

October 15, 2015

Mayor Gollott and Members of the City Council
Gautier, Ms.

RE: Proposed Amendment #1 to original submitted contract

As all of you are aware, significant cost increases have been imposed on those member agencies who receive wastewater treatment service from the Jackson County Utility Authority. WCA recently completed a contract with the City of Gulfport whereby WCA was hired to review the accuracy, reasonableness, and appropriateness of cost paid to the Harrison County Utility Authority for wastewater treatment and water services. WCA's review identified approximately \$800,000 in annual overbillings by HCUA / additional revenue to Gulfport. WCA would like to offer this same service to Gautier. Below is our proposed amendment for this service.

AMENDMENT 1

Pursuant to the proposed *Contract for Services* between the City of Gautier and ISI Water Company (referred to herein as Water Company of America "WCA"), the undersigned agree to the following:

WHEREAS: The City of Gautier, as a member agency of the Jackson County Utility Authority (JCUA), desires to review the fees levied by the JCUA and paid by the City, for the purpose of substantiating the accuracy and reasonableness of those fees in light of current use by all member agencies; and,

WHEREAS: WCA has proposed to the City to perform a review of JCUA fees to assist the City in identifying the appropriateness of those fees for service received; and,

WHEREAS: WCA has proposed to the City the performance of this additional service under the same terms and conditions of the existing Agreement between the City and WCA; therefore,

The undersigned parties hereby agree as follows:

The Agreement language is amended, as allowed for in ARTICLE 7.16 of the Agreement, to add the review of JCUA billings to the City to the services called for in the Agreement. WCA shall proceed, at the direction of the City, to review three primary elements of JCUA cost including, O&M, debt service and District overhead/administrative oversight and the ratio of those costs that are apportioned to the City as a member agency of the JCUA. The purpose of the review is to determine if the share of total cost borne by the City is accurate and reasonable for service received. In the event that total costs are reduced and the City benefits from a reduction resulting from this review; WCA shall be compensated on a performance fee basis of 55% of savings realized for a period of 36 months thereafter, as described in the Agreement. In the event that the cost to the City is unchanged or increased, then the City shall be under no obligation to compensate WCA.

CITY OF GAUTIER

By: _____

Title: _____

Date: _____

ISI WATER COMPANY

By: _____

Title: _____

Date: _____

For Your Consideration,

Mike Necaise

Mike Necaise CPA/MBA
Regional Manager
Water Company of America