

September 4, 2026

Mr. Tony McGhee
City of Buchanan
302 N. Redbud Trail
Buchanan, MI 49107

RE: Sewer Rate Study – Rate Consultant Services

Dear Mr. McGhee and the City of Buchanan,

Bendzinski & Co. Municipal Finance Advisors would like to thank you for the opportunity to serve as the rate consultant for the above-referenced user rate study. This letter will confirm the scope and terms of our engagement:

- Review and analyze historical operating expenses using audit and budget information.
 - 2-4 years of audits and budgets.
 - Current and proposed (if available) budget.
- A “Test Year” is developed that reflects a “normalized” operating budget.
 - Current and/or proposed budgets are considered.
 - Analysis of anticipated changes to operating costs with both client input and our input.
 - Inflation multipliers are analyzed and attached to each budget line item.
- Existing debt is analyzed.
 - Drafting of existing semi-annual debt service by debt issue.
 - Refinancing and/or restructuring possibilities are explored.
- The customer base is analyzed, including the number of meter equivalents, billable flow, treated/pumped flow and other methods.
 - This information is verified by applying it to the current rate structure to ascertain margin of error compared to audited and budgeted revenues.
 - Other operating and non-operating revenues analyzed for trends and stability.
 - Analysis of assumptions made for duration of the analysis, including prediction of meter equivalents, billable flow and other user rate revenue methods.
- Capital improvement plans are analyzed and discussed.
 - Annual asset management plans are analyzed, and scenarios are developed for cash funding and debt funding costs.



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- Funding asset management plans from cash reserves is analyzed against potential efficiency of grouping certain costs together for purposes of debt financing.
 - Financing options are considered including the State Revolving Fund, USDA Rural Development, other agency funding sources and open market bonds. Various term options, bond securities and possible interest rate scenarios are considered.
- Cash reserve analysis.
 - Cash and investments are analyzed for trending and stability, including restricted funds.
 - A cash reserve policy is recommended based on the fund's stability, capital improvement plans, size of the system and changing customer dynamics.
- User rate management is considered with various options and scenarios.
 - Appropriateness of rate structure, including the proportion of revenue generated from ready to serve and commodity charge, is analyzed.
 - Rate adjustments of a one-time nature, annual inflationary increases and other options are considered.
- Meetings
 - In-person attendance of three meetings is included.
 - This includes a rate presentation to be conducted by the company to discuss findings and recommendations.
 - Virtual attendance of Teams meetings and/or calls is included.
- Reports
 - Upon completion of study, a five-year user rate recommendation will be made.
 - Provide financial information, important supporting data, important trends and analysis, narrative detailing findings and recommendations.
- Usual and customary rate consultant services as may be requested by the Client.

Bendzinski & Co. proposes a fee of \$6,000. The typical billing method for this service is quarterly bills until completion, but this can be negotiated with the Client.

Bendzinski & Co. is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the SEC and the MSRB. As part of this registration Bendzinski & Co. is required to disclose to the SEC information regarding any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Bendzinski & Co. Pursuant to MSRB Rule G-42, Bendzinski & Co. is required to disclose any legal or disciplinary



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event that is material to the Issuer's evaluation of Bendzinski & Co. or the integrity of its management or advisory personnel. Bendzinski & Co. has determined that no such event exists as there are no criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations or civil litigation involving Bendzinski & Co. that were required to be reported to the SEC.

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.

Copies of Bendzinski & Co.'s filings with the SEC can currently be found by accessing the SEC's EDGAR system Company Search Page, which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Bendzinski & Co. or for our CIK number which is 1614475.

It is understood and agreed that either party to this contract of employment may terminate the contract for any reason upon thirty (30) days prior written notice to the other party. If our employment on this basis is agreeable to you, please endorse your acceptance hereof on this letter which will constitute our contract of employment.

Should you have any questions or require any additional information, please do not hesitate to call.

Sincerely,

BENDZINSKI & CO.
Municipal Finance Advisors

Andy Campbell, CPA
Registered Municipal Advisor

Accepted: _____, 20__

CITY OF BUCHANAN, STATE OF MICHIGAN

Signature: _____

Printed Name: _____

Title: _____