

May 22, 2025

Mr. Geovanne Neste
Finance Director
City of Hallandale Beach
4000 S. Federal Highway
Hallandale Beach, FL 33009

Subject: **Agreement to Provide Utility Financing Support – Bond Feasibility Report**

Dear Mr. Neste:

Raftelis Financial Consultants, Inc. (“Raftelis”) is pleased to submit this agreement to provide utility consulting services on behalf of the City of Hallandale Beach, Florida (“City” or “Client”). In support of the City’s purposed revenue bond issue, Raftelis will prepare a Bond Feasibility Analysis to be included in the City’s consulting engineers report associated with the proposed issuance of 2025 Revenue Bonds on behalf of the City’s Water, Wastewater, and Stormwater Systems.

PROJECT TEAM AND BILLING RATES

With respect to the performance of this engagement, Mr. Henry L. Thomas will be the Project Director. Mr. Shawn Ocasio will be the Project Manager and primary contact with the City. Other analysts and administrative personnel will be utilized during the engagement as needed.

SCOPE OF SERVICES

A detailed scope of services for this project is included herein as Attachment B.

COMPENSATION AND BILLING

Based on the scope of services as summarized herein in Attachment B and the direct hourly labor billing rates as identified in Attachment A, we propose a total fee for the project of \$49,320 as set forth in Attachment C. This amount is based on the direct cost of personnel anticipated to be assigned to the project as well as any indirect costs such as telephone, reproduction, printing, and shipping charges. For the consulting services provided, the City will pay a not-to-exceed price based on the direct labor rates and standard reimbursable expense schedule included herein as Attachment A. No additional services above the not-to-exceed price will be performed without the prior written authorization of the Client. The project labor cost will be billed monthly based upon the actual hours of service furnished toward the completion of the project. Indirect expenses will be billed as they are incurred.

TERMS AND CONDITIONS

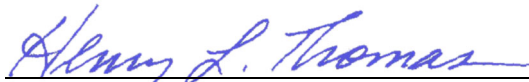
Included in Attachment D is a copy of the standard terms and conditions, which are hereby made a part of this agreement.

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We appreciate the opportunity to submit this agreement to the City to provide utility rate consulting services. We are providing two copies of this agreement for your approval. If this agreement is acceptable to you, please execute both copies and return one to us. The other copy is for your records. We look forward to working with you on this project and, if you should have any questions or comments, please do not hesitate to give us a call.

Respectfully submitted,

RAFTELIS FINANCIAL CONSULTANTS, INC.



Henry L. Thomas
Senior Vice President

ACCEPTED BY:

City of Hallandale Beach, Florida

Name

Title

Date

HLT/dlc
Attachments

ATTACHMENT A

CITY OF HALLANDALE BEACH, FLORIDA UTILITY BOND FEASIBILITY ANALYSIS

SCHEDULE OF DIRECT LABOR HOURLY RATES AND STANDARD COSTS

DIRECT LABOR RATES

Position	Hourly Rates
Executive Vice President / Senior Principal	\$410
Senior Vice President	\$400
Vice President	\$370
Senior Manager	\$330
Manager	\$290
Senior Consultant	\$255
Consultant	\$230
Associate	\$190
Analyst	\$160
Administration	\$100

STANDARD COST RATES

Expense Description	Standard Rates
Mileage Allowance – Personal Car Use Only	IRS Standard Mileage
Rate Reproduction (Black and White) (In-house)	\$0.05 per Page
Reproduction (Color) (In-house)	\$0.25 per Page
Reproduction (Contracted)	Actual Cost
Computer Time	\$0.00 per Hour
Telephone Charges	Actual Cost
Delivery Charges	Actual Cost
Lodging / Other Travel Expenses (Airfare, Car Rental, Parking, Taxi, etc.)	Actual Cost
Meals – per Employee:	Standard per Diem Rates as Established by Florida Statutes 112.061 for Class C Travel for Breakfast, Lunch, and Dinner
Sub-consulting Services	Actual Cost
Other Costs for Services Rendered	Actual Cost

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ATTACHMENT B

CITY OF HALLANDALE BEACH UTILITY BOND FEASIBILITY ANALYSIS

SCOPE OF SERVICES

As part of its capital improvement planning process, the City of Hallandale Beach (the “City”) has identified the need to issue revenue bonds to finance certain water, wastewater, and stormwater utility capital improvements. Accordingly, the City requested that Raftelis Financial Consultants, Inc. (“Raftelis”) provide a proposal for professional services necessary to assist with the development of a bond feasibility report in conjunction with the City’s consulting engineers in support of the issuance of the proposed revenue bonds (the “Feasibility Report”). The tasks included in the scope of services are described below:

TASK 1 – DATA REQUEST

Raftelis will provide to the City with a data request for information necessary to prepare the Feasibility Report. Data will be classified into the following areas:

- Organizational data: including responsibilities and reporting structure.
- Institutional / Legal data: including large user agreements, and other significant contractual arrangements with other entities or customers.
- Historical Financial data including audited financial statements for the five fiscal years FY2017 through FY2021
- Customer billing and usage and revenue data including the average numbers of customers billed by utility (i.e., water, wastewater, and stormwater by class (i.e., single-family residential, multi-family residential and commercial / non-residential and usage data including total billable water usage, billed wastewater usage, billed stormwater ERUs and related revenue data for the five (5) years FY2017 through FY2021.
- Operational data and permitting data including monthly operating reports (MORs, NPDES Permits), etc.
- Capital Improvement Program (“CIP”) data: including annual expenditures by project, and the City’s plan of finance as developed in conjunction with the City’s Municipal Financial Advisor.

Raftelis, in conjunction with the City, has conducted updates of water, wastewater, and stormwater financial forecasts that will provide the basis for the projected financial operating results included in the Feasibility Report.

Raftelis will compare the study needs to the information that is already on file to reduce the data gathering efforts by City staff. Once Raftelis receives the data, we will review the adequacy of the information and

schedule a Microsoft Team's meeting to address any additional data needs resulting from the initial review and compilation of data.

TASK 2 – REVIEW HISTORICAL FINANCIAL PERFORMANCE AND PROJECT FUTURE FINANCIAL PERFORMANCE

Based on actual and budgeted financial information provided by the City, Raftelis will work with City staff and the City's Consulting Engineers to prepare bond feasibility reports to provide the necessary financial and engineering disclosures to support the contemplated issuance of the 2022 Utility Revenue Bonds. Raftelis will be responsible for the financial report, which will present historical financial performance for the preceding five (5) fiscal years (FY2020 - 2024). The historical results will be based on the City's audited financial records and financial reports and representations made by City staff. Raftelis will then present projected results for the Study Period (FY 2025 - 2029). Also, based on the City's plan of finance, additional debt is contemplated to be issued during this timeframe, Raftelis will note such plans and their projected impact on the overall cash flow needs of the utility system. Based on the updated financial forecast water, wastewater and rates currently adopted by the City Commission, Raftelis will develop projected system operating results on a system-wide basis consistent with the total water, wastewater, and stormwater enterprise fund revenues pledged to repay the proposed 2025 Revenue Bonds. The scope allows for two additional updates to the financial projections during the study process. The projected operating results will include the projected flow of funds including cash fund balances and discussion of rate covenants as set forth in the Bond Resolution. In addition to summarizing the historical and projected operating results for the combined water, wastewater, and stormwater enterprise funds, the Feasibility Report will also include a discussion of adopted utility rates, and rate comparisons with other utilities comparing the City's adopted water, wastewater, and stormwater rates with rates charged by other neighboring or similar utilities.

Raftelis recognizes that the City will assemble a financing team to collaborate on the various aspects of the bond issue, in particular the financial reports and certifications. Based on Raftelis' experience working as a part of the utility financing team, we recognize the need to incorporate into the financial projections the requirements of any covenants relating to rates and additional debt. Raftelis will work with the various financing team members to provide the level of detail and disclosure required.

TASK 3 – PREPARE BOND FEASIBILITY REPORT

Raftelis will coordinate with the City's engineers and financial staff to prepare the Bond Feasibility Report to include discussions of the City's water, wastewater and stormwater utility system rates, and historical and projected operating results. The first draft of the report will be completed by the first week of August, 2025.

TASK 4 – PARTICIPATE IN PROJECT REVIEW SESSIONS WITH THE FINANCIAL WORKING GROUP AND OTHER ENTITIES

Raftelis will participate in project review sessions with the financial working group. Such sessions may include review of documents and will likely focus on assumptions and explanation of financial projections and other items. Raftelis will participate in conference calls with entities such as rating agencies and bond insurers if requested to do so. While conference calls and on-line Teams meetings may be adequate to review the preliminary results with City staff and the financing team.

TASK 5 – PROVIDE ADDITIONAL BONDS TEST AND REQUIRED CERTIFICATIONS

Raftelis Feasibility Report will include additional Bonds Test as required by the Bond Resolution and the certifications required to support the closing of the revenue bond issuance.

LIST OF DELIVERABLES

The deliverables to be provided in this engagement include the following items:

- Data Request;
- Combined Water, Wastewater, and Stormwater Financial Forecast;
- Historical and Projected Compliance with Rate Covenants;
- Residential Rate Comparison with Other Jurisdictions; and
- Bond Feasibility Report and Certifications.

MUNICIPAL ADVISOR DISCLOSURE

As a registered Municipal Advisor under the Dodd-Frank Act, Raftelis is required to inform our clients of any existing or potential conflicts of interest that may be relevant to any proposed scope of services that may include providing “advice” as that term is defined in the Dodd-Frank Act. As of the date of this engagement letter, no conflicts of interest are known to exist.

Under the Dodd-Frank Act the definition of “advice” includes providing any opinion, information or assumptions related to the size, timing and terms of possible future debt issues or borrowing. This type of information may be integrated into the capital and financial planning components of a rate model update. This definition is applicable regardless of whether this information is developed and used solely for planning and decision-making purposes. For the services addressed in the scope of work identified for this engagement, the City is not engaging Raftelis as its IRMA. Any information developed by Raftelis that falls under this definition of municipal advice is not intended to represent a recommendation that the City should issue debt based on the terms and assumptions used to develop the financial plan or forecast, or that the City will, in fact, be able to issue debt under the exact terms and conditions assumed and used to develop the financial plan or forecast. The information developed as part of this rate model update, including any related municipal advice, is intended only to provide information useful in evaluating the potential impact on the utility and future rate adjustments of one potential course of action for the City. It is our understanding that the City has engaged a firm to serve as its IRMA for the purpose of advising on any potential debt and debt related issues associated with its water and wastewater utility. If the City has not engaged an IRMA, it may elect to do so.

At that time, as a registered Municipal Advisor, Raftelis can also provide additional assistance related to a specific bond or debt issue, such as preparing a bond feasibility report or financial forecast for inclusion in bond documents, without requiring additional oversight or supervision by the IRMA.

By signing this engagement letter indicating its approval and acceptance of the of the proposed scope of work and fees, the City is also explicitly acknowledging that Raftelis has provided the necessary disclosures addressing conflicts

of interest and any limitations on the scope of Municipal Advisory services to be provided by Raftelis as part of this engagement.

The Municipal Securities Rulemaking Board (“MSRB”) provides significant protections for municipal entities and obligated persons that are clients of a municipal advisor. To understand the protections provided and how to file a complaint with an appropriate regulatory authority, visit the MSRB web site at www.msrb.org.

ADDITIONAL SERVICES

During the course of the study, the City may request additional services from Raftelis. Such services will not be conducted until authorized by the City as mutually agreed between the parties and Raftelis. The City will be billed for such additional services based on the direct labor rates as set forth in Attachment A. Examples of such additional services include, but are not limited to, the following:

1. Attendance at any on-site meetings in addition to the on-line Teams meetings that are anticipated in this scope of services;
2. Requests for updated analyses and/or additional financial scenarios after substantial completion of the initial work (The scope allows for two additional updates during the study process; and
3. Costs incurred due to substantial delays in the duration of the project by the City or major changes in policy as directed by the City that is different from what is implied in the scope of services.

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ATTACHMENT C

City of Hallandale Beach, Florida Project Cost Estimate - Bond Feasibility Study

Line No.	Description	Senior Vice President	Senior Manager	Consultant	Clerical and Administrative	Totals
1	Project Staff Billing Rates (\$/Hr.)	\$400.00	\$330.00	\$230.00	\$100.00	
2	<u>Bond Feasibility Study - Water and Sewer</u>					
3	Task 1 - Prepare Data Request/Data Gathering and Follow Up	0	8	4	2	14
4	Task 2 - Review Historical and Projected Financial Operating Results	4	20	16	0	40
5	Task 3 - Prepare Bond Feasibility Report	16	24	24	12	76
6	Task 4 - Project / Report Reviews	10	16	0	0	26
7	Certifications	2	2	0	0	4
8	Project Management	4	0	0	3	7
9	Total Hours	36	70	44	17	167
10	Direct Labor Cost	<u>\$14,400</u>	<u>\$23,100</u>	<u>\$10,120</u>	<u>\$1,700</u>	\$49,320
11	Total Project Cost					<u>\$49,320</u>

I. SCOPE

Raftelis Financial Consultants, Inc. ("Raftelis") agrees to perform the professional consulting services described in the agreement (the "Work") that incorporates these standard terms and conditions. Unless modified in writing by the parties hereto, the duties of Raftelis shall not be construed to exceed those services specifically set forth in the agreement. These terms and conditions and the agreement, when executed by the Client, shall constitute a binding agreement on both parties (hereinafter the "Agreement").

II. COMPENSATION

The Client, as defined in the agreement, agrees to pay for the services as billed within 30 days of receiving the invoice. Amounts paid after 30 days may be subject to interest charges, not to exceed a monthly compound rate of one percent (1.0%) applied to the delinquent unpaid balance.

Time-related charges will be made in accordance with the billing rate referenced in the agreement. Other indirect expenses and subcontractor services, if any, will be billed in accordance with the standard unit cost rates as referenced in the agreement or, if no reference is provided, at the actual cost as incurred by Raftelis.

III. RESPONSIBILITY

Raftelis is employed to render a professional service only, and any payments made by Client are compensation solely for such services rendered and recommendations made in carrying out the Work. Raftelis shall perform analyses, provide opinions, make factual presentations, and provide professional advice and recommendations. Raftelis does not expressly warrant or guarantee its services.

**IV. RELIANCE UPON INFORMATION
PROVIDED BY OTHERS.**

If Raftelis' performance of services hereunder requires Raftelis to rely on information provided by other parties (excepting Raftelis' subcontractors), Raftelis shall not independently verify the validity, completeness or accuracy of such information unless otherwise expressly engaged to do so in writing by Client.

V. INDEMNIFICATION

Raftelis agrees to indemnify, defend, and hold Client harmless from and against liability caused by the negligent errors or negligent omissions of Raftelis, its agents, employees, or representatives, in the performance of duties set forth in Article I. Regardless of any other term of this Agreement, in no event shall Raftelis be responsible or liable to Client for any incidental, consequential, or other indirect damages.

Client agrees to indemnify, defend, and hold Raftelis harmless from and against any liability caused by the negligent errors or negligent omissions of Client, its agents, employees, or representatives, in the performance of duties set forth in Article I.

VI. INSURANCE

Raftelis shall maintain during the life of the agreement the following minimum insurance:

1. Commercial general liability insurance, including hired and non-owned automobiles, with the following limits:

Each Occurrence	\$1,000,000
Damage to Rented Premises	
(Each Occurrence)	\$500,000
Medical Expense (Any One Person)	\$15,000
Personal and Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products – Completed/Operation	
General Aggregate	\$2,000,000

2. Statutory worker's compensation and employers' liability insurance as required by state law.
3. Professional liability insurance at a limit of liability of not less than \$5,000,000 aggregate.

VII. SUBCONTRACTS

Unless specifically specified in the Agreement, Raftelis shall be entitled, to the extent determined to be appropriate by Raftelis, to subcontract any portion of the Work to be performed under this Agreement.

VIII. ASSIGNMENT

These terms and conditions and the agreement to which they are attached are binding on the heirs, successors, and assigns of the parties hereto. This agreement may not be assigned by Client or Raftelis without prior, written consent of the other.

IX. INTEGRATION

These terms and conditions and the agreement to which they are attached represent the entire understanding of Client and Raftelis as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered herein. The agreement may not be modified or altered except in writing signed by both parties.

X. JURISDICTION

This agreement shall be administered and interpreted under the laws of the State of Florida. Jurisdiction of litigation arising from the agreement shall be in that state.

XI. SEVERABILITY

If any part of the Agreement is found unenforceable under applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall be in full force and effect.

XII. FORCE MAJEURE

Raftelis shall not be responsible for delays in performing the scope of services that may result from causes beyond the reasonable control or contemplation of Raftelis. Raftelis will take reasonable steps to mitigate the impact of any force majeure.

XIII. NO BENEFIT FOR THIRD PARTIES

The services to be performed by Raftelis hereunder are intended solely for the benefit of Client, and neither right nor benefit is conferred on, nor any contractual relationship intended or established with any person or entity not a party

to this Agreement. No such person or entity shall be entitled to rely on Raftelis' performance of its services hereunder.

XIV. WORK PRODUCT

Raftelis and Client recognize that Raftelis' Work product submitted in performance of this Agreement is intended only for the Client's benefit and use. Change, alteration, or reuse on another project by Client shall be at Client's sole risk, and Client shall hold harmless and indemnify Raftelis against all losses, damages, costs, and expenses, including attorneys' fees, arising out of or related to any such unauthorized change, alteration, or reuse. Nothing contained herein shall be deemed a transfer, assignment, or divestiture by Raftelis of its trade secrets, expertise, or intellectual property.

XV. SUSPENSION OF WORK

Client may suspend, in writing, all or a portion of the Work under the agreement in the event unforeseen circumstances beyond Client's control make normal progress of the Work impossible. Raftelis may request that the Work be suspended by notifying Client, in writing, of circumstances that are interfering with the normal progress of Work. Raftelis may suspend Work on the project in the event Client does not pay invoices when due. Raftelis shall be compensated for its reasonable expenses resulting from such suspension including mobilization and demobilization. The time for completion of the Work shall be extended by the number of days Work is suspended. In the event that the period of suspension exceeds 90 days, the terms of the agreement are subject to renegotiation and both parties are granted the option to terminate Work on the suspended portion of the project.

XVI. TERMINATION OF WORK

Client may terminate all or a portion of the Work covered by the agreement for its convenience. Either party may terminate Work if the other party fails to perform in accordance with the provisions of the agreement. Termination of the agreement is accomplished by 15 days prior written notice from the party initiating termination to the other. Notice of termination shall be delivered by

certified mail with receipt for delivery returned to the sender.

This agreement may be terminated by Raftelis: (a) for cause, if Client breaches this Agreement through no fault of Raftelis and Client neither cures such material breach nor makes reasonable progress toward cure within 15 days after Raftelis has given written notice of the alleged breach to Client; or (b) upon five days' notice if Work under this Agreement has been suspended by either Client or Raftelis in the aggregate for more than 90 days.

In the event of termination, Raftelis shall perform such additional Work as is necessary for the orderly filing of documents and closing of the project. The time spent on such additional Work shall not exceed five percent (5%) of the time expended on the terminated portion of the project prior to the effective date of termination. Raftelis shall be compensated by the client for Work actually performed prior to the effective date of termination plus the Work required for filing and closing as described in this Article.

ARBITRATION

All claims, disputes and other matters in question between the parties to this agreement arising out of or relating to this agreement or the breach thereof, which are not disposed by mutual agreement of the parties, shall be decided by arbitration in accordance with the Florida Arbitration Code. No arbitration arising out of or relating to this agreement shall include any person not a party to this agreement except by written consent containing a specific reference to this agreement and signed by the parties hereto and persons to be joined.

This agreement to arbitrate shall be specifically enforceable under prevailing arbitration law.

Notice of demand for arbitration shall be filed in writing with the other parties to this agreement. The demand shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, but in no event after the date when the institution of legal or equitable proceedings would be barred by the applicable statute of limitations. The award rendered by the arbitrators shall be final and judgment may be entered in accordance with applicable law in any court having jurisdiction.

XVII. E-VERIFY REQUIRED

Raftelis and its subcontractors warrant compliance with all federal immigration laws and regulations that relate to their employees. Raftelis agrees and acknowledges that the Client is a public employer that is subject to the E-Verify requirements as set forth in Section 448.095, Florida Statutes, and that the provisions thereof apply to this Agreement. Raftelis by entering into this Agreement with the Client, certifies: (i) it is registered with and uses the E-Verify system operated by the U.S. Department of Homeland Security to verify the work authorization status of all newly hired employees, (ii) during the year prior to making its submission or entering into this Agreement, no contract of Raftelis was terminated by a public employer in compliance with Section 448.095, Florida Statutes, and (iii) Raftelis is and shall remain in compliance with Sections 448.09 and 448.095, Florida Statutes, including securing and maintaining subcontractor affidavits as required by Section 448.095(2)(b), Florida Statutes. Additionally, Raftelis shall require all subcontractors performing work under this Agreement to use the E-Verify system for any employees hired on and after January 1, 2021. Contractor must provide evidence to the Authority of compliance with Section 448.095, Florida Statutes, prior to entering into the Agreement and then annually on each anniversary of the Agreement's Effective Date. The Client's receipt of proof that Raftelis and each subcontractor performing through Raftelis are E-Verify system participants is a condition precedent to entering this Agreement. The submission of an executed affidavit, similar to the affidavit in Exhibit A, from the Raftelis and any subcontractor stating it is in compliance with Section 448.095, Florida Statutes, and all employees hired on and after January 1, 2021, have had their work authorization status verified through the E-Verify system shall satisfy this requirement.

Notwithstanding any other provision herein, if the Client has a good faith belief that Raftelis or its subcontractors have knowingly hired, recruited, or referred an alien who is not duly authorized to work by the immigration laws or the Attorney General of the United States for employment under this Agreement, the Client shall terminate this Agreement. Raftelis shall be liable for any additional costs incurred by the Client as a result of the termination of this Agreement based on the failure of Raftelis or its subcontractors to comply with the E-Verify requirements referenced herein.

XVIII. HUMAN TRAFFICKING AFFIDAVIT

Raftelis warrants and represents that it does not use coercion for labor or services as defined in Section 787.06, Florida Statutes. Raftelis has executed a Nongovernmental Entity Human Trafficking Affidavit, which is attached hereto and incorporated herein by reference.

XIX. NOTICES

All notices required under this Agreement shall be by personal delivery, facsimile or mail to the Raftelis Project Manager and to the person signing the Agreement on behalf of the Client and shall be effective upon delivery to the address stated in the Agreement.

XX. PUBLIC RECORDS

Pursuant to applicable Florida law, Raftelis' records associated with this Agreement may be subject to Florida's public records laws, Florida Statutes 119.01, et seq., as amended from time to time. Raftelis shall comply with all public records obligations set for in such laws, including those obligations to keep, maintain, provide access to, and maintain any applicable exemptions to public records, and transfer all such public records to the Client at the conclusion of this Agreement, as provided for in Florida Statutes 119.0701 (2013).

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