



October 7, 2025

Mr. Jeffrey Pearson
Utilities Director, City of Cape Coral
PO Box 150027
Cape Coral, FL 33915-0027

Re: Proposal to Conduct a FY 2026 Water, Sewer & Irrigation Revenue Sufficiency Analysis & Related Scenario and Capital Planning Impact Analyses (As Required)

Dear Mr. Pearson,

As requested, Stantec is pleased to present this proposal to conduct a FY 2026 Water, Sewer & Irrigation Revenue Sufficiency Analysis. Also as requested, we have incorporated into this proposal an additional work effort associated with performing various additional rate scenarios and other financial sensitivity analyses that may be required as well as support for the Utility's potential issuance of debt and on-going capital planning efforts, such as the review of any budget adjustments, and capital funding applications.

Based upon our understanding of the requested scope of work, Stantec has prepared a Project Work Plan and Cost Estimate Schedule (Schedule) which is enclosed. The enclosed Schedule shows that successful completion of the revenue sufficiency analysis update (Tasks 1 – 4) will require 130 hours for an estimated fee of \$34,450. We anticipate providing our services through September 30, 2026. Consistent with past practice, we propose to bill this portion of the project on a lump sum basis with monthly progress billings based upon the percentage completion of each task.

In addition to the revenue sufficiency analysis, additional rate and financial sensitivity analyses may be requested including scenarios related to the Utility's on-going master plan and though their specific nature and extent are presently unknown we propose to provide any such additional services under Task 5 based upon the hourly rates identified in the Schedule and the actual time incurred for an initial amount not to exceed of \$15,000 (which could be adjusted as agreed upon by both parties).

We appreciate the opportunity to present this proposal and look forward to working with you on this assignment. If you have any questions, please do not hesitate to call me at (813) 269-6013. Otherwise, please proceed with executing the attached standard form contract following this letter.

Very truly yours,

Hani
Alkhoul

Digitally signed
by Hani Alkhoul
Date: 2025.10.07
16:40:17 -04'00'

Hani Alkhoul
Principal
Direct: 813 269-6013
hani.alkhoul@stantec.com

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



PROFESSIONAL SERVICES AGREEMENT

By signing below, the City acknowledges that it has read, accepts and agrees to the following terms and conditions attached hereto, that the terms and conditions, together with this proposal, constitute the contract, and that the City hereby authorizes Stantec to proceed with the services herein described.

- ATTACHMENT A - PROFESSIONAL SERVICES TERMS AND CONDITIONS
- ATTACHMENT B - SCOPE OF SERVICES & FEE SCHEDULE
- ATTACHMENT C - RATE SCHEDULE
- ATTACHMENT D - INDEPENDENT MUNICIPAL ADVISOR EXEMPTION

CITY OF CAPE CORAL, FLORIDA

STANTEC CONSULTING SERVICES INC.

Crystal S. Feast
Authorized Signature

Hani Alkhoul
Digitally signed by Hani Alkhoul
Date: 2025.10.29 08:53:04 -0400
Authorized Signature

Crystal S. Feast
Name

Hani Alkhoul
Name

Financial Services Director
Title

Principal
Title

10/29/25
Date

10/7/2025
Date

ATTACHMENT A

PROFESSIONAL SERVICES TERMS AND CONDITIONS Page 1 of 2

The following Terms and Conditions are attached to and form part of a proposal for services to be performed by Consultant and together, when the Client authorizes Consultant to proceed with the services, constitute the Agreement. Consultant means the Stantec entity issuing the Proposal.

Description of Work: Consultant shall render the services described in the Proposal (hereinafter called the "Services") to the Client.

Terms and Conditions: No terms, conditions, understandings, or agreements purporting to modify or vary these Terms and Conditions shall be binding unless hereafter made in writing and signed by the Client and Consultant. In the event of any conflict between the Proposal and these Terms and Conditions, these Terms and Conditions shall take precedence. This Agreement supercedes all previous agreements, arrangements or understandings between the parties whether written or oral in connection with or incidental to the Project.

Compensation: Payment is due to Consultant within 28 days of receipt of invoice. Failure to make any payment when due is a material breach of this Agreement and will entitle Consultant, at its option, to suspend or terminate this Agreement and the provision of the Services. Interest will accrue on accounts overdue at the lesser of 1.5 percent per month (18 percent per annum) or the maximum legal rate of interest. Unless otherwise noted, the fees in this agreement do not include any value added, sales, or other taxes that may be applied by Government on fees for services. Such taxes will be added to all invoices as required. The Client will make electronic payment of the invoices, the details of which can be obtained or verified by contacting ar@stantec.com. Consultant provides no guarantee or warranty that the Client's Project requirements can be achieved within its proposed Project budget or schedule. Any services to redesign, value-engineer or make changes to the Client's Project requirements, whether for cost-saving, schedule efficiency, or otherwise, constitute additional services.

Notices: Each party shall designate a representative who is authorized to act on behalf of that party. All notices, consents, and approvals required to be given hereunder shall be in writing and shall be given to the representatives of each party.

Termination: Either party may terminate the Agreement without cause upon thirty (30) days notice in writing. If either party breaches the Agreement and fails to remedy such breach within seven (7) days of notice to do so by the non-defaulting party, the non-defaulting party may immediately terminate the Agreement. Non-payment by the Client of Consultant's invoices within 30 days of Consultant rendering same is agreed to constitute a material breach and, upon written notice as prescribed above, the duties, obligations and responsibilities of Consultant are terminated. On termination by either party, the Client shall forthwith pay Consultant all fees and charges for the Services provided to the effective date of termination.

Environmental: Except as specifically described in this Agreement, Consultant's field investigation, laboratory testing and engineering recommendations will not address or evaluate pollution of soil or pollution of groundwater. Consultant is entitled to rely upon information provided by the Client, its consultants, and third-party sources provided such third party is, in Consultant's opinion, a reasonable source for such information, relating to subterranean structures or utilities. The Client releases Consultant from any liability and agrees to defend, indemnify and hold Consultant harmless from any and all claims, damages, losses and/or expenses, direct and indirect, or consequential damages relating to subterranean structures or utilities which are not correctly identified in such information.

Professional Responsibility: In performing the Services, Consultant will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices normally provided in the performance of the Services at the time and the location in which the Services were performed.

Indemnity: The Client releases Consultant from any liability and agrees to defend, indemnify and hold Consultant harmless from any and all claims, damages, losses, and/or expenses, direct and indirect, or consequential damages, including but not limited to attorney's fees and charges and court and arbitration costs, arising out of, or claimed to arise out of, the performance of the Services, excepting liability arising from the sole negligence of Consultant.

Limitation of Liability: It is agreed that, to the fullest extent possible under the applicable law, the total amount of all claims the Client may have against Consultant under this Agreement, including but not limited to claims for negligence, negligent misrepresentation and/or breach of contract, shall be strictly limited to the lesser of professional fees paid to Consultant for the Services or \$50,000.00. No claim may be brought against Consultant more than two (2) years after the cause of action arose. As the Client's sole and exclusive remedy under this Agreement any claim, demand or suit shall be directed and/or asserted only against Consultant and not against any of Consultant's employees, officers or directors.

Consultant's liability with respect to any claims arising out of this Agreement shall be absolutely limited to direct damages arising out of the Services and Consultant shall bear no liability whatsoever for any consequential loss, injury or damage incurred by the Client, including but not limited to claims for loss of use, loss of profits and/or loss of markets.

In no event shall Consultant's obligation to pay damages of any kind exceed its proportionate share of liability for causing such damages.

Documents: All of the documents prepared by or on behalf of Consultant in connection with the Project are instruments of service for the execution of the Project. Consultant retains the property and copyright in these documents, whether the Project is executed or not. These documents may not be used for any other purpose without the prior written consent of Consultant. In the event Consultant's documents are subsequently reused or modified in any material respect without the prior consent of Consultant, the Client agrees to defend, hold harmless and indemnify Consultant from any claims advanced on account of said reuse or modification.

Any document produced by Consultant in relation to the Services is intended for the sole use of Client. The documents may not be relied upon by any other party without the express written consent of Consultant, which may be withheld at Consultant's discretion. Any such consent will provide no greater rights to the third party than those held by the Client under the contract and will only be authorized pursuant to the conditions of Consultant's standard form reliance letter.

Consultant cannot guarantee the authenticity, integrity or completeness of data files supplied in electronic format ("Electronic Files"). Client shall release, indemnify and hold Consultant, its officers, employees, Consultant's and agents harmless from any claims or damages arising from the use of Electronic Files. Electronic files will not contain stamps or seals, remain the property of Consultant, are not to be used for any purpose other than that for which they were transmitted, and are not to be retransmitted to a third party without Consultant's written consent.

PROFESSIONAL SERVICES TERMS AND CONDITIONS Page 2 of 2

Field Services: Consultant shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with work on the Project and shall not be responsible for any contractor's failure to carry out the work in accordance with the contract documents. Consultant shall not be responsible for the acts or omissions of any contractor, subcontractor, any of their agents or employees, or any other persons performing any of the work in connection with the Project. Consultant shall not be the prime contractor or similar under any occupational health and safety legislation.

Governing Law/Compliance with Laws: The Agreement shall be governed, construed and enforced in accordance with the laws of the jurisdiction in which the majority of the Services are performed. Consultant shall observe and comply with all applicable laws, continue to provide equal employment opportunity to all qualified persons, and to recruit, hire, train, promote and compensate persons in all jobs without regard to race, color, religion, sex, age, disability or national origin or any other basis prohibited by applicable laws.

Dispute Resolution: If requested in writing by either the Client or Consultant, the Client and Consultant shall attempt to resolve any dispute between them arising out of or in connection with this Agreement by entering into structured non-binding negotiations with the assistance of a mediator on a without prejudice basis. The mediator shall be appointed by agreement of the parties. The Parties agree that any actions under this Agreement will be brought in the appropriate court in the jurisdiction of the Governing Law, or elsewhere by mutual agreement. Nothing herein however prevents Consultant from any exercising statutory lien rights or remedies in accordance with legislation where the project site is located.

Assignment: The Client shall not, without the prior written consent of Consultant, assign the benefit or in any way transfer the obligations under these Terms and Conditions or any part hereof.

Severability: If any term, condition or covenant of the Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of the Agreement shall be binding on the Client and Consultant.

Force Majeure: Any default in the performance of this Agreement caused by any of the following events and without fault or negligence on the part of the defaulting party shall not constitute a breach of contract, labor strikes, riots, war, acts of governmental authorities, unusually severe weather conditions or other natural catastrophe, disease, epidemic or pandemic, or any other cause beyond the reasonable control or contemplation of either party. Nothing herein relieves the Client of its obligation to pay Consultant for services rendered.

Contra Proferentem: The parties agree that in the event this Agreement is subject to interpretation or construction by a third party, such third party shall not construe this Agreement or any part of it against either party as the drafter of this Agreement.

Business Practices: Each Party shall comply with all applicable laws, contractual requirements and mandatory or best practice guidance regarding improper or illegal payments, gifts, or gratuities, and will not pay, promise to pay or authorize the payment of any money or anything of value, directly or indirectly, to any person (whether a government official or private individual) or entity for the purpose or illegally or improperly inducing a decision or obtaining or retaining business in connection with this Agreement or the Services.

FLORIDA CONTRACTS: PURSUANT TO FLORIDA STATUTES CHAPTER 558.0035 AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR DAMAGES RESULTING FROM NEGLIGENCE.

ATTACHMENT B - SCOPE OF SERVICES & FEE SCHEDULE



City of Cape Coral, Florida

FY 2026 Utility Revenue Sufficiency Analysis
Project Work Plan and Cost Estimate Schedule

Project Tasks	Estimated Labor-Hours					Total Project
	Project Director	Quality Control	Project Manager	Consultant	Admin	
	Bumham	Grau	Alkhouli	Patel		
Resources →	\$450	\$350	\$300	\$200	\$100	
Hourly Rates →						
Task 1 Project Initiation & Data Collection						
1.1 Prepare initial data request list and detailed critical path schedule. Perform job set-up activities.	1	1	1	1	1	5
1.2 Compile and review historical, current, and projected financial, billing, and other system data as provided by staff.	0	0	1	2	0	3
1.3 Request additional information/clarifications as required and review supplemental information/data.	0	0	1	0	0	1
Task 2 Develop Multi-Year Financial Management Plan						
2.1 Update water, irrigation, and wastewater customer growth schedules/scenarios, trends in usage patterns, and develop updated ERC and usage projections for all revenue sources (rate revenues, impact fees, CFECs, etc.).	0	0	2	6	0	8
2.2 Evaluate budget versus actual performance (O&M and capital) to determine proper funding levels to include in rate revenue requirements as well as trends in annual expenses to inform future cost escalation factors/assumptions.	0	0	1	4	0	5
2.3 Input current financial and billing data into our modeling system, run the module, and produce preliminary output, including a five and ten year financial management program that will include the following:	0	0	8	24	0	32
o Capital Improvements Program						
- Project listing by year						
- Evaluation of existing and alternative capital improvement programs and funding requirements						
o Financial Policy Review, including reserve levels (operating, capital, and rate stabilization), capital reinvestment, etc.						
o Borrowing Program						
- Identify any borrowing required and/or appropriate to fund certain CIP projects, to include but not necessarily be limited to, revenue bonds and state programs.						
- Timing of bond issue(s)/loan(s) to provide required funds, and annual debt service schedules for any new debt						
o Revenue Sufficiency Analysis						
- Annual revenue and operations & maintenance expense projections						
- Projections of other requirements such as R&R, minor capital, transfers, debt payments, reserves contributions, etc.						
- Evaluation of adequacy of revenue provided by existing rates to meet current and projected system requirements						
- Alternative plans of annual percentage rate adjustments to provide sufficient revenues over a multi-year period.						
o Funds Analysis						
- Spend down limits (minimum reserve requirements) by fund						
- Beginning and ending fund balances by fund by year.						
2.4 Quality control review, including reconciliation to prior study results, and make model adjustments for changes since last study.	0	2	2	2	0	6
2.5 Review results with consulting team, make adjustments, and create alternatives scenarios of rate adjustments and CIP	2	0	2	3	0	7
2.6 Prepare for and meet with City staff in an interactive work session to review preliminary results.	3	0	3	3	0	9
2.7 Make adjustments per input from City staff, update data/assumptions as appropriate, and/or for desired sensitivity analysis.						
Prepare workbook of assumptions and preliminary results and screen captures of requested scenarios.	0	2	2	4	0	8
2.8 Integrate data updates and comments from City staff review of deliverables prepared in Task 2.7.	0	0	1	1	0	2
2.9 Prepare updated results/assumptions workbook and review scenarios with City staff and City Manager.	2	0	2	2	0	6

ATTACHMENT C

RATE SCHEDULE

1. The rates provided below shall be in effect from 10/07/2025 to 12/31/2026. After 12/31/2026 the below rates will automatically increase by 3%.
2. Changes, modifications, or additional services provided by Consultant personnel in various labor categories will be billed at the following negotiated hourly rates (inclusive of salary, overhead and fee):

Hourly Rates by Consulting Labor Category	
Position Title	Hourly Rate
Director	\$450
Senior Principal	\$350
Principal	\$300
Senior Manager	\$275
Manager	\$250
Senior Consultant	\$225
Consultant	\$200
Financial Analyst	\$175
Data Analyst	\$150
Administrative	\$100

3. Out of pocket and sub-contractor expenses for changes, modifications, or additional services will be billed at cost.

ATTACHMENT D

INDEPENDENT MUNICIPAL ADVISOR EXEMPTION

October 7, 2025

City of Cape Coral is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission and the "independent municipal advisor" exemption from the definition of "advice." The City of Cape Coral hereby notifies Stantec Consulting Services Inc. that it wishes them to continue to provide recommendations on user fees and financial forecasting related to the issuance of municipal securities. The City of Cape Coral is represented by another firm as their municipal advisor, which it has retained to, among other things, assist the City of Cape Coral in evaluating any and all of such recommendations. The City of Cape Coral will rely on their municipal advisor for advice. Therefore, the City of Cape Coral understands that Stantec Consulting Services Inc. is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Securities and Exchange Act. This certificate may be relied upon until September 30, 2026. Stantec Consulting Services Inc. understands that it must also send a copy of this certificate to the City of Cape Coral's municipal advisor.

EXHIBIT A

SUPPLEMENTAL TERMS & CONDITIONS

These Supplemental Terms and Conditions, effective as of March 28, 2025, amend and supplement the existing [Project/Agreement Name or PO #] and apply to [Specify product/service/area] in addition to the original terms. These terms clarify and/or adding specific provisions, as outlined below, which are incorporated into the agreement.

ARTICLES

1. **ANNUAL APPROPRIATION**

The City's performance and obligation to pay under this contract is contingent upon annual an appropriation by the City Council.

2. **PUBLIC RECORDS**

The CITY is a public agency subject to Chapter 119, Florida Statutes. **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICABILITY OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS, AT (239) 574-0411, ctyclk@capecoral.gov, City of Cape Coral, 1015 Cultural Park Boulevard, Cape Coral, FL 33990.**

The Contractor shall comply with Florida's Public Records Law. Specifically, the Contractor shall:

Keep and maintain public records required by the public agency to perform the service;

Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law;

Ensure that public records that are exempt or confidential and exempt from public record disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the CITY;

Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of the contractor or keep and maintain public records required by the public agency to perform the service. If the contractor transfers all public records to the public agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure

EXHIBIT A

requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

3. **INSURANCE REQUIREMENTS**

Minimum Insurance Requirements: *The following are the required minimums the vendor must maintain throughout the duration of this contract. The City reserves the right to request additional documentation regarding insurance provided.*

- a. **Commercial General Liability** - Coverage shall apply to premises and/or operations, products and completed operations, independent contractors, contractual liability exposures with minimum limits of:

\$1,000,000 per occurrence
\$2,000,000 general aggregate
\$1,000,000 products and completed operations
\$1,000,000 personal and advertising injury

- b. **Business Auto Liability** - The following Automobile Liability will be required and coverage shall apply to all owned, hired and non-owned vehicles use with minimum limits of:

\$1,000,000 combined single limit (CSL); or
\$2,000,000 bodily injury per person
\$1,000,000 bodily injury per accident
\$1,000,000 property damage per accident

- c. **Workers' Compensation** - Statutory benefits as defined by FS 440 encompassing all operations contemplated by this contract or agreement to apply to all owners, officers, and employees regardless of the number of employees. Workers Compensation exemptions may be accepted with written proof of the State of Florida's approval of such exemption. Employers' liability will have minimum limits of:

Workers' Compensation:

Statutory

Employers' Liability will have minimum limits of:

\$1,000,000 per accident
\$1,000,000 disease limit
\$1,000,000 disease – policy limit

**The required minimum limit of liability shown in a. and b. may be provided in the form of "Excess Insurance" or "Commercial Umbrella Policies." In which case, a*

EXHIBIT A

“Following Form Endorsement” will be required on the “Excess Insurance Policy” or “Commercial Umbrella Policy.”

Verification of Coverage:

1. Coverage shall be in place prior to the commencement of any work and throughout the duration of the contract. A certificate of insurance will be provided to the Risk Manager for review and approval. The certificate shall provide for the following:

a. **The “Certificate Holder” shall read as follows:**

City of Cape Coral
P.O. Box 150027
Cape Coral, Florida 33915-0027

b. **The “Description of Operations/Locations/Vehicles” shall read as follows:**

“The City of Cape Coral is named as an Additional Insured with respect to the General Liability policy, including Products and Completed Operations coverage.”

Special Requirements:

1. An appropriate "Indemnification" clause shall be made a provision of the contract.
2. It is the responsibility of the general contractor to ensure that all subcontractors comply with all insurance requirements.

Project-Specific Insurance Requirements: Risk Management in no way represents that the insurance required is sufficient or adequate to protect the vendors' interest or liabilities. The following are the required minimums the vendor must maintain throughout the duration of this contract for specific risks in addition to minimum requirements. The City reserves the right to request additional documentation regarding insurance provided.

- **Umbrella/Excess Liability** – A form of excess liability insurance, umbrella policies cover claims exceeding the limits stipulated by the underlying policy's terms, while also providing broader coverage encompassing losses outside of those outlined within the initial policy.

\$1,000,000 per occurrence
\$2,000,000 general aggregate

4. IMMIGRATION AFFIDAVIT CERTIFICATION AND E-VERIFY VALIDATION:

As a condition precedent to entering into this CONTRACT and in compliance with The Immigration and Nationality Act (INA), 8 U.S.C. Section 1324a(e) Section 274A(e) and Florida Statute State Section §448.095, Contractor or Consultant and their subcontractors shall register with and use the E-Verify system to verify work authorization status of all employees hired after January 1, 2021. The Employment Verification System (E-Verify) is operated by the Department of Homeland Security in partnership with the Social Security Administration.

EXHIBIT A

A public agency must require in any contract that the contractor, and any subcontractor thereof, register with and use the E-Verify system to verify the work authorization status of all new employees of the contractor or subcontractor. A public agency or a contractor or subcontractor thereof may not enter into a contract unless each party to the contract registers with and uses the E-Verify system.

Contractor must include E-Verify Memorandum of Understanding (MOU) Verification document.

5. **PROHIBITION AGAINST CONSIDERING SOCIAL, POLITICAL, OR IDEOLOGICAL INTERESTS IN GOVERNMENT CONTRACTING:**

In accordance with Florida Statute 287.05701 the City may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. An awarding body may not give preference to a vendor based on the vendor's social, political, or ideological interests.

6. **SCRUTINIZED COMPANIES LIST:**

Pursuant to 287.135 Florida Statute, s. 215.4725 and s. 215.473, A Company is ineligible to, and may not, bid on, submit a proposal for, or enter into or renew a contract with an agency (state) or local governmental entity for goods or services of:

- a. Any amount if, at the time of bidding on, submitting a proposal for, or entering into or renewing such contract, the company is on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725, or is engaged in a boycott of Israel; or
- b. One million dollars or more if, at the time of bidding on, submitting a proposal for, or entering into or renewing such contract, the company:
 1. Is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in Iran Terrorism Sectors List, created pursuant to s. 215.473; or
 2. Is engaged in business operations in Cuba or Syria.

7. **HUMAN TRAFFICKING:**

Pursuant to Florida Statute 787.06, when a contract is executed, renewed, or extended between a nongovernmental entity and a governmental entity, the nongovernmental entity must provide the governmental entity with an affidavit signed by an officer or a representative of the nongovernmental entity under penalty of perjury attesting that the nongovernmental entity does not use coercion for labor or services as defined in F.S. 787.06.