CITY OF SUNRISE

Memorandum

To: File

From: Timothy A. Welch, Utilities Director Taw

Date: August 4, 2021

Re: Basis & Justification for Consultant Selection for Professional Engineering Services to evaluate a City of Sunrise and Town of Davie Water and Wastewater Utility Consolidation

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The Utilities Department assigned professional engineering services to Hazen and Sawyer, P.C. for a technical evaluation and reporting on the potential for consolidating the City of Sunrise and the Town of Davie Water and Wastewater Utility.

Basis

With the recent completion of the Master Plan by the Town of Davie Utilities Department it became apparent that the Town of Davie and it's utility customers will find necessary significant expenditures of approximately $614 million dollars and based on the Town of Davie's current financial position the likelihood it can absorb and complete these improvements to reliably sustain their operations and maintenance would require significant rate increases. As a result, the Town of Davie requested consideration from adjacent municipalities in the potential to acquire the utility. In order for the City of Sunrise to evaluate this consolidation, from a technical and financial perspective the City of Sunrise would require due evaluations of assets, both material and equipment as well as people in order to determine the relative value, condition, and required investment to be able to adequately determine if such an acquisition is feasible for the City of Sunrise. The City of Sunrise also just recently completed its Master Plan update (in 2019 to 2020) and is in a similar position of having updated its needs for the utility assets and operation, so this time is an opportune one to complete these evaluations.

Justification

Hazen and Sawyer, P.C. has performed the City of Sunrise's Master Plan update and already has a majority of the information on the City of Sunrise' assets, operational characteristics and capital requirements. This firm is currently best prepared to conduct this technical evaluation, while another financial firm will be relied upon to complete the financial valuation analysis (including required rate analysis and structure) necessary.