

March 30, 2011

Ms. Nicki Satterfield, Assistant Director of Finance
City of Dania Beach
100 West Dania Beach Boulevard
Dania Beach, FL 33004

Via Electronic Mail:
nsatterfield@ci.dania-beach.fl.us

RE: *Proposal for Expanding Examination of Commercial Water/Sewer Accounts for the City of Dania Beach*

Dear Ms. Satterfield:

This letter describes Willdan Financial Services ("Willdan") and, our engineering partners for this engagement, Craig A. Smith and Associates, Inc. ("CAS") proposed approach/understanding, staffing, and fee recommendation for an Addendum to our present contract in response to your request for an examination of additional number of commercial water/sewer connections, related accounts and their inclusion into the city's database.

In order to ensure our project understanding provides quality, clarity and is responsive to the City's needs we will work in concert with the City to adjust our approach as needed during the course of the study.

CAS will assist Willdan with the technical engineering issues, as well as field verification and inspection issues as shown in Items 2b, 2c and 4a of the City's original Scope of Services. The Willdan Team will develop and assemble the Addendum Final Report and be responsible for the overall assignment. CAS will provide necessary exhibits, water use calculations and technical support.

CAS will perform Ground Penetrating Radar and/or Electromagnetic services to isolate, trace and determine potable water system connectivity from the investigated properties to the City's system, locate and identify any existing metering device or location of connection if no metering device is found or identified. CAS will also provide specifics on any metering devices found through this investigation including; GPS coordinate location of meter, type of meter, size of meter and condition of meter/housing. The resulting data will be compiled and entered into a database/spreadsheet for use by the City.

Fee for Services

The original investigation encompassed 186 properties. There are approximately 500 commercial properties remaining to be investigated. The City has asked for a cost breakdown as follows;

- To investigate 25% of the remaining commercial properties;
- To investigate 50% of the remaining commercial properties;
- To investigate 75% of the remaining commercial properties;
- To investigate 100% of the remaining commercial properties

Willdan and CAS' estimated fee based on the scope of work outlined above is as follows:

Investigate 25% of the remaining commercial properties (approximately 125): Lump Sum - \$18,100

Investigate 50% of the remaining commercial properties (approximately 250): Lump Sum - \$35,144

Investigate 75% of the remaining commercial properties (approximately 375): Lump Sum - \$51,180

Investigate 100% of the remaining commercial properties (approximately 500): Lump Sum - \$66,255

Project Team

Willdan will utilize the following key personnel for this project:

Vice President /Main Contact: Lee R Evett
Project Manager: Habib Isaac

CAS will utilize the following key personnel for this project:

Senior Supervising Engineer: Gene R. Schriener, P.E.
Project Engineer: Al Caruso, E.I.
Subsurface Utility Professional: Gregory W. Jeffries, CUC
Field Representative: Anthony Gomes
CADD Technician: Kerry Loggins

Willdan views this request as a continuation of our previous efforts with the City to solidify the financial foundations of the community and, in this case, the Water and Sewer Enterprise Fund and operations. Consequently, we believe that the Willdan Team is most qualified for the following reasons:

Familiarity with the City of Dania Beach — Willdan has recently provided utility financial consulting services to the City with recommended utility rate schedules recently adopted. Our proven record of success on a variety of projects for the City provides assurance of the professionalism and capability we will bring to this engagement. Where possible, we will leverage our knowledge of the City's operations, personnel and organizational structure to help facilitate this study in a cost-effective and efficient manner. We understand what you are seeking, literally and in terms of solidifying your financial foundations.

Experience with Municipally Utilities — Both Willdan and CAS understands what the City is looking to receive as work products and recommendations. Willdan is your expert in utility rate design and financing and CAS are experts at utility operations and, most importantly, utility service locations. CAS owns and operates **Ground Penetrating Radar** that "sees" what connections are made to your underground transmission and collection lines, their size and which customers are served by the connections. This technology does not require the customer's permission nor does it interrupt services. – The exact information and experience the City is seeking.

Firm Stability and Support — The City is familiar with Willdan and our qualifications. Moreover, as the lead partner, Willdan pledges to ensure that both our work and the work of CAS will be precisely what Dania Beach expects. Willdan incorporates a staff structure that includes three separate layers of commitment and quality assurance, including principal consultants, project managers, and financial analysts. This structure enables Willdan to specifically dedicate a complete project team for this engagement. While technically-competent and experienced staff is

essential, a well thought out work plan — with the necessary project management oversight and quality control steps — must also be integrated into a successful approach. Our approach will ensure our team is able to handle each and every aspect of the analysis in a way that will satisfy the project objectives, while upholding our exacting standards for responsiveness and quality control.

Dedication to Public Agencies and Public Solutions — Willdan and CAS work almost exclusively with public agencies. Many of our professionals came from local government and know and understand the problems facing local governments in the current economic climate. We appreciate the process that precedes any kind of incremental change in public revenues and spending priorities. In short, we have a deep understanding of the cost-of-service mandates placed upon municipalities and the need to have confidence in your records and to be assured that your records reflect reality in every aspect.

The results of the investigations will be presented to the City staff for comment.

Following comments, a draft report will be developed and provided the staff for review. The report will contain the field investigative efforts and the results in both numerical quantities and financial impacts. With staff comments, a final report will be prepared.

Required City Staff Support

To complete our tasks in a timely manner, we will need the cooperation of City staff. We understand that Mr. Mark Bates, C.P.A. Director of Finance, will be the City's liaison for this assignment.

We will expect Mr. Bates to: 1) help resolve policy issues; 2) coordinate responses to requests for information; and 3) coordinate review of work products. If there are delays on the part of the City we will need to adjust our project schedule accordingly.

We will keep the City's project manager informed of data or feedback we need to keep the project on schedule. Willdan will endeavor to minimize the impact on City staff in the completion of this project.

We rely on the validity and accuracy of the City's data and documentation to complete our analysis.

We appreciate this opportunity to continue to assist the City of Dania Beach. If you have any questions about our proposal, please contact me directly at 407.352.3958, (office), or 407.739.9190 (cell) and/or via e-mail to levett@willdan.com.

Sincerely,

WILLDAN FINANCIAL SERVICES



Lee R Evett, Vice President,
Southeast Operations