

OFFICIAL RECORD

Requested By:
DC/PUBLIC WORKS

Assessor's Parcel Number: N/A

Date: JULY 23, 2010

Recording Requested By: _____

Name: EILEEN CHURCH, PUBLIC WORKS
 (CP)

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

Douglas County - NV
Karen Ellison - Recorder
Page: 1 Of 6 Fee: 0.00
BK-0710 PG- 4282 RPTT: 0.00



 CONTRACT AMENDMENT #2010.170

(Title of Document)

FILED

NO. 2010-170

2010 JUL 23 AM 8:52

AMENDMENT NO. 1

CONTRACT BETWEEN DOUGLAS COUNTY
AND
FCS GROUP
FOR
WATER ENTERPRISE FUNDS CONSOLIDATION STUDY

TED THIRAN
CLERK

[Signature]
DEPUTY

WITNESSED

Whereas, on May 7, 2009, Douglas County, a political subdivision of the State of Nevada, and FCS Group, an independent contractor, entered into a contract for certain services; and

Whereas, the circumstances have changed requiring additional services by the Contractor; and

Whereas, on July 1, 2010, the Douglas County Board of Commissioners authorized the County Manager to sign a contract amendment with FCS Group for additional services previously provided under the Water Enterprise Funds Consolidation Study and work to be performed for the FY 2010-11 interim water rates analysis in the not-to-exceed amount of \$30,000.

Now, therefore, in consideration of the agreements herein made, the parties mutually agree as follows:

- The Scope of Services has been amended as provided in the attached proposal dated July 2, 2010.
- The Contract Time has been amended as provided in the attached proposal dated July 2, 2010.
- The Schedule of Compensation has been amended as provided the attached proposal dated July 2, 2010.
- All other sections of the original agreement remain in effect.

[Signature]
FCS Group
[Signature]
County Manager

7/7/10
Date
7/11/10
Date

Attest: *[Signature]*
County Clerk

July 13, 2010
Date

[Signature]
N/A
District Attorney

Date

SR. *[Signature]*
Clerk to the Board



July 2, 2010

Mr. Carl Ruschmeyer
Douglas County
PO Box 218
Minden, NV 89423

Re: Water Consolidation Rate Study – Contract Amendment

Dear Mr. Ruschmeyer:

Throughout the course of the consolidation study, additional services were requested to update operating budgets, capital programs, and customer information based on evolving information; provide an additional consolidation scenario to incorporate new Board direction; and provide supplemental documentation in response to various customer questions and concerns. Following the Board's decision not to move forward with the proposed consolidation, additional services were requested to prepare interim FY 2011 rates and charges assuming continuation of separate enterprise funds and a separate schedule of rates and charges for each system. To accomplish these tasks, we respectively request a contract amendment to increase the budget and extend the schedule. I have detailed below the basis for our budget request.

Additional Services for Water Consolidation Study

Data Iterations: Perform additional iterations of data input and analyses to incorporate updates to actual and budget information, revised capital programs, and customer statistics. Prepare FY 2010 Interim rates for Zephyr Cove.

Documentation: Prepare supplemental rate and charge schedules for each system to serve as the new public noticing requirements; review correspondence from County customers and provide written responses; and prepare supplemental presentation materials in response to questions arising throughout the study.

Additional Services for FY 2011 Interim Rates & Connection Charges

Calculate Interim Rates: Update revenue requirements and proposed FY 2011 rates for each system to incorporate impacts of delayed FY 2011 rate adjustments and potential new Board policy direction. We anticipate the following changes:

- Revise effective date of rate adjustments from July 1, 2010 to October 1, 2010 for each system and update the revenue forecast under existing rates for FY 2011.
- Revise Job's Peak analysis based on updated information regarding number of accounts by meter size. (Previous information provided 55 customers with 2-inch

meters; new information shows 53 customers - 7 customers with 5/8-inch meters and 46 customers with 2-inch meters).

- Update capital programs, as warranted, to incorporate any known changes to FY 2011 capital costs and/or scheduling requirements.
- Update proposed FY 2011 rates for each system based on the revised revenue requirement analysis. Proposed rates will assume across-the-board adjustments to each system's existing rate structure. (Depending on Board policy direction, a change from flat to metered rates might occur for Job's Peak and Sheridan Acres, discussed further below).
- Update sample customer bills by customer class for each system.
- (Subject to Board Policy Direction) - Extend the existing system reinvestment funding policy for independent systems from a five-year to a 10-year phase-in strategy. Update the capital funding analysis for each system as necessary to compensate for the reduction in revenues available for capital spending.
- (Subject to Board Policy Direction) – Incorporate 210 Fund and/or other subsidies to some or all systems.
- (Subject to Board Policy Direction) - Remove metering program costs from Lake systems' capital programs. Assumes a Lake metering surcharge will be implemented concurrent with the new debt service requirements; potentially July 1, 2011 (FY 2012). Note: no direct impact on FY 2011 rates; establishes baseline for future analyses.
- (Subject to Board Policy Direction) – Validate incorporation of the wholesale water rate established (but not adopted) during the 2006 rate studies for Job's Peak's purchase of water from Sheridan Acres.
- (Subject to Board Policy Direction) – Design a metered rate for Job's Peak and Sheridan Acres, incorporating indicated revenue adjustments and Board direction on percent recovery from fixed and variable rate components.
- (Subject to Board Policy Direction) – Prepare up to two (2) alternative scenarios to address potential changes to financial policies to mitigate rate increases.

Update Connection Charges: Update connection charges for each independent system incorporating system-specific existing plant assets (with allowable adjustments); eligible capital projects; and projected system capacity (expressed as equivalent dwelling units). Provide an updated schedule of charges by meter size for each system.

Prepare Schedule of Rate and Charges: Prepare and submit a spreadsheet table summarizing the existing and proposed schedule of rates and charges for each system in a format suitable to meet the County's public noticing requirements.

Presentations: Prepare materials and present results to County staff and the Board of Commissioners. The following meetings are anticipated:

- One (1) meeting with County staff (via conference call) to review findings and strategize for presentation to the Board.

- Two (2) meetings to present results to the Board Commissioners. It is anticipated that one meeting will be held in Minden and one meeting held at the Lake.

Documentation: Prepare a work product binder including a transmittal letter; presentation materials; and the spreadsheet rate and charge models for each system. An electronic version of all work products will also be provided (CD format).

SCHEDULE

The schedule for completion is anticipated as follows:

- Review technical analysis with County staff – mid-July
- Submit rate and charge schedules in publication format – July 21
- Present results to Board of Commissioners – September 2 and September 16
- Submit final deliverables – end of October

The detailed cost estimate for the requested amendment is shown in the table below:

Task	Principal Johnson	Analyst Holert	Admin. Support	Total Estimated Hours	Labor Budget	Expenses	Total Budget
<i>Hourly Billing Rates:</i>	<i>\$195</i>	<i>\$140</i>	<i>\$65</i>				
Water Consolidation Study							
Data Iterations	12	20		32	\$ 5,140		\$ 5,140
Documentation	16	8		24	\$ 4,240		\$ 4,240
Subtotal	28	28	-	56	\$ 9,380	\$ -	\$ 9,380
FY 2011 Interim Rates & Connection Charges							
Calculate Interim Rates	26	24		50	\$ 8,430		\$ 8,430
Update Connection Charges	8	24		32	\$ 4,920		\$ 4,920
Publication Schedule of Rates & Charges		4		4	\$ 560		\$ 560
Presentations	12	8	2	22	\$ 3,590	1,260	\$ 4,850
Documentation	4	4	8	16	\$ 1,860		\$ 1,860
Subtotal	50	64	10	124	\$19,360	\$ 1,260	\$20,620
Total	78	92	10	180	\$28,740	\$ 1,260	\$30,000

Authorization of these additional resources will allow us to successfully complete the County's requested services. If you have any questions about this submittal, please call me at 425-867-1802 x 241.

Sincerely,

Karyn Johnson
Principal

COPY

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: July 23, 2010

Travis J. Galt Clerk of the Judicial District Court of the State of Nevada, in and for the County of Douglas.

By Carol M. Galt Deputy