

**CITY OF UKIAH and
UKIAH VALLEY SANITATION DISTRICT**

**AMENDMENT 1
TO
PROFESSIONAL SERVICES
CONTRACT #1819153 – SEWER RATE STUDY**

This Amendment No. 1, entered on July 5, 2019, revises the Agreement for Professional services dated January 16, 2019 between the City jointly with UVSD and Hildebrand Consulting to conduct a Sewer Rate Study.

This Amendment No. 1:

- 1) Adds to the Scope of Work the following, and as per Exhibit 1:
 - a. Assist in developing a scope of work for the billing vendor to generate a billing report (since such a report had never been created);
 - b. Clarification phone calls with billing vendor and feedback on preliminary billing reports;
 - c. Review of billing report, identification of missing or erroneous data, and numerous summary emails to describe the issues encountered; and
 - d. Conference call with the City and billing vendor to clarify the missing and erroneous data.
- 2) Adds an additional cost on a time and materials (T&M) basis not-to-exceed \$25,000, for a revised total contract in an amount not-to-exceed \$106,210.

Except as expressly amended by this Amendment, all other terms remain unchanged and in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AMENDMENT ON THE EFFECTIVE DATE:

HILDEBRAND CONSULTING

BY: 

DATE: July 5, 2019

PRINT NAME: Mark Hildebrand

CITY OF UKIAH

BY: 
SAGE SANGIACOMO, CITY MANAGER

DATE: 7-8-19

UKIAH VALLEY SANITATION DISTRICT

BY: Theresa McNerlin
THERESA MCNERLIN, CHAIR

DATE: 7-9-19

ATTEST FOR CITY MANAGER

BY: Kristine Lawler
KRISTINE LAWLER, CITY CLERK

DATE: 7-8-19



June 5, 2019

Sean White
City of Ukiah
300 Seminary Avenue
Ukiah, CA 95482

Dave Redding
Ukiah Valley Sanitation District
151 Laws Avenue, #B
Ukiah, CA. 95482

Subject: Amendment No. 1 for Joint Sewer Rate Study

Dear Mr. White and Mr. Redding,

The following constitutes Amendment No. 1 to the Joint Sewer Rate Study (Study) currently being performed by Hildebrand Consulting LLC for the City of Ukiah (City) and the Ukiah Valley Sanitation District (District) as authorized by an Agreement for Professional Services dated January 16, 2019.

Billing Data Analysis

The scope of services for the Study includes preparing a cost allocation analysis that is consistent with applicable law and the recently signed Operating Agreement between the District and the City. The purpose of the cost allocation analysis is to identify how operating and capital costs are to be shared between the City and the District. Industry best practices dictate that such costs should be allocated based each utility's capacity requirements and demand characteristics. These requirements and characteristics are quantified by analyzing the number of accounts, the type of accounts, and estimated sewer flows from each respective service area. These data are available only from billing records (which are managed by the City as per historical practice and as formalized by the Operating Agreement).

We have been working with the City and its billing vendor (Northstar) to receive the detailed billing data that are necessary for the analysis. The level of effort to receive these data has far exceeded the expected level of effort (for all parties involved). Specifically, the additional effort for Hildebrand Consulting (and subconsultant Bob Reed) has included (to date):

- 1) Assist in developing a scope of work for the billing vendor to generate a billing report (since such a report had never been created);
- 2) Clarification phone calls with billing vendor and feedback on preliminary billing reports;
- 3) Review of billing report, identification of missing or erroneous data, and numerous summary emails to describe the issues encountered; and
- 4) Conference calls with the City and billing vendor to clarify the missing and erroneous data.

Going forward, we will review and next draft of the billing report and work with the City to finalize the data. The level of effort to finalize the data is unknown at this time. Our original budget assumed that the billing data analysis would require between 5 to 16 hours of effort. At this time, we have already exceeded 30 hours of effort. It isn't clear how much more effort will be required to complete the task.

Additional Project Coordination

The progress of the project to date has also been materially affected by the on-going negotiations between the City and the District with respect to the operating and capital budget, among other management decisions that require joint approval. The project has been affected by changes in leadership and a decision-making pace that is naturally less fluid when two parties are actively engaged in legal mediation. The proposed budget for this Amendment No. 1 includes the costs associated with

the additional management and communication effort needed to coordinate information and decisions between the utilities as they continue their active mediation, as well as coordination with the City/District's financial advisor as they work toward refinancing existing debt.

Budget for Amendment No. 1

The costs for the tasks described above will be charged on a time and materials (T&M) basis not to exceed \$25,000. All hours associated with this amendment will be billed separately and will include a description of the work performed. Mark Hildebrand's hourly billing rate for 2019 is \$210, and Bob Reed's rate is \$285. These rates are subject to change each January.

Please sign below to accept and execute this amendment. We appreciate the opportunity to be of service to the districts during this period of organizational change.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1:

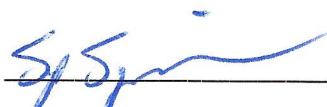
HILDEBRAND CONSULTING, LLC



Mark Hildebrand
IRS IDN Number: 82-5365064

Date: June 5, 2019

CITY OF UKIAH



Date: 7-8-19

UKIAH VALLEY SANITATION DISTRICT



Date: 7-9-19