



March 9, 2020

Mr. Michael Spinks, Town Council President
Town of Spencer, Indiana
90 North West Street
Spencer, Indiana 47460

Re: Engagement Letter for the establishment of a Municipal Storm Water Utility Rate

Dear Michael:

We are pleased to submit this engagement letter to you for consideration by the Town of Spencer, Owen County, Indiana (the “Town”) regarding our retention to provide financial advisory services to the Town as it relates to establishing a Municipal Storm Water Utility Rate. The services requested pertain to the preparation of a Rate Sufficiency Analysis (“Analysis”) for the Town in order to maintain and support storm water operations.

SCOPE OF SERVICES

LWG will provide the financial advisory services necessary in connection with the preparation of the Analysis, including, but not limited to:

- Working with Town Officials and staff, including engineers;
- Analyzing options for establishing fee structures
- Assisting in determining the costs and maintenance of operations;
- Assisting in determining costs of capital requirements;
- Calculating rates and charges that are nondiscriminatory, reasonable and just;
- Review in conjunction with legal counsel statutes and legislation impacting storm water rates;
- Any other services as required by the Town

During the course of this engagement, we will assume and rely on you to provide us with complete financial and capital improvement information in order for us to perform the Analysis.

ENGAGEMENT TEAM

Sue Sargent Haase will be the Partner in charge of this Engagement; however, we may assign portions of the work to be done to staff accountants and secretarial staff who will be acting under the direct supervision of Ms. Sargent-Haase.

COMPENSATION

Our fees for the services to be provided will be based upon the hourly billing rates of the actual time expended by the staff members assigned to this engagement. A schedule of the maximum hourly rates (by professional classification) is attached as Exhibit A.

Based upon our experience, we estimate that the fees associated with this engagement could fall in the range of \$10,000 to \$15,000. Furthermore, we would propose that our total fees for the professional services would not exceed **\$15,000**.

INVOICING

The client will be provided with an invoice for services at the end of each month during the term of the engagement. The invoices will be detailed and include information concerning the date, staff member, work description and time expended/cost incurred. Additionally, invoices will be provided in such a manner that will easily allow the responsible financial officials to invoice the appropriate budgets and or funds without difficulty. A summary for the amounts billed against the contract amount will be provided.

We are pleased to have this opportunity to be of service to you. If you have any questions regarding this engagement letter, please call me.

Sincerely,



Robert L. Swintz

ACKNOWLEDGED AND AGREED TO:

By: _____

Title: _____

Date: _____