

RESOLUTION NO. 2010-724

Adopted by the Sacramento City Council

December 14, 2010

REGIONAL WATER AUTHORITY PROJECT AGREEMENT FOR PROPOSITION 84 GRANT FUNDING APPLICATION

BACKGROUND

- A. The Regional Water Authority (RWA) is the lead agency in preparing a grant application to receive Proposition 84 funds for local qualifying projects. Several agencies and Non-governmental organizations are participating.
- B. The City of Sacramento has identified four projects to be included in the grant application. The City could potentially receive \$2.25 million in grant funding for these projects.
- C. The RWA has prepared a Project Agreement among the participating agencies to fund the cost of preparing the grant application package, with each participant's apportioned share of costs determined based on the participant's grant benefit as a proportion of the total grant funding sought by RWA.
- D. The Project Agreement provides for the formation of a Project Committee to administer and implement the Agreement on behalf of the project participants.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute a Project Agreement with the Regional Water Authority (RWA) for the purpose of preparing a grant application for Proposition 84 grant funds.
- Section 2. The Director of Utilities is authorized to designate primary and alternate representatives to participate on the Project Committee formed under the Project Agreement.
- Section 3. Exhibit A is part of this Resolution.

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Exhibit A Project Agreement

Adopted by the City of Sacramento City Council on December 14, 2010 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

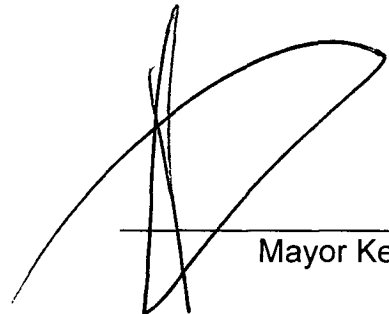
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, City Clerk


Mayor Kevin Johnson

**REGIONAL WATER AUTHORITY
PROJECT AGREEMENT**

PROPOSITION 84 IMPLEMENTATION GRANT APPLICATION PROJECT

This Agreement is made and entered into as of the ___ day of _____, 2010, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the Members and Contracting Entities of RWA listed in Exhibit 1 to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

RECITALS

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

E. RWA and the Participants desire to carry out a project and share in the costs and benefits of the project, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

F. RWA developed and is updating an Integrated Regional Water Management Plan (“IRWMP”) for the lower American River Basin (“ARB”) to identify objectives and projects that will result in water supplies for all uses in a sustainable environment.

G. The California Department of Water Resources has released the initial round of grant application funding from Proposition 84 to fund priority projects from IRWMP efforts throughout the State. RWA and the Participants desire to pursue this funding opportunity.

H. RWA and the Participants desire to include entities that are not affiliated with RWA in the grant funding application described in this Agreement in order to ensure that the RWA application contains the broadest possible scope of projects and benefits within the region. RWA and the Participants recognize that some entities that may be invited or request to submit projects in the grant funding application may not have the ability to pay some or all of their share of Project expenses, and that this inability to pay should not affect the inclusion of such projects.

I. There is nothing in the RWA JPA or RWA policies that would prevent the participation of unaffiliated entities in projects conducted by RWA and its Members and Contracting Entities under a Project or Program Agreement. Therefore, RWA and the Participants intend to permit unaffiliated entities to be included in the Project, subject to the terms and conditions set forth in this Agreement.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are hereby incorporated by reference.
2. **Defined Terms.** Terms defined in the RWA JPA will have the same meaning in this Agreement.
3. **Description of the Project.** The project that RWA and the Participants desire to carry out involves funding RWA’s application to the California Department of Water Resources (“DWR”) for a grant under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (“Prop 84”), to fund certain Participant projects in RWA’s Integrated Regional Water Management Plan. The application is due on January 7, 2011, so timely execution of the Project Agreement is of the essence. This Project is limited in scope to preparation of the application for funding. If successful, implementation and management of the grant award would be subject to a separate Project Agreement.
4. **Project Committee.** The Participants hereby form a Project Committee consisting of one representative (and one or more alternates) designated by each Participant. The Project Committee will appoint a Chair and Vice-Chair from among its members. The Project Committee will meet as necessary from time to time to administer and implement this

Agreement on behalf of the Participants. A majority of the members of the Project Committee will constitute a quorum, and a majority of the members of the Project Committee will be required for an affirmative vote to take action on behalf of the Participants.

5. Sharing in Project Costs and Benefits. Subject to the provisions of Articles 8 and 10 of this Agreement, it is anticipated that a minimum of six agencies will participate in the Project. Each Participant will pay an apportioned share for the project costs, which will consist of a total not-to-exceed budget of \$235,000. This amount includes consulting expenses for RMC Water and Environment (“RMC”) and RWA application preparation and project management expenses (see Section 7). Each Participant’s apportioned share of the project costs shall be determined based on the Participant’s anticipated total grant benefit as a proportion of the total grant funding sought by RWA on behalf of the Participants under this Agreement. The minimum assumed grant benefit and not-to-exceed application fee for the assumed currently confirmed Participants is shown in Exhibit 1. In the event that DWR awards less than the requested amount, the Project Committee will convene to recommend reduced funding levels for the projects proposed by the Participants.

The Project Committee will pay back any surplus funds, including any excess project management fees charged in accordance with Article 7 of this Agreement, to the Participants on a pro rata basis reflecting the amount of the payments made by each of the Participants. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed this Agreement.

6. Role of Non-RWA Applicants. An entity that is not a Member or Contracting Entity of RWA (“Non-Member Entity”) may participate in the Project. Participation by a Non-Member Entity will be subject to that entity’s execution of an agreement with RWA that: (a) identifies the amount of the Non-Member Entity’s share of Project costs and project management expenses, or exemption from payment of such costs and expenses; (b) determines the Non-Member Entity’s share of Project Benefits; (c) assigns the Non-Member certain duties relative to its participation in the Project; (d) provides the Non-Member Entity a right to participate in the Project Committee as a non-voting member; and (e) provides for all other rights and responsibilities of the Non-Member Entity in regard to the Project.

7. Role of RWA. The Executive Director of RWA will: (a) ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement, (b) provide information to the Participants on the status of implementation of the Project, (c) assist the Project Committee in carrying out its activities under this Agreement, and (d) administer the grant application process on behalf of RWA and the Participants consistent with the determinations of the Project Committee and the provisions of this Agreement.

8. RWA Project Management Expenses. As part of the total not-to-exceed amount of \$235,000, each Participant will pay RWA for managing and performing Project activities under this Agreement (including legal fees, consultant fees, data collection and retrieval, report

preparation, project management, project audits, and other activities necessary to complete the project). The not-to-exceed amount of \$235,000 to prepare and submit the grant application to DWR is based on a cost estimate developed by RMC estimate (included as Exhibit 2) and the cost estimate for RWA staff in preparing the application and managing this project (included as Exhibit 3). The project management expenses will be subject to revision by the Project Committee if actual management costs are greater or less than the original estimate.

9. Authorization to Proceed with the Project. The Project is authorized to proceed upon the commitment of \$100,000 by Project Participants to fund initial Project costs. Upon execution of this Agreement, the Participants agree to make their project cost payment to cover RMC's application preparation fees and the RWA application preparation and project management fees as required by Articles 5 and 7, respectively. Project payments will be due and payable upon RWA's presentation of an invoice to each Participant.

10. Term. This Agreement will remain in effect until June 30, 2011, or will terminate on any earlier date when all obligations under this Agreement have been performed.

11. Withdrawal. A Participant may withdraw from this Agreement at any time, effective upon sixty days' notice to RWA and the other Participants, provided that the withdrawing Participant will not be entitled to a refund of any portion of its initial Project costs and initial RWA project management fee payments.

12. Amendments. This Agreement may be amended from time to time with the approval of all of the Participants and RWA.

13. General Provisions. The provisions of Articles 37 through 41, inclusive, of the RWA JPA, and the provisions of Article 10 ("General Provisions") of any Participation Agreement entered into between RWA and a Participant, will apply to this Agreement.

The foregoing Integrated Regional Water Management Planning Program - Proposition 84 Implementation Grant Project Agreement, is hereby consented to and authorized by RWA and the Participants.

Dated: _____, 2010

Dated: _____, 2010

Signature

Signature

Name

Name

Regional Water Authority

Agency

Attest:

Secretary

EXHIBIT 1

REGIONAL WATER AUTHORITY

**INTEGRATED REGIONAL WATER MANAGEMENT PLANNING PROGRAM -
PROPOSITION 84 IMPLEMENTATION GRANT APPLICATION PROJECT**

PROJECT PARTICIPANTS

Agency	Estimated Minimum Grant Benefit	Not-to-Exceed Application Fee
City of Roseville	\$2,000,000	\$48,379
City of Sacramento	\$2,250,000	\$54,426
Placer County Water Agency	\$1,450,000	\$35,075
RWA Water Efficiency Program (1)	\$1,000,000	\$24,189
Sacramento Regional County Sanitation District	\$1,500,000	\$36,284
Sacramento Suburban Water District	\$1,515,000	\$36,647

(1) The RWA Water Efficiency Program will not enter directly into this Project Agreement as it has no standing as an RWA member or contracting entity. However, the WEP will provide its contribution to the project application fee to participate in the regional application.



Fee Estimate

Regional Water Authority
Prop 84 Implementation Grant Application

Tasks	Labor						Total Hours	Total Labor Costs (1)	Outside Services		PTCC		ODCs		Total Fee
	David Richardson	Leslie Dumas	Lindsey Clark	Timothy Weigand	Graphics	Admin			Strategic Economist	Subtotal	Sub Consultant Total Cost (2)	Project Technology and Communication Charge (3)	ODCs	Total ODCs (4)	
	PIC	PM	PE	PE	Graphics and Support Team										
Task 1: Project Management	\$235	\$205	\$165	\$150	\$125	\$95									
Project Management and QA/QC	8	24	16			6	54	\$10,010	\$0	\$0	\$0	\$300	\$200	\$220	\$10,500
Subtotal Task 1:	8	24	16	0	0	6	54	\$10,010	\$0	\$0	\$0	\$300	\$200	\$220	\$10,500
Task 2: Prepare Grant Application		60	120	100	8	16	304	\$49,620	\$0	\$0	\$0	\$1,489	\$0	\$0	\$51,100
2.1 Work Plan, Budget, Schedule		24	40				64	\$11,520	\$0	\$0	\$0	\$346	\$0	\$0	\$11,900
2.2 Monitoring, Assessment and Performance Measures		20	24				44	\$11,140	\$75,000	\$75,000	\$82,500	\$334	\$0	\$0	\$94,000
2.3 Economic & Benefit Analysis	8	24	16	32			78	\$13,770	\$0	\$0	\$0	\$413	\$0	\$0	\$14,200
2.4 Preferences & Statewide Priorities		20	24	20			64	\$11,060	\$0	\$0	\$0	\$332	\$0	\$0	\$11,400
2.5 Other Attachments	4	8	16			16	44	\$6,740	\$0	\$0	\$0	\$202	\$200	\$220	\$7,200
2.6 Application Submission		18	156	160	8	32	614	\$103,850	\$75,000	\$75,000	\$82,500	\$3,116	\$200	\$220	\$189,800
Subtotal Task 2:	18	156	240	160	8	32	614	\$103,850	\$75,000	\$75,000	\$82,500	\$3,116	\$200	\$220	\$189,800
TOTAL	26	180	256	160	8	38	668	\$113,860	\$75,000	\$75,000	\$82,500	\$3,416	\$200	\$220	\$200,400

- The individual hourly rates include salary, overhead and profit.
- Subconsultants will be billed at actual cost plus 10%.
- Project Technology and Communication Charge (3% of labor cost) includes telecommunication, computer hardware and software, and standard reproduction costs.
- Other direct costs (ODCs) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses, will be billed at actual cost plus 10%.
- RMC reserves the right to adjust its hourly rate structure, PTC charges, and ODC markup at the beginning of the calendar year for all ongoing contracts.

COST ESTIMATE - PROP 84 IMPLEMENTATION GRANT APPLICATION

Project Management Tasks	Staff	hrs	Rate	Total
Project Agreement Development	Legal Counsel	2	250	\$500
	Principal Project Manager	4	140	\$560
Committee Meetings (assume 3 meetings Oct-Dec)				
	Principal Project Manager	9	140	\$1,260
	Executive Director	0	180	\$0
Initial Project Collection and Review				
	Principal Project Manager	24	140	\$3,360
	Executive Director	0	180	\$0
Follow-up with Stakeholders				
	Principal Project Manager	40	140	\$5,600
	Executive Director	0	180	\$0
	Intern	60	30	\$1,800
Application Preparation				
	Principal Project Manager	40	140	\$5,600
	Executive Director	0	180	\$0
	Intern	40	30	\$1,200
Grant Proposal meetings with DWR (2 meetings)				
	Principal Project Manager	6	140	\$840
	Executive Director	0	180	\$0
Review Portions of Application				
	Legal Counsel	4	250	\$1,000
	Principal Project Manager	12	140	\$1,680
	Executive Director	0	180	\$560

Total RWA Expenses \$23,960
cont \$725

Consultant Application Preparation Costs \$200,300
Contingency - 5% of Total Application Costs \$10,015

\$210,315

Total Estimated Project Management and Application Cost \$235,000