

REPORT

To the Honorable Mayor and City Council
From the City Manager

July 26, 2004

Subject

Redwood City Recycled Water Project – Implementation Resources and Organization

Recommendation

1. By Motion, approve professional services agreement with Whitley Burchett & Associates for program management services – Year One, and authorize the City Manager to sign agreement
2. By Motion, approve professional services agreement with Data Instincts for implementation of public information and outreach services – Year One, and authorize the City Manager to sign agreement
3. By Motion, approve one-year Sublease Agreement with PVG Management Inc. and Consent to Sublease Agreement with PVG Management Inc. and Providian Credit Union for the purpose of establishing a project office at 303 Twin Dolphin Drive in Redwood Shores, and authorize the City Manager to sign agreements

Background

In January 2002, the City Council accepted the *Water Recycling Feasibility Study for the Redwood Shores*. In August 2002 the City Council reviewed and accepted the final report - *Water Recycling Feasibility Study for Redwood City*. In the spring of 2003 City staff presented revised project alternatives that expanded the geographical area of the program in order to meet the goal of distributing 2,000 acre-feet per year of recycled water by 2010. At the same time, the City Council adopted a policy that precludes mandatory use of recycled water in existing residential areas.

In August 2003 the City Council approved a broadly defined, flexible project, filed a California Environmental Quality Act Notice of Determination, and formed a citizen community task force to provide input on the implementation of the project. The Council charged the Task Force with the "goal to identify 1,946 acre-feet per year of potable water demand reductions by 2010, in a financially feasible manner, that avoids using recycled water at schoolyards, parks, and playgrounds". The Task Force completed their work in March 2004 and unanimously recommended that the City implement an alternative project that - through a combination of recycled water use, replacement of natural turf playing fields with synthetic turf, continued use of some groundwater, and additional water conservation programs - achieves their goal. The City Council accepted the Task Force Report and directed staff to return with various implementation actions for their consideration.

On June 14, 2004 the City Council received a presentation from staff which outlined the many and significant challenges of successfully implementing the Task Force's project in a timely and efficient manner. Staff indicated that as many as 40 individuals will be contributing services and work products to the multi-year effort, and many of these project

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team members are employees in 11 separate consulting offices located throughout the region. In addition, City staff from five departments will be actively engaged in technical and managerial roles, as well as staff from the South Bayside System Authority (SBSA). A project organizational chart is attached.

Also on June 14, the City Council reviewed the principles of the proposed Agreement for Production and Delivery of Recycled Water ("Agreement") and the Lease Agreement for Recycled Water Treatment / Storage / Pumping Facility Site ("Lease") between SBSA and the City. The Council also passed a motion (Minute Order No. 04-114), requesting that the SBSA Commission maintain their momentum on preliminary engineering design for Recycled Water Treatment, Disinfection, Storage and Pumping Facilities at SBSA, pending completion and approval of the Agreement.

In an earlier action at their meeting of July 26, 2004, the City Council considered the final recommended Agreement and Lease, which together provide all of the legal, operational and financial details of the long-term partnership arrangement between the two agencies.

The City Council is asked to consider and approve the following three agreements which will complete the most prominent project management resources required for Year One (Fiscal year 2004/05):

1. Professional services agreement with Whitley Burchett & Associates (WBA) for program management services – Year One. Under a prior authorization by the City Manager, WBA has been providing interim program management services to the City, and under separate agreement, they have also been SBSA's program manager for the on-going treatment plan expansion project. WBA brings substantial experience in, and knowledge of, the complex regulatory aspects of the project. They also bring scheduling, technical writing and coordination expertise to the project team, which are vital components of a successful project management strategy. Staff has negotiated the scope of services and budget such that the anticipated front-end investment in services needed to ensure regulatory approvals ahead of construction are achieved. Not-to-exceed budget is \$164,000. See attached Agreement Scope of Services.
2. Professional services agreement with Data Instincts for implementation of public information and outreach services – Year One. Data Instincts joined the project team in April 2003 under an authorization by the City Manager. The firm has added substantial experience and skills in several critical areas of the management strategy:
 - Many years of experience with complex and controversial recycled water projects in California
 - Proactive, long-term public information planning utilizing a range of tools and communication methods
 - Use of public web sites and intranet-based management "portals" to facilitate highly effective internal and external communications and information sharing
 - Highly responsive accessibility to all team members and the community

The negotiated scope of services and the corresponding budget for Year One reflect the principle that an effective long-term public information program must be based on a solid policy commitment in the beginning and a focus on meeting community needs continuously, professionally, and accountably. The level of effort

in Year One is front-end loaded with emphasis on the initial task of information gathering/learning, database and web-based tools development, and team information sharing that can impact project design. Learning from other recycled water agencies strongly suggests that subsequent project years will benefit from the cumulative development of information systems, content and educational materials in the initial stage. Year One also considers unanticipated events, emerging stakeholder groups and other unforeseen factors that can occur when implementing any new project.

All tasks and services will be provided on an as-needed basis, including responding to needs identified in Task One. Staff intends to review Year One results and determine which tasks and activities may be subsequently performed by city employees under the guidance of Data Instincts. Not-to-exceed budget is \$189,550. See attached transmittal letter from Data Instincts and Agreement Scope of Services.

- 3. Sublease agreement with PVG Management Inc. for the purpose of establishing a project office at 303 Twin Dolphin Drive in Redwood Shores. Currently, the completion of the project planning phase is being carried out incrementally within each team member's respective offices. In order to provide appropriate public access to the project and a centralized work space for individuals who will be allocating the majority of their time to the effort (project office management, customer relations / customer site retrofits, plus landscape water conservation position), staff recommends that the Council approve the establishment of a project office in the center of the project Phase One area. Annualized cost for the full service and furnished sub-lease space is \$23,210, based on 1,018 square feet at \$1.90 per sq. ft.

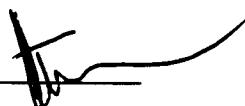
Alternative

Provide alternative direction.

Fiscal Impact

The total estimated expenses for these implementation resources for Year One are \$376,760, or 0.9% of the estimated cost of the "Alternative TF" Project as recommended by the Recycled Water Task Force (\$43.6 million). Of the \$7.1 million budgeted for the project to date by the City Council, approximately \$5 million is available as of June 30, 2004.

The Council will consider a refined financing plan and new water connection fees ordinance in the fall of 2004. Prior to the Council's approval of the project, and the subsequent Task Force report and recommendations, staff had estimated that annual water rate increases ranging from 6% to 9% per year for 10-13 years would be required to generate the additional revenues needed to finance the project. A portion of connection fees collected during that time (could be as much as 40% of total costs) would offset those impacts.



Peter Ingram
Director, Public Works Services



Ed Everett
City Manager

Attachments

1. Project communications / decisions chart
2. Exhibit A - Scope of Services, professional services agreement with Whitley Burchett & Associates for program management services – Year One
3.
 - a. Data Instincts transmittal letter dated July 12, 2004
 - b. Exhibit A - Scope of Services, professional services agreement with Data Instincts for implementation of public information and outreach services – Year One
4. Sublease agreement with PVG Management Inc. for the purpose of establishing a project office at 303 Twin Dolphin Drive in Redwood Shores

Full copies of the following documents are available for review in the office of the City Clerk:

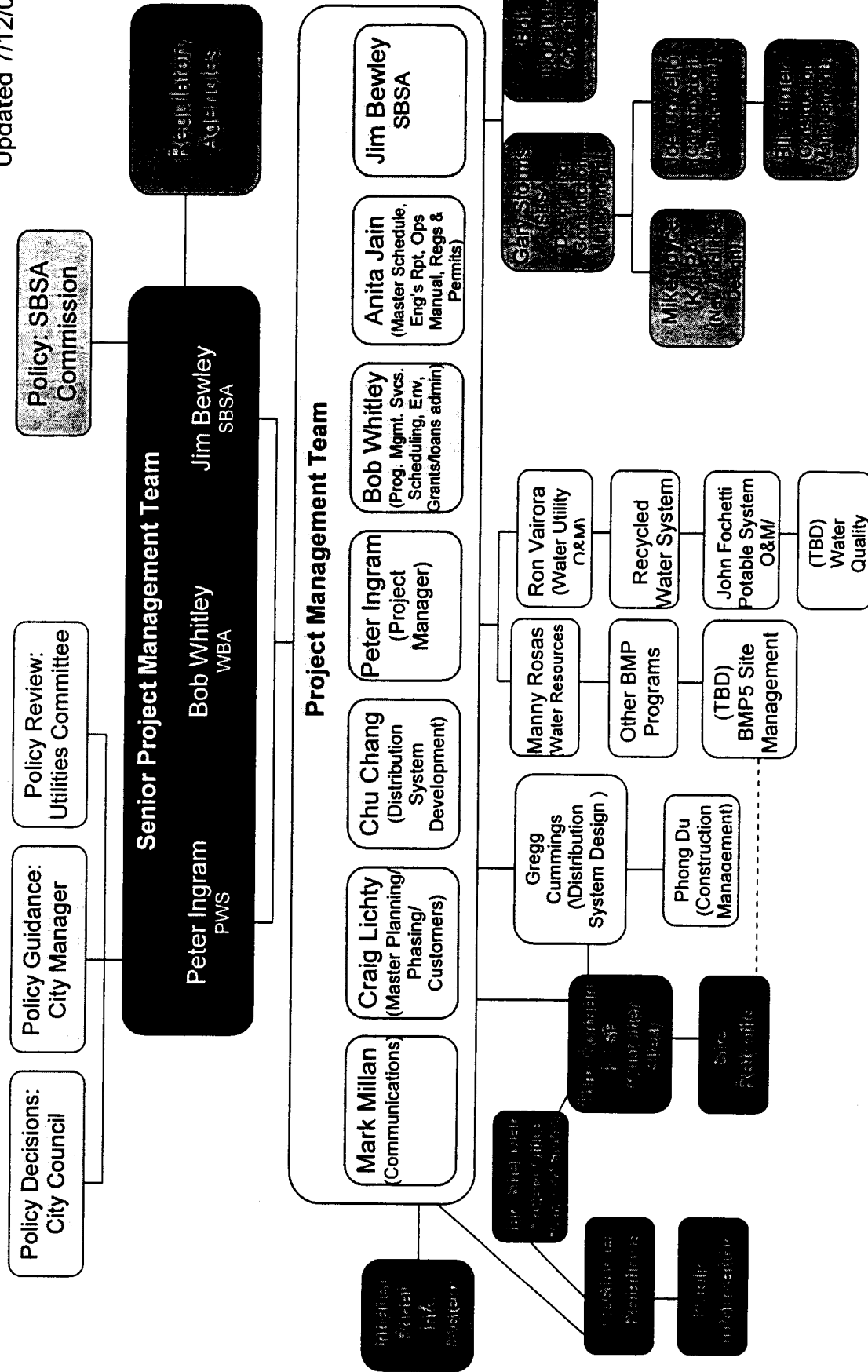
- Professional services agreement with Whitley Burchett & Associates
- Professional services agreement with Data Instincts
- Master Lease Agreement between PVG Management Inc. and Providian Credit Union
- Consent to Sublease Agreement between PVG Management Inc., Providian Credit Union, and the City of Redwood City
- Sublease Agreement between PVG Management Inc. and the City of Redwood City

Redwood City Recycled Water Project

Communications / Organizational Plan

Updated 7/12/04

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- Professional Support Group**
- Bartle Wells (Financial Planning/Rates)
 - Bill Euphrat/Brian Ponty (Project Bond Financing)
 - Jill Greenhorn (Project Accounting)
 - Ray McDevitt (Legal)

- Project Advisors**
- Chris Willig (Landscape Irrigation & Horticulture)
 - Jim Crook (Public Health & Safety)
 - John Whitcomb (Supply Planning & Demand Mngmt)
 - Sophie Oberstein (Training Design (RWC HR))

EXHIBIT "A"

SCOPE OF SERVICES
Redwood City Recycled Water Project
Program Management Services – Year One
(Whitley Burchett & Associates, Inc.)

BACKGROUND

The City of Redwood City has developed and approved a Recycled Water Project (Project) to deliver 2,000 acre-feet per year for municipal landscape irrigation and industrial uses. The multi-phased Project includes engineering design, construction, operation and maintenance of new infrastructure facilities for the treatment, storage, pumping, transmission and distribution of recycled water to individual customer sites. The Project also includes the necessary irrigation site retrofits to safely receive and deliver recycle water for the intended landscape irrigation uses.

Development of the new infrastructure facilities requires the coordination of many disciplines involving the community, state regulatory agencies, City staff, SBSA staff, consultants and other professional advisors. The City has undertaken and completed an important community task force process to refine the intended Project scope and the potential customer sites. The Community Task Force presented recommendations to the City Council in March 2004. The Council accepted the Task Force's report and recommendations and directed staff to return to them with various implementation actions and decisions. Simultaneously, Redwood City and SBSA have developed agreements on the roles and responsibilities for implementation and operation of the Project. This Scope of Services is designed to provide Program Management Services pursuant to City staff requirements during the period of July 2004 through start-up and delivery of recycled water to customers connected to the new facilities. At the request of staff, the level of effort and estimated budget are for "Year One", defined as the City's Fiscal Year 2004/05, or July 2004 through June 2005.

TASKS

The Scope-of-Services include the following tasks.

Task No. 1: Implementation Strategy

Consultant will provide advisory assistance to the Project Management team and the City's Project Manager (Peter Ingram, Public Works Services Director) in identifying and developing organizational needs, responsibilities, functions, issue resolution and a decision making structure. Consultant will participate in bi-monthly Project Management Team meetings and prepare and distribute summary meeting notes within two working days. Consultant will participate in

additional meetings and work sessions as requested and authorized by the Project Manager.

Work Product: Various forms of written communications containing meeting records, review comments, suggestions and recommendations.

Task No. 2: Project Schedule

Consultant will prepare and maintain an integrated and comprehensive Project time schedule identifying the various work elements and tasks, critical path activities / milestones, and a table delineating project cash flow requirements

Work Product: A Project critical path schedule in Gantt chart format, utilizing Microsoft Project scheduling software application and meeting notes.

Task No. 3: Project Advisor

As requested by the Project Manager, Consultant will provide advice, input, peer review and/or comments on a variety of Project issues and activities. Consultant will assist the Project Manager in the identification of important issues that may affect the quality, performance, critical path timing, cost, and community reactions related to the Project. Consultant will also be an Advisor on the implementation of the Agreement for the Production and Delivery of Recycled Water ("Agreement") and the companion Lease for Recycled Water Facility Site between the City and SBSA. Consultant will respond to questions from the Project Manager and the SBSA Manager, identify the issue, conduct necessary research, and prepare analyses, opinions and or recommendations for issue resolution.

Work Product: Various forms of communications containing comments, suggestions and technical / regulatory recommendations.

Task No. 4: Financial Planning

Consultant will assist the Project Manager by attending various financial planning meetings as requested. Consultant will assist the Project financial team on the logic and development of a Project cost tracking system. Consultant will also periodically consult with staff at the State Water Resources Control Board (SWRCB) on status of the Project and obtaining potential financial assistance from the SWRCB. Consultant will remain knowledgeable about other possible financial assistance programs from state and federal governmental agencies.

Work Product: Various forms of communications containing comments, suggestions and recommendations, including cash flow table as referenced in Task 2 above

Task No. 5: Regulatory Agency Permitting

Consultant will be responsible for the liaison between the City and the Regional Water Quality Control Board (RWQCB), California Department of Health Services (DHS) and San Mateo County Environmental Health Department.

Consultant will prepare the following technical documents:

1. The required draft Engineering Report for submittal to the DHS in compliance with state laws and regulations.
2. A revised draft Water Reuse Program Technical Report for submittal to the RWQCB meeting the requirements of RWQCB General Order 96-011, Attachment B.
3. Draft Operating Plan for submittal to DHS after engineering design activities are substantially complete.
4. Draft Customer Use Guidelines document for use by the Project and submittal to DHS.

Consultant will prepare the initial draft submittals of the above-listed documents, seek Project Team review and input, refine as needed, and deliver submittals to the various regulatory agencies pursuant to the project Schedule. Consultant will work closely with regulatory agency staff to illicit timely reviews, address questions and comments, and negotiate resolution of issues as needed to secure final approvals in an efficient and timely fashion.

Work Product: Final, approved documents one through four above, in both hard copy and electronic format.

Task No. 6: Decision Making Work-Group Session Organization and Participation

Consultant will organize and convene decision-making work sessions with key Redwood City and SBSA staff, and project consultants as requested by the Project Manager. The purpose of the work sessions will be to establish various project standards, rules, and regulations. Outlines created under Task No. 5 will guide discussions.

Work Product: Organized work sessions and written documents for ultimate use in the Engineering Report, Operating Plan, and Customer Use Guidelines

Task No. 7: Environmental Quality Plan monitoring

Redwood City prepared and certified a Mitigated Negative Declaration following the city's and state's guidelines for compliance with the California Environmental

Quality Act (CEQA). Consultant will develop a Project CEQA tracking system, monitor progress, and prepare reports on the implementation of the approved mitigation program.

Task No. 8: Consultation as requested by the Project Manager

SCHEDULE

The Schedule to perform the required services is to commence upon receipt of a written notice to proceed in July 2004 and meet milestones set forth in the project Schedule.

COMPENSATION

Compensation for the required services will be based on actual authorized hours worked and services performed. Consultant shall submit monthly activity reports with invoices, itemizing the time and materials accrued to the Project in accordance with the attached EXHIBIT "B" Schedule of Fees.

Consultant and City staff have estimated the level of effort required for Year One as follows:

- Average monthly budget for first five months: \$15,000
- Average monthly budget for following seven months: \$12,000
- Contingency (regulatory approvals) \$ 5,000

The amount of compensation for Year One shall not exceed \$164,000.00.



1 to 1 marketing solutions

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July 12, 2004

To: Peter Ingram, PWS/Redwood City
From: Mark Millan, Data Instincts

SUBJECT: Keeping the Community Informed - Proposed Public Information and Outreach Services for Redwood City's Recycled Water Project

Our firm has closely followed the proposed expanded use of recycled water in Redwood City and has witnessed first hand the varied community response. I have attended Council meetings where key project milestones have been debated, discussed and addressed. I have listened intently to comments citizens have made to the Council and am aware of the Community Task Force's recommendations and concerns with which they successfully struggled.

Our firm has also been in discussion with you, your staff and Public Communications Manager, Malcolm Smith, in developing initial outreach approaches to meet the community's desire for information and input as the Recycled Water Project has taken shape. In addition, we have met with and have received excellent input from the Utilities Committee, and several Project team members who have contributed to our overall understanding of the issues and challenges that the project may face.

These discussions and invaluable input have provided us with a cumulative framework toward developing the public outreach approach we outline in Exhibit A of our Scope of Services. Being responsive to community concerns, proactive in public outreach and information, and communicating the values and benefits of the project, will be critical to the success of the project.

Value

Communicate Redwood City's long-term vision for the intended use of recycled water in the community.

Redwood City is committed to meeting the water supply needs of the community. We intend to do this in full accord with the Community Task Force recommendations.

Innovative, yet safe, use of recycled water and utilizing best management practices for increased water conservation are important initiatives toward preserving and utilizing all of our precious water resources — now and for the future of Redwood City.

Purpose

Provide communications and outreach support to the City of Redwood City for implementing a Public Information and Outreach effort related to the Recycled Water Project for landscape irrigation and industrial uses. Activities and materials produced will assist the City in

formulating a successful long-term recycled water plan that includes a proactive and responsive outreach effort to stakeholders, residents, site managers, businesses, schools, local commuters and the media. A reliable communications and educational system can be as vital to a project's success as a reliable recycled water system itself. A strong public information program requires that we do the following:

- Ensure the community is well informed throughout implementation of the project;
- Facilitate and encourage team listening and learning of community and customer concerns and needs. Guide project team in learning, integrating and assimilating responsive efforts and actions;
- Explain the upcoming design and construction process of the distribution system. (Sequence of construction, how traffic impacts will be managed, compliance issues for retrofits and DHS safety features);
- Establish the city as a reliable and credible source of project information, and;
- Include input from a variety of community audiences, including members of the Task Force, in developing outreach materials and educational messages.

Approach

The long-term public information program is tied to Phase One of the project, and is designed to meet the needs of the project management team, the desires of the City Council, and the recommendations of the Community Task Force. The scope of services will cover Year One of project activities from July 2004 through June 2005. Data Instincts is committed to utilizing existing Redwood City staff and services wherever possible while implementing the outreach effort.

There are several objectives of this approach:

- To alert the community of our water supply problem and the best, most feasible solution that the Council is implementing;
- To inform, educate and engage community audiences on various aspects of the recycled water project;
- To listen and be responsive to community concerns related to the project implementation;
- To address and alleviate concerns about the safety of the specified use of recycled water;
- To be a credible, reliable source of information for the project, keeping audiences engaged and informed on all aspects of project construction and the status of Task Force recommendations;
- To develop an identity for the overall project, reinforcing the value of recycled water to the community.

It is difficult to assess changing conditions that may occur due to emerging stakeholder groups and evolving stakeholder issues and concerns. Therefore, at your request, we have included an initial needs assessment task to ensure the program will commence based on current project status, public perceptions, and stated needs for information. Additional needs will be scoped in detail as they are identified. These efforts will gain insight into concerns and needs, test approaches, and provide a higher degree of understanding of community sensitivities. Initial audiences identified include key stakeholders and are characterized as Core Community Audiences listed below;

Core Community Audiences:

- Audience 1 – Redwood Shores Businesses
- Audience 2 – Landscapers (Best Management Practice #5)
- Audience 3 – Greater Redwood City
- Audience 4 – New Development
- Audience 5 – Greater Bay Front Area Businesses
- Audience 6 – Seaport Industrial Association
- Audience 7 – Redwood Shores Residents/Public
- Audience 8 – Homeowner Association Boards and their Property Managers

Other Stakeholder Audiences:

- Audience 9 – Project Team Members
- Audience 10 – Policymakers, Regulators and Agencies (local, regional and state)

New stakeholders may emerge as the project is phased in and will need to be engaged and informed.

Key Steps for Successful Public Information and Outreach Services

- 1) **Needs Assessment/Information Gathering:** Gather input from various potentially affected community audiences in the Phase One area, plus existing recycle water customers, to shape best informational approach for these constituents.
- 2) **Communications:** Implement and maintain responsible communications throughout project design and construction phases to inform, educate and engage community audiences. This will involve a variety of informational collateral materials, construction related notifications and e-mail notices.

This step will include the role of a Communications Coordinator from Data Instincts, who will guide internal communications within the project management team and provide continuous communications to the various community audiences, especially potential recycle water users. The Communications Coordinator will help the team to remember and fulfill its commitments and community responsibilities. The coordinator will also:

- Communicate with residents, businesses and landscapers
- Establish communication protocols within the team and various audience groups
- Recommend project design refinements based on input received from the information gathering process

3) **Project Internet Web Pages:** In addition to making information available to those in the community who are not online, for the majority who do have Internet access, we will provide project information via Public Works Service's current Web pages devoted to Water Supply, Conservation and the Recycled Water Project. We will regularly post background information, schedules, maps, key documents and traffic alerts.

In addition, a Project team Intranet Web Portal will be utilized to maximize communication and information between the various project team members involved with the many aspects related to financing, design and construction of the project.

4) **Contact Manager Database and Outreach Lists Management:** A sophisticated project database allows you to record the history of each individual's or group's interaction with a process, and ensures that the right people receive the right information throughout the project. The database will have various segments depicted by interest or impact, such as: traffic related, recycled water users, landscapers, schools, businesses and can be linked to the project GIS mapping system. Sorting by specified categories such as geographic areas

and core audiences is invaluable. The database notes preferences and records agreements so commitments can be retained through the life and phases of the large scale project that will take years to build.

In addition, the database can be networked for use by the full project team. Since the team is comprised of various companies, organizations and consultants outside of the city's employee network, this network becomes a vital communications link for the entire project team.

Together, these steps will ensure that the public and potentially affected stakeholders will be kept well informed and will know they have been heard and responded to throughout the process of designing, constructing and operating the Recycled Water Project.

Phase1 Project Areas

The Redwood City Phase 1 Recycled Water Project covers the geographical area east of Highway 101. The overall Phase 1 Project is divided into a number of discrete projects that will be phased in over time and include treatment, storage, pumping, pipeline and customer site retrofit-related improvements.

The projects include:

- The Treatment, Storage and Pumping Project (by SBSA)
- The Redwood Shores Pipeline Project
- The Sky Way Pipeline Project
- The Bike Path Pipeline Project (completed)
- The Bayfront Pipeline Project
- The Seaport Boulevard Pipeline Project
- The Redwood Shores Customer Site Retrofit Projects
- The Bayfront Customer Site Retrofit Projects
- The Seaport Boulevard Customer Site Retrofit Projects

The City intends to proceed with the Treatment, Storage and Pumping Project (by SBSA), the Redwood Shores Pipeline Project and the Redwood Shores [commercial] Customer Site Retrofit Project in 2004. The other projects will be implemented based on a number of factors such as timing of future developments, Bloomquist Bridge construction, and water supply issues.

EXHIBIT A
SCOPE OF SERVICES
Redwood City Recycled Water Project
Implementation of Public Information and Outreach Services
(Data Instincts)

Purpose

Provide communications and outreach support to the City of Redwood City (City) for implementing a Public Information/Outreach Effort related to the Recycled Water Project for landscape irrigation and industrial uses. Activities and materials produced will assist the City in formulating a successful long-term recycled water plan that includes a proactive and responsive outreach effort to stakeholders, residents, site managers, businesses, schools, local commuters and the media.

Description of Project - Phase One

Phase One of the Redwood City Recycled Water Project covers the geographical area east of Highway 101, and is divided into a number of discrete projects that will be phased over time. The individual projects are:

1. Treatment, Storage and Pumping Project (by SBSA for Redwood City)
2. Redwood Shores Pipeline Project
3. Sky Way Pipeline Project
4. Highway 101 Bike Path Pipeline Project (nearly completed by Caltrans)
5. Bayfront Pipeline Project
6. Seaport Boulevard Pipeline Project
7. Redwood Shores Customer Site Retrofit Projects
8. Bayfront Customer Site Retrofit Projects
9. Seaport Boulevard Customer Site Retrofit Projects

The City intends to proceed with design and construction of the Treatment, Storage and Pumping Project, the Redwood Shores Pipeline Project and the Redwood Shores Customer Site Retrofit Project in 2004-2005. The other projects will be implemented over a period of years based on a number of factors, such as timing of future developments, the completion of the Bloomquist Bridge, and the status of drinking water supply from the Hetch Hetchy regional water system.

Approach

Preliminary outreach work is completed, based on a prior contract authorization by the City Manager in order for systems work, database design and Web content to be developed ahead of anticipated City Council actions on the recycled water project.

The scope of services for Year One of the long-term public information program is tied to Phase One of the project, and is intended to meet the needs of the project management team, the desires of the City Council and fully support the recommendations of the Community Task Force. This scope covers the period of time

from July 2004 through June 2005 and has a not-to-exceed value based on specific tasks, deliverables and estimated effort hours.

This scope of services and corresponding budget is for a minimum level of effort averaging one week a month of the Principal consultant's time. It is anticipated that four months of the 12 will require an average of two weeks per month effort level. Estimated hours/costs are based on service rates noted in the attachment entitled, "Exhibit B". Consolidated hours are shown in the dollar-amount estimates below.

Actual hours billed may also be driven by direction from City staff, City Council and/or requests arising from the community outreach process, including the Community Task Force. It is difficult to assess changing conditions that may occur due to emerging stakeholder groups and evolving stakeholder issues/concerns, therefore, the Staff and Consultant have included an initial needs assessment task that will ensure that the program will commence based on current project status, public perceptions, and stated needs for information. Additional needs will be scoped in detail as they are identified. Regardless, the city will be billed only for hours actually required and authorized to ensure successful outcomes. Planning and budgeting resources in this manner allows the Consultant and the project team to retain some flexibility in successfully meeting project outreach objectives.

Scope of Services Tasks

1.0 Needs Assessment/Information Gathering

Gather input from various potentially affected community audiences to shape best informational approach to meet the needs of these constituents. Utilize community interviews, small information gathering sessions, one-on-one discussions and in some instances, small surveys. These efforts will gain insight into concerns and needs, test approaches, and provide a higher degree of understanding of sensitivities. Initial audiences identified include key stakeholders such as existing recycle water users, Redwood Shores Home Owner Associations, potential retrofit customers, general public, schools, business owners and commuters.

- Generate draft discussion points
- City project team review discussion points and determine special interest groups/participants
- Coordinate, conduct and facilitate information gathering sessions
- Provide to City summary of sessions, analysis and recommendations

City Staff Support

- Review by staff & Project Management Team
- Clerical support
- Use of city facilities
- Use of city printing and mailing services

2.0 Communications

Key objective is to implement and maintain responsible communications throughout the project design and construction phases. Assist in developing and preparing communications materials as needed, in coordination with City staff, as defined in Tools/Mechanisms of Outreach Plan. Potentially includes a variety of collateral materials such as: in-depth Backgrounder/Fact Sheet Tabloid, project updates, educational materials, traffic alerts, letters, and e-mail broadcasts**. Provide assistance with writing, editing, layout and design. Prepare and specify for City's printer and mail house*. Plan distribution and quantities as needed.

This task includes the role of a Communications Coordinator who will guide internal communications within the project management team and provide continuous communications to the various community audiences. The Communications Coordinator will help the team to remember and fulfill its commitments and community responsibilities. In essence, listening to community input, and guiding the team in learning and assimilating responsive actions. This includes meetings and conferences with City staff, public officials, Project Management Team members, media representatives, prospective recycle water customers, and potentially impacted individuals, businesses and special interest groups. The Communications Coordinator will also assist and advise Project Management Team leaders on best approaches for communications with policymakers, community, media and will be available for consultations as needed.

- Provide marketing support to recycled water Customer Focus team
- Attend and offer guidance in meeting with and marketing directly to potential recycle water customer
- Provide guidance and assistance with writing, editing, layout and design of outreach materials related to the project outreach effort
- Coordinate all printing and mailing services to be performed by City's printer and mail house vendors
- Manage e-mail broadcast group lists and distribution of messages as needed
- Provide guidance and support to project team for communications with public, stakeholders and retrofit customers
- Facilitate and encourage team listening and learning of community and customer concerns/needs and translate/integrate back to the project team efforts
- Help the Project team remember promises made in the community through the many phases of project construction
- Review project-related studies, documents and messages prior to release and coordinate project design and construction notifications
- Provide community outreach schedule to project schedule integrator
- Assist program management consultant with meeting informational needs of the Department of Health Services, Regional Water Quality Board and the County Environmental Health via project intranet portal

City Staff Support

- Review by Staff & Project Management Team
- Coordination w/Conservation group on all outreach materials

- Clerical support
- Use of city facilities
- Use of city printing and mailing services
- Maps would be provided by RC's GIS team

3.0 Web Sites

Project Internet Web pages: Provide support and advice on Web content and structure in regard to water supply, recycled water, water conservation and specific information related to the recycled water project. Maintain Web content for active community use. Community users will be able to get up-to-date information on the progress and phases of the project. Ensure Web content is timely in addressing developments related to design and construction process in Phase 1 areas.

- In coordination with City IT staff, maintain layout and navigation for project specific Web pages and related conservation and recycled water content
- City will be responsible for hosting Web server, content will be maintained by Consultant and City staff
- Post all relevant notices, documents, schedules and maps in a timely and responsive manner that meets community expectations for information about the project

Project Team Web Portal: Maintain Project intranet Portal to maximize communication and information between the various project team members.

- Maintain and manage Project team intranet Portal
- Train appropriate city staff and team members who will contribute vital content and data to the Project team Portal
- City will be responsible for hosting SQL server, content will be maintained by Consultant, Project team members and PWS staff

City Staff Support

- Review and content contributions from PWS Staff & Project Management Team
- PWS clerical support
- IT Support for Portal and GIS Maps
- IT Support for Project Database to Web Viewing capability

4.0 Contact Manager Database and Outreach Lists Management

Create segmented classifications per stakeholder audience definitions for contact manager, mail lists and e-mail broadcast. Maintain and manage all customer contact records, mail lists and e-mail lists on an on-going basis. Oversee initial data uploads from GIS sources and insure quality updates. Manage overall data security, integrity and data hygiene. Train project team members in the use and access of outreach data and customer data records. Guide customization of required software modifications to meet project requirements.

- Train city staff and project team members on how to access and contribute data via Team Web Portal and network
- Expand database to include relevant parcel and stakeholder entries of potentially

affected project areas

- Maintain database, coordinate updates, and make modifications to system as needed
- Link database information to GIS mapping in coordination with Kennedy/Jenks Consultants and Redwood City GIS staff
- Hosting of project database on a dedicated Kennedy-Jenks server. Fee includes monthly maintenance, security and server updates

City Staff Support

- Review by PWS Staff & Project Management Team
- PWS Clerical and Data Entry Support
- IT/GIS Support for Project Database to GIS Mapping

5.0 Project Management, Meetings and Presentations

Activities include management of the Data instincts consultant team dedicated to the Redwood City Recycled Water Program and attendance to management meetings, and presentations related to public information, public outreach and media relations.

- Manage Data Instincts staff and sub-consultant staff
- Provide 12 monthly progress reports and detailed billing statements
- Attend meetings & phone conferences with staff and project team consultants
- Will attend 26 project management meetings (12 on site and 14 by phone conference. Assumes each meeting averages 2 hours and one way travel)
- Includes two presentations to City Council to update on project public outreach (Assumes half day prior preparation and half day of meeting preparation)

City Staff Support

- Review by PWS Staff & Project team Mgmt
- Clerical support
- Use of city facilities
- Use of city printing and mailing services

Budget Summary:

1.0 Needs Assessment/Information Gathering	\$26,625
2.0 Communications	\$61,800
3.0 Web Sites – Community & Team Portal	\$55,250
4.0 Contact Mgr Database/Outreach Lists Mgmt	\$22,175
5.0 Project Mgmt, Meetings and Presentations	\$23,700
NOT TO EXCEED BUDGET – YEAR ONE:	\$189,550

Resource Summary:

Resource	Firm	Rate	Hours	Total
Principal Consultant, Communications Coordinator & Project Coordination	DI	\$135	640	\$86,400
Interviewers	DI	\$95	70	\$6,650
Research Analysis	DI	\$95	30	\$2,850
Graphics - Web/PPT	DI	\$95	110	\$10,450
Copy writing	DI	\$95	65	\$6,175
Copy writing	DI	\$75	150	\$11,250
Db Mgmt /Web Traffic Mgmt	DI	\$75	99	\$7,425
Print/Media Coordination	DI	\$75	65	\$4,875
Graphics - Print	DI	\$75	105	\$7,875
Data Entry	DI	\$35	100	\$3,500
Clerical Support	DI	\$35	310	\$10,850
IT Support	IM	\$150	45	\$6,750
Database Hosting Fees***	KJ	\$200	12	\$2,400
IT Support	KJ	\$150	49	\$7,350
IT Support	KJ	\$125	118	\$14,750
	Total		1,968	\$189,550

KJ = Kennedy/Jenks

IM = Innovative Marketing

See Exhibit "B" for hourly rates for services.

Additional Services

* All printed matter and associated mailing costs are not included in this estimate. It is assumed the City would use its existing printer and mail house vendor and that these services would be paid directly by the City.

** Multi- or bi-lingual translations, as needed, for handouts/brochures and other information sources will be extra. Consultant will utilize City staff whenever possible for these purposes.

*** Kennedy/Jenks will provide hosting services for networked project database for a monthly fee of \$200. Includes server maintenance, security, back ups and unrestricted access for Project team members.



ONCOR INTERNATIONAL

S U B L E A S E

Sublessor: PVG Management, Inc., a California corporation

Subject Property: 303 Twin Dolphin Drive, Suite 400, Redwood Shores, California 94086

Sublessee: City of Redwood City, a Charter City and Municipal corporation of the State of California

Date: July 27, 2004

1. Parties:

This Sublease is entered into this 27th of July, 2004 by and between PVG Management, Inc., a California corporation, Sublessor, and City of Redwood City, a Charter City and Municipal corporation of the State of California, Sublessee, as a Sublease under the Master Lease dated June 29, 2000 entered into by Provident Central Credit Union, as Lessor, and Sublessor under this Sublease as Lessee; a copy of the Master Lease is attached hereto as Exhibit "A".

2. Provisions Constituting Sublease:

2.1 This Sublease is subject to all of the terms and conditions of the Master Lease in Exhibit "A" and Sublessee shall assume and perform the obligations of the Lessee in said Master Lease, to the extent said terms and conditions are applicable to the Premises subleased pursuant to this Sublease. Sublessee shall not commit or permit to be committed on the Premises any act or omission which shall violate any term or condition of the Master Lease. In the event of termination of Sublessor's interest as Lessee under the Master Lease for any reason, then this Sublease shall terminate coincidentally therewith without any liability of Sublessor to Sublessee.

2.2 All of the terms and conditions contained in the Master Lease are incorporated herein except for paragraphs 1.2, 1.2.2, 2.2, and 2.5.

3. Premises:

Sublessor leases to Sublessee and Sublessee hires from Sublessor the following described Premises, together with appurtenances, situated in the City of Redwood City, County of San Mateo, State of California, commonly known and described as Suite 400 and consisting of approximately 1,018 rentable square feet of office space located on the 4th floor at 303 Twin Dolphin Drive, Redwood Shores, California. Sublessee shall accept the premise in an "AS-IS" condition.

4. Rental:

Sublessee shall pay to Sublessor as rent for the Premises in advance on the first day of each calendar month of the term of this Sublease without deduction, offset, prior notice or demand, in lawful money of



S U B L E A S E

the United States the sum of \$1,934.20 If the commencement date is not the first of the month, or if the Sublease termination date is not the last day of the month, a prorated monthly installment shall be paid at the then current rate for the fractional month during which the Sublease commences and/or terminates. Receipt of \$1,934.20 is hereby acknowledged as rental for the first month, and the additional amount of \$1,934.20 as non-interest bearing security for performance under this Sublease. In the event Sublessee has performed all of the terms and conditions of this Sublease throughout the term, upon Sublessee vacating the Premises, the amount paid as a security deposit shall be returned to Sublessee after first deducting any sums owing to Sublessor.

5. Term:

5.1 The term of this Sublease shall be for a period of 13 months commencing on August 1, 2004 and ending on August 31, 2005.

5.2 In the event Sublessor is unable to deliver possession of the Premises at the commencement of the term, Sublessor shall not be liable for any damage caused thereby, nor shall this Sublease be void or voidable but Sublessee shall not be liable for rent until such time as Sublessor offers to deliver possession of the Premises to Sublessee, but the term hereof shall not be extended by such delay. If Sublessee, with Sublessor's consent, takes possession prior to commencement of the term, Sublessee shall do so subject to all the covenants and conditions hereof and shall pay rent for the period ending with the commencement of the term at the same rental as that prescribed for the first month of the term prorated at the rate of 1/30th thereof per day. In the event Sublessor has been unable to deliver possession within thirty days from the commencement date, Sublessee, at Sublessee's option, may terminate this Sublease.

6. Use:

Sublessee shall use the Premises for general office use and for no other purpose without the written consent of Sublessor.

7. Furniture and Fixtures:

During the Sublease term Sublessor shall also lease to Sublessee the furniture described in Schedule 1 attached hereto (collectively, the "Furniture") at no additional expense to Sublessee. Sublessee acknowledges and agrees that the Furniture shall be leased to Sublessee on an as-is basis, without any representation or warranty whatsoever. Sublessee shall not have, or at any time acquire, any right, title or interest in the Furniture, except the right to possession and use of the Furniture during the Sublease term. Sublessee shall maintain the Furniture in good working order and condition during the Sublease Term, at Sublessee's sole expense, ordinary wear and term excepted. Sublessee shall not modify or alter the Furniture, or remove the Furniture without the prior written consent of Sublessor and, upon the



S U B L E A S E

expiration or earlier termination of this Sublease, deliver the Furniture to Sublessor in the same condition in which it was received from Sublessor on the Commencement Date, reasonable wear and tear excepted.

8. Compliance With Americans With Disabilities Act:

Sublessee shall be responsible for the installation and cost of any and all improvements, alterations or other work required on or to the Premises or to any other portion of the property and/or building of which the Premises are a part, required or reasonably necessary because of (1) the use to which the Premises or any portion thereof is put; (2) the use by a subtenant by reason of assignment or sublease; or (3) both, including any improvements, alterations or other work required under the Americans With Disabilities Act of 1990. Compliance with the provisions of this paragraph shall be a condition of Sublessor granting its consent to any assignment or sublease of all or a portion of the Premises described in this Sublease.

9. Notices:

All notices or demands of any kind required or desired to be given by Sublessor or Sublessee hereunder shall be in writing and shall be deposited in the United States mail, certified or registered, postage prepaid, addressed to the Sublessor or Sublessee, respectively, at the address set forth after their signatures at the end of this Sublease. All rent and other payments due under this Sublease or the Master Lease shall be made to Sublessor at the Sublessor's address set forth below.

10. Broker Fee:

Upon execution of this Sublease, Sublessor shall pay Cornish & Carey Commercial, a licensed real estate broker, fees set forth in a separate agreement between Sublessor and Broker.

Sublessor: PVG MANAGEMENT, INC., A CALIFORNIA CORPORATION

By: _____ Date: _____
William West, Chief Financial Officer

Address: 114 Pacifica, Suite 270, Irvine, California 92618

Sublessee: CITY OF REDWOOD CITY, A CHARTER CITY AND MUNICIPAL CORPORATION OF THE STATE OF CALIFORNIA

By: _____ Date: _____
Ed Everett, City Manager

Address: _____