



# City of Sacramento City Council

915 I Street, Sacramento, CA, 95814  
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**Meeting Date:** 3/22/2011

**Report Type:** Consent

**Title:** Regional Water Authority – Public Affairs Program Agreement

**Report ID:** 2011-00194

**Location:** Citywide

**Recommendation:** Adopt a Resolution authorizing the City Manager to: 1) execute a Program Agreement with the Regional Water Authority for the development and implementation of a strategic public relations effort on issues related to a Delta solution and other legislative and regulatory matters, for a maximum Program term of 5 years, at a maximum annual cost of \$25,000 to the City; and 2) designate the City representative and one or more alternate City representatives for the Program Committee formed pursuant to the Program Agreement.

**Contact:** Dave Brent, Staff Aide, (916) 808-1420, Department of Utilities

**Presenter:** None

**Department:** Department of Utilities

**Division:** Department Administration

**Dept ID:** 14001011

## **Attachments:**

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- 1-Description/Analysis
- 2-Background
- 3-Resolution

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### **City Attorney Review**

Approved as to Form  
Joe Robinson  
3/15/2011 11:24:13 AM

### **City Treasurer Review**

Prior Council Financial Policy Approval or  
Outside City Treasurer Scope  
Russell Fehr  
3/10/2011 4:43:55 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Marty Hanneman - 3/14/2011 4:06:55 PM

Assistant City Manager: John Dangberg - 3/15/2011 10:35:08 AM

## Description/Analysis

**Issue:** The goal of this project is to augment the legislative and regulatory involvement of the Regional Water Authority (RWA) and the City to prevent elements of a Delta solution or other legislative and regulatory changes from negatively impacting the water supplies, economic vitality, environmental sustainability, and quality of life in the greater Sacramento metropolitan area. Executing the proposed subscription program agreement with RWA would commit the City to funding a portion of the cost for RWA to contract with a public affairs firm to implement this project.

The objectives of the project are consistent with the RWA adopted policy position on the Delta solution.

- Protect the greater Sacramento region from involuntary and uncompensated reallocations of water.
- Protect Sacramento region water providers and their customers from shouldering an inequitable financial burden for implementing a Delta solution.

**Policy Considerations:** The goal of this project is to build up the reputation, stature and influence of the RWA and add a strong public relations component to augment our legislative advocacy in the effort to protect the Region's water supplies and ratepayers. This report's recommendation is consistent with the City's Strategic Plan Goals of enhancing and preserving neighborhoods, supporting the economic vitality of the area, and establishing and strengthening community and regional partnerships to enhance the quality of life.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** Under the CEQA Guidelines, continuing administrative activities do not constitute a project and are therefore exempt from CEQA review (CEQA Guidelines 15378(b)(2)).

**Sustainability** Obtaining the services of a public affairs consultant to enhance the Sacramento region's water resources stewardship reputation and increase our influence in the decision making process that will decide the outcome of Delta and statewide water solutions is consistent with the City's Sustainability Master Plan in advancing the goal of conserving the use and protection of sources of water.

**Commission/Committee Action:** N/A

**Rationale for Recommendation:** Staff believes that augmenting our legislative and regulatory involvement to prevent elements of a Delta solution from negatively impacting the water supplies, economic vitality, environmental sustainability, and quality of life of Sacramento is necessary to help protect the interest of ratepayers and the economic sustainability of the City and the region.

**Financial Considerations:** The City's share of this subscription program cost would be capped at \$25,000 annually, and could be less depending on the number of participating agencies.

There is sufficient funding available for the City's share in the Department of Utilities' FY2010/11 Approved Operating Budget (Water fund 6005).

**Emerging Small Business Development (ESBD):** The City's ESBD requirements do not apply to the retention of a consultant contracted through the Regional Water Authority.

## Background

State legislation passed in 2009 to address statewide water issues have set in motion proposals that potentially threaten the water supplies of the greater Sacramento area. If not crafted with the input and participation of the Sacramento region, these proposals could impact the region's economy and long term water supplies. The City and its neighbors no longer have the luxury of believing adequate, upstream water supplies protect us.

The goal of this effort is to augment the City and the region's legislative and regulatory involvement to prevent elements of a Delta solution or other legislative and regulatory changes from negatively impacting the water supplies, economic vitality, environmental sustainability, and quality of life in the greater Sacramento metropolitan area.

The objectives of the project are consistent with the Regional Water Authority (RWA) adopted policy position on the Delta solution:

- Protect the greater Sacramento region from involuntary and uncompensated reallocations of water.
- Protect Sacramento region water providers and their customers from shouldering an inequitable financial burden for a implementing a Delta solution.

Beginning in 1993, water providers, business and environmental interests, municipal governments, and community groups negotiated the Water Forum Agreement (WFA) to address two coequal objectives; reliable water supplies for the region to the year 2030 and protection and enhancement of the lower American River ecosystem. The WFA was signed by more than 40 signatories in 2000.

RWA was originally formed as a joint powers entity to function as a regional venue for communication and information sharing between local water purveyors on the issues of the day, to allow purveyors to act jointly to save money on efforts common to all or several members, such as a regional water efficiency program, and to provide a forum for regional elements of water resources planning. RWA also was formed to allow water purveyors to take a regional approach to meeting their commitments under the Water Forum Agreement.

At the time of formation, RWA's governing agreement required a unanimous affirmative vote on external policy issues. This rule was implemented over concern that a majority of smaller members, potentially with little skin in the game, could drive RWA to take positions contrary to the interests of one or several large members with a wide variety of complex interests. The thinking was that on most external issues the big members would prefer to defend their own interests.

In 2009, the passage of SBx7-7 and the rest of the water package was a wakeup call. It became obvious that statewide water issues have become so intense that no one water

purveyor in the Sacramento region could go it alone.

In 2010, seven of the larger members of RWA, predominantly those with surface water rights or contracts, decided to pool their resources and hire a lobbyist to represent regional interests with respect to legislature proposals that could reduce local water supplies and assess water use fees to meet statewide water supply needs, and improve delivery of Delta exports by addressing related environmental problems. These Delta problems were not the making of Sacramento area purveyors.

In the discussions surrounding these events, it became evident that for the Sacramento region to have equal footing with well-organized outside interests, and to protect local resources in today's political and water supply environment, the region's water purveyors needed to come together and approach these issues with a new broad-based tactic. RWA provides an existing organization through which the region can act jointly with the greatest amount of impact.

The specific objectives of this public affairs effort is to build up the reputation, stature and influence of RWA, including the development of a coalition of influential individuals and groups to augment the existing legislative advocacy. To that end, a selection committee chosen from RWA's Government Affairs Committee conducted a consultant search and recommended that RWA hire the public affairs firm of LarsenCazanis.

LarsenCazanis is a Sacramento-based firm specializing public affairs and communications strategy led by principals Greg Larsen and Sophia Cazanis. Mr. Larsen brings worldwide experience to the firm from a career in journalism working with major news organizations. Ms. Cazanis's career has focused on public policy and political issues at the State Capitol. Combined, the partners have more than 35 years of advocacy and communications experience.

A subscription program has been developed by RWA to cover the costs of this effort and to solicit participation among the members of RWA.

The RWA program would be funded under a Project Agreement between RWA and the various participating agencies, with each agency's funding capped at a maximum annual cost depending on whether the agency is a Tier 1, Tier 2 or Tier 3 participant. The RWA Project Agreement provides for an initial Program term running through the end of 2011, and appoints a Program Committee consisting of participant representatives that will decide, by December 1 of each year, whether to renew the Program for another year, up to a maximum Program term of 5 years. The Project Agreement allows participating agencies to withdraw from the Agreement upon 90 days advance notice to RWA and the other participating agencies.

Under the proposed Program Agreement, the maximum annual cost to City, as a Tier 1 participant, would be \$25,000.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **APPROVAL OF PROGRAM AGREEMENT WITH THE REGIONAL WATER AUTHORITY FOR PUBLIC AFFAIRS PROGRAM**

#### **BACKGROUND**

- A. In order to protect the water supply interests of the region it is important for Sacramento and the region to increase its influence to augment a consistent and effective advocacy at the State Capitol.
- B. Regional Water Authority (RWA) has proposed a program for development and implementation of a strategic public affairs effort that will enhance RWA's ability to advocate on behalf of its members and the region on issues related to a Delta solution and other legislative and regulatory matters, consistent with adopted RWA policy positions. RWA has selected the firm of LarsenCazanis to develop a public affairs strategy for this program.
- C. The RWA program would be funded under a Program Agreement between RWA and the various participating agencies, with each agency's funding capped at a maximum annual cost depending on whether the agency is a Tier 1, Tier 2 or Tier 3 participant.
- D. The RWA Program Agreement provides for an initial Program term running through the end of 2011, and appoints a Program Committee consisting of participant representatives that will decide, by December 1 of each year, whether to renew the Program for another year, up to a maximum Program term of 5 years. The Program Agreement allows participating agencies to withdraw from the Agreement upon 90 days advance notice to RWA and the other participating agencies.
- E. Under the proposed Program Agreement, the maximum annual cost to City, as a Tier 1 participant, would be \$25,000.

#### **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 Program Agreement with the Regional Water Authority for the development and implementation of a strategic public affairs effort on issues related to a Delta solution and other legislative and regulatory matters, for a maximum Program term of 5 years, at a maximum annual cost of \$25,000 to the City.

Section 2. The City Manager is authorized to designate the City representative and one or more alternate City representatives for the Program Committee formed pursuant to the Program Agreement.

Section 3. Exhibit A is made a part of this Resolution.

Exhibit A – RWA Program Agreement

Exhibit A

**REGIONAL WATER AUTHORITY  
PROGRAM AGREEMENT**

**PUBLIC AFFAIRS**

This Agreement is made and entered into as of the \_\_\_th day of \_\_\_\_\_, 2011, 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 7.a of the RWA JPA states: “The Regional Authority will have the power in its own name to do any of the following: . . . 2. Develop and provide voluntary support services and programs by subscription, including but not limited to: . . . public education and outreach programs . . . .”

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 program and share in the costs and benefits of the program, as a Project or Program Agreement as provided for in Articles 7.a.2 and 22 of the RWA JPA.

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 Program.** The program comprises development and implementation of a strategic public affairs effort that will enhance RWA's ability to advocate on behalf of its members and the region on issues related to a Delta solution or other legislative and regulatory matters, consistent with adopted RWA policy positions (Program). The Participants recognize the value of well crafted and well coordinated messages, the development of a broad base of support, and the role of RWA as a regional representative to protect against negative impacts to the region's water supplies, economic vitality, environmental sustainability, and quality of life in the greater Sacramento metropolitan area (Sacramento Region). The specific objectives of the Program are consistent with RWA's adopted policy position on the Delta solution. They include protecting the greater Sacramento Region from involuntary and uncompensated reallocations of water and protecting the Sacramento Region water providers and their customers from shouldering an inequitable financial burden for a implementing a Delta solution. The Participants seek to work collaboratively with stakeholders throughout the state to support and contribute to a Delta solution in a manner that respects the water and economic interests of the Sacramento Region. A detailed scope of work is included as Exhibit 2. The Program work is expected to commence in February 2011 and continue at least through January 2012, with the option to continue for a subsequent, but undefined duration.

**4. Program Committee.** The Participants hereby form a Program Committee consisting of one representative (and one or more alternates) designated by each Participant. The Program Committee will appoint a Chair and Vice-Chair from among its members, and the Chair will appoint additional members to serve as a Steering Committee to advise RWA staff on the implementation of this program. The Steering Committee and Program Committee will meet as necessary to administer and implement this Agreement on behalf of the Participants. A majority of the members of the Program Committee will constitute a quorum, and a majority of the members of the Program Committee will be required for an affirmative vote to take fiscal actions on behalf of the Participants.

**5. Sharing in Program Costs and Benefits.** Subject to the provisions of Articles 7 and 9 of this Agreement, it is anticipated that up to twenty RWA members, contracting agencies and associate members will participate in the Program as listed in Exhibit 1.

Non-RWA members may be included as part of the Program at the discretion of the Program Committee to ensure the most complete representation and to share in the costs, but these entities will not have voting authority on the Program Committee. Any revenue received from non-RWA members will help to reduce the RWA members' cost share. At the discretion of the Program Committee, RWA may agree to have non-RWA members participate in the Program by executing separate agreements with the consultants retained by RWA to assist RWA in implementing the Program.

In accordance with the provisions of Article 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Program 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.

Program costs will consist of a total not-to-exceed budget of \$200,000 in the first year for consulting expenses to be paid to LarsenCazanis for public relations consulting services, miscellaneous ancillary work by other vendors, RWA staff time and reimbursement of RWA's general funds for RWA's advance of \$25,000 for the cost of the Program's Phase 1. The Program may continue for up to five years under the same terms with the annual approval of the Program Committee. The Program Committee will decide whether to renew the Program by December 1 of each year, with the renewal term to begin January 1 of the following year. Action to continue by the Program Committee is not binding on any individual participant. If the Program Committee takes no action to renew the Program, then the Program will terminate. Participants will pay fees according to the annual fee schedule stated in attached Exhibit 1, which schedule is based on the Participants' respective numbers of water connections. Participants are divided into three tiers as described in Exhibit 1. RWA will invoice fees for the Program's first year in two increments, 50% payable to RWA within 30 days of approval of this Agreement, and the remainder payable to RWA on July 1, 2011. RWA will invoice fees for subsequent years by January 1 and July 1 of those years based on approval of Program continuation by the Program Committee, with payments due 30 days after the invoice's date. The Program Committee will pay back any surplus funds to the Participants on a pro rata basis reflecting the amount of the payments made by each of the Participants.

**6. 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 Program are not adversely affected in performing this Agreement. The RWA Executive Director will: (a) provide information to the Participants on the status of implementation of the Program, (b) assist the Program Committee in carrying out its activities under this Agreement, and (c) administer the Program on behalf of RWA and the Participants consistent with the determinations of the Program Committee and the provisions of this Agreement.

**7. Authorization to Proceed with the Program.** The Program is authorized to proceed upon the commitment of at least seven Program Participants representing at least one-half of the total Program budget in Section 5, above.

**8. Term.** This Agreement will remain in effect for so long as any obligations under this Agreement remain outstanding.

**9. Withdrawal.** A Participant may withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days' notice to RWA and the other Participants, provided that, the withdrawing Participant will remain responsible for any indebtedness incurred by the Participant under this Agreement prior to the effective date of withdrawal, including work not yet performed under executed contracts or task orders.

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

**11. General Provisions.** The provisions of Articles 37 through 41, inclusive, of the RWA JPA, will apply to this Agreement.

**12. Integrated Agreement.** This Agreement is the sole statement of the contract among the parties concerning this Agreement's subject matter. This Agreement incorporates and supersedes all prior statements, representations, negotiations or agreements by or among the parties concerning that subject matter.

The foregoing Public Relations Program Agreement is hereby consented to and authorized by RWA and the Participants.

Dated: \_\_\_\_\_, 2011

Dated: \_\_\_\_\_, 2011

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

Regional Water Authority

\_\_\_\_\_  
Agency

Attest:

\_\_\_\_\_  
Secretary

**EXHIBIT 1**

**REGIONAL WATER AUTHORITY**

**PUBLIC AFFAIRS PROJECT**

**PROJECT PARTICIPANTS (Potential)**

**Tier 1 - \$20,000 - \$25,000 (depending on number of participants)**

California American Water  
City of Folsom  
City of Roseville  
City of Sacramento  
El Dorado Irrigation District  
Placer County Water Agency  
Sacramento County Water Agency  
Sacramento Suburban Water District

**Tier 2 – \$10,000 – \$15,000 (depending on number of participants)**

Carmichael Water District  
Citrus Heights Water District  
City of Lincoln  
City of West Sacramento  
Fair Oaks Water District  
Golden State Water Company  
San Juan Water District

**Tier 3 - \$5,000**

Del Paso Manor Water District  
Fruitridge Vista Water Company  
Orange Vale Water Company  
Rancho Murieta Community Services District  
Rio Linda/Elverta Community Water District  
El Dorado County Water Agency (Associate member)  
Sacramento Metropolitan Utility District (Associate member)  
Sacramento Regional County Sanitation District (Associate member)