

SUPPLEMENT NO. ____
TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN WILLDAN FINANCIAL SERVICES AND
THE TOWN OF HOWEY-IN-THE-HILLS, FLORIDA

STORMWATER RATE STUDY

This document represents Supplement No. ____ to the Professional Services Agreement (the "Agreement") dated on _____, 2025 by and between Willdan Financial Services ("Willdan" or the "Consultant") and the Town of Howey-in-the-Hills, Florida (the "Client" or "Town"). All provisions of the Agreement remain in effect except as specifically defined in this Supplement.

In accordance with the Agreement, this Supplement sets forth the Scope of Services and Professional Service Fees for Willdan to provide certain financial consulting services to the Town. The applicable services consist of the preparation of a Stormwater Rate Study ("Study"). Provided herein is a detailed description of the scope of work anticipated to meet the project objectives of the Town for its stormwater rates. The proposed scope of work is intended to develop initial rates and charges for the Town's Stormwater system.

Purpose

The Town is interested in developing a Stormwater Enterprise Fund. The purpose of this project is to assist the Town in establishing a Stormwater Enterprise Fund by developing rates and charges to provide sustainable and equitable funding for stormwater management operations, regulatory compliance, capital improvements, and other program needs. This scope is organized into two phases:

- **Phase 1:** Development of flat rates for residential and non-residential customers.
- **Phase 2:** Detailed analysis of impervious area and property characteristics to develop a refined rate structure and select a billing method.

Provided herein is a description of the tasks associated with each phase of the stormwater rate study. Based on the Consultant's understanding of the project requirements, the scope of work proposed for this project is detailed in the following discussions.

Scope of Services

Phase 1: Initial Program Development and Flat Rate Structure

Task 1: Needs Assessment and Program Review - Willdan will review current stormwater program components, including operations, maintenance, regulatory obligations, and

planned improvements. As part of this review, Willdan will identify existing revenue sources (if any) and any shortfalls in the Town's stormwater program funding.

Task 2: Financial Analysis and Revenue Requirements – Willdan will develop a financial plan to determine the total annual revenue needed to support stormwater services. This plan will include costs for program administration, O&M, capital investment, and reserves.

Task 3: Rate Structure Design (Flat Rates) – Willdan will create a flat-rate fee model for residential and non-residential/commercial customers. This rate structure will be fair, simple, and align with service level and funding goals of the Town.

Task 4: Stakeholder Coordination – Willdan will coordinate with Town staff, Town officials, and stakeholders through meetings or workshops and educate stakeholders on the goals and benefits of a dedicated stormwater fund.

Task 5: Preparation of Preliminary/Final Phase 1 Summary Report – Willdan will prepare a summary report including revenue requirement analysis, flat-rate methodology and fee proposals, and recommendations for next steps in rate refinement.

Phase 2: Detailed Rate Analysis and Billing Implementation

Task 1: Customer and Property Class Analysis – As part of this task, Willdan will categorize properties by type (residential, commercial, institutional, etc.) using GIS, parcel data, and land use records to support classification.

Task 2: Impervious Surface Area Review – Willdan will review and analyze impervious surface data for non-residential properties utilizing available tools such as aerial imagery or LiDAR, where applicable.

Task 2: Equivalent Residential Unit (ERU) Development – Willdan will determine the average impervious surface for a typical residential property by preparing an impervious area analysis on a random sample of residential parcels located throughout the Town. This ERU analysis and resulting square footage allowance per ERU will be used as the basis for assigning ERUs and fees to non-residential parcels.

Task 4: Rate Model Refinement – Willdan will update the financial model and financial projections developed in Phase 1 based on using an ERU-based rate structure and promoting revenue sufficiency.

Task 5: Billing and Collection Methodology – Willdan will assess options for billing and collection including integration with utility bills or including on property tax bills as a non-ad valorem assessment. Willdan will make recommendations based on an assessment of the Town's overall needs.

Task 6: Public Engagement and Communication – Willdan will develop outreach materials (FAQs, presentations, handouts) and provide support at a Townhall meeting and or education campaign on the new stormwater rates and charges.

Task 7: Preparation of Preliminary/Final Phase 2 Summary Report – Willdan will prepare a summary report including revenue requirement analysis, final rate structure, ERU methodology, and billing method recommendations.

Meetings, Presentations, and Deliverables

For Phase 1 and Phase 2, the analyses, conclusions and recommendations utilized in the development of the proposed stormwater rates and charges will be presented in a draft letter report document for review by Town staff. Upon review, the comments and changes provided by staff will be incorporated into a final letter report document. Upon completion, an electronic (PDF) copy of the final rate study report will be provided for the Town's records.

Kick-Off Meeting. An initial kick-off meeting will be scheduled with Town representatives during a mutually convenient time at the start of the project to discuss project requirements, finalize project scheduling and reporting requirements, and receive overall project direction. The meeting is part of the project initiation activities and will help ensure that the project objectives are clearly defined and understood by all parties.

Project Status Meeting/Web Conferences. After data has gathered and analyzed, and significant progress has been made on the project, web-conference meetings will be scheduled to provide status updates of the preliminary analysis to staff in order to obtain input as the project progresses. This task will be for the time period prior to completion of a draft report.

Draft Report Meeting/Web Conference. After allowing sufficient review time from the delivery of the draft report, a meeting or web conference will be scheduled to present the results to staff. The purpose will be to: 1) provide staff members with a better understanding of the analyses and assumptions applied in developing the proposed rates, and 2) obtain personal feedback and comments from staff members responsible for implementing any proposed revisions.

Public Presentation. If desired, the results of each phase of the Stormwater Rate Study will be presented to the Town Council during a public meeting (i.e. a general workshop session or public hearing). This presentation will be provided in order to offer the supporting rationale for the proposed rates and charges and to address any questions and/or concerns raised by Town officials prior to action being taken on the rates and charges.

Items to be Furnished at No Expense to the Project Team

To complete our tasks, we will need the cooperation of Town staff. The Town will assist Willdan by furnishing, at no cost to the Willdan, all available pertinent information including customer billing data, financial reports, agreements, ordinances, codes, and any other data relative to performance of the above services for the project. Willdan will rely on the validity and accuracy of the Town's data and documentation to complete the analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy and will not be responsible for any errors that result from inaccurate data provided by the client or a third party. The Town shall reimburse Willdan for any costs Willdan incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to the Town or relating to the project. Reimbursement shall be at Willdan's rates in effect at the time of such response.

General Disclosure

The Town further represents, acknowledges, and agrees that:

- (i) The Town uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission ("SEC") to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The Town is not looking to Willdan to provide, and Town shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the Town with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the Town, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the Town, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or

municipal securities issuances, including any revisions or amendments thereto; and

- (v) Notwithstanding all of the foregoing, the Town recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the Town will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the Town is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Professional Fees

On the basis of the Scope of Services described herein, the Consultant's total labor billings and all out-of-pocket costs and expenses directly chargeable to the work performed and described in the Scope of Services section of this Supplement will be performed for the following, unless additional services are specifically authorized in writing by the Client:

- Phase 1 – fixed fee of \$10,000
- Phase 2 – not-to-exceed fee of \$13,500

Payment for such services shall be invoiced monthly.

IN WITNESS WHEREOF, the parties have executed this Supplement No. ____ on the date(s) indicated below. This authorization is for (please initial):

Phase 1 Only: _____

Phase 1 & 2: _____

TOWN OF HOWEY-IN-THE-HILLS, FLORIDA

WILLDAN FINANCIAL SERVICES

By: _____
(Signature)

By: _____
(Signature)

By: _____
(Name Printed)

By: Jeff McGarvey
(Name Printed)

Title: _____

Title: Vice President, Managing Principal

Date: _____

Date: _____