

*City of*  
**Key West** FLORIDA

Response to Request for Qualifications for

**Financial Consulting Services for  
the Solid Waste System**



*In conjunction with*



## 1. Information Page

**Request Submitted to:  
City of Key West, Florida  
Financial Consulting Services  
for the Solid Waste System  
RFQ 15-002**

**Submitted by:**



**200 South Orange Avenue, Suite 1550 | Orlando, Florida 32801**

**Tel: (407) 872-2467 | Fax: (888) 326-6864**

**Project Leader:**

**Robert Ryall, Principal Consultant | Cell: (407) 927-3536 | Email: [rryall@willdan.com](mailto:rryall@willdan.com)**

**Authority to Represent Firm:**

**Jeff McGarvey, Vice President, Managing Principal | Cell: (407) 415-2090 |**

**Email: [jmcgarvey@willdan.com](mailto:jmcgarvey@willdan.com)**

**April 1, 2015**

April 1, 2015

Ms. Cheri Smith  
City Clerk  
City of Key West  
3126 Flagler Avenue  
Key West, Florida 33040

**Re: *Statement of Qualifications to Provide Financial Consulting Services to the City of Key West's Solid Waste System***

Dear Ms. Smith:

Willdan Financial Services (“Willdan”) is pleased to submit this proposal to the City of Key West (“City”) to provide financial consulting services specific to the solid waste system. In order to properly address each of the areas of expertise necessary to complete this engagement, Willdan has partnered with our colleagues from MSW Consultants; jointly the “Project Team.”

Willdan’s interactive approach will result in a tailored analysis of the current utility rates, revenues, funds, capital and operational expenditures, debt commitments, miscellaneous charges, and other financial data. The baseline financial assessment is the first step in the development of a forward looking plan geared toward the development of updated rates and charges that ensure stable, sufficient funding for solid waste operations and target City policy and practical considerations. The culmination of the analysis will be a comprehensive financial management plan that develops projected system operating results for the next 10 fiscal years or an another time period requested by the City. Willdan’s approach is supported by advanced financial modeling techniques and graphical interfaces to develop a dynamic and flexible financial model to guide the City through the evaluation of various operating and financial scenarios. ***Such an interactive approach and dynamic methodology ensures that Willdan can stand before the City Commission and thoroughly explain the development of proposed rates and fees, leaving officials confident that numerous alternatives have been explored, and that the recommended approach is well-vetted.***

Based upon the technical skills and considerable experience in the areas of expertise required for this project, the Project Team is highly qualified to perform the rate analysis work required by the City. The Project Team is set apart due to its recognized qualifications including the following:

- ✓ ***Expertise in Financial and Rate Modeling*** – Willdan’s efforts will result in a focused and tailored analysis of the City’s current solid waste rates and revenues, development of a comprehensive financial management plan, cost of service analysis based on guiding industry practices, and innovative rate design solutions. The model developed will have the capability to carefully test and evaluate financial scenarios and rate design and policy assumptions. These techniques, in the hands of our experienced consultants, serve as a powerful decision-making tool and provide business solutions and recommendations relative to the strategic direction of the City’s utilities.

A demonstration  
of the Project  
Team’s Financial  
Planning and Rate  
Model is included  
for your review.


An electronic copy  
is included on the  
requested flash  
drive.

- ✓ **Specialized Solid Waste System Expertise** – Willdan is joined by MSW Consultants, LLC, a management consulting firm specializing in municipal solid waste management system design, operations, procurement, and financial and rate analysis. MSW Consultants’ specialized expertise will support the development of a model that captures the dynamics of the City’s multiple contracted collection, transportation and disposal services, as well as ongoing operation of the City’s solid waste facilities, administrative functions, and implementation of the City’s long term solid waste management plan.
- ✓ **Innovative Approach** – Willdan’s approach to utility rate development has been carefully honed over the years. The Project Team will work collaboratively with stakeholders to carefully assess and understand the City’s specific utility system concerns and issues and develop a truly unique, highly functional and intuitive financial model. We do not use a “cookie cutter” approach, but rather bring a combination of planning and financial expertise that provides a thorough understanding of all aspects of utility operations and management. This allows Willdan to work collaboratively with the City to provide comprehensive business solutions. The objective is to educate and inform throughout the development of the financial plan and rate analyses, not just at the completion of the project.
- ✓ **Project Time Schedule** – Be assured that the Project Team has the workforce availability and resources to begin this engagement immediately upon selection, and that the current and future workload will not preclude the team from providing timely, high-quality service as required by the City.

We are excited about this opportunity to serve the City of Key West. To discuss any aspect of this submittal, or to arrange an interview, please contact me directly at (407) 872-2467, extension 1155, or via email at [jmgarvey@willdan.com](mailto:jmgarvey@willdan.com).

Respectfully submitted,

**WILLDAN FINANCIAL SERVICES**



Jeffrey McGarvey  
Vice President, Managing Principal



## Table of Contents

1.	Information Page .....	i
2.	Company Information .....	1
	Project Team Qualifications.....	1
3.	Methodology and Approach .....	4
	Project Understanding.....	4
	Project Approach .....	5
	Scope of Work.....	6
4.	Personnel .....	10
	Jeff McGarvey .....	11
	Robert Ryall, PE.....	13
	John Culbertson .....	14
	Walt Davenport.....	16
5.	Qualifications .....	17
	Willdan Financial Services.....	17
	MSW Consultants .....	18
6.	Representative Financial Services and References.....	19
	Willdan Financial Services.....	19
	MSW Consultants .....	23
7.	Required Forms and Sample Work .....	25
	Required Forms.....	25
	Sample Work.....	25

## 2. Company Information

### Project Team Qualifications

Willdan Financial Services (“Willdan”) has partnered with our colleagues from MSW Consultants in order to provide each of the services listed within the Anticipated Projects and Assistance outlined within the Request for Qualifications (RFQ) 15-002. Willdan will manage the project and develop the financial model framework, while relying on MSW Consultants to assure that existing and future projected contractual dynamics of the City’s public-private partnerships are accurately captured in the analysis. MSW Consultants will also assist in the allocation of system costs and development of special rate determination. Provided below are descriptions of each firm’s history and qualifications.

#### Willdan Financial Services

Willdan Financial Services is one of four operating divisions within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local government. Today, WGI is a publically-owned company on NASDAQ (NASDAQ ticker: WLDN). WGI provides technical and consulting services that ensure the quality, value and security of our nation’s infrastructure, systems, facilities, and environment. The firm has been a consistent industry leader in providing all aspects of municipal and infrastructure engineering, public works contracting, public financing, planning, building and safety, construction management, homeland security, and energy efficiency and sustainability services. At present, WGI employs over 500 individuals in established offices in Orlando, Chicago, Dallas, New York City, Phoenix, Seattle, and Washington, DC; as well as throughout the state of California.



ENGINEERING & PLANNING



ENERGY EFFICIENCY & SUSTAINABILITY



FINANCIAL & CONSULTING SERVICES



NATIONAL PREPAREDNESS & INTEROPERABILITY

Founded in 1988, Willdan Financial Services is a wholly-owned subsidiary of WGI and is one of the largest public sector financial consulting firms in the United States. Since that time, we have assisted over 800 public agencies successfully address a broad range of financial challenges, such as financing the costs of growth and generating revenues to fund desired services. Willdan assists local public agencies by providing the following services:

- Utility rate and cost of service studies
- Real estate economic analysis
- Economic development plans and strategies
- Tax increment finance district formation and amendment
- Housing development and implementation strategies
- Financial consulting
- Feasibility studies
- Real estate acquisition
- Classification/compensation surveys and analysis
- Development impact fee establishment and analysis
- Debt issuance support
- Long-term financial plans and cash flow modeling
- Cost allocation studies



Our staff of over 60 full-time employees supports our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

### MSW Consultants

MSW Consultants is a specialized consulting company whose key management staff have over 100 years combined experience providing municipal solid waste management planning, recycling program assessment, collection program productivity analysis and routing, waste cost-of-service and rate development, waste composition and generation studies, litter and marine debris management, procurement assistance, and implementation assistance for state, county and local governments across the nation. MSW Consultants was created in name in 2002 and legally established as a Maryland Limited Liability Company (LLC) in 2004. The firm converted to a Florida LLC in 2014, and is currently headquartered in Orlando, Florida. The firm's client base has expanded to over 55 city, county, state and private organizations across the US, served by 12 staff and associates. MSW Consultants provides the following menu of solid waste consulting services:

**Our consultants understand the importance of an approach that integrates elements of utility planning, solid waste contract management and finance.**

#### **Solid Waste Management Plans**

- SWMPs and Zero Waste Plans
- Overview of waste management systems and technologies
- Stakeholder committee facilitation
- Public education and outreach strategies

#### **Recycling/Composting**

- Recycling system planning
- Residential recycling program implementation
- Single stream recycling analysis
- Volume-based pricing (Pay-As-You-Throw) program and rate development
- Yard waste diversion and composting program assistance

#### **Collection Optimization**

- Refuse, recycling, yard waste and bulky waste productivity analysis and improvement
- Automated and single-stream collection conversion assistance
- Front-load and roll-off efficiency analysis and service rate development
- GPS, event tracking, RFID and onboard data collection system development

- Route development, route balancing, and area/path re-routing

#### **Financial Analysis**

- Solid waste system full-cost-of-service studies
- Enterprise fund development
- Lifecycle cost development
- Solid waste enterprise fund service rate development
- Facility processing/tip fee analysis
- User fee and non-ad valorem assessment rate development

#### **Collection, Disposal and Recycling Procurement Services**

- Solid waste, recycling, yard waste and bulky waste collection procurement assistance
- Contract/franchise system analysis
- Disposal and facility operations procurement assistance
- Managed competition assistance
- Contract negotiation assistance

### **Waste Composition and Generation Analysis**

- Sampling plan development
- Waste composition field sampling and sorting
- Statistical analysis
- Waste generation rate studies
- Institutional and commercial waste audits and recycling program improvement
- Visible litter studies and litter/illegal dumping research

### **Fleet Management System Analysis**

- Vehicle utilization rate and spare vehicle analysis
- Maintenance and repair cost analysis
- Pre and post-trip inspection programming
- Preventive maintenance programming
- Fleet Information System configuration



### 3. Methodology and Approach

#### Project Understanding

The City of Key West ("City") manages a residential collection program that offers weekly trash, bulky waste and recycling collection via a contract with a private vendor. Residents are charged an annual non-ad valorem assessment to cover the cost of these services. The City also owns and operates a transfer station on Rockland Key, and generates substantial revenue through tip fees at this facility.

The City's Solid Waste Department maintains contracts with various waste industry vendors to provide collection, transportation and processing/disposal of materials under management. The City is actively engaged in expanding and modernizing its solid waste management system in accordance with a long term Solid Waste Management Plan (SWMP) which envisions new programs to collect yard wastes, increase commercial recycling, enhance recycling of construction and demolition wastes, and gradually reduce wastes requiring disposal. Under these circumstances, the City must adequately project the future costs associated with its SWMP and develop a financial model and rate plan that enables implementation of these initiatives in an equitable and responsible manner. We understand the City works closely with a solid waste management consultant whose analyses may serve as input to the solid waste financial plan.

At present, the City is seeking a financial consultant for its solid waste management system. Willdan proposes to provide the City with a dynamic and comprehensive solid waste financial model that captures current system dynamics and contractual pricing mechanisms, and establishes user rates and charges that are sufficient to meet future system revenue requirements including debt service coverage, capital expenditures and operating reserves. Since we have partnered with our colleagues at MSW Consultants, a specialized solid waste and recycling consultant, we are also able to independently validate various projections that may have been developed by the City as part of the ongoing SWMP process. To accomplish these overall goals and objectives, Willdan will utilize "generally accepted" rate setting methodologies and tailor those methodologies to the specific circumstances of the City's solid waste system, with special attention to integration of long term SWMP elements. In addition, Willdan proposes to develop multi-year projected operating results for the solid waste system. The resulting analysis will provide the ability to test various scenarios for determining the respective impacts on the City's overall financial status. The analysis will include the development of user rates and charges to be used to support the costs of system operations and improvements as well as 5-year and 10-year capital financing analysis which will create a comprehensive plan for funding future capital improvements.

The project will include preparation and delivery of draft report documents that summarize the rates and fees for the appropriate category, describe the relevant methodologies employed and document the major assumptions and cost factors. The project will then conclude with the preparation of final reports summarizing the financial evaluations and study results.

It is further understood that any new rate structure modifications will be based on both public sector municipal waste management providers as well as private vendor pricing standards. At the current time, residential refuse charges are recouped through a non-ad valorem fee on the annual tax bill. While this billing mechanism does not provide the flexibility of a monthly or quarterly utility bill, we understand that other utility billing options may exist and this engagement may identify future changes to the City's billing and revenue collection processes.

Willdan has also submitted on the Wastewater and Stormwater Systems Financial Consulting Services component of Request for Qualifications (RFQ) 15-002 and if selected for both engagements, we will build the models and analysis in a uniform format. Additionally, please be assured that Willdan has the resources and available manpower to begin the project as described herein immediately upon receiving a Notice to Proceed from the City. In addition, Willdan has staff in its Orlando office necessary to complete the requirements and present recommendations to the City Council in the required timeframe.

## Project Approach

Willdan's approach to this project anticipates and encourages frequent and open communication between representatives of the City and Willdan. Experience has shown us that open communication between the client and consultant saves both time and money. Willdan commits that the City will stay informed about the status of the project, problem areas and areas where policy decisions and direction are needed.

The Willdan Project Team will, to the extent practical, use existing financial and operational data to develop the requested solid waste rate study and financial analyses resulting in rates which enable the City to fully recover the costs associated with providing solid waste services and a plan for funding system improvements and expansions. In developing proposed user rates, areas where special emphasis will be applied include:

- The utilization of defensible cost-of-service and rate-making methodologies;
- Integration of the pricing mechanisms and annual escalation formulae embedded in the City's multiple contracts for collection, transportation, disposal and processing to accurately project the financial impact of these contracts over the planning period;
- Incorporation of the City's plans for expanding services and increasing diversion in the solid waste system;
- Mid-term (5-year) and long-term (10-year) planning to maintain the system's financial health; and
- Review the City's miscellaneous fees and provide comment and/or special rate determination where warranted.

As described herein, the approach utilized in the rate analysis is built around a primary objective of working collaboratively with the City to develop a comprehensive financial plan to recommend rates that have a clear rationale and basis. This objective is met by applying a communication process in which staff and other stakeholders gain understanding throughout the study of how the plan is developed, and how policy and financial decisions affect the overall plan. Such understanding will allow Willdan to clearly communicate the analysis results to staff, elected officials and the community. The communication aspect of the process is critical in gaining acceptance and understanding of the broader community. Provided herein is a detailed description of the scope of work anticipated to meet the project objectives of the City for the solid waste rate study. The proposed scope of work is intended to develop a review and evaluation of the City's existing user rates and charges associated with the system. Based on Willdan's understanding of the project requirements, the general approach proposed for this project is as discussed herein.



## Scope of Work

The specific activities associated with the development of the solid waste rate study and analysis is outlined below. The outlined tasks represent the steps necessary to complete the initial and additional projects as identified in the City's RFQ.

As previously addressed, this proposal includes MSW Consultants as part of the Project Team. The inclusion of MSW will ensure that the team is readily prepared to update the solid waste rate study over the contract period and will adequately capture pricing mechanisms of existing contracts as well as contracts for future services to be implemented by Key West during the Solid Waste Management Plan process.

Our proposed approach involves design of a dynamic financial and rate model that can be modified to capture the impact of future program modifications and/or contracts. The steps below represent a comprehensive approach; refinements to this approach, especially with respect to integrating one or more future programs or alternatives, can be incorporated with input from the City.

### PHASE 1 – Data Collection & Review

**Task 1.1 – Data Collection.** As a means of initiating the project activities, the City will be provided with a list of specific data items needed to conduct the study outlined in the City's RFQ. The applicable data items will include:

- Residential customer counts;
- Quantities of material delivered to the transfer station, by customer class;
- Current solid waste management contracts including addenda and annual price escalation documentation;
- Current draft of the SWMP (identifying the nature, timing and cost of Plan elements);
- Most recently approved operating budget;
- Most recently approved capital improvement plan;
- Audited historical financial information;
- Selected historical operating reports;
- Existing City ordinances and financial policies; and
- Other related information that would be useful to the study.

The items identified above are a general list of data items required to perform the solid waste rate study on behalf of the City. During the course of the study, additional information may be requested in accordance with specific needs of the analysis.

**Task 1.2 – Data Review.** Upon allowing time for the City to gather data in accordance with the initial data request, a kick-off meeting will be held with key City representatives to receive available data collected by staff, discuss additional data requirements, and to ensure that the project objectives are clearly defined and understood by all parties. As it is received, data will be reviewed for completeness and to ensure a sufficient understanding of historical utility operations.

## PHASE 2 – Financial Requirements and Rate Design

**Task 2.1 – Revenue Requirements.** The Project Team will work with the City to develop reasonable test year revenue requirements for the solid waste system, which includes operating and non-operating expenses that are expected to be incurred by the City. Revenue requirements for the solid waste system are defined as the amount of revenues that are required to meet all O&M costs and capital expenditures associated with the provision of solid wastes services.

In order to develop the revenue requirements for the City, the Project Team will review the City's audited financial statements, annual operating budgets and Capital Improvement Plans for the solid waste system. The Project Team will also review the City's financial policies regarding internal and external funding of capital improvements to establish the parameters within which revenue requirements are determined. Finally, Willdan will analyze and model the pricing mechanisms in existing collection, transportation, processing and disposal contracts. Appropriate escalation factors and other increases or decreases will be incorporated into projection of test year costs to determine the annual and cumulative needs of the solid waste system.

**Task 2.2 – Revenue Sufficiency of Existing Rates.** Using the test year solid waste system net revenue requirements developed in Task 2.1, Willdan will compare to anticipated revenues generated by existing rates and charges to quantify revenue surplus or deficiency. The test year will be projected based on budgeted operating expenses and anticipated customer characteristics. If deemed appropriate as a result of discussions among the Project Team and City staff, budgeted operating expenses may be adjusted to arrive at the test year gross revenue requirements.

Customer and material quantity information will be projected using available historical data and information gathered from various sources. The existing rates will be applied directly to the test year customer and tonnage information to develop projected system revenues from rates. Other system revenues for the test year will be developed using generally accepted methodologies.

**Task 2.3 – Basic Cost of Service Allocations.** Willdan will allocate system net revenue requirements, developed in Task 2.1 to the appropriate customer or service classifications using one of several basis allocation factors, to include tonnage, households served, FTEs, revenues, and possibly other metrics. Willdan will conduct a detailed, line-by-line analysis of system expenses in order to determine the most equitable means of allocating costs. In addition, Willdan will classify these allocated costs into their respective solid waste functions.

Using the allocated cost-of-service, cost-based rates and charges will be developed that will adequately recover system revenue requirements including operating and maintenance expenses, anticipated capital needs, existing and anticipated debt service and other miscellaneous system expenditures. This cost-of-service analysis can be built to allow for the testing of various alternative scenarios.

**Task 2.4 – Baseline Rate Design.** Willdan will identify adjustments to the current rates for the recovery of solid waste system revenue requirements that reflect the goals and objectives of the City. Rate design alternatives may be generated on cost-based rates as developed in the previous task, as well as on the City's existing rate structure or other methodologies that meet the specific requirements of the City. MSW Consultants is also prepared to assist with Special Rate Determinations that require specialized solid waste industry knowledge or operating metrics.

**Task 2.5 – Rate Comparisons.** Willdan will prepare a comparison of rates currently being charged by the City to the rates proposed as a result of this engagement. Willdan will then develop a table and graph presenting a comparison of the rates charged by the comparable systems to the existing and proposed rates of the City.

**Task 2.6 – Capital Financing Plan.** Willdan will develop a business model that will allow the City to anticipate the future financial performance of the solid waste system. This model will produce the solid waste system’s projected operating results and cash flow for the next five fiscal years. This financial model will determine projected system revenues, operating and maintenance expenses, capital expenditures and their respective funding sources, fund transfers and the resulting fund balances for each year of the projection period. This model will also show the summarized activity within the utility’s operating accounts and the projected year-end cash balances for the solid waste system. The resulting model will give the City the ability to test the financial impact of various rates of customer growth, user rates and levels of capital expenditure scenarios and will make it possible to match funding requirements with available revenue sources.

As part of this task, Willdan will develop the following:

- A “base case” scenario which establishes the reference case for other scenarios to be compared to this particular one will be based on:
  - Anticipated revenues generated from existing rates and charges, moderate increase in the number of customers and changes in waste and recycling tonnages;
  - Anticipated system expenses projected using reasonable escalators;
  - Current, unadjusted Capital Improvement Program; and
  - Other costs including payments to the City, if any.
- An alternative scenario that reflects the magnitude of rate changes that would be necessary, if any, to support projected revenue requirements including the current, unadjusted Capital Improvement Program.
- An alternative scenario that adjusts the timing and costs associated with the current Capital Improvement Program as well as allows for alternative funding strategies and integrates the findings of the rate design task.

The proposed model will be designed to be flexible enough to accommodate additional scenarios should the City so desire. It is important to note that this model will integrate the City’s Capital Improvement Plan, contract pricing dynamics, and anticipated system revenues and expenses and produce a concise summary by fiscal year in a comprehensible format. The model will allow the City to determine the optimum rate path for balancing the financial health of the system against political and other considerations. The model will be PC-based using Microsoft Excel and, at the completion of the project, will be provided to the City.



### PHASE 3 – Reports & Deliverables

**Task 3.1 – Draft Report.** Willdan will prepare a draft report document presenting the findings of the analyses performed in Task 1 through Task 2. The report will include:

- A description of the methodologies used to develop recommended rates and charges for the test year;
- The methods utilized to project system expenses and revenues through the multi-year forecast period;
- A summary of the findings of the rate survey/comparison;
- The results of the multi-year financial forecast; and
- Recommendations to the City regarding rates, charges and, as relevant, other financial issues.

**Task 3.2 – Final Report.** Based on comments received from staff, the City Council and other participants, the draft report will be revised to incorporate the agreed upon changes. Upon completion, hard copies of the final rate study report will be provided to the City. In addition, an electronic PDF copy of the complete report will be delivered.

### PHASE 4 – Meetings & Presentations

**Task 4.1 – Initial Meeting (1).** An initial kick-off meeting (or conference call if desired by the City) will be scheduled with City representatives during a mutually convenient time at the start of the project to discuss project requirements, finalize project scheduling and reporting requirements, and receive overall project direction. The meeting is part of the Phase 1 activities and will help ensure that the project objectives are clearly defined and understood by all parties.

**Task 4.2 – Project Progress Conference Calls/Webinars.** An engagement of this nature will require ongoing communication with applicable City staff during the development of the study. This will take place through conference calls and webinars with City staff and management at various points during the course of the study in order to review project progress and analysis assumptions.

**Task 4.3 – City Council Meetings (1).** Upon completion of the study, the results will be presented to the City Council at a scheduled public meeting. This presentation will be provided in order to offer the supporting rationale for the proposed rates and charges and to address any questions and/or concerns raised by Council members and residents prior to action being taken on the proposed rates and charges.

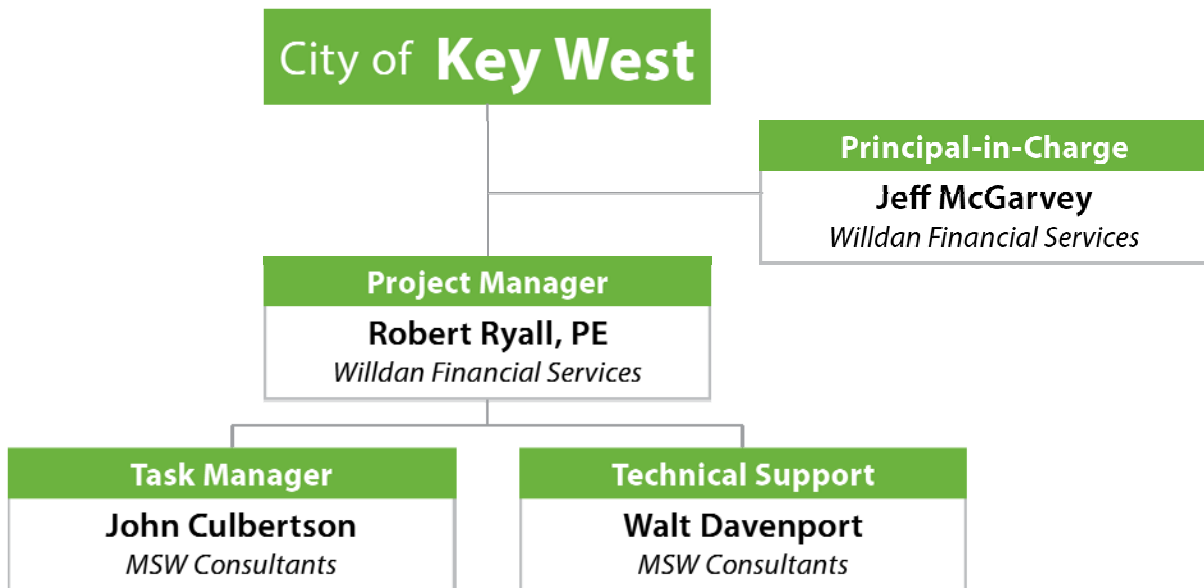


## 4. Personnel

The management and supervision of the project team is based on a simple philosophy: staff each position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, Willdan has selected experienced professionals for this engagement. The proposed project team possesses the depth of experience that will successfully fulfill the desired work performance.

Willdan staffs each project with experienced, capable personnel in sufficient numbers to deliver a superior product.

The organizational chart provided above outlines the reporting relationship of the team members proposed for the City's project. In addition, resumes for each key individual proposed for the City's engagement are provided on the following pages.



## Jeff McGarvey

### Principal-in-Charge, Willdan Financial Services

Mr. McGarvey is a Vice President and Managing Principal in Willdan's Financial Consulting Services group. For more than 20 years, he has provided professional consulting services to municipal water, wastewater, solid waste, electric, and natural gas utilities throughout the country. He possesses a broad range of municipal utility systems' experience, including special expertise in complex alternatives analyses; utility rate analyses; utility valuations and acquisitions; regionalization and consolidation studies; debt issuance support; capital financing analyses; strategic planning; rate and regulatory assistance; and instituting financial mechanisms to provide the sufficient recovery of operating and capital costs.

**Rate and Cost of Service Studies** – Mr. McGarvey has extensive experience in utility rates and cost of service studies for water, wastewater, solid waste, electric and natural gas systems located throughout the country. Such experience generally relates to performing budget analyses, customer and usage analyses, development of revenue requirements, cost of service allocations and sensitivity analyses related to the implementation of rate structures designed to promote desired usage characteristics.

**Revenue Bonds, Feasibility Analyses and Capital Funding** – Mr. McGarvey has been involved in the preparation of capital financing plans and feasibility studies associated with the issuance of several hundred million dollars in municipal revenue bonds and bond anticipation notes (BANs). The funding proceeds have been utilized for such purposes as utility acquisitions, expansion of facilities and various other capital improvement needs. In addition, Mr. McGarvey has developed capital funding strategies utilizing various combinations of bonds, bank loans, government assistance loans (i.e. State Revolving Funds) and grants. As financial feasibility consultant, he has made numerous presentations on behalf of clients to various bond insurers and rating agencies (Moody's, Standard & Poor's, and Fitch).

**Business and Strategic Planning** – Mr. McGarvey has experience developing complex financial and economic evaluation models for water, wastewater, solid waste, electric and natural gas systems. Such experience generally relates to the development of business and strategic plans as well as performing structured alternatives analyses and sensitivity analyses related to the evaluation and implementation of system modifications such as service and operational changes.

**Acquisitions and Valuation Analyses** – Mr. McGarvey has been involved in numerous acquisitions and valuation analyses for utility systems located throughout the southeastern region. The acquisition projects generally involve financial due diligence, valuations, negotiations and financing activities associated with such transactions. He has performed valuation analyses utilizing various generally accepted methodologies including cost approach, original cost less depreciation, comparable sales, replacement cost new less depreciation and reproduction cost new less depreciation.

#### Select Relevant Experience

- **Solid Waste Master Plan – Miami-Dade County, FL:** Mr. McGarvey oversaw the development of a solid waste master plan for the Department of Solid Waste Management (DSWM) in Miami-Dade County, Florida. This task included the development of a comprehensive multi-year financial analysis fully integrating all aspects of the County's proposed solid waste master plan, including the capital improvement plan. The financial model provided County management with a decision making tool that will identify feasible options based on broad strategic goals and specific established criteria. The approach includes estimating the

#### Education

*Bachelor of Science, Finance, University of Central Florida*

#### Areas of Expertise

- Alternatives Analysis
- Strategic Planning
- Rate Studies
- Cost of Service Studies
- Revenue Bonds
- Feasibility Analyses
- Capital Funding
- Acquisitions
- Valuation Analyses

#### Affiliations

- American Water Works Association
- The Water Environment Federation
- The Utility Management Conference
- The WasteReuse Foundation

#### 22 Years of Experience

financial implications of plan alternatives and their collective impact on DSWM and formulating alternative financial plans necessary for funding proposed developments and programs. This process allowed the County to develop workable solid waste programs and initiatives as well as efficient facility designs while taking into consideration the anticipated impact to the system's financial health.

- **Comparative Analysis of Solid Waste Program – Alachua County, FL:** Mr. McGarvey worked with Alachua County and its engineers to perform a comparative analysis of operations at the County's contracted disposal facility. The objective of the study was to compare selected parameters to current practices at the disposal facility with those at comparable facilities in the region in order to provide the County with a high-level review of current practices. Mr. McGarvey researched publicly available financial information and developed certain performance metrics, or financial ratios, for each solid waste facility/operation considered.
- **Solid Waste System Study – City of Hialeah, FL:** Mr. McGarvey served as co-Project Manager for this collection efficiency study. This comprehensive solid waste system study encompasses an evaluation of collection system operating efficiencies. The operational and customer outreach aspects of the project included: modeling the current collection system, performing an operational benchmarking, obtaining customer feedback through customer surveys, identifying potential alternatives to the collection system, modeling alternatives, evaluating impacts of alternatives, and obtaining stakeholder feedback regarding alternatives. The modeling portion of the project includes route observations in order to develop metrics such as: set-out rates; on-route, off-route, and turn-around time at the facility; and seconds per stop. These metrics were compared to the benchmark communities and used to rebalance the current routes. Also prepared an analysis of the financial aspects of the collection system, which included: performing a financial benchmarking, preparing a revenue sufficiency analysis, developing an allocated cost-of-service study, developing rate design alternatives, developing projected customer statistics, developing projected solid waste system expenses, developing projected revenues, and integration of the five-year CIP.
- **Water, Sewer and Solid Waste Rate and Capital Financing Analysis – City of Callaway, FL:** Served as the rate and financial consultant to the City and provided ongoing advisory services for financial and rate planning assignments for the City and its utilities. These assignments included such tasks as the development of rate and cost of service analyses, multi-year capital financing analyses which help the City prioritize projects and matched them to funding sources; and user rate sufficiency. Mr. McGarvey also assisted the City in the development of water and sewer impact fees to ensure sufficient revenues are realized from new growth to recover the proportional share of system capital expenditures.
- **Preliminary Feasibility of the Privatization of Landfill – Polk County, FL:** Served as the lead consultant to Polk County Solid Waste Division in preparing a preliminary feasibility analysis of the privatization of the County's landfill and its operations. The purpose of the study was to establish an estimate of value for the landfill under various ownership and economic scenarios. The analysis considered three valuation methodologies, various ownership scenarios, potential waste diversion and importation scenarios, and other economic and demographic variables. Project resulted in a technical memorandum discussing the alternative ownership/operational structures, potential financial/economic implications, long-term strategic implications, operational and administrative impact; and legal and regulatory issues.

**J. McGarvey**

*Resume Continued*

**Papers, Publications, and Presentations**

*"Positioning MDWASD as a Leader in Capital Planning," 2011; Miami-Dade Water and Sewer Department Senior Management Workshop.*

*"Renewal and Replacement Costs: How Much is Enough?" 2011; Florida Water Resources Conference.*

*"Renewal and Replacement Costs: How Much is Enough?" 2011; South Carolina Environmental Conference.*

*"Renewal and Replacement Costs: How Much is Enough?" 2011; Condran, Michael; AWWA/WEF Utility Management Conference.*

*"Rate Design Goals and Objectives: Positioning for Success," 2009; Water Authority of Volusia County Technical Advisory Committee.*

*"Membrane Bioreactor Life-Cycle Cost Assessment Simulation: Digital Game-Based Learning," 2009; WEFTEC® Workshop.*

*"Wall Street's Perception of North Carolina Water and Sewer Utilities: Positioning for Success," 2008; North Carolina AWWA-WEA Annual Conference.*

*"Financial and Economic Impacts of EPA/DEQ Initiatives to Reduce Sewage Overflows," 2008; McGarvey, Jeff; Virginia Water Environment Federation Water Jam Conference.*

## Robert Ryall, PE

### Project Manager, Willdan Financial Services

Mr. Ryall is an experienced consultant with particular focus on financial-related projects for water and wastewater utilities. He possesses extensive experience in utility rate-making, impact fees, bond feasibility studies and acquisition/valuation analysis, and the development and use of interactive financial models. Mr. Ryall has assisted in over \$1 billion in water and wastewater financing. In addition to his financial experience, Mr. Ryall is a professional engineer and has been involved in many strategic planning studies for water and wastewater utilities, including master plans, capacity analysis, consolidation studies and asset management related engagements.

Mr. Ryall is a contributor to industry manuals of practice and is a frequent speaker at regional and national water events including the Utility Management Conference, AWWA Annual Conference, FSAWWA Conference, and Florida Water Resources Conference. Mr. Ryall recently joined Willdan Financial Services as a Principal Consultant.

#### Select Relevant Experience

- **Series 2010 and Series 2013 Bond Issuance Support – Miami-Dade Water and Sewer Department (MDWASD), FL:** Mr. Ryall assisted Miami-Dade Water and Sewer Department with the issuance of over \$900,000,000 in revenue bonds. As part of this engagement, Mr. Ryall prepared analysis of the Department’s ability to support this level of funding. This analysis included forecasts of debt service coverage, operating expenses, revenues, and future rate needs.
- **Rate and Cost of Service Services – Miami-Dade Water and Sewer Department (MDWASD), FL:** Mr. Ryall served as project manager for this engagement, which involved a comprehensive water and sewer cost-of-service and rate study, both retail and wholesale cost-of-service analysis, and an in-depth review of system development charges (impact fees). MDWASD is the sixth largest water system in the United States and serves approximately 2 million customers. MDWASD has more than 3,600 miles of sewage pipes, a service area of 341 square miles and 954 pump stations.
- **Water Revenue Bond Feasibility Study, Series 2012 – Tampa Bay Water, FL:** Mr. Ryall served as project manager for a feasibility study of Tampa Bay Water’s ability to issue \$35 million Series 2012 Water Revenue Bonds. The study included a formal review of system facilities for sound operating conditions, current regulatory compliance, and adequate staffing. A detailed review and projection of all revenue requirements including operation and maintenance expense, recurring capital, existing debt service, cost of new debt, maintenance of required reserve funds, and anticipated major capital improvements was also performed.
- **Water and Sewer Rate Study – Polk County, FL:** Mr. Ryall served as project manager for this project and developed the five-year financial management plans for the County’s water and sewer enterprise fund. The financial management plans provided financial strategy to fully fund the utility’s operating needs and capital improvement programs, develop appropriate working capital reserves and limit rate impacts to customers. In addition to financial management planning, the study included a detailed review of the water and sewer rates and cost of service.

#### Education

*Master of Business, Wake Forest University*

*Bachelor of Arts, Environmental Engineering, University of Central Florida*

#### Certifications

*Registered Professional Engineer - Florida*

#### Areas of Expertise

- Rate Studies
- Alternative Rate Design
- Capital Financing
- Business & Financial Analysis
- Dynamic Financial Modeling
- Miscellaneous Fees and Charges
- Impact Fees
- Utility Benchmarking
- Cost of Service
- Feasibility and Financial Analysis and Reporting
- Debt Structuring Analyses

#### Affiliations

- American Water Works Association
- Active member of the AWWA Rates and Charges Committee
- Active Member of AWWA Financial & Accounting Controls Committee
- **Contributing Author of AWWA M29 Manual of Practice; “Water Utility Capital Financing”**
- **Contributing Author of 7<sup>th</sup> Edition AWWA M1 Manual of Practice; “Principles of Water Rates, Fees and Charges”**

#### 17 Years of Experience

- **Revenue Sufficiency Study, Department of Watershed Management – County of DeKalb, GA:** This utility revenue sufficiency study considered impacts to water and wastewater rate revenue resulting from a \$1.2 billion capital improvement program (CIP). The project consisted of developing a financial plan through a series of interactive workshops conducted with the Department of Watershed Management staff and directors. During the workshops, alternatives detailing varying CIP projects and project timing were considered and the rate impacts were evaluated. The Department used the facilitated interactive workshops to refine the capital program and provide the least impact to customers.

R. Ryall  
*Resume Continued*





## JOHN CULBERTSON Vice President

### Experience Summary

- ✔ 18 years as a planning consultant in the waste management and recycling industry
- ✔ Successfully performed and managed consulting engagements for over 40 municipalities nationally

### Education/Certifications

- ✔ B.A. Economics, Yale University
- ✔ SWANA Certified Municipal Solid Waste Management Systems Manager

### Select Professional Affiliations

- ✔ Technical Advisor for Waste Management Industry, Gerson Lehman Group Council of Advisors, 2004-present
- ✔ Member, Solid Waste Association of North America, 2000-present
- ✔ Member, National Recycling Coalition, 2004-present

### Key Skills

- ✔ Strategic/Master Planning
- ✔ Financial Analysis and Rate Development
- ✔ Procurement Assistance and Contract Negotiation
- ✔ Waste Composition and Generation Analysis
- ✔ Recycling Program Development

Mr. Culbertson has dedicated his career to providing waste management and recycling consulting services to federal, state, county and city governments and organizations in Florida and across the nation. His expertise encompasses all aspects of the waste management industry, including solid waste system planning and strategic analysis; financial analysis and system funding; procurement assistance and contract negotiation; collection efficiency and routing; transfer and long-haul logistics; MRF operations and efficiency; waste stream and waste generation analysis; and a wide range of information management and statistical analysis.

### Select Project Experience

**City of Columbia (MO), Cost-of-Service Rate Study (Ongoing):** Mr. Culbertson served as project manager for this project that included observation of the City collection system and development of full cost rates for the City's landfill and Material Recovery Facility, as well as collection rates for residential, commercial dumpster, and commercial roll-off rates. Mr. Culbertson also analyzed fully automated collection and developed a PAYT rate structure.

**Winchester Municipal Utilities (KY), Collection Service Optimization and Rate Study (2013):** Mr. Culbertson developed an activity-based cost-of-service analysis and full rate study for the collection system and transfer station.

**City of Atlantic Beach (FL), Audit of Uniform Residential Solid Waste Fee (2012):** Mr. Culbertson managed this project and led the financial analysis and audit of the basis for the City of Jacksonville to charge a uniform solid waste fee to its residents as a condition of assessing tip fees on Atlantic Beach waste deliveries.

**Lexington-Fayette Urban County Government (KY), Cost-of-Service Analysis (2012):** Mr. Culbertson prepared an activity-based cost model and subsequently summarized the model in a white paper to illustrate how user fees might look for the UCG's main revenue source, how PAYT rates could be implemented, and to document the cost of common good services.

**Dutchess County (NY), Solid Waste Management Plan Review (2011):** Mr. Culbertson served as the Project

Manager for an independent review of the Solid Waste Management Plan (SWMP). He led the analysis of alternative disposal options, which included expansion of the RRA's waste-to-energy (WTE) facility versus development of a transfer station for waste export.

**City of Poughkeepsie (NY), Multi-family Collection System Audit and Collection Efficiency Study (2011):** Mr. Culbertson performed a cost analysis of the single family and multi-family residential collection systems for the City. He subsequently authored a report for use by the City in litigation against multi-family property owners to document the services and costs provided.

**Sullivan County (NY), Solid Waste Fee Evaluation (2009):** Mr. Culbertson served as the project manager and statistician for the development of rates and solid waste fee structures for residential and commercial sectors in Sullivan County.





## WALT DAVENPORT Owner/President

### Experience Summary

- ✔ 30 years in the waste management/recycling industry
- ✔ Collection System Optimization and Waste Composition Expert

### Select Professional Affiliations

- ✔ Member, Solid Waste Association of North America, 2006-present
- ✔ Professional Recyclers of Pennsylvania, 2000-present

### Key Skills

- ✔ Operations Management
- ✔ Collection Efficiency and Automated Technology
- ✔ Procurement Assistance and Contract Negotiation
- ✔ Waste Characterization
- ✔ Solid Waste Fleet Management
- ✔ Facility Conceptual Design & Feasibility Studies

### Education/Certifications

- ✔ SWANA Certified Collection Systems Manager
- ✔ California Resource Recovery Association Zero Waste Certification
- ✔ Meteorology coursework (2.5 years), State University of New York at Oswego
- ✔ Business Management coursework, Siena College, Albany, NY

MSW Consultants founder and President Walt Davenport has worked in the public and private sectors of the solid waste management industry as a team leader, technical expert, operations specialist, and problem solver. His early career in the private sector was characterized by his ability to increase productivity and profitability, improve customer and employee satisfaction, and negotiate and manage contracts. Since the early 1990s, Mr. Davenport has shifted his consulting focus by assisting dozens of state, county, and city clients across the nation as a subcontractor and, since 2005, as the president of the firm. He has extensive experience in collection efficiency and routing, waste composition and generation studies, facility and collection system management and operations, and as a senior business manager.

### Selected Project Experience

City of Columbia (MO), Cost-of-Service and Rate Study (Ongoing): Mr. Davenport compiled collection system operational data needed to develop allocation factors to generate accurate full cost rates for residential and commercial collection.

Borough of State College (PA), Collection Optimization and Rate Study (2014): Mr. Davenport served as the Project Manager and technical lead for the collection system operational analysis. He led the analysis of collection system options and managed a financial specialist subconsultant in developing balanced residential and commercial rates.

Cambria County (PA), RFP for Recyclables Processing (2013-2014): Mr. Davenport managed the development of an RFP for the processing of recyclables collected through the County-wide drop-off collection program.

Dickson City (PA), Curbside Recycling Collection Optimization (2013): Mr. Davenport performed a waste and recyclables collection system analysis that included a review of the daily routes and City ordinances.

Winchester Municipal Utilities (KY), Collection Service Optimization and Rate Study (2013): Mr. Davenport conducted a comprehensive review of WMU's collection practices and operation of its transfer station.

Lexington-Fayette Urban County Government (KY), Route Optimization and Onboard Systems Implementation (2008-2012): Mr. Davenport managed a series of projects to optimize the publicly provided residential and commercial collection system. Mr. Davenport also participated on a project team that implemented computer-optimized routing and onboard monitoring systems

City of Arvada (CO), Analysis of Options to Regulate Residential Collection (2011): Mr. Davenport modeled several alternative collection systems for this open subscription city, including exclusively contracted collection and implementation of two exclusively served districts.

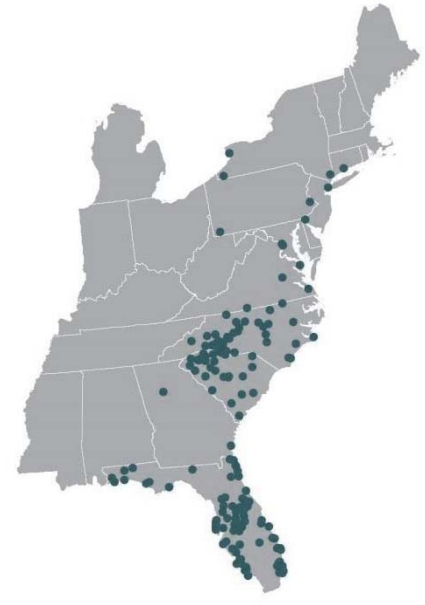
City of Poughkeepsie (NY), Collection Optimization Analysis (2011): Mr. Davenport analyzed the City's recently canceled multi-family collection service in support of a lawsuit brought against the City and subsequently analyzed the City's entire collection operation and made recommendations for cost savings and program improvements.

## 5. Qualifications

### Willdan Financial Services

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, sewer, solid waste, and stormwater utility clients across the United States. 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,” and the AWWA M-29 manual, “Fundamentals of Water Capital Financing.”** Willdan is nationally recognized for its expertise with its staff frequently being called upon to speak or instruct on utility financial matters, as subject matter experts, including the AWWA Utility Management conference.

#### Eastern Region Experience



**Willdan team members possess considerable experience in utility financial planning and rate design. Team members have performed hundreds of utility rate studies.**

Willdan staff is 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. The Willdan team includes staff with public sector experience spanning 30-plus years, and staff on the forefront of utility rate-making and rate-modeling. In addition, team members have held such public sector positions as finance directors, deputy city managers and auditors, and therefore understand the financial, operational and political realities faced by governmental staff and management.

Willdan will work with the 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 the analyses will be rate policies that guide the rate setting process, and a financial management plan that develops projected system operating results for the utilities 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 meet established goals and performance criteria. These modeling techniques serve as a powerful decision-making tool and provide the City with genuine business solutions and recommendations as to the strategic direction of its utilities.

Our utility rate Excel-based model is user friendly, comprehensive and well-designed, providing our experienced consultants with a powerful tool to develop ideas, scenarios and approaches collaboratively with staff, and effectively and immediately provide analysis and feedback to facilitate meaningful policy discussions and assist effective and informed decision making. Through a live

**The financial planning component of the model provides transparency such that users can develop a viable financial plan and understand the reasons for needed revenue adjustments.**

projected-model, we review the data, assumptions and results with staff, allowing us to cycle through various alternatives, test “what if” questions which typically arise during our interactive team meetings, and build consensus toward the rate and financial plan which best addresses your needs. Features of our model include the ability to incorporate line-item data and assumptions which are then summarized in our dashboard, presenting key financial indicators for your utility. This allows us to demonstrate capital project.

During this project we will utilize our model, with its interactive dashboard, as a comprehensive financial tool to allow planning and evaluation of variable inputs and assumptions, thereby creating a thorough analysis of revenue requirements. These analyses are then seamlessly integrated with the rate development component of the model to project various rate design alternatives, and effects they would have on the City’s financial outlook.

### **MSW Consultants**

MSW Consultants’ designated staff for this project have evaluated and optimized municipal waste management systems and developed solid waste cost and rate models for large and small local governments across the country. In Florida, our key staff has provided financial analysis for the solid waste or public works departments of Sarasota County, Alachua County, Sumter County, and City of Atlantic Beach. Nationally, our staff has reviewed the solid waste management systems and advised the cities of Oklahoma City, Cincinnati, Richmond, Hartford, Charlotte, Philadelphia, Columbia (MO), and many others. Our consulting services are informed by a broad knowledge of best practices for municipal waste management.

## 6. Representative Financial Services and References

Provided below are recent Willdan and MSW project descriptions, including client contact information, that are similar in nature to those requested by the City. We are proud of our reputation for customer service, and encourage you to contact these clients in regards to our commitment to completing the projects within budget and agreed upon timelines.

### Willdan Financial Services

#### Utility Rate Analyses | Oviedo, FL

Willdan was recently selected to provide as-needed utility rate services for up to the next five years. This work is to include a comprehensive water, reclaimed water, wastewater, and stormwater review of utility rates and charges; financial policies and practices; capital program activity and funding sources; and debt issuance support including continuing disclosure services. The current task consists of developing a base-line financial analysis of each of the respective utilities enterprises to determine available resources. Willdan is working closely with the City's Public Works Department and consulting engineers to develop a multi-year capital improvement plan and to match system capital requirements to available funding sources.

Using the information developed in preparing the base-line financial analysis, Willdan will work with the City to prepare comprehensive rate and cost of service analysis for each respective utility system. Objectives for rate-setting have been identified as:

- Set equitable rates necessary to meet the specific revenue requirements of the water, reclaimed water, wastewater, and stormwater systems allowing each system to be financially self-supporting.
- Proposed rate structure will provide for a stable and predictable revenue stream and mitigate, to the extent practical, future generational subsidies.
- Under the new rate structure, fluctuations in revenue will be proportional to fluctuations in variable costs and, to the extent practical, base rates should be adequate to recover fixed costs on an annualized basis.
- Proposed rates and financial plan will fully integrate each utility's 10-year capital improvement plan including the estimated "true" cost of renewal and replacement activities thereby eliminating the accumulation of a deferred maintenance backlog.

**Client Contact:** Mr. Jerry Boop, Finance Director  
400 Alexandria Boulevard, Oviedo, Florida 32765  
Tel #: (407) 971-5544; E-Mail: [jboop@cityofoviedo.net](mailto:jboop@cityofoviedo.net)

**Date Service Provided:** October 2013 to present (Ongoing)

#### Water and Wastewater System Consulting Services | Bay County, FL

Project team members have provided various consulting services to the Bay County Utilities Department since 2006. Brief descriptions of the most recent services are included as follows:

- *Wholesale Water and Wholesale Wastewater System Multi-year Rate Analysis:* Bay County currently provides wholesale water service to various entities throughout the County. Project team members



conducted a wholesale rate study to: 1) identify the rate adjustments needed to provide the County with the revenues necessary to meet the operational monetary and capital needs of its wholesale water system, 2) review and analyze the County's fiscal requirements to identify and insure appropriate recovery of expense requirements by customer class, and 3) to estimate projections of the revenue requirements and percentage adjustments over a five year period. Due to changes within their wholesale wastewater customer base and revenue requirements, the County retained project team members to complete the Military Point Advanced Wastewater Treatment Facility multi-year rate analysis. These services included analyzing existing rates, reviewing historical and projected customer statistics and revenue requirements, developing user fee rates, and providing conclusions and recommendations. Provided a five-year projection of operating results, thereby allowing Bay County to test various growth scenarios; and create funding strategies for their CIP.

- *Retail Water and Wastewater System Multi-year Rate Analysis:* The Bay County Utility System provides retail service to an estimated 5,600 water customers and 3,400 wastewater customers. With growth slowdown, which has affected utility revenues across the state, the County desired to create a rate and financial plan that would advance the financial health of their water and wastewater system. The goal of this project was to establish a county-wide schedule of user rates and charges that meet retail utility system financial and operational goals.
- *Financial Feasibility Analysis, Series 2014 Utility System Revenue Bonds:* Bay County owns and operates a water and sewer utility system. The water system provides water wholesale water to eight municipal customers within the County, as well as to retail customers within the unincorporated portions of the County. The County's sewer system also serves retail customers within the unincorporated County. The County is in the process of issuing its Series 2014 bonds to refund certain outstanding debt obligations and provide funding for system improvements. Ms. Hollis is serving as lead consultant in developing the financial feasibility report contained within the offering documents for the Series 2014 bonds.

**Client Contact:** Mr. Don Murray, Assistant Director  
Bay County Utility Services  
3410 Transmitter Road, Panama City, FL 32404  
Tel #: (850) 248-5010; E-mail: [dmurray@baycountyfl.gov](mailto:dmurray@baycountyfl.gov)

**Date Service Provided:** 2006 to present (ongoing)

### Public Utilities Department Efficiency Review | Clearwater, FL

Challenges facing public utilities are many, including more stringent regulatory and operating environments, the need for new water supplies, higher costs, increased environment responsibility, aging infrastructure, and a changing workforce. These challenges led the City of Clearwater to undertake a management and efficiency review of its Public Utilities Department (PUD); in so doing, re-examine spending, operations, and organizational structure. In completing a management and efficiency review, the City had two primary goals:

1. Lowering spending and saving money, in the short term, wherever feasible; and
2. Improving performance and yielding additional savings in the long term.

Mr. McGarvey served as lead consultant in reviewing the City's PUD, focus was given to:

- Evaluating and reviewing core services, while confirming major functions to be performed.

- Determining whether department-wide functions are effectively performed.
- Assessment of PUD's financial viability.
- Identifying core-service performance targets.

This short-term review served to clarify whether greater changes could be made within the department or, rather, to one of its processes to improve long-term effectiveness. Considered options were:

- Maintaining an existing program;
- Restructuring, adjusting, or combining program(s); or
- Outsourcing a program.

Furthermore, in identifying ways to improve departmental efficiency, the study evaluated effective organizational structures for delivery of core services and developed effective performance measures.

**Client Contact:** Ms. Tracy Mercer, Public Utilities Director  
1650 North Arcturus Avenue, Building C, Clearwater, FL 33765  
Tel #: (727) 562-4962; E-mail: [Tracy.Mercer@myClearwater.com](mailto:Tracy.Mercer@myClearwater.com)

**Date Service Provided:** 2011 to 2014

#### Water and Wastewater Consulting Services | Lee's Summit, MO

Willdan worked with the WUD to develop a comprehensive water and sewer rate study and tap fee analysis. The effort was the result of a strategic planning exercise, whereby the City identified the need to address utility system rate structures and levels, and develop rate/financial policies serving as a framework for the cultivation of these new rates. In addition to water and sewer utility user rates, the effort includes reviewing utility system tap fees, and revising them to reflect WUD's updated master plan. The results of this engagement was the unanimous adoption of a complete multi-year financial plan allowing WUD to meet the goals and objectives established during the strategic planning process, as well as effectively communicate recommendations and actions to stakeholder groups.

**Client Contact:** Mr. Mark Schaufler, Director of Water Utilities  
220 SE Green, Lee's Summit, MO 64063  
Tel #: (816) 969-1900; E-mail: [mark.schaufler@cityofls.net](mailto:mark.schaufler@cityofls.net)

**Date Service Provided:** June 2012 to March 2013

#### Comparative Analysis of Solid Waste Program | Alachua County, Florida

Willdan assisted Alachua County and its engineers with a comparative analysis of operations at the County's contracted disposal facility. The objective of the study was to compare selected parameters to current practices at the disposal facility with those at comparable facilities in the region, in order to provide the County with a high-level review of current practices. As lead financial consultant, Mr. McGarvey researched publicly available financial information and developed certain performance metrics, or financial ratios, for each solid waste facility/operation considered. Financial ratios can generally be categorized according to the financial aspect(s) being measured. Based on the County's goals for this analysis, the following financial ratios were considered:



- “Liquidity” Ratios – to measure the availability of cash or near cash assets
  - Current Ratios
  - Working Capital
- “Profitability” Ratios – to measure efficient use of assets and control of operating expenses
  - Net Operating Margin
  - Return on Assets
  - Sales-to-Assets

The project also included an analysis of planned capital improvement projects and their impact on tipping fee projections. Financial scenarios were calculated to evaluate potential impacts of tipping fee variations on cash and near cash reserves.

Willdan is part of team of professionals that was recently selected to implement facility improvements identified in the above process. As part of this most recent engagement, Willdan will work with solid waste engineers and planners to develop comprehensive alternatives analysis as well as a multi-year, holistic rate and financial plan for the County’s solid waste program.

**Client Contact:** Mr. John Locklear, Locklear & Associates  
4140 NW 37<sup>th</sup> Place, Suite A, Gainesville, FL 32606  
Tel #: (352) 672-6867; E-mail: [john@locklearconsulting.com](mailto:john@locklearconsulting.com)

**Date Service Provided:** February 2014 to present (ongoing)

### Rate and Cost of Service Studies | Nevada Irrigation District, CA

Willdan assisted the Nevada Irrigation District with the preparation of a water rate and cost of service study. The engagement included the review of existing charges, particularly treated and raw water, to ensure the defensibility of the District’s tiered rates, as well as recovery of the true costs of providing utility services to its customer base. Particular sensitivity surrounded the question of equity between agricultural and residential customers since the agricultural interests in the area are well known and established. Stakeholder outreach meetings were held to explain the process and results to key interested parties. Willdan developed a comprehensive revenue requirement analysis, with extensive due diligence focused on establishing and verifying expenses and fund balances, and developing, reviewing and analyzing various CIP financing strategies. Willdan staff attended numerous meetings with the Board of Directors to demonstrate the functions of our financial model, including the review of possible revenue and rate scenarios, and attended the final Public Hearing.

**Client Contact:** Mr. Jim Malberg, Finance Manager (Former)  
9257 Elk Grove Blvd, Elk Grove, CA 95624  
Tel #: (916) 685-3556

**Date Service Provided:** April 2013 to January 2014

## MSW Consultants

### Solid Waste Cost Analysis | Cities of Atlantic Beach and Neptune Beach, FL

MSW Consultants was retained by the Cities of Atlantic Beach and Neptune Beach to validate the City of Jacksonville's (COJ) process for establishing uniform solid waste processing and disposal fees for residential solid waste services in COJ. Interlocal agreements between the Beaches and COJ provide that when COJ has established uniform fees for COJ residents, instead of using ad valorem taxes for solid waste services, Atlantic Beach and Neptune Beach will begin to pay for landfill disposal. The Beaches were disputing the rigorousness of the process undertaken by COJ to establish a defensible uniform solid waste processing and disposal fee.

MSW Consultants examined COJ's financial statements, full cost accounting policies, customer records, disposal data, and other related documentation to formulate an opinion on whether COJ had established defensible solid waste user fees for COJ residents. MSW Consultants presented and discussed preliminary findings with the Beaches and participated in a working meeting to review with COJ. A final, confidential report was delivered to the Beaches' legal counsel for use in ongoing negotiations with COJ over an appropriate resolution to the situation.

**Client Contact:** Mr. Rick L. Carper, P.E., Public Works Director/City Engineer  
City of Atlantic Beach Public Works Department  
1200 Sandpiper Lane, Atlantic Beach, FL 32233  
Tel #: (904) 247-5834; E-mail: [rcarper@coab.us](mailto:rcarper@coab.us)

**Date Service Provided:** 2012

### Refuse Services Evaluation and Rate Study | Borough of State College, PA

State College Borough, home to Penn State University, provides all residential and commercial waste collection to 4,300 customer accounts representing almost 15,000 individual units within its municipal borders. In addition to regular weekly curbside and alley waste and recycling collection, the Borough serves commercial dumpster accounts and also maintains the downtown business district with regular waste and litter basket collection. The Borough provides most services with its own fleet and staff resources, operating a \$3.5 million annual budget.

The Borough last reviewed its collection system, cost-of-service, and rate structure in 1994. Since that time, numerous changes have taken place in the waste industry. Automation, single stream recycling, alternative fuel vehicles, automated vehicle location (AVL) systems, and volume-based rate structures have become commonplace. Further, a culture of sustainability, greening the community, and recycling have become more widespread. The Borough engaged MSW Consultants to conduct a comprehensive operational and financial review of the system. MSW Consultants is performing extensive on-route observations to measure current productivity and identify opportunities for changing operating protocols and/or revising the Borough's rate structure to more closely align with the services provided. This ongoing project is intended to recommend operational changes, and updated cost-of-service model, and provide a 10-year rate path balancing equitability, ease of administration, and revenue sufficiency. The project also entails delivery of a dynamic financial cost and rate model for ongoing use by Borough staff.

**Client Contact:** Mr. Edward Holmes, Public Services Manager  
243 South Allen Street, State College, PA 16801  
Tel#: (814) 278-4713; E-mail: [eholmes@statecollegepa.us](mailto:eholmes@statecollegepa.us)

**Date Service Provided:** 2014 to present (ongoing)

#### Solid Waste Cost-of-Service and Privatization Study | Lexington-Fayette Urban County Government, KY

The Lexington-Fayette Urban County Government Division of Waste Management (DWM) retained MSW Consultants to perform a detailed cost-of-service and rate study of the publicly-provided collection services provided by the DWM. MSW Consultants developed a comprehensive financial model to identify system costs and defensibly project financially self-supporting user fees (both flat and PAYT). The model included residential fees as well as commercial dumpster and roll-off rates.

**Client Contact:** Mr. Brad Stone, Admin Officer, Senior  
200 East Main Street, Lexington, KY 40507  
Tel #: (859) 425-2520; E-mail: [bstone@lexingtonky.gov](mailto:bstone@lexingtonky.gov)

**Date Service Provided:** May 2012 through August 2012

#### Solid Waste Collection Service Optimization and Rate Study | Winchester Municipal Utilities, KY

Winchester Municipal Utilities (WMU) provides water, wastewater and solid waste utility services to the City of Winchester, Kentucky. WMU is required by ordinance to provide curbside refuse, bulky waste and yard waste service to all single family and multi-family residential dwellings. Many, but not all, commercial businesses are serviced by WMU, although private haulers also service this customer segment. WMU was pilot testing single stream curbside recycling at the time of this study.

MSW Consultants completed a comprehensive study of operations, costs and rate structure for WMU's solid waste collection system. This study involved a detailed review of collection practices, operation of its transfer station and an analysis of the full costs of providing service. WMU's current solid waste rate path was compared against the actual full costs for each customer class and collection service type. The project evaluated replacement of a second weekly refuse collection with weekly curbside recycling collection, as well as implementation of Pay-As-You-Throw rates to increase recycling incentives. The study also advanced a new rate structure to more equitably charge multi-family and commercial customers for their use of the system.

**Client Contact:** Mr. Mike Flynn, General Manager  
150 North Main Street, Winchester, KY 40392-4177  
Tel #: (859) 744-5434; E-mail: [Mike@wmutilities.com](mailto:Mike@wmutilities.com)

**Date Service Provided:** 2013

## 7. Required Forms and Sample Work

### Required Forms

The following pages contain the completed standardized forms listed below, which were provided within the RFQ packet.

- Anti-kickback Affidavit
- Public Entity Crimes Certification
- Equal Benefits for Domestic Partners Affidavit
- Cone of Silence Affidavit
- Current Occupational License

### Sample Work

Provided on the enclosed flash drive for the City of Key West's review and consideration is an electronic copy of a financial model prepared for a solid waste study.

ANTI-KICKBACK AFFIDAVIT

STATE OF Florida  
SS:  
COUNTY OF Orange

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

This sworn statement is submitted to the City of Key West, Florida, by  
Jeffrey McGarvey, Vice President, Group Manager  
(print individual's name and title)

for Willdan Financial Services  
(print name of entity submitting sworn statement)

whose business address is 200 South Orange Avenue, Suite 1550  
Orlando, Florida 32801

and (if applicable) its Federal Employer Identification Number (FEIN) is  
33-0302345

(if the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement):

I, the undersigned, being hereby duly sworn, depose and say that no sum has been paid and no sum will be paid to any employee or elected official of the City of Key West as a commission, kickback, reward or gift, directly or indirectly, by me or any member of my firm, or by any officer or agent of the corporation.

BY: [Signature]  
TITLE: Vice President, Group Manager

sworn and prescribed before me this 31 day of March, 2015

Jeffrey McGarvey  
NOTARY PUBLIC, State of Florida  
My commission expires: Dec. 23, 2017



\* \* \* \* \*





the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

XX Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

     The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

     The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989, AND (Please indicate which additional statement applies.)

     There has been a proceeding concerning the conviction before a hearing of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer did not place the person or affiliate on the convicted vendor list. (Please attach a copy of the final order.)

     The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. (Please attach a copy of the final order.)

     The person or affiliate has not been put on the convicted vendor list. (Please describe any action taken by or pending with the Department of General Services.)

(signature)

(date)

STATE OF Florida

COUNTY OF Orange

PERSONALLY APPEARED BEFORE ME, the undersigned authority,

Jeffrey McGarvey who, after first being sworn by me, affixed his/her  
(name of individual signing)

signature in the space provided above on this 31 day of March, 2015

My commission expires: Dec. 23, 2017 Christina Cheryl Ennis  
NOTARY PUBLIC

PERSONALLY APPEARED BEFORE ME, the undersigned authority

Jeffrey McGarvey who, after first being sworn by me,

Christina Cheryl Ennis (name of individual) affixed his/her signature in the

space provided above on this 31 day of March, 2015.

Christina Cheryl Ennis  
NOTARY PUBLIC

Christina Cheryl Ennis  
Printed Name

My commission expires: Dec. 23, 2017  
NOTARY PUBLIC



\* \* \* \* \*

**EQUAL BENEFITS FOR DOMESTIC PARTNERS AFFIDAVIT**

STATE OF FLORIDA                    )

: SS

COUNTY OF MONROE                )

I, the undersigned hereby duly sworn, depose and say that the firm of \_\_\_\_\_

Willdan Financial Services

provides benefits to domestic partners of its employees on the same basis as it provides benefits to employees' spouses, per City of Key West Code of Ordinances Sec. 2-799.

By: \_\_\_\_\_

*Jeffrey McGarvey*  
Jeffrey McGarvey, Vice President, Managing Principal

Sworn and subscribed before me this 31 day of March 2015.

*Christina Cheryl Ennis*

NOTARY PUBLIC, State of Florida Florida at Large

My Commission Expires: Dec. 23, 2015

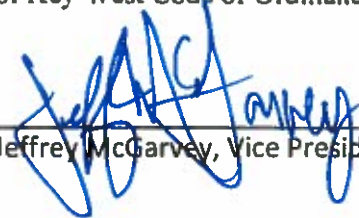


\* \* \* \* \*

**CONE OF SILENCE AFFIDAVIT**

STATE OF Florida )  
 : SS  
COUNTY OF Orange )

I, the undersigned hereby duly sworn, depose and say that all owner(s), partners, officers, directors, employees and agents representing the firm of Willdan Financial Services have read and understand the limitations and procedures regarding communications concerning City of Key West Code of Ordinances Sec. 2-773 Cone of Silence.

By:   
Jeffrey McGarvey, Vice President, Managing Principal

Sworn and subscribed before me this  
30 day of March 2015.



NOTARY PUBLIC, State of Florida at Large

My Commission Expires: Dec. 23, 2017



\* \* \* \* \*

### Current Occupational License

To satisfy the City's request for a copy of our current occupational license, provided below is a scanned copy of Willdan's current business license issued by the City of Orlando and certificate of good standing with the State of Florida.

**CITY OF ORLANDO**  
ECONOMIC DEVELOPMENT  
PERMITTING SERVICES  
**LOCAL BUSINESS TAX RECEIPT**  
(formerly known as "Business License," changed per state law HB1289-2008)

**2014-2015**

**NOTICE-THIS RECEIPT ONLY EVIDENCES PAYMENT OF THE LOCAL BUSINESS TAX PURSUANT TO CH. 206, FLORIDA STATUTES. IT DOES NOT PERMIT THE HOLDER TO OPERATE IN VIOLATION OF ANY CITY, STATE, OR FEDERAL LAW. CITY PERMITTING MUST BE NOTIFIED OF ANY MATERIAL CHANGE TO THE INFORMATION FOUND HEREIN BELOW. THIS RECEIPT DOES NOT CONSTITUTE AN ENDORSEMENT OR APPROVAL OF THE HOLDER'S SKILL OR COMPETENCY.**

Issued Date: 10/01/2014  
Expiration Date: 09/30/2015

Business Name:  
WILLDAN FINANCIAL SERVICES INC  
200 S ORANGE AVE  
STE 1550  
ORLANDO, FL 32801

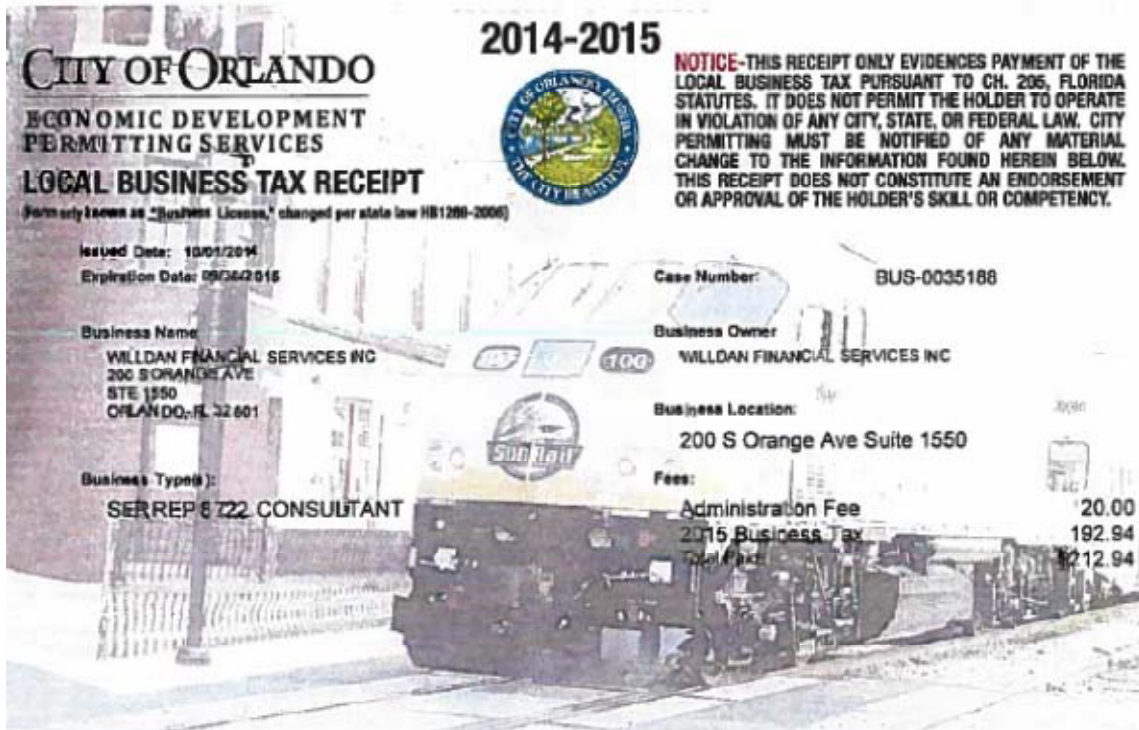
Business Owner:  
WILLDAN FINANCIAL SERVICES INC

Business Location:  
200 S Orange Ave Suite 1550

Business Type(s):  
SER REP & ZZZ CONSULTANT

Case Number: BUS-0035188

Fees:  
Administration Fee 20.00  
2015 Business Tax 192.94  
Total Fees 212.94





# *State of Florida Department of State*

I certify from the records of this office that WILLDAN FINANCIAL SERVICES, INC. is a California corporation authorized to transact business in the State of Florida, qualified on December 15, 2003.

The document number of this corporation is F03000006225.

I further certify that said corporation has paid all fees due this office through December 31, 2014, that its most recent annual report/uniform business report was filed on April 1, 2014, and its status is active.

I further certify that said corporation has not filed a Certificate of Withdrawal.

*Given under my hand and the  
Great Seal of the State of Florida  
at Tallahassee, the Capital, this  
the Eighth day of July, 2014*



*Ken Detjmer*  
**Secretary of State**

**Authentication ID: CU8833502885**

To authenticate this certificate, visit the following site, enter this ID, and then follow the instructions displayed.

<https://efile.sunbiz.org/certauthver.html>



200 South Orange Avenue, Suite 1550  
Orlando, Florida 32801  
407.872.2467 | Fax: 888.326.6864  
[www.willdan.com](http://www.willdan.com)