

CITY OF ROLLINGWOOD

TEXAS

► Cost of Service Rate Study



Introduction

February 23, 2026

Ms. Makayla Rodriguez
City Secretary
403 Nixon Drive
Rollingwood, TX 78746

Re: Proposal to Provide Cost of Service Rate Study

Dear Ms. Rodriguez;

Thank you for the opportunity to present this proposal for a Comprehensive Cost of Service Rate Study for the City of Rollingwood ("the City"). **Willdan Financial Services** ("Willdan") is one of the largest public sector financial consulting firms in the United States. Our company has helped over 800 public agencies successfully address a broad range of financial challenges, such as setting rates, financing the costs of growth, and generating revenues to fund desired services. Willdan has provided the requested services to municipal clients for over two decades; and is the only firm providing these types of consulting services that also has a long history of providing contract staff support to public agencies for the delivery of local government services.

Collaborative Approach and User-friendly Models and Reports — Willdan prides itself on working closely with staff to develop an approach that is targeted toward your specific objectives and accounts for your reality.

Effectively Communicate Study Results — Sound technical analysis is only one element of this process. It is equally important to communicate the results and implications of the proposed revenue requirement and rates effectively and transparently to City staff, Council members, key stakeholders, and, ultimately, those subject to the new rates. Our experienced consultants can communicate complicated technical analysis in a manner that is easy to follow and understand. Our objective is to provide useful, detailed information to the staff, so that you have the information necessary to make important decisions. Our experience ensures that we can meet this objective.

As required in the City's RFP, by signing this transmittal letter, I affirm the following:

1. Our project team is available to begin work on this engagement immediately and commit to completing the engagement within the timelines and conditions shown herein.
2. We acknowledge the receipt of any addenda to this RFP.
3. Our Project Director Jason Gray is a Vice President with Willdan Financial Services and is authorized to obligate the organization contractually.
4. We have reviewed and are willing to sign the Service Agreement as written.

will serve as the primary contact person for this proposal. Provided in the table below is my contact information.

We are available to begin work on this engagement immediately and commit to completing the engagement within the timelines shown herein. We are excited to once again use our skills and expertise to assist the City of Rollingwood.

Sincerely,

WILLDAN FINANCIAL SERVICES



Jason Gray
Vice President / Managing Principal

Contact Information

Project Manager

Jason Gray, MPSA

Vice President

5500 Democracy Dr., Suite 130, Plano, TX 75024

Tel#: (972) 378-6588 | Fax# (888) 326-6864

Email: JGray@Willdan.com

Table of Contents

Introduction..... i

Table of Contents ii

Scope of Work and Schedule 1

 Description of Study Understanding..... 1

 Water Rate Study Scope of Work 2

 Project Disclaimer 8

 Price Proposal 9

 Additional Services 10

Qualifications 11

 Willdan Financial Services..... 11

 Utility Rate Experience 12

 Team Qualifications 13

 Jason D. Gray, MPSA 14

 Dennis Goral 15

 Alexander Hulevich 16

 Akash Patel 17

 Financial Analyst 17

 Select Related Experience..... 17

References 18

 Plano Projects 18

 National & International Presence 19

 Similar Projects 20

Additional Data 22

 Dashboard..... 22

Scope of Work and Schedule

Description of Study Understanding

Willdan understands that the City of Rollingwood (“City”) seeks a comprehensive water rate study that will assist the City in modifying rates, if needed, to ensure financial sufficiency for its water operations, capital renewal and project funds. The overall objective is to establish user rates and charges that are sufficient to meet future system revenue requirements including capital improvement needs, debt service coverage, operating costs (including cost of treating water and wastewater) and non-operating costs, and minimum operating reserves (typically 60 - 90 days).

The project team will also work with the City to establish rates around a broader set of goals and objectives for this project. These goals and objectives may include elements like rate structure modification to better align the cost of service with the rates charged for those services, further delineation of customer classes, modeling the bill impacts of various CIP investment levels, or pinpointing the financial advantages and disadvantages of cash vs. debt funding and ultimately, will need to align with the City of Rollingwood’s stated guiding principles of:

- Customer Service
- Financial sufficiency to operate without subsidy, and
- Promotion of efficient use

This will also include enhancement of financial/rate stability, conservation, consumption characteristics of the utility’s customer classes, and minimizing customer impacts and maintaining competitive rates with neighboring communities.

To accomplish these overall goals and objectives for the rate study, our team’s approach will utilize the “generally accepted” cash basis rate setting methodology as delineated in AWWA’s Manual M1 for the water utility.

The rate study project team will collect from staff such standard inputs as account growth projections, historical and forecast adjusted water and consumption (billing units), outstanding debt service schedules, the current CIP, three (3) years of account/usage/revenue data from City’s billing system, and current budget information to develop the forecast of future costs. The information developed during this rate study will allow the City to choose alternative capital plans that will minimize the impact on all classes of ratepayers, while still allowing it to meet the increasing expense demands of operations and environmental standards and regulations.

Upon finalization of the inputs outlined above, the project team will prepare a comprehensive 10-year forecast Microsoft Excel based water rate model that will present alternative long-term water rate plans sufficient to fund operating expenditures, the forecast CIP and debt service.

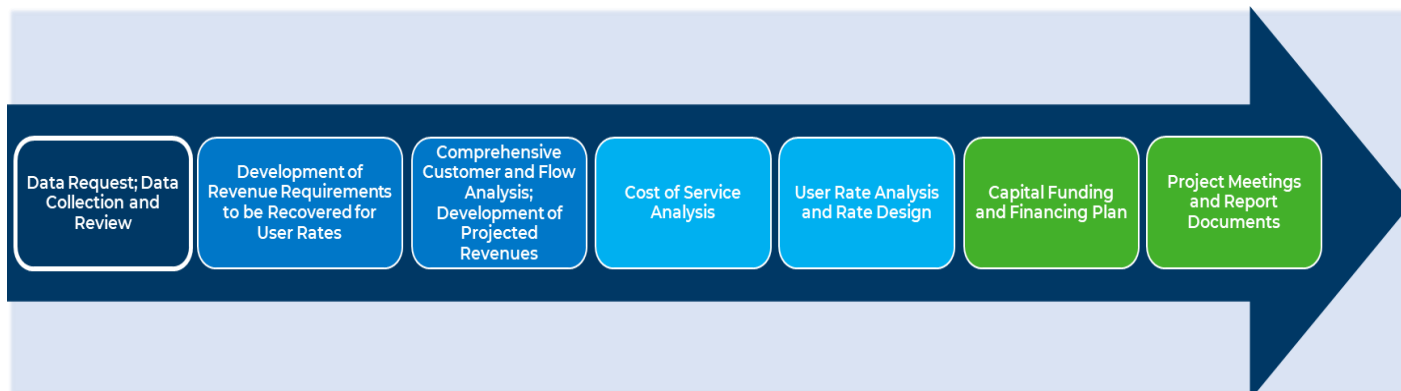
Our rate model will allow City to test a variety of “what-if” alternatives. This is especially useful in testing the affordability of the capital improvement program, allowing the user to turn new projects “on or off” in the model, determine funds needed to support the CIP, change the costing with updated information, delay their funding, or look at cash vs. debt vs. fee-funding alternatives and their impact on affordability.

The rate study draft and final report will have an executive summary that succinctly documents the rate study’s findings and recommendations. The final deliverable will include preparations and separate delivery of the rate study presentations to City Staff and City Council and work with City on the public involvement process, and we will work tirelessly with staff to ensure that our recommended alternatives are successfully implemented.

Our deliverables will include written reports that is understandable to those who are not ratemaking or financial professionals.

Work Plan

The chart below summarizes the standard approach commonly employed by Willdan to develop utility rates. Each subtask of the steps is typically performed in tandem.



Water Rate Study Scope of Work

The remainder of this section presents our approach to performing the major tasks required to successfully conduct a water rate study and long-term financial plan engagement, in accordance with City's RFP. Assuming timely responses to information/data requests by City, **we will complete the rate study work plan in 22 weeks.** The period required to accomplish each work plan task is listed in the task header. Many of these tasks will be performed in tandem so the sum of each task's level of effort will not necessarily match the 14-week completion commitment.

Task I: Project Kick-off, Data Acquisition and Assessment	4 Weeks
--	----------------

The project team will meet with City staff at the outset of this project. The purpose of this meeting will be to discuss study goals and objectives, review requirements for completing each task, establish responsibilities and lines of communication, and refine the work plan and schedule.

Prior to this meeting we will provide a preliminary data request list to initiate data collection and organization. The initial data that will be required by the project team will include, but not be limited to, the following: current fiscal year utility budget; most recent audited financial statements; water billing data/reports identified by customer class by month from the previous three to four years to present; the volumes of treated water produced and purchased and wastewater treated in the previous four years; debt schedules for all outstanding water/ww related debt; copy of the most recent Capital Improvement Plans (planned infrastructure improvements) approved by City; wholesale contracts; and historical and current rate schedules.

NOTE: Gathering this data and attending the kick-off meeting and work sessions with the project team represents the bulk of the time required by City staff.

Task II: Demographic Analysis	3 Weeks
--------------------------------------	----------------

The project team will prepare a comprehensive demographic analysis of ratepayers as a pretext to the development of the water rate plans. The project team will develop current data on: number of households; median household income; average water monthly bills, both in total and as a percentage of household income; and benchmark the City's current and proposed rates to monthly rates and fees charged by other utilities in neighboring and similar communities for a comparison survey. The results of the survey will include comments as to whether the developed rates will materially impact the City's ability to attract and retain retail and commercial businesses.

Task III: Determine Revenue Requirements	6 Weeks
---	----------------

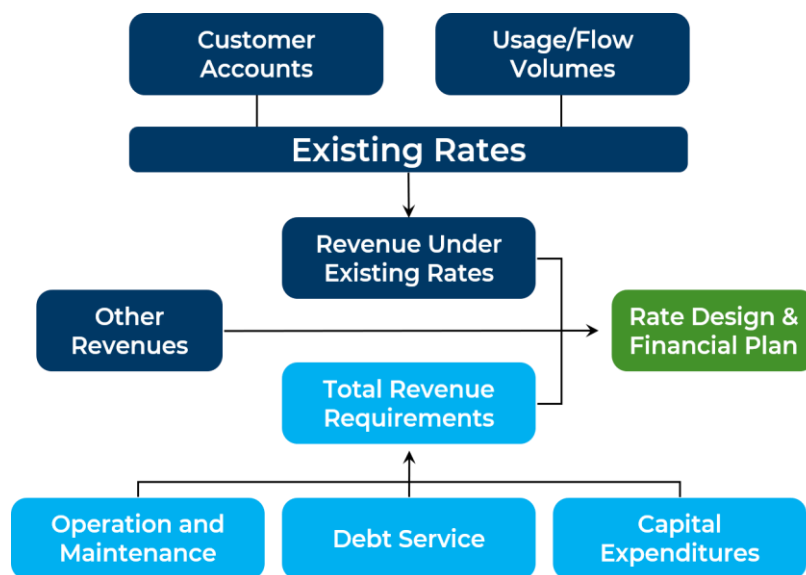
In this task, the project team will analyze the City's existing water fund financial condition and the planned infrastructure improvements. Based on this analysis the project team will determine overall revenue requirements for the current year and for a ten-year forecast period. The revenue requirements consist of the total cost to provide this service, including operation and maintenance (O&M) costs (including cost of water produced and purchased and wastewater treated), transfers to the General Fund, debt service payment and coverage requirements on existing and any proposed new debt, direct capital outlays financed by rates, and other financial needs.

We will consider the levels of cash reserve funding required (typically 60 – 90 days) for the utility systems operation in our determination of the revenue requirements.

The development of a reasonable set of assumptions concerning future operating and non-operating costs and capital spending for repairs and replacements and system expansion is one of the most critical elements of the revenue requirement.

The project team will discuss and analyze all components of these categories with City staff, including: the expected amount of CIP, the impact of peak demands on the cost of providing service, inflation estimates, anticipated changes to operating costs, various funding alternatives, expected reserve requirements, and debt coverage requirements. The underlying assumptions used to project the water financials will be clearly stated in all rate study presentations and the rate study report.

Finally, the cost of service/revenue requirements that allocate costs to appropriate users will be calculated based on the Cash Basis for City’s retail customers, in accordance with industry standards outlined in AWWA M-1 publication. For Wholesale customers and retail customers outside city limits (if any exist), the project team may need to calculate revenue requirement based on the “Utility Basis” to provide City with a fair return on utility assets in accordance with AWWA M-1 guidelines. We will advise City on the most appropriate and defensible method to determine the revenue requirement for these customers.



Task IV: Determine User Characteristics and Customer Classes **6 Weeks**

A fundamental principle of cost-of-service ratemaking for water utilities is for costs to be allocated to user groups based on the peak demands each group places on the system. In the case of water service, demands typically are measured in terms of base and peak demands that are critical to the sizing and operation of system facilities. These demands are collectively referred to as “user characteristics.”

Using information gathered from the City’s billing data, the City’s master planning consultant, or other internal sources, this task involves determining the appropriate groupings of customers so that customers with similar user characteristics populate the same customer class. For cost-allocation purposes, analysis of historic demand and consumption characteristics with the purpose of properly classifying and segregating the costs associated with the different functions and customers of the City’s utility system. Customers are then grouped into different classes based on differences in their user characteristics. The development of information for grouping customers and allocating costs to specific customer groups is an essential step in the ratemaking process, to ensure that costs will be recovered from these groups in direct proportion to their use of the system.

The determination of customer user characteristics as noted above will include a careful review of the City’s sales volume histories and forecasts. The volume data must be considered as a whole and separately for each defined customer class. Methodologies for projecting water revenues will be assessed to confirm appropriate accounting for expected growth, water losses, and other variables. The project team will analyze historical water sales data as reconciled against water supply/production records to identify any potential billing record issues.

The utility system accounts and respective usage will be forecast for a 10-year planning period. Such projections will be developed by considering historical growth trends, peak demands, climatological patterns, local economic conditions, the potential for adding/losing major utility customers, changes in customer class usage patterns over time, and experienced judgment.

The forecast usage projections will be based on the projected number of utility accounts and a usage per account analysis to differentiate the historical effects of account growth and increased (decreased) average usage by customer class. The project team will finalize 10-year projections of sales volumes that will then be used to calculate projected revenues under current rates for the 10-year rate forecast period.

Task V: Cost Functionalization, Classification and Allocation**3 Weeks**

In this task the project team will calculate the cost of water transmission/distribution, water supply and treatment and wastewater collection and treatment based on the information gathered in previous tasks. As discussed in Task III, these costs include such categories as O&M (personnel, chemicals, contractual obligations, engineering, administrative, equipment maintenance, vehicles, customer service, materials, etc.), reserves, debt service, and capital outlays funded by rates (assuming that the Cash Basis is utilized). These costs will then be assigned to individual customer classes through a three-step apportionment process designed to prevent deviation from cost-of-service principles and enhance fairness and equity.

These steps are referred to as “functionalization,” “classification,” and “allocation.” **Functionalization** involves the categorization of utility costs according to the utility functions these costs are incurred to perform. Typical water utility functions include treatment, pumping, storage, distribution, and customer billing. **Classification** is the apportionment of functionalized utility costs according to the types (or classes) of demands served by the utility and is primarily applicable to the utility. For water utilities, AWWA M-1 ratemaking methodologies prescribe classification of costs according to base, maximum-day, maximum-hour, and customer demands.

Under typical circumstances, standard industry ratemaking principles and practices as outlined in AWWA ratemaking manuals and guidelines serve as the foundation for cost allocations to customer classes. These industry manuals and guidelines are not prescriptive and recognize the need to afford utility decision makers the flexibility to reflect local circumstances.

Task VI: Alternative Rate Designs for Current Year and Ten-year Forecast**5 Weeks**

After allocating costs to customer classes, a plan will be developed for evaluating rate design options that will recover allocated costs, including O&M, debt service, and reserve requirements. Because several rate alternatives will be examined in this study, the project team proposes that for ease of evaluation the rate design process be segregated into a two-step process.

In this task, the current year and 10-year forecast rate design alternatives will be presented separately. This will enable City staff to evaluate both their immediate short-term needs and their longer-term needs under each alternative.

Importantly, we will ensure that any proposed rate design can be easily incorporated into City's billing system.

The rate model spreadsheet will be developed in a dynamic manner such that Willdan and City staff will be able to analyze various “What If” scenarios detailing the financial impacts under each scenario. The rate structure alternatives will be developed to recover the projected revenues needed to fund utility operations, recognizing equitable cost recovery by customer class, establishing reasonable recovery of costs from existing and new utility customers, and complying with applicable regulations and policies.

We intend to consult closely with City officials to develop a consensus on the most appropriate alternative rate designs for each of the alternatives. In this task we also intend to accomplish the following objectives:

- Determine whether any rate classes are subsidizing the others, and the degree to which any subsidy is equitable by identifying the relative costs of servicing different classes of customers.
- Provide analysis and recommendations for fixed vs. variable elements of the rate.
- Estimate the impact of the proposed rate structures regarding affordability (assisting low-income customers) and conservation efforts.
- Provide a detailed delineation of the advantages and disadvantages of each alternative including industry best practices for rate design, such as a more conservation oriented tiered pricing approach.
- Calculate the impact of any proposed “transition period” into the new rates.
- Compare the recommended rates to the City's historical rate structure.

The project team will prepare the cost of water utility service per household based on the new rate design (also known as a “bill impact analysis” which is commonly performed in our rate studies). If so desired we will moderate an internal review/discussion with management to align the cost of service and alternative rate structures with the City goals regarding such topics as operational objectives, long term objectives, rate impacts on users, alternative rate designs, rate elasticity and use of rate studies in implementing rate changes.

Specific attention will be given to the sensitivity of system revenues to possible changes in customer usage prompted by a more aggressive affordability and/or conservation rate structure. Rate designs will be subjected to revenue generation tests and reviewed for administrative efficiency and ease of explanation to the customers and other lay people.

In instances where cost-of-service-based changes in revenue responsibility will result in significant rate increases for any one customer class, the merits of implementing rate changes over a multi-year period will be discussed with City staff. If appropriate, multi-year-rate transition plans will be developed that meet, to the extent possible, expressed criteria for rate change acceptance. The project team will meet with City officials prior to unveiling any recommendations to City Council or the public to go over the initial alternatives and to make any revisions as deemed appropriate by City staff.

Task VII: Prepare & Present Draft & Final Reports, Conduct Training for City Staff 4 Weeks

The project team will prepare concise draft and final rate study reports/memoranda. The report will provide detailed information on the determination of revenue requirements, document allocations of revenue requirements to functional parameters and customer classes, and alternative rate recommendations for the water utilities. Information on the impact of recommended rate changes to customers' typical monthly bills will be provided. The steps in the rate calculations will be described clearly so that there is a full understanding of the technical steps and assumptions contained in the determination of the rates.

The draft and final reports will include an executive summary that succinctly documents the rate study's findings and recommendations. Bound copies the study and with final recommendations will be presented to City.

The final deliverable will include an electronic copy of both the water rate model in Microsoft Excel and training of City personnel to update the model. The model will be designed to integrate the revenue produced by rates with the water fund financial plan. This model will have specific input areas for City staff to update: consumption patterns and meter classifications, O&M, debt service and capital (CIP) costs and other financial data needed to develop an updated rate and financial plan forecast. Most importantly, City's water rate model will include an interactive executive dashboard. This will be a comprehensive financial tool to allow planning and evaluation of variable inputs and assumptions. This dashboard includes pre-defined graphical presentations of consumption, revenue and expense data as well as other vital financial indicators to determine the utility's ability to maintain financial integrity as input assumptions change.

The project team will facilitate a rate model workshop with City of Rollingwood staff and run scenarios for comparison and analysis of impacts to user classes.






Task VIII: City Council and Public Meetings 3 Weeks

With the approval of staff, we will be prepared to conduct the following formal meetings with City: an initial staff meeting to review project goals and data requirements (with additional meetings with staff as necessary during the analysis segment of this project), a formal meeting with senior management to present and review preliminary findings and recommendations and to make adjustments as necessary based on staff input, a workshop with City Council to present and review initial findings and recommendations, and a final meeting and public hearing with City Council to approve the chosen rate plan.

Task IX: Project Management and Quality Control 14 Weeks

At Willdan, we utilize a Project Management Process/Approach that ensures projects are completed on time, within budget and most importantly yield results that match our clients' expectations. We will document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model. Following key stakeholder discussions, we will schedule a call to summarize findings and direction with Utility staff, to make certain that we are in agreement with stated objectives, and that feedback is incorporated as appropriate.

Project Management Approach

Project Management				
				
Define the Project	Plan the Project	Manage the Project	Review the Project	Communicate the Project
<ul style="list-style-type: none"> Identify the project scope, set objectives, list potential constraints, document assumptions. Define a course of action and develop an effective communication plan. Provide a forum for applying the team’s collective expertise to solving difficult analytical issues that arise in complex projects. 	<ul style="list-style-type: none"> Collaborate with the project team and client staff and agree upon timeline to meet the estimated project timeline. Assign workload functions to appropriately qualified staff to ensure milestones are met, on time. Pre-schedule quality control meetings with project team to maintain the progressive motion of the project. 	<ul style="list-style-type: none"> Manage the execution of the project. Direct existing and upcoming project tasks. Control and monitor work in progress. Provide feedback to client and project team. Identify and resolve deviances from project timeline. 	<ul style="list-style-type: none"> Review all work product and deliverables. Utilize structured quality assurance process involving up to three levels of review at the peer level, project manager level. Procure executive officer level review. 	<ul style="list-style-type: none"> Communicate with the client regarding work status and progress. Ensure client is in receipt of regular status updates. Schedule regular conference calls to touch base. Inform client of roadblocks, work outside of projected scope.

Quality Assurance / Quality Control Process

Our quality control program is incorporated as a required element of Willdan’s day-to-day activities. There are three levels of reviews incorporated for our deliverables:

- 1) Peer review
- 2) Project Manager review; and
- 3) Final quality assurance manager review.

Peer reviews involve one analyst reviewing the work of another, while project manager reviews are conducted prior to delivery to the quality assurance manager. The quality assurance manager then performs a final review. This ensures that our final product has been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes.



The primary mission of our quality control plan is to provide staff with technical and managerial expertise to plan, organize, implement, and control overall quality effort, thereby ensuring the completion of a quality project within the time and budget established.

Quality Assurance Goals	
Goal	Task
Quality Assurance / Control Process	<ul style="list-style-type: none"> ▪ Establish a set of planned and systematic actions for maintaining a high level of quality in the professional services performed; Emphasize quality in every phase of work; ▪ Ensure efficient use of resources; ▪ Establish a consistent and uniform approach to the services performed; and ▪ Implement appropriate quality control measures for each work task of the project.
Quality Control Plan	<ul style="list-style-type: none"> ▪ Contract deliverables; ▪ Specific quality control procedures; ▪ Special quality control emphasis; ▪ Budget and manpower requirements; ▪ Overall project schedule and budget; and ▪ Project documentation requirements;

Project Disclaimer

Willdan is a registered municipal advisory firm with the U.S. Securities and Exchange Commission (“SEC”), as such the City of Rollingwood represents, acknowledges, and agrees that Willdan is not acting as a “municipal advisor” (as defined by the SEC), to the City, in any capacity as it relates to the project in this Comprehensive Water Rate Study proposal.

- (i) The City uses, or may use, the services of one or more municipal advisors registered with the SEC to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The City is not looking to Willdan to provide, and the City 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 City with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the City, (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 City, 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 City 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 City 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 City is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

Price Proposal

Based on the work plan identified within the scope of services, we propose a fixed fee of thirty-five thousand, six hundred ten dollars (\$35,610.00) on behalf of the City. The table below provides a breakdown of the fee by task and project team member for the completion of the project.

ROLLINGWOOD TX WATER RATE STUDY											
PROJECT COST SUMMARY											
	Project Director		Project Manager		Senior Analyst		Project Analyst		Total Hours by Task	Total Cost by Task	% of Total
	JASON GRAY	%	DENNIS GORAL	%	ALEX HULEVICH	%	AKASH PATEL	%			
Hourly Billing Rates	\$ 300		\$ 210		\$ 135		\$ 110				
	Est. Effort		Est. Effort		Est. Effort		Est. Effort		Est. Effort		
Task 1: PROJECT KICKOFF/DATA ACQUISITION	0.8	20%	0.8	20%	0.8	20%	1.6	40%	4.0	692	3%
Task 2: DEMOGRAPHIC ANALYSIS	0.4	10%	0.0	0%	0.8	20%	2.8	70%	4.0	536	2%
Task 3: DETERMINE REVENUE REQUIREMENTS	4.8	20%	2.4	10%	4.8	20%	12.0	50%	24.0	3,912	14%
Task 4: USER CHARACTERISTICS & CUSTOMER CLASSES	1.6	20%	0.8	10%	2.4	30%	3.2	40%	8.0	1,324	5%
Task 5: COST FUNCTIONALIZATION, CLASSIFICATION, AND ALLOCATION	6.0	30%	2.0	10%	4.0	20%	8.0	40%	20.0	3,640	13%
Task 6: ALTERNATIVE RATE DESIGNS	10.0	50%	2.0	10%	2.0	10%	6.0	30%	20.0	4,350	16%
Task 7: PREPARE AND PRESENT DRAFT AND FINAL REPORTS AND RATE MODELS	14.4	60%	2.4	10%	2.4	10%	4.8	20%	24.0	5,676	21%
Task 8: GOVERNING BODY MEETINGS	7.2	60%	1.2	10%	1.2	10%	2.4	20%	12.0	2,838	10%
PM/QA PROJECT MANAGEMENT & QUALITY CONTROL	9.7	50%	1.9	10%	7.7	40%	0.0	0%	19.3	4,350	16%
Total Professional Services Hours	54.9		13.5		26.1		40.8		135.3	\$ 27,318	100%
Budget by Personnel	\$16,460		\$2,842		\$3,528		\$4,488				77%
Percent of Professional Fees	60%		10%		13%		16%				
Travel Expenses	\$ 3,401		\$ 1,848		\$ -		\$ 2,772			\$ 8,021	23%
Other Expenses										\$ 273	1%
Total Estimated Cost										\$35,612	
Fixed Price Proposal										\$35,610	

Notes

- The fee includes up to four (4) onsite meetings. All other meetings with staff are intended to be held virtually through Zoom/Teams/Webex. If at any time the City requests in writing that Willdan staff be present onsite at the City in connection with the Cost Allocation Plan in addition to the included onsite meetings, Willdan may invoice all travel and lodging expenses at actual cost.
- Our fee includes all direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.

Additional Services

In the event the City requests in writing additional tasks which fall outside of the scope of this study, the City shall reimburse Willdan for any reasonable out-of-pocket 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 City or relating to the project. Willdan employee time will be charged according to the following schedule: References

Willdan Financial Services Hourly Rate Schedule		
Position	Name	Rate
Vice President/Director	Chris Fisher	\$310.00
Vice President/Managing Principal	Jason Gray	\$300.00
Vice President	Dan Jackson	\$300.00
Principal Consultant	Tony Thrasher	\$270.00
Senior Project Manager	Dan Lanning	\$250.00
Senior Project Manager	Dennis Goral	\$250.00
Senior Project Analyst	Alex Hulevich	\$150.00
Analyst I	Akash Patel	\$110.00

Qualifications

Willdan Financial Services, based in Temecula, California is an operating division within Willdan Group Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly traded company (WLDN). WGI, through its divisions, provides professional technical and consulting services that ensure the quality, value and security of our nation’s infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its surrounding communities.

A financially stable company, Willdan has approximately 1,800 employees working in more than a dozen states across the U.S. Our employees include a number of nationally recognized Subject Matter Experts for all areas related to the broadest definition of connected communities, four of whom are committed to contribute their expertise throughout the duration of the City’s engagement.

Willdan has solved economic, engineering and energy challenges for local communities and delivered industry-leading solutions that have transformed government and commerce. Today, we are leading our clients into a future accelerated by change in resources, infrastructure, technology, regulations, and industry trends.

Founded in 1964

50+ Offices Nationwide

800+ Municipal/Government Clients

Experience across **13 States 7 Countries**

Experience spanning **30+ Years**

240+ Utility Rate Studies in the past 5 years

Members of:

- American Water Works Association **AWWA**
- The Water Environment Federation **WEF**
- The WaterReuse Foundation **WRF**
- National Association of Certified Valuers and Analysts **NACVA**

DIVERSE STAFF

- Project Managers
- Financial Consultants
- Community Engagement Experts
- CPA's
- Certified Valuation Analyst

Willdan Financial Services

Established on June 24, 1988, Willdan Financial Services, is a national firm and is one of the largest public sector economic and financial analysis consulting firms in the United States. Since that time, we have helped over 800 public agencies successfully address a broad range of infrastructure challenges.

Our team, lead by Jason Gray, in Plano, TX is focused on actively supporting our clients by ensuring they stay informed about their engagements and the latest advancements in our areas of expertise. We believe that by sharing this knowledge, we can empower our clients to make informed decisions and achieve their objectives. Willdan assists local public agencies by providing the following services:

Willdan Financial Services	
Primary Services	
<ul style="list-style-type: none"> Utility rate and cost of service studies; User fee studies; Cost allocation studies; Real estate economic analysis; Tax increment finance district formation and amendment; Property tax audits; Housing development and implementation strategies; Municipal advisory services; 	<ul style="list-style-type: none"> Development impact fee establishment and analysis; Economic development strategic plans; District administration services; Feasibility studies; Arbitrage rebate and continuing disclosure services; Debt issuance support; and Long-term financial plans and cash flow modeling.

Utility Rate Experience

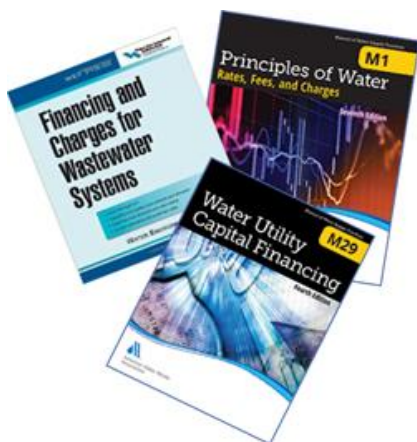
Willdan’s professional staff has provided professional consulting services, including financial planning; rate and cost-of-service studies; alternative and feasibility analyses; and operational and management studies for water, reclaimed water, wastewater, solid waste, and stormwater utility clients across the United States for three decades. Additionally, Willdan staff are involved with the development of the rate-setting methodologies set forth in the American Water Works Association (AWWA) M-1 manual “Principles of Water Rates, Fees and Charges,” the AWWA M-85 manual “Development Impact Fees”, and the AWWA M-29 manual “Water Utility Capital Financing.” Willdan is nationally recognized for its expertise with staff frequently being called upon to speak or instruct on utility financial matters, as subject matter experts, including the AWWA Utility Management conference.

Willdan staff are experienced in a broad range of utility planning services; and therefore, understand the importance of an approach that integrates elements of utility planning, engineering, and finance. Willdan Team members possess considerable experience in utility rate and cost-of-service studies and have performed these services for hundreds of utilities throughout the country. Our team includes staff with public sector experience spanning 30 years, and staff on the forefront of utility ratemaking and rate-modeling. In addition, team members have held positions as finance directors, city managers, and auditors, and therefore understand the financial, operational, and political realities faced by governmental staff and management; we craft solutions, which are sensitive to this. Our expertise spans across the following utility financial planning services:

Willdan Financial Services Experience and Expertise

- Retail and wholesale rate studies;
- Revenue sufficiency analyses;
- Utility management and policy assistance;
- Connection fee / impact fee studies;
- Miscellaneous fee and charge studies;
- Renewal and replacement sufficiency analyses;
- Comprehensive alternatives analyses;
- Capital project funding studies;
- Interactive rate model development with dashboards showing key performance indicators;
- CIP financial scenario planning;
- Rate ordinance drafting;
- Billing system validation/rate testing;
- Bond feasibility reports;
- Valuation/divestiture studies; and
- Life cycle costs analyses

Willdan will work with City to identify, and prioritize operational and fiscal objectives, and match these to specific rate attributes; and use this information throughout the engagement to develop a comprehensive financial plan and design utility rates that effectively meet these goals.



The culmination of our analyses will be rate policies that guide the rate setting process, and a financial management plan that develops projected system operating results for the utility for the forecasted period.

Willdan will employ its proven interactive approach, coupled with advanced financial modeling techniques to design rates and a financial plan that meets established goals and performance criteria. These modeling techniques serve as a powerful decision-making tool and provide City with genuine business solutions and recommendations as to the strategic direction of its utilities.

During rate and financial planning projects we employ tools and techniques which focus on consensus building among stakeholders to ensure the team understands the future financial implications of current management decisions. Our extensive project expertise is bolstered by our unique interactive financial planning process and model.

Team Qualifications

Our management and supervision of the project team is very simple: staff in every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the client, on time and on budget. With that philosophy in mind, we have selected experienced professionals for this engagement. The chart below identifies each team member and their role specific to this project.

City Rollingwood, Texas Project Team	
Jason Gray Vice President & Managing Principal Project Director	
Areas of Expertise:	Rate and Cost-of-Service Studies; Impact/Capacity Fees; Expert Witness Testimony; Debt Issuance Support; Financial and Cash Flow Analyses; Bond Feasibility Reports; Revenue Sufficiency Studies
Office Location:	5500 Democracy Drive, Suite 130, Plano, Texas 75024
Telephone:	(972) 378-6588
Email:	jgray@willdan.com
Dennis Goral Project Manager Senior Financial Analyst	
Areas of Expertise:	Rate and Cost-of-Service Studies; Impact/Capacity Fees; Revenue Sufficiency Studies; Water, Wastewater, Stormwater, and Solid Waste Financial Planning; Financial and Cash Flow Analyses
Office Location:	5500 Democracy Drive, Suite 130, Plano, Texas 75024
Telephone:	(972) 378-6588
Email:	dgoral@willdan.com
Alex Hulevich Senior Project Analyst	
Areas of Expertise:	Cost-of-Service Studies; Rate Studies; Revenue Sufficiency Studies; Cost Allocation Studies; User Fee Studies
Office Location:	5500 Democracy Drive, Suite 130, Plano, Texas 75024
Telephone:	(972) 378-6588
Email:	ahulevich@willdan.com
Akash Patel Project Analyst	
Areas of Expertise:	Cost-of-Service Studies; Rate Studies; Revenue Sufficiency Studies; Cost Allocation Studies; User Fee Studies
Office Location:	5500 Democracy Drive, Suite 130, Plano, Texas 75024
Telephone:	(972) 378-6588
Email:	apatel@willdan.com

Project Team Stability

Mr. Gray has been assigned to serve as the Project Director for this engagement. He has been selected for this role due to his vast experience, which includes the role of a City Manager and Assistant City Manager for 15 years, the preparation and supervision of numerous utility rate studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups. This Project Team has prosecuted dozens of similar rate studies together in Texas and across the country. The Willdan tenure of the Project Team is: Mr. Gray (2021), Mr. Goral (2016), Mr. Hulevich (2023). and Mr. Patel 2023.

Resumes

A resume for each team member is provided on the following pages.

Jason D. Gray, MPSA

Project Director

Education

*Master of Public Service Administration, George Bush School of Government & Public Service at Texas A&M University
Bachelor of Arts in Political Science, Minnesota State University at Moorhead
Certification in Mediation & Dispute Resolution*

Areas of Expertise

*Executive-level reporting
Texas Special District Feasibility, Formation, and Administration
Data storytelling to enhance decision support
Strategic Planning
Financial Forecasting*

Economic Impact Analysis

Economic Development Negotiations

Financial Impacts of Municipal Growth

Bond Rating Optimization

Expert Witness

Testimony

27 Years' Experience

With over 26 years of combined City staff and municipal consulting experience and an extensive knowledge base developed over his tenure in an array of communities, Jason Gray is well versed in the issues facing local governments. After his departure from direct public service as a member of City staff, Mr. Gray has continued to support cities, counties, and public agencies as Vice President with Willdan Financial Services and previously as President and CEO of the JDGray Group. Mr. Gray has led over 300 municipal projects in a wide variety of services. Some of his projects include financial and economic impact analyses of growth and development (including special districts), utility rate studies, long-term financial plans, governing body workshop facilitations, City-wide strategic plans, and designing and delivering servant-leadership development programs.

Select Related Experience

- **Coconino County, Arizona** | Cost Allocation Plan and Comprehensive User Fee Study | Project Director
- **City of Tucson, Arizona** | Limited User Fee Study | Project Director
- **City of Melissa, Texas** | Cost Allocation Plan & Comprehensive User Fee Study | Project Director
- **City of Amarillo Texas** | Cost Allocation Plan | Peer Reviewer
- **City of Mesquite, Texas** | Cost Allocation Plan | Project Director
- **City of Missouri City, Texas** | Cost Allocation Plan | Project Director
- **City of Celina, Texas** | HB3492 Compliant Fee Analysis | Project Director
- **City of Pilot Point, Texas** | HB3492 Compliant Fee Analysis | Project Director
- **Town of Marana, Arizona** | Water Development Impact Fees | Expert Witness
- **City of Prescott Valley, Arizona** | Utility Rate Study | Project Advisor | Revenue Optimization Study | Project Manager
- **City of Chino Valley, Arizona** | User Fee Study | Project Manager
- **City of Tucson, Arizona** | Utility Rate Comparative Analysis | Project Advisor
- **City of Florence, Arizona** | Community Facilities District Financial Analysis | Project Advisor
- **City of Bellaire, Texas** | Water, Wastewater, Solid Waste, and Drainage Cost of Service Analysis and Rate Study | Project Manager
- **Sherman, Texas** | Water & Wastewater Cost of Service Analysis and Rate Study | Project Advisor
- **Ft. Bend County Coalition** | Expert Witness | Supporting a coalition of cities and taxing entities regarding the long-term tax revenue impact of large-scale property devaluation due to natural disasters
- **City of Mesquite, Texas** | Utility System Acquisition Analysis | Project Manager
- **City of Heath, Texas** | Water & Wastewater Cost of Service and Rate Study | Project Manager
- **City of Hewitt, Texas** | Water & Wastewater Cost of Service Analysis and Rate Study | Project Manager
- **Denton County Transportation Authority** | Budget & Revenue Modeling | Project Manager
- **City of Harlingen, Texas** | Water & Wastewater Cost of Service Analysis and Rate Study | Project Advisor

Dennis Goral

Project Manager

Education

Double Bachelor of Science, Finance and Economics, University of Texas

Areas of Expertise

Rate Studies

Rate Design

Dynamic Computer Modeling

Dashboard Design

Cost of Service Studies

Alternatives Analysis

Advanced Excel

Cost Allocation Studies

User Fee Studies

Clubs & Organizations

GFOAT, Government Finance Officers Association of Texas

SEED, Student Entrepreneurs and Economic Development

SIFE, Student in Free Enterprise

Alpha Beta Gamma, Business Honors Society

Honors and Awards

Lowe's Community Improvement Grant for Collin Community College, 2011

Other Languages

Russian

10 Years' Experience

Mr. Goral is a project manager with 7 years of municipal utility analysis experience and 2 years in financial and economic analysis experience. His consulting experience includes a variety of projects associated with public water, wastewater, reclaimed water, sanitation, natural gas, and electric utility systems throughout the United States and Pacific Islands.

Mr. Goral has been involved with many different facets of project analysis for water and wastewater utility systems including data gathering, dashboard development, dynamic model development, sensitivity analysis, cost-benefit analysis, alternative analysis, demographic analysis, consumption analysis and rate design. Additionally, he has been involved in model development and analysis for cost allocation and user fee studies.

He has special expertise in dashboard development and dynamic model development. In addition, Mr. Goral has an extensive working knowledge of Microsoft Excel and the ability to perform detailed and complex analyses. He has experience in presenting complex information in a simple and easy to understand way.

Select Related Experience

City of DeSoto, TX – User Fee Study: Mr. Goral served as the senior financial analyst and assisted in the preparation of a user fee study for the City of DeSoto. Full cost calculations were developed for each fee analyzed in the study. The report included the methodology and suggested fees for those the City wished to analyze.

City of Missouri City, TX – Full Cost Allocation and User Fee Study: Mr. Goral assisted as the senior financial analyst in the preparation of a full cost allocation and model for the City of Missouri City, which would identify the allocable and non-allocable costs associated with the City's central service departments and functions, and to distribute those costs to the operating entities in a fair and equitable manner. Additionally, the indirect department overhead calculated in the CAP was used to calculate the fully burdened hourly rates for city positions to use in the user fee study. Mr. Goral prepared full cost calculations for each fee analyzed in the user fee study.

City of Mesquite, TX – Full Cost Allocation Study: The City of Mesquite was looking to update the cost allocation plan to reflect the current fiscal environment. As the senior financial analyst on the project, Mr. Goral worked on creating a new CAP and model for the City, that would identify the allocable and non-allocable costs associated with the City's central service departments and functions, and to distribute those costs to the operating entities in a fair and equitable manner.

Town of Sunnyvale, TX – User Fee Study: Mr. Goral served as the senior financial analyst for the Town of Sunnyvale User Fee Study engagement. Full cost calculations were developed for each fee analyzed in the user fee study. The report included the methodology and suggested fees for the fees the Town wished to analyze.

City of Coppell, TX – Full Cost Allocation Plan: Mr. Goral served as the financial analyst in the preparation of a full cost allocation and model for the City of Coppell.

City of San Luis, AZ – Full Cost Allocation Plan: Mr. Goral prepared for the City of San Luis, as the financial analyst, a full cost allocation and model.

Alexander Hulevich

Analytical Support

Education

*Bachelor of Science,
Business Administration,
University of Mountain
College*

Areas of Expertise

Rate Studies

Rate Design

*Dynamic Computer
Modeling*

Cost of Service Studies

Alternatives Analysis

Advanced Excel

Cost Allocation Studies

User Fee Studies

*Expertise in Banking
Rules and Regulations*

Other Languages

Spanish; Russian

10 Years' Experience

Mr. Hulevich is a Financial and Budget Analyst with 10 years of experience. His consulting experience includes a variety of projects associated with public water, wastewater, sanitation utility systems throughout the United States.

Mr. Hulevich has been involved with many different facets of project analysis including collecting, interpreting, and analyzing a variety of raw data received from clients (budgets, billing data, historical usage, current and future debt, CIP plans, etc.) for creation of water/wastewater rate models, user fees studies, and cost allocation plans. He has experience evaluating utility rates and charges, and forecasting future revenue requirements, cost of service, population growth, and consumption patterns in order to develop rate recommendations.

In addition, Mr. Hulevich has an impressive knowledge of preparing reports, presentations, and making recommendations for internal and external stakeholders, including utility management, elected officials, and the public.

Select Related Experience

Cost Allocation Plan Experience

- City of Missouri City, TX
- City of Temple, TX
- City of Mesquite, TX
- Town of Sunnyvale, TX
- Town of Chino Valley, AZ

Other Related Experience

City of Mesquite, TX –Water and Wastewater Rate Study and Cost Allocation Plan Analysis (Project Analyst, 2023): Mr. Hulevich prepared a water and wastewater rate analysis and report for the City of Mesquite in 2023. The report included recommended rates and a financial plan for the next 10 years. Also, Mr. Hulevich, assisted in preparing a cost allocation plan analysis for the City.

City of Temple, TX – User Fee Study (Project Analyst, 2023): Mr. Hulevich prepared a comprehensive user fee study in fiscal year 2023. The cost to provide individual services for each department was developed using fully burdened hourly rates. The study included calculations of services being provided and any additional services needed by the City. Also, Mr. Hulevich assisted in preparing a report of the findings.

Town of Chino Valley, AZ – User Fee Study (Project Analyst, 2023): Mr. Hulevich prepared a comprehensive user fee study in fiscal year 2023 for the Town of Chino Valley. The cost to provide individual services for each department was developed using fully burdened hourly rates. The study included calculations of services being provided and any additional services needed by the Town. In Addition, Mr. Hulevich, assisted in preparing a report of the findings.

Akash Patel

Financial Analyst

Education

*Bachelor of Business Administration, University of Oklahoma, Norman, OK
Minor-Aviation Management*

Areas of Expertise

*Rate Studies
Forecasting
Cost Saving
Advanced Excel*

Other Languages

Gujarati

5 Years' Experience

Mr. Patel works as an analyst at the Willdan office in Plano, Texas. In this role, he contributes to various tasks such as research, analysis, and implementation for city utility rate studies and strategic plans. His responsibilities include budget preparation, numerical data entry, database management, forecasting, and report preparation. Working closely with Senior Analyst Dennis Goral, Mr. Patel offers valuable analytical support, specializing in financial investigative analysis and evaluation.

He collaborates effectively with senior project team members, playing a crucial role in identifying relevant insights and trends. This collaboration inspires the compilation and optimization of analytical reports.

With five years of experience in the financial field, Mr. Patel has worked in different backgrounds, including airports and hospitality.

Select Related Experience

City of Goodyear, AZ – Water and Wastewater Rate Study: Mr. Patel worked as a financial analyst, supporting senior project team members, in the water and wastewater rate analysis project for the City of Goodyear. The city is experiencing rapid growth and development. The project involved creating a 10-year financial plan for the water and wastewater utilities, weighing in increasing expenses. It also entailed developing two alternative 5-year water and wastewater rate plans, due to the high amount of Capital Improvement Plans, and conducting an impact analysis to assess how these options would affect both customers and the City.

City of Winslow, AZ – Rate Update: Mr. Patel served as a financial analyst, aiding senior project team members in analyzing rate updates and preparing reports for the City of Winslow. Despite the city's slow growth, the analysis centered around a 10-year financial plan for the water and wastewater utilities, with a focus on expenses and capital projects. The project also included proposing a 5-year water and wastewater rate plan and conducting an impact analysis to evaluate its effects on both customers and the City.

City of Waller, TX – Water and Wastewater Rate Study: Mr. Patel served as a financial analyst, assisting senior project team members in the water and wastewater rate analysis project for the City of Waller. The project focused on developing a 5-year rate plan for water and wastewater utilities, considering expenses related to debt and capital projects, as well as forecasted account growth and usage. These factors were considered to create an accurate rate structure that would cover both current and future water and wastewater expenses. Additionally, an impact analysis was conducted to assess how the new rates would impact both ratepayers and the City.

City of Cleburne, TX – Water and Wastewater Rate Research: Mr. Patel conducted a study on water and wastewater rates in neighboring cities to assess how Cleburne, TX fares in comparison. This research aims to determine the affordability of water and wastewater services for residents when compared to nearby municipalities.

City of Balch Springs, TX – Water and Wastewater Rate Study: Mr. Patel served as a financial analyst, assisting senior project team members in the water and wastewater rate analysis project for the City of Balch Springs, a new client. The project focused on developing a 5-year rate plan for water and wastewater utilities, considering some expenses not under the control of the city such as inflation and capital improvement plans. These factors were considered to create an accurate rate structure that would cover both current and future water and wastewater expenses. Additionally, an impact analysis was conducted to assess how the new rates would impact both ratepayers and the City.

City of Russellville, AR – Water and Wastewater Rate Research: In his research, Mr. Patel analyzed the water and wastewater rates of nearby cities to assess Russellville, AR's standing in comparison. The primary objective of this study was to determine the affordability of water and wastewater services for Russellville residents when compared to neighboring municipalities.

References

Plano Projects

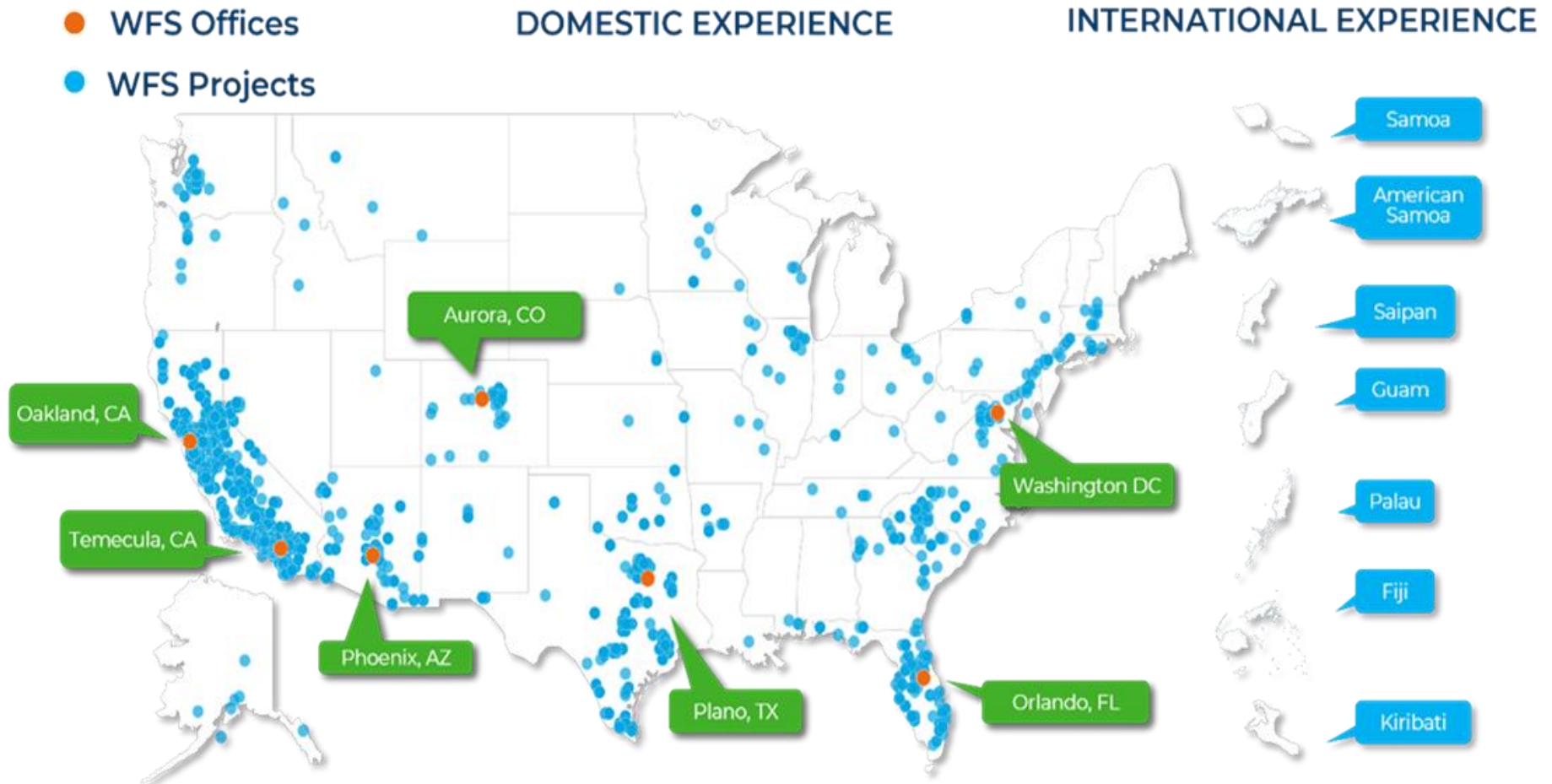
As a matter of policy and to protect our client’s data and confidentiality, we do not release full client lists with contact information. Willdan is a multi-million-dollar company with hundreds of clients, with many governmental and jurisdictional clients, and does not provide that information as part of its proposals. As an alternative, a representative listing of our utility rate study project experience from the last five years is shown below. These studies were prosecuted by Willdan’s proposed project team and include water, wastewater, gas, electric, sanitation and/or solid waste utility systems. If desired, Willdan can provide a listing of our national experience as well.

This list does not include the hundreds of additional clients served by other Willdan offices. We do not "pack" our proposals with representative engagements in which designated team members did not participate, as it is our belief that a company's general experience not shared by proposed team members is not useful to, nor relevant to, the City’s needs and requirements.

Willdan Financial Services							
Client List - Plano Office							
Texas			Arizona		United States		
1	Alamo Heights	55	Leander	1	Arizona Dept. of Environmental Quality	1	Bryant, AR
2	Allen	56	League City	2	Avondale	2	Conway, AR
3	Alvarado	57	Liberty Hill	3	Bisbee	3	Hot Springs, AR
4	Amarillo	58	Little Elm	4	Buckeye	4	Hot Springs Village, AR
5	Aqua Water Supply Corporation	59	Llano	5	Bullhead City	5	North Little Rock Wastewater Utility, AR
6	Aubrey	60	Los Fresnos	6	Camp Verde	6	Russellville, AR
7	Arlington	61	Marble Falls	7	Carefree	7	Benton Washington Regional PWA, AR
8	Balch Springs	62	McKinney	8	Casa Grande	8	Ada, OK
9	Bellmead	63	McLendon-Chisholm	9	Chino Valley	9	Chickasha, OK
10	Beeville	64	Mercedes	10	Clarkdale	10	Potawatomi Nation, OK
11	Brady	65	Mesquite	11	Clifton	11	Edmond, OK
12	Brazos River Authority	66	Midlothian	12	Cottonwood	12	Miami, OK
13	Brownsville Public Utility Board	67	New Braunfels	13	Chloride Domestic Water Imp. District	13	Pryor, OK
14	Castroville	68	New Summerfield	14	Douglas	14	North Chicago, IL
15	Cedar Hill	69	North Fort Bend Water Authority	15	Eagar	15	South Adams County, CO
16	Celina	70	Oak Point	16	Eloy	16	Sarpy County, NE
17	Cinco Southwest MUD 1, 2, 3	71	Parker	17	Flowing Wells Irrigation District		
18	Cibolo Creek Municipal Authority	72	Plano	18	Florence		
19	Cibolo Valley Local Govt Corp	73	Port Arthur	19	Gila Bend		
20	Combes	74	Primera	20	Globe		
21	Coppell	75	Princeton	21	Goodyear		
22	Crandall	76	Prosper	22	Holbrook		
23	Crystal Clear SUD	77	Raymondville	23	Jerome		
24	Del Rio	78	Richardson	24	Marana		
25	Denton	79	Robstown	25	Miami		
26	Denton County FWSD #1A	80	Rockwall	26	Nogales		
27	Denton County FWSD #8C	81	Rowlett	27	Oro Valley		
28	Denton County Transportation	82	Royse City	28	Patagonia		
29	DeSoto	83	San Benito	29	Payson		
30	Denison	84	San Juan	30	Picacho Peak		
31	Donna	85	San Marcos	31	Pine Strawberry Water Improvement District		
32	Duncanville	86	Schertz	32	Pomerene Domestic Water Improvement District		
33	Eagle Pass	87	Schertz Seguin LGC	33	Prescott		
34	East Medina County SUD	88	Seguin	34	Prescott Valley		
35	El Paso County WCID #4	89	Selma	35	Quartzsite		
36	Ferris	90	Sherman	36	Queen Creek		
37	Frisco	91	Sonora	37	Safford		
38	Grand Prairie	92	Southmost Regional Water Auth	38	Show Low		
39	Galveston	93	Taylor	39	San Luis		
40	Garland	94	Tomball	40	Somerton		
41	Groesbeck	95	Tornillo Water Improvement Dist	41	Springerville		
42	Hackberry	96	Troup	42	Tombstone		
43	Harker Heights	97	Van Alstyne	43	Water Infrastructure Finance Authority of Arizona		
44	Harlingen	98	Venus	44	Wellton		
45	Heath	99	Waco	45	Willcox		
46	Hempstead	100	Waller	46	Winslow		
47	Hewitt	101	Waxahachie	47	Yuma		
48	Hutchins	102	Webb County				
49	Jonah Water SUD	103	West Harris County RWA				
50	Kempner WSC	104	Whitehouse				
51	La Villa	105	Winona				
52	Laguna Madre Water District	106	Woodway				
53	Laredo	107	Yancey Water Supply Corporation				
54	Lavon						

National & International Presence

Willdan team members possess considerable experience in utility rate and cost-of-service studies and have performed these services for hundreds of utilities



throughout the country and seven sovereign nations and territories in the Pacific Region. The graphical representation below depicts Willdan's office locations and geographical client presence

Similar Projects

City of McKinney, TX

Water and Wastewater Cost of Service Rate | 2016, 2019, 2021, 2023, 2024

Willdan was engaged in 2016 and again in 2019, 2021, 2023 and 2024 to conduct a comprehensive review of the water and wastewater rates and complete a full cost of service rate study for the City of McKinney. The City has been experiencing significant growth in recent years, which has added to the challenge of maintaining a superior quality water system. Further, the City has had to absorb significant cost increases from its regional provider, North Texas Municipal Water District (NTMWD). The rapidity of growth and the frequency of NTMWD rate changes have necessitated frequent updates to the rate plans.

Each study has recommended a new rate plan for the current year that will enable the City to fund its capital improvements and rate increases from NTMWD. The City Council unanimously adopted the recommendations of each study.

Client Contact: Mark Holloway, Chief Financial Officer
221 N. Tennessee, McKinney, TX 75069
Tel #: (972) 547-7536 | Email: mholloway@mckinneytxas.org

City of Celina, TX

Water and Wastewater Cost of Service Study | 2018, 2021, 2023, 2024, 2025

Willdan was initially engaged in 2018 by the City of Celina to prepare a comprehensive water and wastewater rate study and long-term financial plan. The City is experiencing rapid growth, like so many other cities in the Denton-Collin County region of North Texas. As a result, the City has to fund millions of dollars of capital improvements to expand its system to service this growth. The project team extensively with City staff to develop a five-year rate plan that funded this new debt, met debt service and coverage requirements, and ensured that any rate adjustments were as minimal as possible. The City Council unanimously adopted the project team's proposed rate plan. In 2021 Willdan was asked to update the rate study and propose a revised rate plan, which was also adopted by City Council. Another rate plan update was commissioned by the City and completed by our project team in 2022-2023.

Client Contact: Karla Stovall, Assistant City Manager
142 N. Ohio St. Celina TX 75009
Tel #: (972) 382-9943 | Email : kstovall@celina-tx.gov

City of Bellaire, TX

Water and Wastewater Rate Study | 2024

The City of Bellaire has engaged Willdan to complete a comprehensive Water and Wastewater Rate Study and a Long-Term Financial Plan. The City was interested in developing a comprehensive rate plan for FY2025 and beyond. Based on the conversations with city Staff, several important adjustments were included in the baseline costs to address the known budgetary issues and to account for future need.

Two distinctive rate designs were presented to the City to consider. Both alternatives provide a similar level of revenues and fund City's all current and future operating expenses and scheduled capital obligations.

Client Contact: Todd Gross, Senior Purchasing/Contract Coordinator
7008 S. Rice Ave, Bellaire, TX 77401
Tel#: (713)662-8138 | Email: tgross@bellairetx.gov

City of Leander, TX

Water and Wastewater Cost of Service Rate Study | 2018; 2021

Willdan was originally engaged by the City of Leander in 2017 to manage and complete a comprehensive review of the water and wastewater rates and a full cost of service rate study. The City had been undergoing a significant amount of growth and expansion, and its capital investment needs were substantial. The City acquires its water from a combination of Lower Colorado River Authority (LCRA) and the Brushy Creek Regional Utility Authority. The City also depends on BCRUA for wastewater treatment. Like most agencies, these utilities were increasing their cost of service, and the City had to develop a means of passing through these increasing costs while minimizing the impact on its ratepayers.

The project team developed a comprehensive ten year forecast model that forecast both internal costs and BCRUA costs, as well as growth, usage and CIP estimates. Additionally, the project team developed a wholesale cost of service methodology to be used in conjunction with the City of Georgetown's wholesale water contract. Mr. Dan V. Jackson, Willdan Vice President, managed this project and directed all staff on behalf of Willdan. Mr. Jackson engineered the development of the model (which was based on a model Mr. Jackson designed for Willdan) and approved both the report and presentations. Due to extraordinary forecast growth, the project team recommended no initial rate adjustment in 2018, though the study showed that future adjustments would be necessary.

In 2021 the City engaged Willdan to prepare a new comprehensive rate study. The City had new water contracts with its neighboring city, had acquired the CCN of a local MUD, and was facing increased costs from the expansion of the Brushy Creek facility. The project team developed several alternative rate plans and presented them before the City Council. The Council adopted the project team's recommendations for a new multi-year rate plan. The City is currently discussing further engagements with Willdan, a sign of the successful relationship we have developed with the City.

Client Contact: Mr. Robert Powers, Finance Director
105 N. Brushy St., Leander, TX 78641
Tel # (512) 528-2734; Email: rpowers@leandertx.gov

Additional Data

Dashboard

Interactive, “What-If” Model Capability

Our Excel-based rate model has the elements necessary to conduct a full financial planning analysis and rate study. The comprehensive analysis model allows us to develop various scenarios regarding such things as:

- Capital financing alternatives;
- Debt service coverage tests; and
- Liquidity tests (cash reserves) and modeling of rate structure alternatives to test “what-if” scenarios, to address such questions that may arise during project team meetings with staff or elected officials. This process helps to gain consensus regarding the rate and financial plan which best addresses your needs.



Features of the analysis model include the ability to incorporate line-item data and assumptions that are then summarized in a graphic dashboard to show key financial indicators for the utility system. The sample dashboard, shown below, illustrates how we can summarize data, assumptions, and calculations into an easy-to-understand graphical interface that updates with each alternative scenario evaluated.

To summarize, rate model development is an integral part of the Willdan consulting process, and one in which staff and other stakeholders play a collaborative role.

At the completion of the analysis, the model will be customized to generate the financial metrics and targets desired by the City. Also, an Excel version of the model will be provided to the City for use by staff. The ultimate goal is to develop an effective, efficient, and interactive working relationship that will carry forward into future rate-setting processes.

Subsequent to careful development and validation of the baseline forecast, a series of alternative forecasts will be prepared illustrating various results in the following general categories:

- **What if things turn out differently?** These alternatives will demonstrate the sensitivity of the forecast to the significant assumptions used. This results in a sound understanding of areas where a conservative forecast approach is warranted;
 - **What happens when we try this?** This series of alternatives focuses on different financial management approaches. For example, the use of different financing techniques such as capitalized interest, interim short-term financing, and capital appreciation bonds may be explored;
 - **What can we do to make it better?** This approach to forecasting identifies the factors that may be causing significant rate increases in a given year and explores alternatives. For example, if a large capital project in a single year is the culprit, we would work with staff and consulting engineers to determine whether this project could be phased or delayed; and
 - **How will any adjustments affect our customers?** In examining rate structure alternatives, we will demonstrate and discuss how users in various categories or classifications will be impacted. Our team will use our rate design model to explore the impact of various rate structures on bills for each customer class over the relevant consumption range.
- Project Schedule

Willdan understands time is of the essence for the City of Rollingwood to begin this engagement. This schedule can only be met with the cooperation of City staff. Delays in responding to our requests for data and review will result in corresponding delays to the project schedule. If that is the case, we will notify the City immediately of the possible impact on the schedule. As noted in the Executive Summary of this Proposal, the requested project timeline as outlined within the RFP is possible but highly aggressive and will only be accomplished with the delivery of all required data from the City to Willdan within one week of execution of the contract and the highest degree of coordination of meetings and clarifications from staff as needed.

To accomplish this, we will request that the City name a single point of contact with appropriate authority to marshal the City's personnel and resources for the for the efficient prosecution of this project.

5500 Democracy Drive, Suite 130
Plano, TX 75024
Phone: 972.378.6588

www.willdan.com

