

CHANGE ORDER NO. 2

DATED: October 2, 2020

TO: Raftelis Financial Consultants

PROJECT: Water, Wastewater and Storm Drainage Rate and Fee Study

PROJECT NUMBER: N/A

OWNER: Town of Erie

You are hereby requested to comply with the following changes from the Agreement.

DESCRIPTION OF CHANGES	DECREASE	INCREASE
	<u>Contract Price</u>	<u>Contract Price</u>
1 Additional Services		\$ 14,900.00
2		
3		
4		
5		
	<hr/>	<hr/>
TOTALS	\$ -	\$ 14,900.00

NET CHANGE TO CONTRACT PRICE:

Original Contract Price:	<u>\$ 65,810.00</u>
Current Contract Price adjusted by previous Change Order:	<u>\$ 78,290.00</u>
Amount of this Change Order	<u>\$ 14,900.00</u>
New Contract Price, including this Change Order, will be:	<u>\$ 93,190.00</u>

APPROVALS:

Project Manager: _____

Date: _____

Consultant/Contractor: _____

Date: _____

Director of Public Works: _____

Date: _____

October 1, 2020

Mr. Steve Felton
Finance Director
Town of Erie
645 Holbrook
Erie, CO 80516

Subject: Contract Amendment #2: Water, Wastewater, and Drainage Rate Study

Dear Steve:

Since July, we have we incurred additional costs associated with updating assumptions and finalizing the rate study in preparation of the Board of Trustees meeting on September 15, 2020 . I have prepared a brief summary regarding the level of effort in those areas.

- ***Storm Drainage GIS review and analysis.*** Following the previous contract amendment dated June 17, we review one other methodology to the storm drainage impact fee. We used data from the Town's Open GIS Data website in conjunction with information from the Town's Comprehensive Plan. Based on the draft results, Raftelis recommended to staff to suspend the storm drainage impact fee analysis until a full master plan and 10-year CIP can be developed.
- ***Financial planning scenarios.*** We were asked to update the water and wastewater financial plans incorporating changes to the capital program, changes in the debt issuance options for the Windy Gap Firming Project and the Northern Integrated Supply Project, as well as adjusting the water and wastewater financial plans to a 0% increase for the 5-year period.
- ***Comprehensive rate study review with Town Manager.*** Raftelis facilitated a call with Town staff and the Town Manager on July 21 to discuss a comprehensive review of the draft water, wastewater, and storm drainage rate studies.
- ***Small home review.*** The Town requested a high-level review of assessing reduced fees for the small cottage homes. Raftelis calculated estimates in preparation of a call with the Town manager on July 27.
- ***Water dedication fees.*** Raftelis met Town staff and attorney to discuss the raw water dedication fees. The result of that conversation was the development of a new methodology of the fee. We also developed a conceptual dedication fee based on lot size by correlating lot size and water use for all existing customers. Raftelis participated in two conference calls with Town staff and attorney to discuss the approach and revised results. In addition, the Town requested that raw water dedication fees be included in the tap fee survey for the Town Board presentation.
- ***Validation of customer bill impacts.*** Raftelis reviewed the Town's 5-year customer impacts model that were included in the final rate study presentation.

The Town has also requested additional services in preparation of the next Town Board meeting. These tasks are supplemental to the existing scope of work. These tasks include:

- **Erie bill comparison.** The Town requested Raftelis to evaluate possible reasons why proposed water and wastewater bills are among the highest among peer utilities. Raftelis will pick 3 to 4 utilities and identify metrics that will assist in identifying the differences between the utilities.
- **Irrigation rate transition.** The Town also requested a transition of the irrigation rate over a 5-year period to minimize the impact to the irrigation customer class.

We respectfully ask the Town to increase our contract amount from \$78,290 to \$93,190; an increase of \$14,900. The hours and fee are listed below.

Task	Hours	Fee
1. Storm Drainage	7.5	\$1,695
2. Financial Planning Scenarios	23.5	\$5,788
3. Comprehensive Rate Review	3.0	\$795
4. Small Home Review	2.0	\$530
5. Water Dedication Fees	7.5	\$1,628
6. Validation of Customer Bill Impacts	3.0	\$795
7. Erie bill comparison	16.0	\$3,140
8. Irrigation Rate transition	2.0	\$530
Total	64.5	\$14,900

Thank you for consideration of this request and we look forward to completing this study in the near future. Please do not hesitate to contact me if you have any questions.

Sincerely,



Todd Cristiano
Senior Manager
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tcristiano@raftelis.com