

BB&A

Bell Burnett & Associates

January 12, 2025

Mr. Bill Pattison
City Manager
City of Coachella
53990 Enterprise Way
Coachella, CA 92236

Dear Mr. Pattison,

On behalf of Bell Burnett & Associates (“BB&A”), we are pleased to offer this proposal to provide strategic consulting services to the City of Coachella (“City”) in connection with developing and implementing a funding program (“Program”) for critical electric infrastructure in the City. As you know, we worked with the City of Indio and IID on a comparable program and funding strategy and believe that the City can also successfully implement this approach.

Scope of Services

BB&A is proposing to provide the following services to the City:

- Develop funding program that would accommodate the financing of electric improvements in the City;
- Provide financial analysis, including cost and capacity, under the program;
- Meet and advance discussions and approval of the program with Imperial Irrigation District (IID);
- Prepare summary materials and make presentations as needed to City Council or other external stakeholders as requested;
- Review and comment upon creation of Coachella Electric Financing Authority or other comparable Joint Powers Authority associated with the funding program;
- Evaluation of terms and conditions of the program to maximize future flexibility;
- Review and development of key business and credit terms for the program;
- Support transaction execution, including the negotiation of any program documentation;
- Develop timeline for execution, and
- Other services as necessary to support the execution of the program

Firm Qualifications

BB&A is a management and strategic consulting firm serving the utility industry and public sector clients in the West, particularly in California. We offer an independent development, review, and assessment of strategic plans and initiatives. We are former Chief Financial Officers, financial advisors and bankers, so we understand the complexities that our clients face.

Working in and for cities in the West is a core strength of BB&A, particularly in the utility sector. We have worked on strategic and funding plans, financial forecasting, feasibility reports, economic

valuations, project development, resource planning, risk management policies, rate design, reserve policies, capital and business plans, and risk analysis for numerous communities in California, including:

- Anaheim
- Burbank
- Glendale
- Indio
- Lodi
- Long Beach
- Los Angeles
- Pasadena
- Redding
- Riverside
- Roseville
- San Diego
- San Francisco

It is also important to highlight that BB&A is not an Independent Registered Municipal Advisor (IRMA) and will not be rendering any financial advice pertaining to municipal securities, including but not limited to the terms, pricing, or structure of any municipal bonds in connection with the program. Our understanding is that the City will retain an IRMA when appropriate, and BB&A has worked with any number of financial advisors in the past. BB&A's consulting services will be limited to the funding program and not the financing of any improvements. **While considering the Proposal and the funding program, the City should make its own independent assessment and seek its own professional, financial, legal and tax advice, including but not limited to an independent registered municipal advisor, as to the merits and considerations associated with the issuance of municipal securities.**

Project Team

Alex Burnett will be the primary point of contact for the City, but our full team and their expertise will continue to work on this assignment. **Alex brings over 35 years of experience working for public utilities in California.** He is the former Head of the West Coast for Public Finance at JP Morgan and former financial advisor with Public Financial Management, the nation's largest independent financial advisory firm, where he was a Managing Director and served for 15 years. Alex brings particular expertise in project development, including contract negotiation, and the development and disposition of assets for electric and water utilities.

Alex will be assisted by Mike Bell and Drew Atwater. **With over 40 years of both utility management and consulting experience, Mr. Bell brings extensive expertise and a demonstrated track record working for and on behalf of publicly owned utilities, including public power and water agencies, municipalities and public agencies, including both Imperial and Coachella Valley.** Past experience includes serving as Assistant General Manager for Anaheim Public Utilities, CFO for the Southern California Public Power Authority, Interim CFO for the Imperial Irrigation District, and Interim Executive Director of the California Municipal Utilities Association.

Drew is a finance expert with 15 years of public sector experience as a financial consultant and working within government, including 5 years in executive management positions. Drew has extensive financial and operational experience including leveraging data analytics to optimize processes, operations, and asset management. Drew has also served as Deputy General Manager of the Moulton Niguel Water District, and Manager of Rates, Charges, & Financial Planning for the Metropolitan Water District of Southern California. Drew brings particular expertise in budget protocols, budget process, data management and financial modeling.

Compensation

BB&A has a standard fee structure and approach to programs such as this one. Typically, we charge a fixed monthly retainer and a success fee that is contingent upon the successful closing of the initial financing for the Program. Our retainers generally equal \$5,000 to \$20,000 per month.

In the case of the City, we appreciate that we have invested significantly in creating this program already and want to be as economic as possible. As noted, even with the past work, it will take time to implement and there are a number of critical steps over the coming months. We recognize that the objective is to minimize upfront costs and the risk to the City.

As such, BB&A proposes to not have a fixed retainer and to charge a fixed fee of \$150,000, which would be payable when the initial transaction closes. Should the transaction not close for any reason, we would reduce our fee to \$35,000 plus any direct expenses for travel and lodging that have been incurred at the City's request. Fees are payable within 30 days of receipt of our invoice.

On behalf of BB&A, we would like to thank you for the opportunity to serve the City. Should you have any questions or comments, please do not hesitate to reach out to any member of the BB&A team.

Very truly yours,



R. Alexander Burnett
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BB&A QUALIFICATIONS



R. Alexander Burnett

Principal, Bell Burnett & Associates

Financial and Strategic Advisors

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Financial and technical education and training

BA — Princeton University,
Politics and East Asian Studies

Professional experience summary

- Alex Burnett is a Principal with Bell Burnett & Associates, a management and strategic consulting company serving the general municipal, utility and transportation sectors.
- Alex is a finance expert with 34 years of public sector utility and transportation experience as both a banker and financial advisor having served as Head of the West Coast for Public Finance at JP Morgan, a Managing Director at Citigroup and as a Managing Director at Public Financial Management, the nation’s largest independent financial advisory firm serving the public sector, where he spent 15 years.
- Alex has served as senior manager, co-manager or financial advisor on infrastructure transactions in excess of \$50 billion.
- Representative experience includes: financial and strategic planning, cashflow modeling and management, balance sheet strategy, rate design, credit strategy and negotiation, contract negotiation and project financing and delivery.
- Municipal clients include: State of California, City of San Diego, City and County of San Francisco, San Francisco Public Utilities Commission, East Bay Municipal Utility District, Metropolitan Water District of Southern California, City of San Jose, Bonneville Power Administration, Energy Northwest, Southern California Public Power Authority, Anaheim Public Utilities, Burbank Water and Power, City of Vernon, Northern California Power Agency, Silicon Valley Power, Transmission Agency of Northern California, Bay Area Rapid Transit District, County of Alameda.

Select engagement experience

- **City of Indio**– Served as the lead working with Indio. BB&A’s responsibilities include developing a Strategic and Funding Plan for critical electric infrastructure investment in the City in connection with the Imperial Irrigation District.
- **San Francisco Public Utilities Commission** – Served as Engagement Leader for three different enterprise funds of the SFPUC. In this capacity, responsible for the development of a cost optimization model for the City’s Sewer System Improvement Program (SSIP), a 20-year city-wide infrastructure program with an overall cost in excess of \$4 billion. Evaluated both capital and operating forecasts over a 50-year period to assess the impacts of different assumptions on financial health, rates and charges, financial feasibility, customer affordability, and compliance with SFPUC policies. Currently working with the SFPUC on infrastructure development for the Power Enterprise.
- **Imperial Irrigation District** – Worked with IID in the economic valuation and funding strategy for potential transmission assets, including analyzing cost/benefit and identifying financial, risk, and operational considerations.



Michael A. Bell
Principal, Bell Burnett & Associates
Financial and Strategic Advisors
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Financial and technical education and training

Harvard University Program for Senior Executives in State and Local Government
 Pepperdine University Masters of Business Administration
 St. Louis University Bachelor of Science

Professional experience summary

- Mike Bell is a Principal with Bell Burnett & Associates, a management and strategic consulting company serving the general municipal, utility and transportation sectors.
- Mike is a finance expert with 40 years of public sector experience as a financial advisor and working within government. Mike spent 20 years in executive management positions in city government and the utility industry.
- Mike founded Michael Bell Management Consulting (MBMC), a strategic and financial consulting firm, and managed the engineering, design, and management consulting services for RW Beck, a nationally recognized consulting engineering company serving the electric, water, wastewater, and solid waste businesses in California. Mike served as Assistant General Manager and Economic Planning Manager for 20 years, working for both the Anaheim Public Utilities and City Water, Light and Power in Springfield (IL).
- Representative experience includes: strategic planning, organizational reviews, operational and financial planning, and program and service development to cities, counties, utilities and special districts.
- Mike has detailed knowledge of both long- and short-term financing strategies and has acted as the key decision-maker in more than \$9.0 billion project financings. He has prepared numerous analyses and feasibility reports used to finance infrastructure, including major water, wastewater, telecommunications, and electric generation, transmission and distribution system projects. Mike has provided expert testimony before various public bodies such as city councils, utility boards, and participating organizations in multifaceted business concerns.

Select engagement experience

- **Bonneville Power Administration (BPA)** – Mr. Bell provided professional expertise and advice in the development of long term financial and strategic plans for the BPA. The plans included targets for financial health, including cash balances, leveraging, secondary revenue risk management and capital deployment efficiency. Mr. Bell continued service to assist BPA with implementation of the plans with an emphasis on operational and program reviews, cost containment and efficiency studies.
- **Glendale Water and Power (GWP)** – Developed a comprehensive update of GWP’s Water and Electric Department financial plans including the development of a 5-year financial plan. During this assignment annual audits and budgets were completed and adopted; cost of service analysis updated; new water, and electric rates implemented, and two bond issues completed, including document development and review, discussions with rating agencies, and interaction with the City’s advisors, attorneys, and bankers.
- **Riverside Public Utilities (RPU)** – Assisted RPU with the development of guidelines and goals that provide direction for the financial management of RPU. Policies and guidelines include revenue, debt, investment, risk management, accounting and reporting, budget, and reserves.



Financial and technical education and training

University of California; Riverside, CA – **Master of Science, Environmental Economics & Natural Resource Economics & Policy**

Reed College; Portland, OR – **Bachelor of Arts, Physics**

Drew Atwater

*Associate, Bell Burnett & Associates
Financial and Strategic Advisors*

+1 818 935 0205



Professional experience summary

- Drew Atwater is an Associate with Bell Burnett & Associates, a management and strategic consulting company serving the general municipal, utility and transportation sectors.
- Drew is a finance expert with 15 years of public sector experience as a utility rate consultant and working within government. Drew spent 5 years in executive management positions in the utility industry.
- Built highly skilled team of top talent, focusing on recruiting mission-driven individuals who understand organization’s purpose, fostering culture of innovation and continuous improvement, and establishing feedback mechanisms to enhance employee support. Achieved recognition as top workplace in Orange County and US.
- Enhanced financial management operations by establishing streamlined flow of information across departments, building cross-functional relationships, and enabling cutting-edge modeling for forecasting purposes:
 - Achieved AAA rating from Fitch and S&P, won numerous financial awards, and implemented financial best practices certified by various organizations.
 - Secured high-value grant awards, including \$10M Federal Emergency Management Agency (FEMA), \$2M grant for operations and supportability implementation system (OASIS) ranking, \$405K US Bureau of Reclamation (USBR) project, and water efficiency rebates of \$500K.
- Led several high-impact capital projects for Moulton Niguel Water District (MNWD) that garnered awards for customer benefits and innovative technologies, including \$8M transition to smart meters, replacement of outdated billing system, organization-wide Resiliency Action Plan with global utility best practices and implementation of new work order maintenance management system.
- Lead efforts to optimize metropolitan water district’s rate structure. Oversaw stakeholder management, provided strategic policy recommendations, led development and implementation of key financial planning processes, studies, and policies, ensured compliance with government regulations, and supported organization’s strategic goals through financial forecasting and analysis.

DISCLAIMER

This Proposal (“Proposal”) has been sponsored by the City of Coachella (the “City”) and prepared for the exclusive use of the City. **The Proposal does not constitute a recommendation or municipal advice under Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and is distributed for general information purposes only.** While the information and opinions contained in the Proposal have been prepared in good faith, the Proposal is not and does not purport to be comprehensive, all-inclusive or to have been independently verified. Neither Bell Burnett & Associates, nor any of their principals, employees, advisers or consultants accept any liability or responsibility for the accuracy, reasonableness or completeness of or for any errors, omissions or misstatements, negligent or otherwise, relating to or makes any representation or warranty, express or implied, with respect to the information contained in the Proposal or on which it is based or with respect to any written or oral information made, or to be made available to any of the recipients or their professional advisers and, so far as permitted by law and except in the case of fraudulent misrepresentation by the party concerned, any liability therefore is hereby expressly disclaimed. **While considering the Proposal, the City should make its own independent assessment and seek its own professional, financial, legal and tax advice, including but not limited to an independent registered municipal advisor, as to the information and findings herein.**