Wastewater Rate Study	2009
St. Petersburg	Water & Wastewater Rate Study	2009
Pinellas County, Florida	Water & Wastewater Rate Study	2009
Town of Lauderdale-by-the-Sea	Fire Assessment Study	2009
City of Cape Coral	Fire Assessment Study	2009
City of Fort Lauderdale	Public Services and Utilities Financial Analysis and Rates	2009
City of Miami Beach	Underground Utilities Assessment Program	2009
City of Fort Myers	Water and Sewer Revenue Sufficiency Analysis Update	2009
Orange Water and Sewer Authority	FY 2009 Revenue Sufficiency Analysis Update and Model Assistance	2009
Orange County, FL	Water and Sewer Revenue Sufficiency Analysis Update	2009
Decatur Utilities, AL	Comprehensive Water and Sewer Cost of Service and Rate Study	2009
City of Dunedin	FY 2009 Stormwater Revenue Sufficiency Analysis Update	2009
City of Dunedin	FY 2009 Water and Wastewater Revenue Sufficiency Analysis Update	2009
City of Cape Coral	FY 2009 Water and Sewer Revenue Sufficiency Analysis	2009
Brunswick/Glynn County Joint Water & Sewer Com., GA	Comprehensive Water and Sewer Cost of Service and Rate Study	2009
Brunswick/Glynn County Joint Water & Sewer Com., GA	Water and Wastewater Capital Tap Fee Study	2009
Town of Front Royal, VA	Water and Wastewater Rate Study	2009
City of Sarasota	Water and Wastewater Revenue Sufficiency Analysis Update	2009
City of Sarasota	Water and Wastewater Rate Design Study	2009
City of Clearwater	Water and Wastewater Revenue Sufficiency Analysis Update	2009
City of Clearwater	Stormwater Revenue Sufficiency Analysis Update	2009

BURTON & ASSOCIATES

Selected Recent Clients & Projects By Year

Client	Project Description	Year Begun
Peace River Manasota Reg. Water Supply Authority	Update of Long Term Financial Management Plan and Rates	2009
Town of Lady Lake	Water, Wastewater and Reclaimed Water Impact Fee Study	2009
City of Polk City	Wastewater Assessment Study	2009
City of Opa-Locka	Water and Wastewater Rate Design Update	2009
Nassau County, FL	Water and Wastewater Rate Study	2009
Ranger Drainage District, Orange County, FL	Stormwater Maintenance Cost Apportionment and Assessment Study	2009
Mad Hatter Utilities	Utility Divestment Valuation Analysis	2009
City of LaBelle	Update of Water and Wastewater Loan/Grant Support Analysis	2009
St. Johns River Water Management District	Presentation re. Alternative Water Supply Impacts on Local Utilities	2009
City of Fort Myers	Stormwater Assessment Program Development	2008
City of Fort Lauderdale	Water and Wastewater Rate and Impact Fee Study	2008
City of Fernandina Beach	Water and Wastewater Rate and Impact Fee Study	2008
City of St. Cloud	Water and Sewer Rate Design	2008
City of St. Cloud	Water and Sewer Revenue Sufficiency Analysis & Impact Fee Study	2008
City of Lake Worth	Water and Wastewater Rate and Impact Fee Study	2008
City of Polk City	Water and Wastewater Revenue Sufficiency Analysis Update	2008
City of Deltona	Water, Wastewater & Reclaimed Water Rate Study	2008
City of Coconut Creek	Water and Wastewater Rate and Impact Fee Study	2008
Town of Davie	Municipal Services Impact Fee Study	2008
Citrus County	Water and Wastewater Regulatory Consultants	2008
Peace River Manasota Reg. Water Supply Authority	Development of Long Term Financial Management Plan and Rates	2008
Sun n' Lake of Sebring Improvement District	Maintenance Assessment Study	2008
Marion County, Florida	Utility Acquisition Analysis	2008
Marion County, Florida	Water and Wastewater Revenue Sufficiency Analysis Update	2008
Marion County, Florida	Alternative Water Supply Financial Feasibility Study	2008
City of Clearwater	Water and Wastewater Revenue Sufficiency Analysis Update	2008
City of Clearwater	Stormwater Revenue Sufficiency Analysis Update	2008
City of Fort Myers	Water and Wastewater Revenue Sufficiency Analysis Update	2008
City of Fort Myers	Sanitation Revenue Sufficiency Analysis Update	2008
Town of Indian Rocks beach	Wastewater and Solid Waste Rate Study	2008
Town of Indian Rocks beach	Wastewater System Divestment/Valuation Analysis	2008
Okealoosa County, Florida	Water and Wastewater Revenue Sufficiency Analysis Update	2008
Brevard County	Fire Assessment Study	2008
Town of Lady Lake	Parks & Recreation and Library Impact Fee Study	2008
City of St. Petersburg	Water and Wastewater Cost of Service and Rate Study Update	2008
City of Sarasota	Water and Wastewater Revenue Sufficiency Analysis Update	2008
City of Sarasota	Water and Wastewater Revenue Bond Parity Certificate	2008
City of Punta Gorda	Water and Wastewater Rate Study Update	2008
City of Lynn Haven	Sanitation Rate Study	2008
City of Cape Coral	Water and Wastewater Revenue Sufficiency Analysis Update	2008
Volusia County	Water and Wastewater Rate Consulting Services	2008
Orange Water & Sewer Authority (OWASA), NC	Water and Wastewater Revenue Sufficiency Analysis Update	2008
City of Tarpon Springs	Municipal Services Impact Fee Study	2008
City of Tarpon Springs	Fiscal Impact Model Development	2008
Marion County, Florida	Ambulance Service Cost Allocation Study	2008
City of St. Cloud	Water and Wastewater Revenue Sufficiency Analysis and Impact Fee Update	2008
Regency Utilities	Regulatory Consulting Assistance	2008
City of Crystal River	Stormwater Utility Financial Feasibility and Rate Study	2008
Orange County, FL	Non-Residential Water Conservation Rate Design Study	2008
Orange County, FL	Water and Wastewater Impact Fee Study	2008
City of Polk City	Water and Wastewater Revenue Sufficiency Analysis Update	2008
City of Neptune Beach	Water and Wastewater Rate Design Study	2008
City of Neptune Beach	Water and Wastewater Revenue Sufficiency Analysis	2007
Marion County, Florida	Water and Wastewater Cost of Service and Rate Study	2007
Marion County, Florida	Water and Wastewater Impact Fee Study	2007
Marion County, Florida	Northwest Service Area Utility Divestment Analysis	2007
Town of Beverly Beach	Water and Wastewater Revenue Sufficiency Analysis	2007
Orange County, Florida	Water and Wastewater Rate Design Study	2007

BURTON & ASSOCIATES

Selected Recent Clients & Projects By Year

Client	Project Description	Year Begun
City of Tarpon Springs	Water and Wastewater Revenue Sufficiency Analysis Update	2007
Orange Water & Sewer Authority (OWASA), NC	Conservation Rate - Revenue Recovery Surcharge Analysis	2007
City of Opa-Locka	Water and Wastewater Cost of Service and Rate Study	2007
Intercoastal Utilities, Inc.	Divestment Analysis	2007
City of St. Petersburg	Water and Wastewater Rate Study	2007
Glynn County, GA	Capital Tap Fee Study	2007
University of North Carolina - Chapel Hill	Reuse Feasibility Study Update	2007
Virgin Islands Waste Management Authority	PSC Rate Application Assistance	2007
City of LaBelle	Water and Wastewater Revenue Sufficiency Analysis and Loan Support	2007
City of Dunedin	Stormwater Revenue Sufficiency Analysis and Financial Reconciliation	2007
City of Dunedin	Water and Wastewater Revenue Sufficiency Analysis and Bond Report	2007
Sun 'N Lake of Sebring	Maintenance Assessment Rate Study	2007
City of Mount Dora	Water and Wastewater Rate & Impact Fee Study	2007
City of New Port Richey	Water and Wastewater Impact Fee Study	2007
City of New Port Richey	Treated Water Rate Analysis	2007
Okaloosa County, Florida	Reclaimed Water Rate Study	2007
City of Sarasota	Bulk Reclaimed Water Rate Analysis	2007
City of Sarasota	Water and Wastewater Rate Design Study	2007
City of Sarasota	Financial Forecast in Support of Water and Sewer Revenue Bonds	2007
City of Lynn Haven	Fire Services Assessment/Fee Study	2007
City of Fort Myers	Comprehensive Water and Wastewater Cost of Service and Rate Study	2007
City of Fort Myers	Sanitation Revenue Sufficiency Analysis Update	2007
City of Clearwater	Solid Waste Rate Study	2007
City of Clearwater	Water and Wastewater Revenue Sufficiency Update	2007
City of Clearwater	Stormwater Revenue Sufficiency Update	2007
Volusia County, Florida	Solid Waste Revenue Sufficiency Analysis Update	2007
Volusia County, Florida	Transportation Trust Fund Financial Plan Development	2007
Nassau County, Florida	Water and Wastewater Rate Study Update	2007
Nassau County, Florida	Solid Waste Disposal Funding Program Development (Assessments)	2007
City of Lake City	Stormwater Rate Study to Establish a Stormwater Utility	2007
City of Lake City	Ordinance to Establish Stormwater Utility and Rate Study	2007
Town of Lauderdale-by-the-Sea	Fire Assessment Program	2007
Ranger Drainage District	Stormwater Capital Cost Apportionment and Assessment Study	2007
Regency Utilities	PSC Certificate Application Assistance	2007
Regency Utilities	Fire Protection Rate Analysis	2007
City of Coral Springs	Water and Wastewater and General Government Impact Fee Study	2007
City of Coral Springs	Water and Wastewater Rate Study	2007
City of Crystal River	Water and Wastewater Rate Study	2007
City of Dunnellon	Water and Wastewater Rate Study	2007
City of Cape Coral	Irrigation Rate Study	2007
Peace River Manasota Reg. Water Supply Authority	Water Rate Study	2007
City of Tarpon Springs	Water and Wastewater Impact Fee Study	2006
City of Sarasota	Utility Rate Study	2006
City of Polk City	Water and Sewer Rate and Impact Fee study	2006
deLaparte Law Firm/Charlotte County, Florida	Economic Impact Assessment of Phosphate Mining Operation	2006
Lindrick Service Corporation	Utility Divestment/Valuation Analysis	2006
Peoples Water System	Utility Divestment/Valuation Analysis	2006
Okaloosa County, Florida	Reclaimed Water Rate Study	2006
Strategic Energy	Ongoing Economic and Financial Analysis Support	2006
Auburn Water System	Water Rate Study	2006
City of Palmetto	Stormwater Rate Study	2006
Volusia County	Solid Waste Diversion and Revenue Sufficiency Analysis	2006
City of St. Cloud	Parks & Recreation and Public Safety Impact Fee Study	2006
City of St. Petersburg	Water and Sewer Rate Study and Wholesale Rate Update	2006
City of Palmetto	TIF Revenue Projections	2006
City of Fort Myers	Reclaimed Water Rate Study Update	2006
St. Johns River Water Management District	Interjurisdictional Rate Plan for the Water Authority of Volusia	2006
St. Johns River Water Management District	Demonstration and Definition of Water Conserving Rate Structure	2006
City of Clearwater	Sanitation Rate Study	2006
City of Fort Myers	Water and Wastewater Rate Study Update	2006
City of Fort Myers	Sanitation Rate Study Update	2006
City of Fort Myers	Parks & Recreation Impact Fee Study	2006
City of Fort Myers	Sanitation Services Funding Program	2006
Nassau County, Florida	Utility Revenue Sufficiency Update	2006
City of Clearwater	Water and Wastewater Rate & Impact Fee Study	2006
City of Dunedin	Alternative Water Supply Financial Feasibility Study	2006
City of Punta Gorda	Prepared a Bond Feasibility Report in Support of Rev. Bond Financing	2006
City of Fort Myers		

1.10 REQUIRED FORMS

Documentation of Burton & Associates' status as a Florida Corporation is presented on the following page. RFP Forms A and B are presented on the pages thereafter.

State of Florida

Department of State

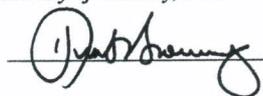
I certify from the records of this office that BURTON & ASSOCIATES, INC. is a corporation organized under the laws of the State of Florida, filed on March 13, 1995.

The document number of this corporation is P95000020795.

I further certify that said corporation has paid all fees due this office through December 31, 2010, that its most recent annual report was filed on January 15, 2010, and its status is active.

I further certify that said corporation has not filed Articles of Dissolution.

*Given under my hand and the Great Seal of
Florida, at Tallahassee, the Capital, this the
Sixteenth day of January, 2010*



Secretary of State



Authentication ID: 900166286219-011610-P95000020795

To authenticate this certificate, visit the following site, enter this ID, and then follow the instructions displayed.
<https://efile.sunbiz.org/certauthver.html>

RFP No. 10-09-01

Project: Wastewater Rate Study

RFP FORM A

RFP No. 10-09-01 Project No. Wastewater Rate Study

Proposer: Burton & Associates

QUALIFICATIONS STATEMENT

THIS FORM MUST BE SIGNED AND SUBMITTED WITH PROPOSAL TO BE DEEMED RESPONSIVE.
The undersigned guarantees the truth and accuracy of all statements and the answers contained herein.

1. State the full and correct name of the partnership, corporation or trade name under which you do business and the address of the place of business. (If a corporation, state the name of the president and secretary. If a partnership, state the names of all partners. If a trade name, state the names of the individuals who do business under the trade name.)

1.1. The correct and full legal name of the Proposer is: Burton & Associates

1.2. The business is a (Sole Proprietorship) (Partnership) **(Corporation)**.

- 1.3. The names of the corporate officers, or partners, or individuals doing business under a trade name, are as follows:

Michael Burton, President

Cynthia Griffin, Vice President

2. Please describe the primary work your company does.
Utility Rates, Assessments and Financial Planning for Local Governments
3. The address of the principal place of business is:
200 Business Park Circle, Suite 101; St. Augustine, FL 32095
4. Company telephone number, fax number and e-mail addresses:
Ph: (904) 247-0787, Fax: (904) 241-7708; mburton@burtonandassociates.com
5. Number of employees: 8
6. Name of employees to be assigned to this Project:
3 (Principle-in-Charge, Project Director and Consultant)

7. Company Identification numbers for the Internal Revenue Service:
FEIN: 59-3301950
8. Provide Broward County Occupational License Number, if applicable, and expiration date:
N/A
9. How many years has your organization been in business? Does your organization have a specialty?
22 years – Utility Rates, Assessments and Financial Planning
10. List the last three project of this nature that the firm has completed? Please provide project description, reference and cost of work completed.
Please see Section 1.8 – References for a list of recently completed projects with reference information.
11. Have you ever failed to complete any work awarded to you? If so, where and why?
No.
12. Provide the following information concerning all contracts in progress as of the date of submission of this Proposal for the division or unit of your company that will be doing this work. **Please see list presented on the following page.**

Name of Project	Contract with:	Contract Amount	Estimated Completion Date	% of Completion to Date

(Continue list as necessary)

13. Provide list of any sub-consultants you will engage if awarded the contract.

Sub-Contractor Name	Address	Work to be Performed
N/A		

The foregoing list of sub-consultants may not be amended after award of the contract without the prior written approval of the Town Manager, whose approval shall not be unreasonably withheld.

Name of Project	Contract with:	Contract Amount	Estimated Completion Date	% of Completion to Date
FY2010 Water and Sewer Revenue Sufficiency Analysis	City of Fort Myers	\$ 25,891	10/15/2010	91%
FY2010 Impact Fee Waiver Analysis	City of Fort Myers	\$ 19,995	11/15/2010	87%
City of Sarasota - FY2010 Water and Wastewater Rate Design Analysis	PBS&J	\$ 40,713	10/15/2010	95%
City of St. Petersburg - FY 2011 Water Resources Rate Study	McKim & Creed	\$ 41,669	11/30/2010	82%
City of Zephyrhills - FY2010 Utility Rate Study	McKim & Creed	\$ 24,750	12/31/2010	24%
FY2010 Revenue Sufficiency and Rate Analysis Update	Peace River Manasota Water Supply Authority	\$ 50,000	10/30/2010	96%
City of LaBelle - Grant and Loan Application Assistance	Applied Technology and Management	\$ -	Work On Request	n/a
FY2010 Water and Wastewater Revenue Sufficiency Analysis Update	Marion County	\$ 22,396	11/30/2010	77%
FY2010 Stormwater Rate Study	City of Fort Lauderdale	\$ 65,775	12/31/2010	33%
Water and Sewer Revenue Sufficiency Analysis	Town of Orange Park	\$ 23,453	10/15/2010	61%
Utility Water & Sewer Rate Study	City of Tamarac	\$ 38,618	12/31/2010	48%
FY2010 RSA Follow-Up and FY2010 RSA Update	Okaloosa County	\$ 20,871	12/31/2010	70%
Fire Assessment Study	City of Coconut Creek	\$ 18,818	10/15/2010	31%
FY2010 Water & Wastewater Revenue Sufficiency Study	City of Neptune Beach	\$ 17,801	10/30/2010	82%
Comprehensive Fiscal Impact Analysis	City of Tarpon Springs	\$ 137,445	1/31/2011	57%
FY09 Water and Wastewater RSA Update	City of Tarpon Springs	\$ 23,868	12/31/2010	60%
FY10 Water and Wastewater RSA Update	City of Tarpon Springs	\$ 12,184	12/31/2010	73%
FY2010 Stormwater Revenue Sufficiency Analysis - Limited Update	City of Dunedin	\$ 9,655	10/15/2010	95%
FY2010 Water, Sewer & Irrigation Revenue Sufficiency Analysis - Additional Services	City of Cape Coral	\$ -	Work On Request	n/a
FY2010 Water and Wastewater Revenue Sufficiency Analysis	City of Lynn Haven	\$ 15,975	12/31/2010	55%
FY2010 Water, Sewer, Reclaimed Water Rate & Customer Demand	City of Clearwater	\$ 28,962	11/30/2010	89%
FY2010 Cooperative Funding Assistance for RO #2	City of Clearwater	\$ 5,000	12/31/2010	33%
FY2011 Solid Waste RSA - Major	City of Clearwater	\$ 30,033	1/31/2011	3%
FY2011 Recycling RSA - Major	City of Clearwater	\$ 30,033	1/31/2011	3%
FY2010 Water and Wastewater Revenue Sufficiency Analysis	Seminole County	\$ 24,024	12/31/2010	87%
FY2010 Utilities Water & Sewer Rate & Impact Fee Study	City of Port St. Joe	\$ 25,086	10/15/2010	94%
Comprehensive Water & Wastewater Utility Cost of Service Fee/Rates	Front Royal, VA	\$ 41,841	12/31/2010	67%

RFP Form B

RFP No. 10-09-01 Project No. Wastewater Rate Study

Proposer: Burton & Associates

REFERENCE FORM

THIS FORM MUST BE SUBMITTED WITH PROPOSAL TO BE DEEMED RESPONSIVE. The Proposer guarantees the truth and accuracy of all statements and the answers contained herein.

Give names, addresses and telephone numbers of four individuals, corporations, agencies, or institutions for which you have performed work similar to what is proposed in this RFP:

1. Name of Contact Ms. Julie Leonard
Title of Contact Assistant Utilities Services Director, City of Fort Lauderdale
Telephone Number: (954) 828-7802 Fax Number (954) 828-7897

2. Name of Contact Ms. Karen Brooks
Title of Contact Finance Director, City of Coconut Creek
Telephone Number: (954) 973-6730 Fax Number (954) 973-6754

3. Name of Contact Ms. Becky Matvey
Title of Contact Utility Director, City of Lake Worth
Telephone Number: (561) 586-1670 Fax Number (561) 586-1702

4. Name of Contact Mr. Raymond Gagnon
Title of Contact Director of Utilities, City of Tamarac
Telephone Number: (954) 597-3750 Fax Number (954)597-3760

Section 2

2. EXPERIENCE

As evidenced in the previous section, we have performed well over 500 rate studies for local government utilities over the past 22 years. Burton & Associates specializes in sewer, water, and reclaimed water rate development and financial planning and we also provide similar services for stormwater, solid waste and recycling. Our experience includes development of water and sewer rates, impact fees, revenue projections, financial feasibility analyses, system and property valuation analyses, funding assistance and fully allocated cost of service and charge analysis. References are listed in Section 1.8 – References, which begins on page 12.

Section 3

3. APPROACH

This section includes a description of Burton & Associates understanding of the City's expectations for the project, our project methodology, and our proposed approach to this project, including an introduction to our "live, interactive process."

3.1 SCOPE OF SERVICES

It is our understanding that the scope of services required by the Town includes:

1. Provide recommendations to redesign the Town's wastewater rates and charges based on cost of services principles.
2. In designing the rate increase recommendations, project the annual operating costs of the system, as well as the impact of water conservation trends on future revenues for the next three years.
3. Calculate the increase in monthly costs for a sample of users, i.e.:
 - a. For a single family home that uses 1-5,000 gallons of water per month
 - b. For a single family home that uses 5,001-10,000 gallons per month
 - c. For several different categories of multi-family buildings and specifically the four Sea Ranch Condominium buildings.
 - d. For a sample of commercial buildings.
4. Develop a strategy for negotiating with Pompano Beach to bring the Sea Ranch Condos under the Town's Master Sewer agreement.
5. Meet with Town staff to explain and review a draft of the recommendations.
6. Present the rate recommendations at a public meeting of the Town Commission and a subsequent public hearing on the rate increases.
7. Evaluate the upcoming (expected in December) rate adjustments from Pompano Beach on the master sewer agreement for compliance with the terms of that agreement.

3.2 OUR LIVE INTERACTIVE DECISION SUPPORT PROCESS

Our live interactive decision support process sets us apart. This section provides an introduction to the process and the components to the process are described in more detail in the Appendix. Our Approach to the requirements of your RFP is presented in the following section.

Introduction to the Process - Utility managers have been facing increasingly complex and difficult decision challenges over the past fifteen years due to

Our cost allocation and rate design processes include determination of the most appropriate cost allocation method and rate design based upon system configuration, usage/other characteristics of customer classes and local goals and objectives.

increasing regulation, escalating costs, increasing pressures upon scarce resources and resistance from the public to increases in price.

Our Unique Experience and Process - Burton & Associates has developed an empowering decision support process that assists utility managers in determining their decision alternatives and the financial consequences of those alternatives over a five and ten year planning horizon. We have developed a very powerful analytical tool, our Financial Analysis and Management System (FAMS©) model, that we use in that decision support process.

Financial Forecasting and Planning - The financial forecasting module of FAMS© allows us to precisely simulate the financial dynamics of our utility clients over a ten year planning period, providing a clear vision as to the short and long term consequences of decision alternatives.

Cost Allocation and Rate Design - The cost allocation and rate design modules of FAMS© are used to evaluate alternative cost allocation methods and rate designs in order to develop rates and charges that are “best fits” for our clients’ system configurations with consideration for market pressures and political realities.

Interactive Decision Support Work Shops - We accomplish this through a “live interactive decision support process” in which we conduct a series of interactive work sessions with our clients’ staff. During these work sessions, we use our FAMS© model while it is “up and running” to explore decision alternatives and the short and long term financial and customer impact consequences of each.

Comparative Alternatives Analysis - We use a powerful graphical interface to compare key financial and customer impact parameters of alternatives, using a unique technique to freeze the results of a target scenario against which to compare the results of an alternative scenario. In this way we can instantaneously and clearly see the combined net impacts of several alternative assumptions, or “what if” scenarios, evaluated simultaneously and in the better part of a morning or afternoon we can work with our clients towards solutions.

Consensus and Confidence - The openness and clarity of our process builds consensus and confidence in the results among our clients’ staff and governing boards. The truly differentiating aspects of our live interactive decision support process are that we can:

- SIMULATE ALL ASPECTS OF THE FINANCIAL DYNAMICS OF YOUR UTILITY
- INTEGRATE THE FINANCIAL AND CAPITAL PLANNING PROCESSES
- TEST ALTERNATIVE AND FUTURE CAPITAL PLANS

Our live interactive decision support process integrates the multi-year financial forecast with the capital planning process to identify not only funding sources for capital projects, but also the implication upon rates.

- **PROVIDE INSTANTANEOUS FEEDBACK AS TO THE CONSEQUENCES OF ALTERNATIVE SCENARIOS**
- **MONITOR KEY FINANCIAL INDICATORS GRAPHICALLY ON A "CONTROL PANEL"**
- **CONDUCT ALTERNATIVE SCENARIO ANALYSES IN "INTERACTIVE SESSIONS" WITH YOUR STAFF**

3.3 OUR APPROACH TO ADDRESSING THE REQUIREMENTS OF YOUR RFP

We have developed a detailed task plan to accomplish this project, the primary tasks and sub-tasks of which are presented in the Chart in Section 4 - Compensation. There are two primary work elements to our approach which are described below:

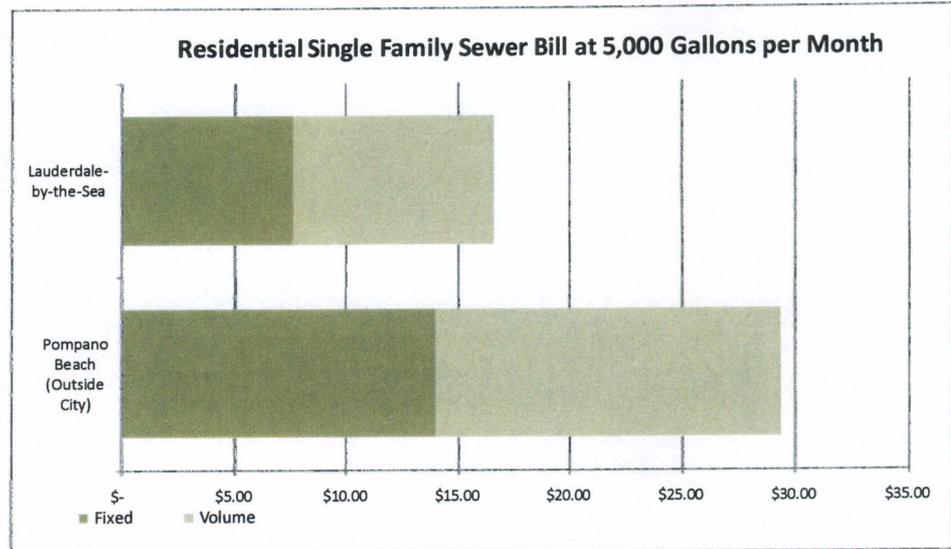
WORK ELEMENT I – During this work element we will develop a long term (ten-year) Financial Master Plan for your utility using our proprietary Financial Analysis and Management System (FAMS©) and our associated interactive decision support process. This Financial Master Plan will identify alternative multi-year plans of rate increases to fund the projected requirements of your utility and to provide for adequate operating reserves and sufficient debt service coverage for any outstanding or projected debt.

The Financial Master Plan will be integrated with the utility's capital improvement program and will be easily updatable as more specific sewer system relining and/or replacement projects are identified. However, even before firm costs are known for the above referenced relining and replacement projects, estimated ranges can be evaluated during this study in order to understand the magnitude of revenue adjustments that may need to be addressed during the forecast period.

This will allow for implementation of annual rate adjustments that will provide funding for the anticipated projects in advance of the engineering studies that will define the costs more precisely. The advantage of this approach is that it may avoid a potential rate spike that may be necessary if an annual plan of rate adjustments is not implemented as soon as possible to address the order of magnitude of the upcoming needs.

WORK ELEMENT II – During this work element we will perform a detailed cost allocation and rate design, including evaluation of monthly base charges, usage rates (including inclining block rate as appropriate) and evaluation of miscellaneous charges.

Challenges - The Town is facing an unusual circumstance with the disparity of rates in the north portion of the Town (served as outside city retail customers of Pompano Beach) compared to the south portion of the Town (served as retail customers of the Town) as can be seen in the graph below of the monthly sewer bill for a residential single family customer using 5,000 gallons per month.



Therefore, accomplishment of this work element will require development of a strategy and plan to achieve parity between rates charged by Pompano Beach to residents in the north portion of the Town and rates charged to residents by the Town in the areas where the Town owns the sewer system, while understanding the impact upon customers in all classes and usage profiles.

Also, the rate design will need to be accomplished within the constraints of the service delivery configuration where the sewer systems in the north portion of the Town are owned and served by Pompano Beach with the application of a 25% outside city surcharge to those customers, who are citizens of the Town. Another complicating factor is the need to negotiate with Pompano Beach to bring the Sea Ranch Condominiums under the Town’s Master Sewer Agreement with the City.

Solution Options - There are several options as to strategies to approach these challenges. One strategy, the implementation of which is outside of the scope of this study, would be to explore the possibility of acquiring the sewer system assets in the north portion of the Town from Pompano Beach and include sewer service to those customers under the Master Sewer Agreement with the City. This may be problematic, however, because the loss of the outside city surcharge would put additional pressure on the City’s retail rates to its citizens. This could potentially be accounted for in the negotiated acquisition price (or in

the renegotiated Master Sanitary Sewer Agreement), but negotiation of such a transaction may be complicated and may not be possible, depending upon the objectives of the City of Pompano Beach.

Another possible strategy, the implementation of which is also outside of the scope of this study, would be to attempt to negotiate an agreement with Pompano Beach to lower the retail rates charged to its direct retail customers in the north portion of the Town and to raise the wholesale rates (revenue neutral to Pompano Beach) that affect the Town's retail rates to its customers in the south portion of the Town. This option, if structured properly should be revenue neutral to Pompano Beach, would result in lower retail rates to the Town's citizens in the north portion of the Town and would provide the basis for raising the rates in the south portion of the Town to achieve parity with the rates in the north portion of the Town. However, there are cost of service issues relative to this option that would need to be evaluated.

Other options may be identified as we progress with the study, but in order to achieve parity of sewer cost throughout the Town, without some reduction in the sewer cost to customers in the north portion of the Town (retail customers of Pompano Beach) increases in sewer costs to customers in the south portion of the Town (retail customers of the Town) will be the only way to achieve more parity throughout the Town. Adjustments to the Town's rate structure may also contribute to this parity objective and that will be evaluated during the study.

FAMS© AND OUR INTERACTIVE DECISION SUPPORT PROCESS - To accomplish the objectives of both work elements as described above, we will use our FAMS© modeling process, which will simulate the financial dynamics of your utility enterprise fund and will be modified as necessary to precisely model the flow of funds and other aspects of your utility's financial systems. We are currently using FAMS© in many governmental utilities, a number of which are in Broward County, to develop Financial Master Plans integrated with the capital planning process and to develop specific rates and charges in accordance with generally accepted rate making principals.

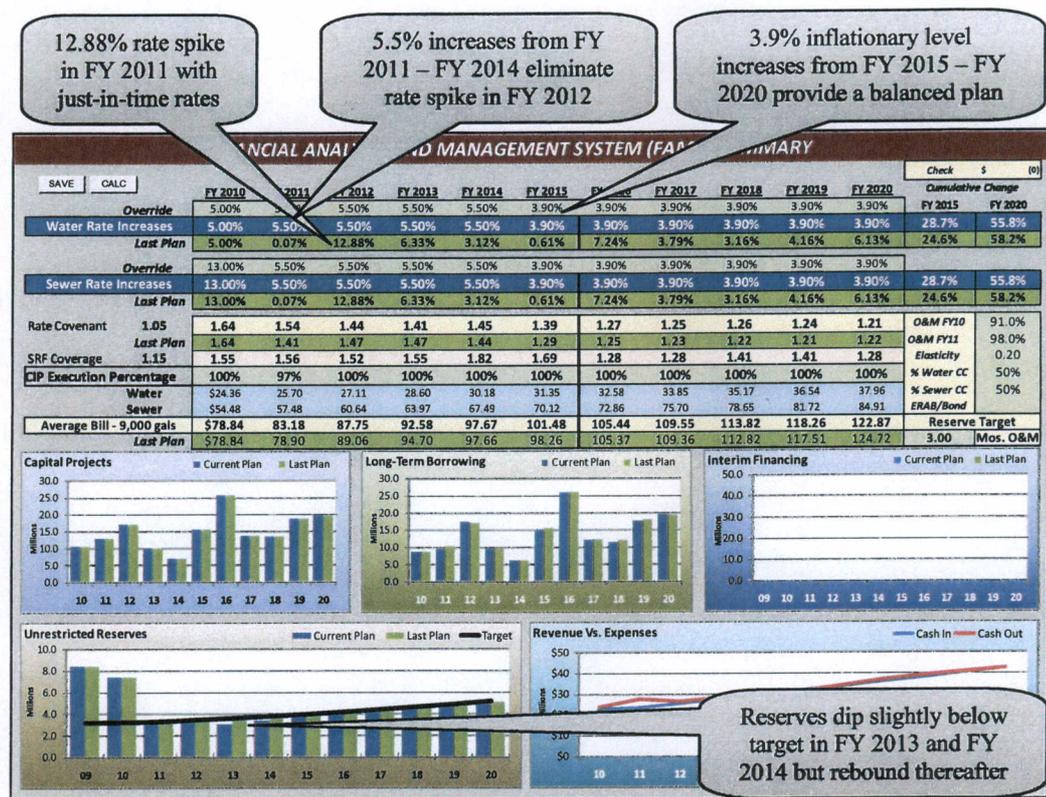
Using FAMS©, we have developed a truly revolutionary interactive decision support process. During this process in Work Element I we will develop alternative five and ten-year Financial Master Plan scenarios for your utility that will truly integrate the capital and financial planning processes. The truly differentiating aspects of our interactive, automated process are that:

1. FAMS© will be adjusted as required to simulate all aspects of the specific financial dynamics of your utility over the forecast period.

2. FAMS© will allow us to truly integrate the financial and capital planning processes in a dynamic interactive decision support process which will allow testing of alternative capital plans, alternative financing solutions and other variables with instantaneous feedback as to their implications upon the financial plan for your utility and the rates of your utility customers.
3. During the project we will conduct several “interactive work sessions” with key Town staff where FAMS© will be used to present key financial performance indicators graphically on a “control panel” which will allow you to visually see the implications upon key financial indicators of alternative scenarios.
4. We will conduct alternative scenario analyses in these interactive sessions with you, so that in the better part of a morning or afternoon we can all explore and receive immediate feedback regarding numerous “what if” scenarios, such as alternative capital improvement programs, alternative financing solutions, lower or higher levels of working capital reserves, alternative funding sources for capital projects, etc.
5. During Work Element II we will use the cost allocation and rate design modules of FAMS© to properly allocate costs and to explore alternative rate designs, including inclining block conservation rates as appropriate. We will also explore alternatives to achieve parity between rates charged by Pompano Beach to residents in the north portion of the Town and rates charged to residents by the Town in the areas where the Town owns the sewer system, while understanding and presenting the impact upon customers in all classes and usage profiles.
6. These alternatives will be reviewed in interactive work sessions and will include evaluation of the impact upon customers by class and meter size and across the continuum of usage characteristic of each class and meter size. We will also conduct a survey of the rates of other similar utilities and present a comparative analysis of the Town’s current rates and alternative rates evaluated.

An example of a control panel of FAMS© used in the interactive work sessions is presented on the following page. The green bars and panels represent the “last” scenario evaluated, which was “just-in-time” rates, which would result in this example in a 12.88% rate spike in FY 2012. The blue bars and panels represent the “active” scenario, which includes equal 5.5% increases from FY 2011 – FY 2014 with inflationary level increases thereafter, which mitigate the rate spike in FY 2012. The graph shows through key financial performance indicators that the financial consequences of the earlier smaller rate increases

are acceptable and the customer impact of such a "level" plan of rate increases is often more acceptable.



The alternative analysis demonstrated in the above example would take about two minutes to accomplish during an interactive work session. We can run numerous alternative scenarios during these interactive sessions and your staff can see graphically the implications, to key financial and customer impact indicators, of changes to variables in the rate making process such as timing and amount of capital projects funded in the capital improvements program (CIP), various levels of renewal and replacement expenditures, adjusting spend-down limits on reserve funds, rate structure changes, alternatives for leveling rate increases over multiple years, growth rates, cost escalation factors and numerous other variables.

These interactive sessions provide the basis for you to make informed decisions relating to the rate making process by allowing you to see and understand, first hand, the full range of the financial dynamics of your water, wastewater and reclaimed water utilities.

These sessions have proven to be enlightening, time saving and cost effective. We encourage you to contact our references presented herein and ask them

about our process and approach to rate program design and our understanding of the rate making process.

OUR FAMS© MODEL LINKS THE MULTI-YEAR FINANCIAL FORECAST, COST ALLOCATION, RATE DESIGN AND SYSTEM CAPACITY CHARGE CALCULATIONS TOGETHER SO THAT THE IMPLICATIONS OF CHANGES IN ONE AREA ARE IMMEDIATELY REFLECTED THROUGHOUT ALL RATE CALCULATIONS.

THIS TOTAL INTEGRATION OF ALL RATE CALCULATIONS ENSURES THAT TOTAL SYSTEM COSTS ARE RECOVERED AND THERE IS NO DOUBLE RECOVERY OF COSTS.

3.4 DETAILED PROJECT WORK PLAN

Successful completion of the Wastewater Rate Study requested in your RFP will require a comprehensive and integrated approach to the design of a rate program and financial plan that meets the Town's needs and development of rates in accordance with that rate program in a multi-year analysis that integrates all components of the rate requirements. We have developed a comprehensive project work plan for the sewer rate study which is presented in the Chart in Section 4 - Compensation. If selected, we will meet with Town staff to review and refine this work plan as necessary to ensure that all of the Town's specific requirements are addressed.

Section 4

4. COMPENSATION

This section presents a complete pricing proposal delineating hourly rates, estimated hours and a not-to-exceed figure, including estimated travel expenses for on-site meetings. RFP Form C is presented at the end of this section.

4.1 PROJECT SCOPE AND PRICING OPTIONS

Based upon the proposed project approach presented in Section 4.4, we have prepared a Project Work Plan and Cost Estimate Schedule (Schedule) which is presented on the third following page and which includes a detailed project task plan. The task plan included on the Schedule includes all tasks required to complete the rate study in accordance with your RFP.

The above referenced Schedule shows that successful completion of the project will require approximately 142 man-hours for an estimated fee of \$20,931, plus estimated out-of-pocket expenses of \$1,256 for a total estimated project cost of \$22,187. However, in recognition of the economic stress that local government is under today and our willingness to be a partner in sharing in that, we are offering a discount of 10% or \$2,219, which reduces the total project cost to \$19,968. Therefore, we are prepared to complete the study as proposed herein for a lump sum cost of **\$19,968**.

4.2 NEGOTIABLE PRICE & SCOPE

We suggest that prior to finalizing a contract, we meet with Town staff to review the desired scope of services compared to our proposed scope of work to ensure that we all have the same understanding as to what will be accomplished during the Study. At that time any adjustments can be made and our proposed not-to-exceed fee can be adjusted accordingly based upon adjustment to the tasks and estimated man-hours needed.

4.3 RFP FORM C

RFP Form C is presented on the page following the work plan and cost estimate schedule.

We are offering discounted pricing in recognition of our willingness to be a partner in dealing with the economic stress that local government is under today.

RFP Form C

RFP No. 10-09-01 Project No. Wastewater Rate Study

Proposer: Burton & Associates

PRICE PROPOSAL FORM

THIS FORM MUST BE SIGNED AND SUBMITTED WITH PROPOSAL TO BE DEEMED RESPONSIVE.
 The undersigned guarantees the truth and accuracy of all statements and the answers contained herein.

Name of Proposer: Burton & Associates

Name of authorized representative of proposer: Michael Burton

Project Cost

Deliverables	Professional Services Fee	Reimbursements
1. Financial Master Plan	\$7,774	\$466
2. Final Report, presentation to Town Council and Attendance at rate hearing	\$10,193	\$611
3. Technical memo re evaluation of Pompano Beach rate adjustments for compliance with terms of the Master Agreement	\$872	\$52
	\$	\$
Insert rows as necessary.	\$	\$
Reimbursements not related to a specific Deliverable		\$
Total	\$18,839	\$1,129
Total Project Cost: <u>\$19,968</u>		

Instructions: Show the project cost for each deliverable your firm will provide per the requested scope of work. Include the fees associated with each proposed deliverable.

Fees should be detailed to the extent possible per deliverable, with estimated out-of-pocket expenses separate from the proposed fees for professional services.

The Total Project Cost SHALL include all fees and reimbursements for out of pocket costs. The Town will not reimburse for any costs not actually incurred and paid for by the Proposer and included in its proposal. Reasonable proof thereof will be required.

Please ensure your DELIVERABLES include the cost of:

1. Meetings with Town staff on a minimum of two occasions to discuss drafts of the final report.
2. A written report outlining all findings and recommendations, with an Executive Summary of the most important issues or issues that the Commission must act upon to implement.
3. Attending two Town Commission / public meetings to present the report and discuss the findings of the report.

Payments will be made on each deliverable upon receipt and acceptance by the City.

Additional Services

The Town may have the need for additional services to implement some of the recommendations of this RFP, additional services that might be requested within the scope of this contract or separate requirements over the next 2 years.

If the Proposer is interested in additional work, please provide the hourly rate and staff positions available.

Additional Work	
<u>Title:</u>	<u>Hourly Rate</u>
Principle-in-Charge	\$205
Project Director	\$185
Consultant	\$115
Clerical	\$40
Add rows as necessary	

By: 
Name: Michael Burton
Title: President



Lauderdale-by-the-Sea
WASTEWATER RATE ANALYSIS
PROJECT WORK PLAN

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS				Total Project	Town Responsibility
	Project Director	Project Manager	Project Consultant	Clerical		
	Rates ----> \$205	\$185	\$115	\$40		
Work Element I						
Task 1 Initiate the Project						
a. Conduct kick-off meeting	1	1	1	0	3	Meeting
b. Review background material	0.5	1	2	0	3.5	Provide docs
Task 2 Revenue Sufficiency Analysis - Develop a Ten Year Financial Forecast and Financial Master Plan:						
a. Prepare wastewater customer and demand analysis to determine projected growth, trends in usage patterns and total projected system usage.	0	1	4	0	5	Provide data
b. Obtain, verify and input financial and billing data into Burton & Associates proprietary FAMS XL © model, run the model and produce preliminary output, including a ten year financial management program that will include the following:	0	4	16	0	20	Provide data
1. Capital Improvements Program						
- Project listing by year						
- Optimum funding source by project by year						
2. Borrowing Program						
- Borrowing required (by source) to fund CIP projects not funded by other sources to include but not necessarily be limited to revenue bonds and State or other programs.						
- Timing of bond issue(s)/loan(s) to provide required borrowed funds						
- Annual debt service of bond issue(s)/loan(s)						
3. Revenue Sufficiency Analysis						
- Annual revenue projections						
- Annual operations and maintenance expense projections						
- All other annual revenue requirements such as R&R, minor capital, transfers to other funds, current debt service/loan payments, replenishment of reserves, etc.						
- Annual rate plan to provide sufficient revenues and to migrate towards parity as much as possible with the monthly sewer cost of citizens in the north portion of the Town served by Pompano Beach.						
4. Sources and Uses of Funds Analysis						
5. Funds Analysis						
- Spend down limits (minimum reserve requirements) by fund						
- Beginning and ending funds balances by fund by year						
c. Make adjustments to FAMS© as required to model the utility's specific financial dynamics.	0	1	2	0	3	NA
d. Review results with consulting team, make required adjustments and create alternatives scenarios.	1	2	2	0	5	NA
e. Meet with Town staff in an interactive work session to review preliminary results.	3	3	3	0	9	Meeting
f. Make adjustments as required based upon input from Town staff in the prior sub-task.	0	1	4	0	5	NA
g. Meet with Town staff in a second interactive work session to review adjusted results and determine final plan of annual rate revenue adjustments and the revenue requirements for the test year for rate making.	2	2	2	0	6	Meeting
TOTAL ESTIMATED MAN-HOURS - WORK ELEMENT I	7.5	16	36	0	59.5	
TOTAL ESTIMATED FEE - WORK ELEMENT I	\$1,538	\$2,960	\$4,140	\$0	\$8,638	
TOTAL ESTIMATED EXPENSES - WORK ELEMENT I					\$518	
TOTAL ESTIMATED PROJECT COST - WORK ELEMENT I					\$9,156	

Budget is due to be done last year - this year budget



Lauderdale-by-the-Sea
WASTEWATER RATE ANALYSIS
PROJECT WORK PLAN

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS				Total Project	Town Responsibility
	Project Director	Project Manager	Project Consultant	Clerical		
Rates ----->	\$205	\$185	\$115	\$40		
WORK ELEMENT II						
Task 3 Cost Allocation - Perform a Detailed Cost-of-Service Analysis:						
a. Identify all test year costs associated with the provision of wastewater service.	0	1	2	0	3	Review
b. Allocate costs to service and to functional cost components, customer classes and to retail/wholesale service, as applicable, based upon appropriate allocation criteria.	0	2	4	0	6	NA
c. Review cost allocation worksheet with Town staff.	0	1	1	0	2	Conf Call
d. Prepare final cost allocation worksheet based upon input from Town staff.	1	1	2	0	4	Review
Task 4 Rate Design - Develop Wastewater Rates, Fees and Charges:						
a. Develop user fees:						
1. Perform a diagnostic evaluation of the current rate design and identify adjustments to be considered in the development of rates, to include strategies to 1) achieve parity relative to monthly wastewater costs with citizens in the north portion of the Town served by Pompano Beach, and 2) for negotiating with Pompano Beach to bring the Sea Ranch Condos under the town's Master Sewer Agreement.	2	4	0	0	6	NA
2. Load billing history data into our FAMS© rate model and create a bill frequency analysis.	0	1	2	0	3	NA
3. Conduct a revenue test to ensure accuracy of billing data.	0	1	2	0	3	NA
4. Set up the rate model in conformance with the cost allocation results of Task 3 and the rate design evaluation in 4.a.1.	0	1	2	0	3	NA
5. Run the model and prepare rate structure scenarios.	0	0.5	1	0	1.5	NA
6. Develop specific service fees	0	1	2	0	3	Provide data
7. Review results with consulting team and adjust as required.	0.5	0.5	1.5	0	2.5	NA
8. Meet with Town staff in an interactive work session to review preliminary results.						Meeting
9. Make adjustments as required based upon input from Town staff in the prior sub-task.	1	1	4	0	6	NA
10. Meet with Town staff in a second interactive work session to review adjusted results and determine final alternative rate schedules.	2	2	2	0	6	Meeting
11. Conduct and compile a comparative rate survey	0	0	1	2	3	Review



Lauderdale-by-the-Sea
WASTEWATER RATE ANALYSIS
PROJECT WORK PLAN

BURTON & ASSOCIATES

PROJECT TASKS	ESTIMATED MAN-HOURS				Total Project	Town Responsibility
	Project Director	Project Manager	Project Consultant	Clerical		
Rates ---->	\$205	\$185	\$115	\$40		
Task 5 Final Report - Prepare a Final Report of the Results of the Study						
a. Prepare a Draft Report of the Results of the Study	0.5	2	6	0	8.5	NA
b. Adjust Draft Report based upon input from Town staff.	1	1	1	0	3	Review
c. Present the results of the Study to Town Council.						
1. Prepare a presentation of the results of the Rate Study.	0.5	1	0	0	1.5	NA
2. Review the presentation with Town staff and adjust as required.	0	0.5	0	0	0.5	Review
3. Meet with the Town Council to present the results of the Rate Study.	2	2	0	0	4	Attend
d. Prepare Final Report of the results of the Rate Study	0.5	1	2	1	4.5	NA
e. Attend a public hearing for adoption of the recommended rate adjustments.	0	2	0	0	2	NA
Task 6 Evaluate Pompano Beach Rate Adjustments						
a. Evaluate Pompano Beach Rate adjustments for compliance with the terms of the Master Agreement.	0.5	2	4	0	6.5	NA
TOTAL ESTIMATED MAN-HOURS - WORK ELEMENT II	11.5	28.5	39.5	3	82.5	
TOTAL ESTIMATED FEE - WORK ELEMENT II	\$2,358	\$5,273	\$4,543	\$120	\$12,294	
TOTAL ESTIMATED EXPENSES - WORK ELEMENT II	6.00%				\$738	
TOTAL ESTIMATED PROJECT COST - WORK ELEMENT II					\$13,032	
TOTAL ESTIMATED MAN-HOURS - TOTAL PROJECT	19	44.5	75.5	3	142	
TOTAL ESTIMATED FEE - TOTAL PROJECT	\$3,895	\$8,233	\$8,683	\$120	\$20,931	
TOTAL ESTIMATED EXPENSES - TOTAL PROJECT	6.00%				\$1,256	
TOTAL ESTIMATED PROJECT COST - TOTAL PROJECT					\$22,187	
LESS: DISCOUNT @	10.00%				-\$2,219	
TOTAL ESTIMATED PROJECT COST - TOTAL PROJECT					\$19,968	

SOURCE: BURTON & ASSOCIATES

17555

Section 5

5. WHY BURTON & ASSOCIATES

Burton & Associates has been the premier water, wastewater, stormwater, solid waste and municipal services rate consulting firm in Florida for over 22 years. We have been dealing with bellwether issues in our bellwether state and have developed an incredibly empowering live interactive decision support process and associated modeling system.

When you check the extensive list of references provided herein, you will find that our clients can attest to the vision and empowerment that this process gives them in the financial management of their utility. Our approach truly integrates all aspects of the financial management of a utility from rates to financial management plans that are fully integrated with the capital planning process.

We were the first to develop a truly integrated and interactive modeling approach to the development of **Financial Master Plans** and rates for utilities. Even as others have attempted to replicate the process, our models and interactive approach stand out as the industry leader.

As a specialty firm, we offer you excellence, efficiency and nimbleness in terms of

client service and response that large hierarchal firms cannot by their very nature.

And we offer the national stature, experience and knowledge of our president and founder, Michael Burton, as the Project Principal on our project team. Mike has served for six years on the AWWA Rates and Charges Committee where he co-authored AWWA Manual M54 - Developing Rates for Small Systems, which was published in 2004 and where he currently serves on a sub-committee evaluating affordability as it relates to rate making principals.

Burton & Associates' specialization in water resources rate and financial analysis over the past 22 years has given us the invaluable experience to become expert Utility Rate and

Financial Planning Consultants. We continue to be at the forefront of developing financial planning and rate design solutions for local government utilities.

There is no other firm better suited to assist you in dealing with the utility financial planning and rate design challenges that you are now facing.

"It was a pleasure to work with Burton & Associates on a project to develop two different User Fees. The B&A staff were always professional and very knowledgeable in their areas of competency especially in the development of the customized financial models. Their financial models, in particular, provided great decision-support mechanisms as the project team was able to view the ramifications for many different financial scenarios.

It was extremely beneficial to the project team to be able to see the potential outcomes of numerous, variable situations before the final rate structures were completed. B&A representatives were always willing to answer questions and provide clarifications without condescension. They brought a wealth of past experience that kept the project team "on keel" and focused on the objectives throughout the project timeline."

Nancy Ryan, President, NJR Consulting
Prime Consultant
US Virgin Islands
Environmental User Fee Project

Section 6

6. FORMS

RFP Form D is presented below and on the following page.

RFP FORM D

RFP No. 10-09-01 Project No. Wastewater Rate Study

Proposer: Burton & Associates

PROPOSER'S CERTIFICATION

THIS FORM MUST BE SIGNED AND SUBMITTED WITH PROPOSAL TO BE DEEMED RESPONSIVE.
The undersigned guarantees the truth and accuracy of all statements and the answers contained herein.

I have carefully examined the Request for Proposal referenced above ("RFP") and any other documents accompanying or made a part of this RFP.

I hereby propose to furnish the goods or services specified in the RFP. I agree that my proposal will remain firm for a period of 120 days in order to allow the Town adequate time to evaluate the proposals.

I certify that all information contained in this proposal is truthful to the best of my knowledge and belief. I further certify that I am duly authorized to submit this proposal on behalf of the firm as its act and deed and that the firm is ready, willing and able to perform if awarded the contract.

The firm and/or Proposer hereby authorizes the Town of Lauderdale-by-the-Sea, its staff or consultants, to contact any of the references provided in the proposal and specifically authorizes such references to release, either orally or in writing, any appropriate data with respect to the firm offering this proposal.

I further certify, under oath, that this proposal is made without prior understanding, agreement, connection, discussion, or collusion with any other person, firm or corporation submitting a proposal for the same product or service; no officer, employee or agent of the Town or any other proposer is interested in said proposal; and that the undersigned executed this Proposer's Certification with full knowledge and understanding of the matters therein contained and was duly authorized to do so.

If this proposal is accepted, a contract will be executed as proposed, in a form approved by the Town Attorney.

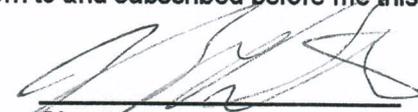
A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crimes may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to public entity, may not be awarded or perform work as a contractor, supplier, sub-contractor, or consultant under a contract with a public entity, and may not transact business with any public entity in excess of the threshold amount provided in Sec. 287.017 Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list. I further certify, under oath, that neither the entity submitting this sworn statement, not to my knowledge, any of its officers, directors, executives, partners, shareholder,

employees, members or agents active in the management of the entity has been convicted of a public entity crime subsequent to July 1, 1989.

Burton & Associates State of Florida
Name of Business County of St. Johns

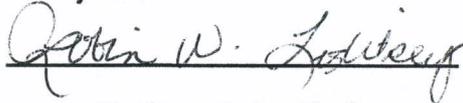
Sworn to and subscribed before me this 1st day of October, 2010.

By:

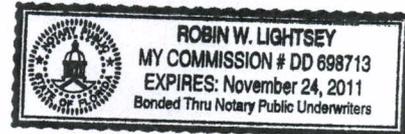

Signature

Michael Burton, President
Print Name and Title
200 Business Park Circle, Suite 101
St. Augustine FL 32095
Mailing Address

Notary Public



My Commission Expires:



Appendix

APPENDIX

A.1 COMPONENTS OF THE INTERACTIVE DECISION SUPPORT PROCESS

Our interactive decision support process is a fully integrated process in that the financial dynamics of all aspects of your utility operation are simulated in our FAMS© model and all components are linked. The components of the modeling and decision support process are described below.

A.1.1 REVENUE SUFFICIENCY & LONG TERM FINANCIAL PLAN

In order to ensure that the rates and charges are developed in the context of an overall long term financial management plan for the utility, our typical rate study includes 1) an analysis of the sufficiency of system revenues to fund the projected system requirements over a ten year projection period, including the CIP, and 2) the development of a long term financial management plan for the utility for the projection period.

Inputs to the process include assumptions relative to growth in customers, changes in water usage patterns, alternative CIPs, cost escalators for operating expenses and capital costs, etc.

During these work sessions, the modeling results are displayed on a control panel of the model on a large viewing screen. Changes can be made to input variables and the results can be seen instantaneously. During the better part of a morning or afternoon we can work with your staff towards solutions, with the by-product being general consensus of key staff members as to the viable decision alternatives available to you and the probable consequences of those decisions in terms of the following parameters over a ten year planning period.

Outputs of this process include, but are not necessarily limited to the following:

Capital Improvements Program

- Project listing by year
-
- Optimum funding source by project by year
- Flexibility regarding phasing, timing and execution of projects

Borrowing Program

- Amount of borrowing required (by source) to fund CIP projects not funded by other sources to include but not

In our interactive work sessions we can:

- Quickly evaluate alternative CIPs
- Evaluate alternative timing and/or phasing of projects "on-the-fly"
- Provide real-time, immediate feedback of the consequences.

necessarily be limited to revenue bonds and State or other programs.

- Timing of bond issue(s)/loan(s) to provide required borrowed funds,
- Interim financing options
- Annual debt service of bond issue(s)/loan(s)

Revenue Sufficiency Analysis

- Annual revenue and expense projections

Annual plan of rate adjustments to provide sufficient revenues

Sources and Uses of Funds Analysis

Debt Service Coverage by Year

Renewal and Replacement Expenditures (reserve contributions) by Year

Funds Analysis

Recommended Reserve Requirements - Spend down limits (minimum reserve requirements) by fund

A.1.2 INTEGRATION OF CAPITAL AND FINANCIAL PLANNING

One of the most important features of Burton & Associates' live interactive decisions support process and our FAMS© rate model is the full integration of the capital and financial planning processes.

Our financial modeling process considers all aspects of our utility clients' capital plans, including the determination of the most efficient funding source for each project and the development of a detail funding source analysis for all projects in the CIP.

We regularly work with our clients' internal and consulting engineering resources to determine the fiscal impact, at the rate payer level, of alternative service delivery scenarios. This has been particularly effective in situations where facilities/master

plans include significant projects that represent dramatic cost increases, such as a water utility planning to convert from groundwater water supply to alternative water supply.

This allows all stakeholders in the work sessions to work towards solutions with full vision as to not only the total cost of the capital program, but how the identified alternative delivery scenarios will impact the rate payer over the forecast period. We also often work directly with our clients' consulting engineers during the master plan development process to assist them in the determination of the full consequences of master plan alternatives.

This allows configuration of a recommended master plan with a full

It is our philosophy that each client is unique and the rate program that we recommend for them must be specific to their needs by reflecting their local goals, objectives and political realities.

vision as to the financial consequences, not only in terms of total and life-cycle costs, but in terms of potential plans of financing the master plan and the ultimate impact to our clients' rate payers over the period of the master plan.

processes has proven to be invaluable in 1) identifying our clients' real choices, 2) demonstrating the consequences of their alternative choices, and 3) properly setting expectations as to the implications of the capital program.

This process of full integration of the capital and financial planning

A.1.3 COST ALLOCATION & RATE DESIGN

Fair and equitable recovery of costs from customers is fundamental principal of rate making. Our cost allocation and rate design processes include determination of the most appropriate cost allocation method and rate design based upon system configuration, usage/other characteristics of customer classes and local goals and objectives. These functions are included in FAMS© and we have built in the flexibility to evaluate alternative allocation assumptions and rate design options on-the-fly during our interactive work sessions with our clients. We also can evaluate the effects of price elasticity assumptions based upon rate design characteristics and feed this back to the long term demand projections in the financial forecasting module used to develop a long term financial plan for the utility.

A.1.4 "WHAT IF" SCENARIOS

We can use FAMS© to run numerous alternative scenarios during these interactive sessions so City staff can see graphically the implications. Key financial and customer impact indicators, changes to variables in the rate making process, various levels of renewal and replacement expenditures, rate structure changes, alternatives for leveling rate increases over multiple years, growth rates, and cost escalation factors are all made evident.

A.1.5 CHOICES & CONSEQUENCES

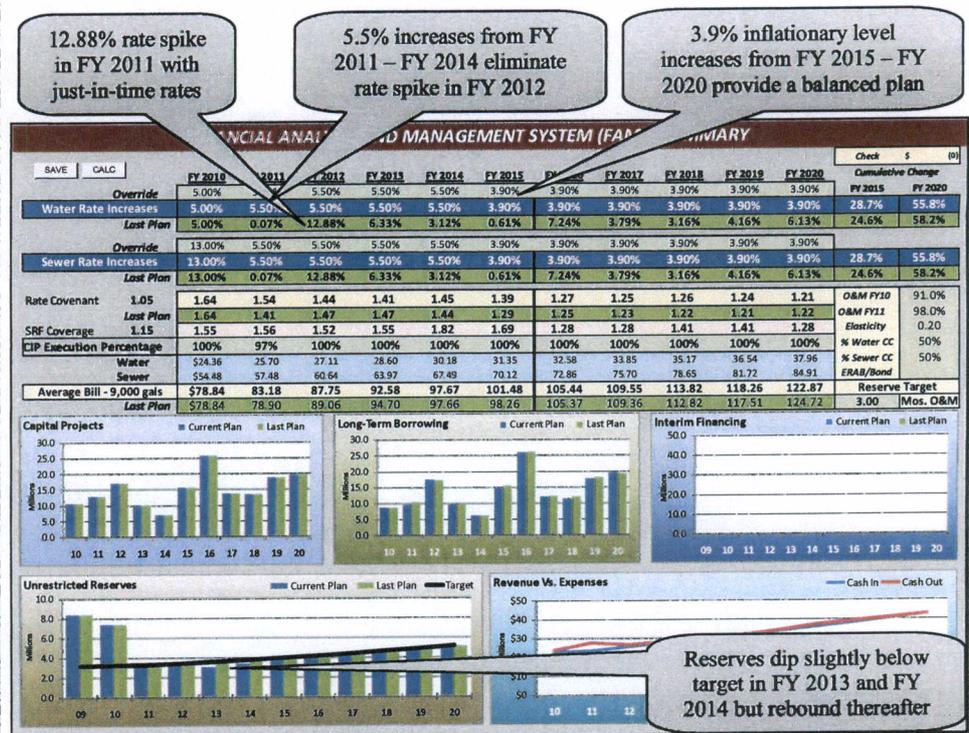
These interactive sessions provide the basis for our clients to make informed decisions relating to the financial planning and rate making processes by allowing them to see and understand the full range of realistic decision alternative alternatives and the short and long term financial and customer impact consequences of each alternative. The rubber meets the road at the level of the monthly bill to the rate payer and our alternatives analysis display comparative results down to that level.

This instantaneous feedback to key decision makers, in a focused, solutions oriented environment, sets us apart and provides our clients with the best, most effective financial and rate program design tools available.

A.1.6 EXAMPLE OF THE PROCESS

An example of a control panel of FAMS© used in the interactive work sessions is presented below. The green bars and panels represent the “last” scenario evaluated, which was “just-in-time” rates, which would result in a 12.88% rate spike in FY 2012. The blue bars and panels represent the “active” scenario, which include equal 5.5% increases from FY 2011 – FY 2014 with inflationary level increases thereafter, which mitigate the rate spike in FY 2012. The graph shows through key financial performance indicators that the financial consequences of the earlier smaller rate increases are acceptable and the customer impact of such a “level” plan of rate increases is often more acceptable to elected officials.

This type of visioning and alternative scenario analysis provides our clients with an unparalleled decision support process. It identifies alternative decision choices and the consequences of those choices.



The alternative analysis demonstrated in the above example would take about two minutes to accomplish during an interactive work session. We can run numerous alternative scenarios during these interactive sessions and your staff can see graphically the implications, to key financial and customer impact indicators, of changes to variables in the rate making process such as timing and amount of capital projects funded in the capital improvements program (CIP), various levels of renewal and replacement expenditures, adjusting spend-down limits on reserve funds, rate structure changes, alternatives for leveling rate increases over multiple years, growth rates, cost escalation factors and numerous other variables.

These interactive sessions provide the basis for you to make informed decisions relating to the rate making process by allowing you to see and understand, first hand, the full range of the financial dynamics of your water, wastewater and reclaimed water utilities.

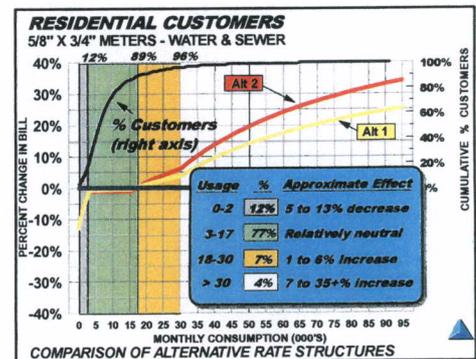
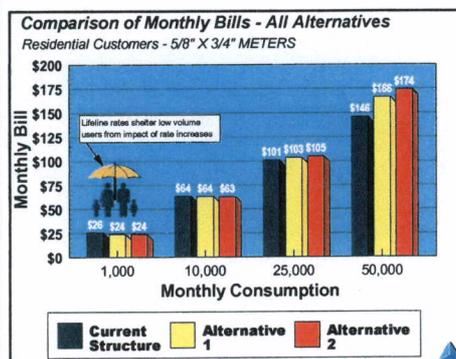
These sessions have proven to be enlightening, time saving and cost effective. We encourage you to contact our references presented herein and ask them about our process and approach to rate program design and our understanding of the rate making process.

Cost Allocation and Rate Design - As with the development of a multi-year revenue sufficiency analysis and financial management program, in these work sessions, we will conduct alternative scenario analyses regarding alternative cost allocations and rate structure designs interactively with your staff with our rate models up and running on the computer.

Our cost allocation process also supports calculation of wholesale rates, system capacity fees and miscellaneous service fees.

This allows us to develop final rates and fees that generate sufficient revenues, yet are structured so as to be sensitive to your objectives with regard to customer impact. Customer impact will be examined for each utility rate structure alternative identified. This analysis examines the impact of alternative rates upon customers of varying sizes and with various usage profiles within customer classes.

The chart on the left examines the impact of two rate structure alternatives on single family customers at various identified levels of water usage. The chart on the right examines the impact of the same two rate structure alternatives in terms of percentage increase in monthly bill along a continuum of water usage from 0 to 95,000 gallons per month. This chart also shows the percentage of customers at all levels of usage. This can be used to determine the percentage of customers affected by each rate structure alternative at different levels of usage.



Impact Fees/System Capacity Fees - We also have a module of our FAMS© model that we use to develop impact fees. This module will first be tailored to calculate impact fees in accordance with your specific local requirements, laws, regulations and objectives.

The module will then be linked to the revenue forecast module of FAMS© and impact fees are included as a capital funding source in the development of the long term financial and capital funding plan. This allows us to assist you in understanding the effectiveness of impact fees in your overall financial plan so that decisions regarding adjustments to impact fees can be made with a clear vision as to the impact that they will have on rates and your ability to fund required capital projects.

This capability was important in a recent study that we performed for Orange County Florida because the County was facing in excess of \$200 million in capital expenditures in year 9 of a ten year planning period for alternative water supply. We were able to demonstrate the effectiveness of increasing impact fees to down-size the borrowing requirements for the alternative water supply facilities, thus reducing the pressure on water rates.

Specific Service Fees - FAMS© also includes a module for the development of specific service fees such as penalties, interest, rebilling, turn-on fees, turn-off fees, returned check charges, sprinkler charges, etc. These charges will be developed by using cost determination templates in which all personnel, vehicles, supplies, equipment and other costs are captured, along with proper overhead costs, to determine the full cost of providing the subject services.

OUR FAMS© MODEL LINKS THE MULTI-YEAR FINANCIAL FORECAST, COST ALLOCATION, RATE DESIGN AND SYSTEM CAPACITY CHARGE CALCULATIONS TOGETHER SO THAT THE IMPLICATIONS OF CHANGES IN ONE AREA ARE IMMEDIATELY REFLECTED THROUGHOUT ALL RATE CALCULATIONS.

THIS TOTAL INTEGRATION OF ALL RATE CALCULATIONS ENSURES THAT TOTAL SYSTEM COSTS ARE RECOVERED AND THERE IS NO DOUBLE RECOVERY OF COSTS.