

PROFESSIONAL SERVICES AGREEMENT AMENDMENT NO. 1

November 25, 2019

RE: MWW PSC CA Intervention Assistance
Milwaukee Water Works Wholesale
Customer Group
Baxter & Woodman No. 190904.40

Mike Brofka
City of West Allis
7525 W Greenfield Ave
West Allis WI 53214-4688

Jim Hart
City of New Berlin
3805 S Casper Drive
New Berlin WI 53151

Tom Nennig
Village of Brown Deer
4800 W Green Brook Dr
Brown Deer WI 53223

David Simpson
City of Wauwatosa
7725 W North Ave
Wauwatosa WI 53213

Todd Michaels
Village of Greendale
6500 Northway
Greendale WI 53129

Jim Voigt
City of Mequon
11333 N Cedarburg Rd
Mequon WI 53092

Jeffrey Nettesheim
Village of Menomonee Falls
W156N8480 Pilgrim Rd
Menomonee Falls WI 53051

Leeann Butschlick
Village of Shorewood
3930 N Murray Ave
Shorewood WI 53211

Kayla Chadwick
Village of Butler
12621 W Hampton Ave
Butler WI 53007

Baxter & Woodman is currently assisting the Milwaukee Water Works Wholesale Customer Group (MWW) with intervening on their behalf in the Waukesha Water Utility's (WWU) construction authorization proceeding with the Wisconsin Public Service Commission (PSC). Waukesha's contested proceeding is currently ongoing with PSC.

Milwaukee Water Works (MWW) has similarly filed a construction authorization request with PSC in July 2019 to construct a pumping station and one-half mile of 30 inch diameter transmission main to exclusively serve the City of Waukesha with potable water. MWW's request is in addition to what WWU is currently attempting to get approved by PSC.

For MWW to provide wholesale water service to WWU, MWW is planning to construct a pumping station facility in the vicinity of 76th Street and Oklahoma Avenue within the City of Milwaukee. A large transmission main pipeline will be constructed to deliver water to WWU's receiving station 10 miles away, and pass through the cities of West Allis and New Berlin.

MWW intends to construct, own and operate the pumping station for exclusive service for its proposed new wholesale customer WWU, as well as own and operate a portion of the large water transmission main for exclusive service to WWU. MWW will incur signification costs for this

infrastructure that is understood to be recovered through its retail and wholesale water rates to all existing MWW customers.

We understand that members of MWC have requested full party intervener status with PSC in MWW's proceeding. The primary issues in which the MWC feel that they have a substantial interest in this proceeding include WWU's preferential treatment by MWW for exclusive wholesale service, and MWW incurring significant capital and ongoing annual operating costs that should be borne exclusively by WWU, not its existing retail or wholesale customers.

The MWC group includes the water utilities that serve the following municipalities:

- Brown Deer
- Butler
- Greendale
- Menomonee Falls
- Mequon
- New Berlin
- Shorewood
- Wauwatosa
- West Allis

MWW's construction authorization request (Docket No. 3720-CW-135) has officially been noticed as a proceeding by PSC on November 14, 2019.

MWC Group has requested that the existing Professional Services Agreement for the services to intervene on their behalf in the WWU proceeding be amended to include the needed services to intervene in the MWW proceeding. This Agreement Amendment No. 1 responds to your request, and includes a description of our Scope of Services, schedule and budget information.

AMENDMENT NO. 1 - SCOPE OF WORK

The project team will perform the following scope of services to assist the MWC in reviewing and intervening in the MWW construction authorization proceeding. The scope of work has been broken down into the following project tasks:

Task Description

- 1 Review and Analysis of MWW PSC CA submittal
- 2 Development of Positions for Proceeding Hearing
- 3 Participate in Proceeding Intervention

Task 1 – Review and Analysis of MWW PSC CA Submittal

MWW has submitted a CA for their portion of the WWU water supply improvements in July 2019. Questions from PSC staff have apparently been sufficiently answered for PSC to issue a notice of proceeding on this docket on November 14, 2019.

For Task 1, the project team will perform the following:

1. Review the proposed project as submitted by MWW in their July 2019 CA submittal, and any other relevant proceeding docket documents and information as necessary.
2. Submit information requests to PSC or other parties involved in the proceeding, and review information responses.

3. Meet with MWC representatives to review current status of MWW's CA proceeding.
4. Meet with representatives of PSC as necessary to discuss MWW's project requiring PSC authorization.
5. Coordinate and/or attend meetings on MWC's behalf with MWW, PSC, or other intervening parties or their consultants.
6. Meet with MWW (and/or WWU) and its consultants to discuss and review its water supply project concept, design and costs.
7. Provide a common interface for communications with MWW and PSC during the project.
8. Meet with MWC representatives as needed during the project to receive direction on negotiations with MWW (and/or WWU).
9. Identify and prioritize issues that the MWC Group could raise in MWW's CA proceeding.
10. Participate in a meeting/teleconference with MWC representatives to brief them regarding the findings of the analysis, offer a recommended course of action, and select issues to pursue at the contested CA hearing.

Task 2 – Development of Positions for Contested Proceeding Hearing

For Task 2, the project team will perform the following:

1. Assign issues to team members. Identify witnesses to testify at the contested case hearing on each issue.
2. Develop MWC's positions on identified issues.
3. Prepare exhibits to support Wholesale Customers' positions on identified issues.
4. Prepare alternative project concepts as needed that address MWC's reasons for intervening in this proceeding.

Task 3 - Participate in Proceeding Intervention

1. Attend and participate in the pre-hearing conference on behalf of MWC.
2. Prepare written direct testimony and exhibits in support of MWC's positions on identified issues.
3. Review direct testimony and exhibits submitted by MWW and other rate case interveners.
4. Prepare rebuttal and surrebuttal testimony in response to testimony offered by MWW, PSC and other interveners.
5. Attend technical hearing, present testimony and cross-examine witnesses.
6. Prepare brief to PSC in support of MWC's position.
7. Review briefs submitted by MWW and other interveners, and prepare and submit reply brief.

8. Prepare decision matrix information, with cites to the record, for use by the Commissioners to render a decision on the proceeding.

AMENDMENT NO. 1 - ANTICIPATED MWW PROCEEDING SCHEDULE

The schedule for the proceeding has not been established by PSC yet. It is anticipated that the testimony portion of the proceeding will take place in the first quarter of 2020, with an ultimate decision by the PSC Commissioners in later 2020.

It is recommended that the services proposed for the tasks identified above be initiated very soon, as PSC is likely to schedule the proceeding's pre-hearing conference in the next several weeks.

AMENDMENT NO. 1 - COMPENSATION

Because of the uncertainty of the project duration and PSC/MWW interactions required to adequately intervene in this proceeding, Baxter & Woodman has provided an estimate of the range of costs for services for Amendment No. 1. Our team's estimated level of effort for the scope of services outlined for Amendment No. 1 is summarized below.

<u>Task</u>	<u>Description</u>	<u>Fee Estimate</u>
1	Review and Analysis of MWW PSC CA submittal	\$10,000 - \$20,000
2	Development of Positions for Proceeding Hearing	\$5,000 - \$15,000
3	Participate in Proceeding Intervention	\$50,000 - \$80,000

It is agreed that after 90 percent of the estimated compensation has been earned on a task and if it appears that completion of the services cannot be accomplished within the remaining 10 percent of the estimated compensation, Baxter & Woodman will notify MWC and confer with representatives of MWC to determine the basis for completing the work.

Other Provisions Concerning Payments

1. Invoices for work on Amendment No. 1 will be prepared in accordance with Baxter & Woodman's standard invoicing practices and will be submitted monthly to MWC by Baxter & Woodman, unless otherwise agreed.
2. Invoices are due and payable within 30 days of receipt.
3. The cost for our team's services will be apportioned as previously agreed to by the MWC Group for the WWU PSC CA Intervention. This apportionment of project costs is summarized below.

Water Utility	WWU CA Intervention Cost Breakdown
West Allis	24.172%
Wauwatosa	22.022%
Menomonee Falls	14.661%
New Berlin	12.379%
Shorewood	6.995%
Brown Deer	6.808%
Greendale	6.260%
Mequon	5.185%
Butler	1.518%
Total	100.00%

Expenses

The following items involve expenditures made by Baxter & Woodman employees or professional consultants on behalf of MWC. Their costs are not included in the hourly charges made for services and shall be paid for as described in this Amendment.

1. Transportation and travel expenses.
2. Lodging and meal expense connected with the Project.
3. Report or documentation reproduction expenses.
4. Other special expenses required in connection with the Project.

Additional services not identified in the scope, such as additional meetings or presentations, can be provided on a time and expense basis for the Baxter & Woodman project team members involved. Additional services will only be provided upon written authorization by MWC.

AMENDMENT NO. 1 – PROJECT TEAM SCHEDULE

The Baxter & Woodman project team is available to begin this work immediately. Baxter & Woodman will coordinate a project schedule with MWC based upon information availability and the anticipated proceeding schedule established by PSC.

SUMMARY

Amendment No. 1 represents the entire understanding between MWC and Baxter & Woodman in respect to providing services for this project, and may only be modified in writing signed by both parties. If it satisfactorily sets forth your understanding of our services, please sign below in the space provided. Please sign two copies keeping one for your files and returning one to us.

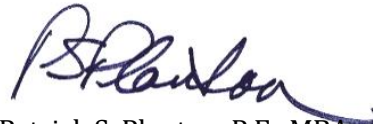
We appreciate this opportunity to be of continued service to MWC. Upon review of Amendment No. 1, please do not hesitate to contact Patrick Planton at (262) 395-6406 if you have any questions or if you need additional information.

Sincerely,

BAXTER & WOODMAN, INC.
CONSULTING ENGINEERS

A handwritten signature in purple ink, reading "Derek J. Wold".

Derek J. Wold, P.E., BCEE
Executive Vice President

A handwritten signature in purple ink, reading "Patrick S. Planton".

Patrick S. Planton, P.E., MBA
Project Manager

CITY OF WEST ALLIS

By: _____

Title: _____

Date: _____

VILLAGE OF SHOREWOOD

By: _____

Title: _____

Date: _____

CITY OF WAUWATOSA

By: _____

Title: _____

Date: _____

VILLAGE OF GREENDALE

By: _____

Title: _____

Date: _____

VILLAGE OF MENOMONEE FALLS

By: _____

Title: _____

Date: _____

VILLAGE OF BROWN DEER

By: _____

Title: _____

Date: _____

CITY OF NEW BERLIN

By: _____

Title: _____

Date: _____

CITY OF MEQUON

By: _____

Title: _____

Date: _____

VILLAGE OF BUTLER

By: _____

Title: _____

Date: _____