

Attachment 1

PiperJaffray

At the Esplanade, 2525 E. Camelback Road, Suite 925 Phoenix, Arizona 85016

Tel: 602-808-5426

Piper Jaffray & Co. Since 1895. Member SIPC and NYSE.

March 1, 2017

Mr. Gregory Rose
Manager
City of Maricopa
39700 West Civic Center Plaza
Maricopa, Arizona 85138

Re: Price Estimates for Utility Acquisition

BILLING STATEMENT

Services Provided as per Professional Services Agreement

Price Estimates for Utility Acquisition

Total Fees and Reimbursable Expenses \$15,000.00

For ease of reference, attached is the original fee proposal dated November 6, 2015 for this project.

As discussed, our compensation of \$15,000.00 is "project compensation" rather than hourly compensation. We appreciate the opportunity to support your efforts thus far. As necessary, we can update the price estimates to acquire the utilities with significantly less effort than it took to generate the initial estimates.

It is useful to note that we committed over 70 hours to the price estimate and related interactions associated with potentially acquiring the utilities which exceeded our initial estimate of 50 hours. However, this was good exposure with significant insights into the fair valuation of the utilities that might prove useful as the City continues to consider its options.

If you have questions, comments, or concerns, please contact me at 602-808-5426

Please remit to:

Piper Jaffray & Co.
Attention: Treasury, J09STR
800 Nicollet Mall
Minneapolis, MN 55402

If you have questions, comments, or concerns, please contact me at 602-808-5426



Greg Swartz, Senior Vice President
Piper Jaffray

November 6, 2015

Gregory Rose, Manager
City of Maricopa
39700 W Civic Center Plaza
Maricopa, AZ 85138

Gregory:

This correspondence is in response to your request for financial advisory fee estimates related to acquiring a water utility. Under our existing agreement with the City, we receive compensation in one or a combination of ways including: (1) on a contingency basis from bond proceeds, (2) hourly fees for special services, and (3) special project compensation.

Based on our understanding of the initial services required, we can rely on a fixed amount for a special project as outlined below.

Project: Price Estimates for Water Utility Acquisition

Scope of Work: Collect, review, and analyze publicly available revenue and expense data. Estimate range of acquisition prices using common valuation methodologies. Compare findings to similar acquisitions. Document and present findings to City officials.

Timeline: Based on our understanding of the project and scope of work, we estimate it will require 3-4 weeks to complete the project once we are authorized to proceed.

Fee Estimate: Based on our understanding of the scope of work as outlined above, we propose a fee of \$15,000. This proposed fee includes out-of-pocket, travel, and miscellaneous fees in addition to the professional services required.

After completing the Price Estimates for Water Acquisition, we can propose additional fees to assist the City to: (1) negotiate the acquisition – with compensation based on hourly fees or a fixed special project fee with compensation either from fund balances or financing proceeds and (2) finance the acquisition – with compensation based on the financing amount and funded from proceeds of the financing.

Feel free to contact me at 602-808-5426 or via greg.g.swartz@pjc.com if you require clarification.

Sincerely,



Greg Swartz, Senior Vice President
Piper Jaffray