

**FIRST AMENDMENT TO AGREEMENT**  
**FOR CONSULTATION AND OTHER SERVICES**

This Amendment is entered into this \_\_\_\_\_ day of November, 2008, by and between the City of Milpitas, a municipal corporation of the State of California (hereafter referred to as "CITY") and Bartle Wells Associates, Inc. (hereafter referred to as "CONSULTANT").

**RECITALS**

WHEREAS, the parties entered into an Agreement for professional financial services for the 2003 Financial Utility Master Plan Update, on November 10, 2008; and

WHEREAS, the parties desire to amend the Agreement to allow CONSULTANT to provide additional services, including update to the Water and Sewer cash flow tables through 2021-2022.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree to amend the Agreement as follows:

1. The first sentence in Subsection 1.1, entitled "Term of Services" is amended to read:

The term of this Agreement shall begin on the date first noted above and shall end on June 30, 2009.

2. Section 1, entitled "Services" is amended by adding Exhibit "A-1," which is attached hereto and incorporated by reference herein.

3. Section 2, entitled "Compensation" is amended to add \$18,000 in Exhibit "B-1," which is attached hereto and incorporated by reference herein. Section 2 is further amended by changing the following at the beginning of the Section:

CITY hereby agrees to pay CONSULTANT a guaranteed maximum price not to exceed \$26,000 for all services to be performed and reimbursable costs incurred under this Agreement.

4. The CONSULTANT agrees to maintain and pay for all insurance policies as stated in Section 4, entitled "Insurance Requirements" of the

Project Name: 2008 Financial Utility Master Plan Update  
CIP 7103 and CIP 6105

Agreement dated November 10, 2008, between CONSULTANT and the CITY. The CONSULTANT shall provide the CITY with renewal certificates of the current policies upon the expiration of the current policy.

5. All other provisions of the Agreement shall remain in full force and effect.

This Amendment is executed as of the date written on **Page 1.**

CITY OF MILPITAS

CONSULTANT

\_\_\_\_\_  
Thomas C. Williams, City Manager

\_\_\_\_\_  
Douglas R. Dove, Principal

\_\_\_\_\_  
Greg Armendariz, City Engineer

\_\_\_\_\_  
Taxpayer Identification Number

\_\_\_\_\_  
Bryan M. Otake,  
Assistant City Attorney

\_\_\_\_\_  
City of Milpitas Business License  
Number

\_\_\_\_\_  
Emma Karlen, Finance Director/Risk Manager

ATTEST:

\_\_\_\_\_  
Mary Lavelle, City Clerk

## **Exhibit A-1 Consultant Services**

### **Task 5 Update 2003 FUMP Projections**

The 2003 FUMP is based on a number of assumptions, such as wholesale water and wastewater rate increases, City growth and City capital projects. Milpitas staff has noted that actual conditions have varied from these assumptions and recommend that the water and sewer cash flow projections be revised to incorporate updated assumptions.

Water assumptions to be updated include, but are not limited to,: starting fund balance, projected growth, service charges, personnel services, services and supplies, wholesale water costs, capital outlay, operating cost transfer to General Fund and other fund transfers.

Sewer assumptions to be updated include, but are not limited to: starting fund balance, projected growth, service charges, personnel services, services and supplies, treatment plant O&M, treatment plant capital, capital outlay, operating cost transfer to the general fund and other fund transfers.

BWA will update FUMP Table 3-11A titled Water Enterprise Cash Flow Projection and Table 5-8 Sewer Operating Fund Cash Flow Projection for the period 2008/09 through 2021/22. BWA will also update the supporting tables to Tables 3-11A and 5-8.including related enterprise funds.

#### Scenarios for FUMP Update

1. Maximum 5% annual rate increases
2. Annual Pass-through of Hetch Hetchy & SCVWD cost increases
3. Upper limit scenario
4. Lower limit scenario

### **Task 6 Prepare Draft and Final Reports**

Prepare and submit a draft report for review by the City's project team. The report will present the key findings regarding the FUMP update and all of the updated tables. After receiving comments from the City and others as appropriate, prepare and submit the final FUMP Update report

### **Task 7 Develop a PowerPoint Presentation**

Develop a PowerPoint presentation summarizing key findings, recommendations, and key alternatives evaluated, and their impacts. The presentation will be designed for a non-technical audience.

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**Task 8 Present Findings & Recommendations**

Present findings and recommendations to the Utility Rate Subcommittee. Receive input and answer questions. Based on input received, revise recommendations as needed and incorporate into a revised final report and presentation. Present the final findings and recommendations to the City Council.

All project work shall be completed by June 30, 2009.

### Exhibit B-1 Compensation

#### BUDGET

Tas	Tota Estimate Hour	Dou Dov \$225	Alex Handler \$225	Tota Cos
<b>5 - Update 2003 FUMP</b>	34	14	20	7,650
<b>6 - Prepare Draft and Final</b>	20	8	12	4,500
<b>7 - Develop PowerPoint</b>	9	3	6	2,025
<b>8 - Present Findings &amp;</b>	16	8	8	3,600
<b>Total Estimated Consulting Hours &amp;</b>	<b>34</b>	<b>33</b>	<b>46</b>	<b>\$17,775</b>
<b>Estimated</b>				<b>225</b>
<b>Total</b>				<b>\$18,000</b>

Hourly rates are subject to change after December 31, 2008.

#### SCHEDULE

TAS	PROPOSED PROJECT SCHEDULE			
	Nov-	Dec-	Jan-	Feb-
Task 5 - Update 2003 FUMP				
Task 6 - Prepare Draft and final				
Task 7 - Develop PowerPoint				
Task 8 - Present Findings &				