



Stantec Consulting Services Inc.
777 S Harbour Island Boulevard, Suite 600
Tampa FL 33602-5729

December 12, 2025

Joy Yeates
City of Pinellas Park
5141 78th Avenue N
Pinellas Park, FL 33780

Reference: Fiscal Year 2026 Water & Sewer Utility Rate Study

Dear Ms. Yeates,

In accordance with Master Contract 18/011 dated January 13, 2022, Stantec has prepared this proposal for the above-referenced project. The following sections present the scope of services included in this proposal and our proposed work plan and fee estimate to accomplish the scope of services.

Scope of Services (Detailed Work Plan Attached)

The key tasks included in the scope of services for this proposed Agreement are as follows:

1. Initiate the Project, Obtain and Review Relevant Data
2. Revenue Sufficiency Analysis
3. Cost of Service Analysis
4. Rate Design Analysis
5. Benchmarking Analysis
6. Stakeholder Communications
7. Ordinance Drafting and Compliance Support

Meetings

Stantec will conduct the following virtual and in-person meetings and interactive work sessions (if possible and appropriate) during the project. Each is described in the Project Work Plan and Cost Estimate Schedule, and a summary of the meetings is presented below. Virtual meetings with City staff will be conducted using online conferences to review data, assumptions, and results.

1. Stantec will conduct (1) one virtual kick-off meeting to review project objectives, schedule, key issues, approach, available data, and key assumptions.
2. Stantec will conduct (6) six virtual interactive review sessions with City staff to review initial, revised, and final methodology, assumptions, and results.
3. Stantec will conduct two (2) in-person workshop presentations with City Management and/or Council to explain findings and recommendations.
4. Stantec will attend two (2) in-person City Council meetings to answer questions and provide implementation support as needed.

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Proposed Work Plan and Consultant's Compensation

Stantec has developed a Project Work Plan and Fee Estimate Schedule (Schedule) attached, which presents our detailed proposed work plan and fee to conduct the analysis. The attached Schedule presents the tasks and sub-tasks that will be required to accomplish the goals of the study as specified in the Scope of Services and shows that the Study can be completed for a fixed fee of \$66,137, inclusive of out-of-pocket expenses. Stantec can begin work on this update upon notice to proceed and commit to its completion no later than September 30, 2026.

Stantec looks forward to being of service to the city on this project. If you have any questions upon review, please do not hesitate to call me at (904) 610-2910.

Best regards,

Stantec Consulting Services Inc.

Kyle Stevens

Principal, Management & Technology Consulting
Direct: (904) 610-2910
kyle.stevens@stantec.com

Reference: Fiscal Year 2026 Water & Sewer Utility Rate Study



City of Pinellas Park, Florida
Water & Sewer Utility Rate Study
Project Work Plan and Fee Estimate

Project Tasks	Estimated Labor-Hours						Total Project
	Project Director	Principal/ QC	Project Manager	Senior Consultant	Senior Analyst	Admin	
	Hourly Rates → \$400	\$338	\$277	\$245	\$185	\$116	
Task 1 Initiate the Project, Obtain and Review Relevant Data							
a. Perform internal project set up, prepare initial data request list and detailed project schedule.	1	1	2	2	2	5	13
b. Prepare for and conduct virtual meeting with all necessary City staff to kick off assessment update.	0	0	2	1	0	0	3
c. Perform a detailed review of all data as it is received. Prepare supplemental data request list after review with staff in prior subtask.	0	0	1	2	4	0	7
Task 2 Revenue Sufficiency Analysis							
a. Perform a detailed review and analysis of historical billed fixed and volumetric revenues to observe trends in growth by class in order to develop projections for all customer classes. Verify and input financial data into proprietary FAMS model, run the model and produce preliminary output, including a five and ten-year financial management program that will include the following:	1	0	0	6	8	0	15
→ Revenue and Expense History/Projections							
→ Capital Improvements Program	0	0	0	6	12	0	18
→ Funds Analysis							
→ Borrowing Program							
→ Rate Plan Scenarios							
c. Review preliminary results with consulting team, make adjustments, and create alternatives scenarios of rate adjustments and CIP spending.	1	1	1	2	7	0	12
d. Make adjustments and re-run financial model.	0	0	0	1	3	0	4
e. Perform internal quality control and make adjustments as required.	0	1	1	1	1	0	4
f. Prepare alternative scenarios for interactive review session with City staff.	0	0	0	1	2	0	3
g. Conduct first Interactive Work Session with City staff to review the preliminary results of the ten-year projection of revenue sufficiency of the utility enterprise fund. Using the financial planning model developed in Task 2b, discuss capital projects funding including:							
→ Review financing plans for the City's capital improvement program under each identified level of service.	0	0	1	1	2	0	4
→ Run alternative scenarios for debt versus cash funding, including alternative debt financing terms.							
→ Monitor reserve levels and other key metrics of financial performance with each alternative scenario to meet all existing and potential bond covenants.							
h. Make adjustments based upon input from City staff, and prepare workbook of assumptions and preliminary results.	0	0	1	1	3	0	5
i. Perform internal quality control and make adjustments as required.	1	1	1	1	1	0	5
j. Conduct a second Interactive Work Session (Virtual) with City staff to review the adjusted results of the ten-year projection of revenue sufficiency of the utility enterprise fund and make any final adjustments.	0	0	1	1	1	0	3
Task 3 Cost of Service Analysis							
a. Identify all test year costs/revenue requirements associated with the provision of water and sewer service from the preferred financial forecast alternative identified in Task 2 into the cost allocation module.	0	0	1	2	4	1	8
b. Functionalize and allocate costs based on industry standards (AWWA, WEF).	0	0	0	2	4	0	6
c. Compare allocated costs/revenue requirements by customer class to revenue generated by existing rates.	0	0	0	1	1	0	2
d. Perform internal quality control and make adjustments as required.	1	1	1	1	1	0	5
e. Conduct Interactive Work Session (Virtual) with City staff to review the preliminary results of the cost of service analysis.	0	0	1	1	1	0	3
f. Make adjustments based upon input from City staff, and prepare workbook of assumptions and preliminary results.	0	1	0	1	2	0	4
Task 4 Rate Design Analysis							
a. Analyze current billing data to evaluate current bill distribution and existing rate structure. Create rate structure modifications to promote equitable allocation and fair proportionality among property owners. Generate multiple scenarios including potential rate structure changes and perform change analysis to identify bill impacts.	0	0	0	2	6	0	8
b. Create schedules of updated residential and non-residential rates using the modified fee structure and the updated revenue requirements.	0	0	1	1	2	0	4
c. Perform internal quality control and make adjustments as required.	1	1	1	1	1	0	5
d. Prepare alternative scenarios for interactive review session with City staff.	0	0	0	1	2	0	3
e. Conduct Interactive Work Session (Virtual) with City staff to review the preliminary results of the rate structure modifications.	0	0	1	1	1	0	3
f. Make adjustments based upon input from City staff, and prepare workbook of assumptions and preliminary results.	0	1	0	1	2	0	4

