

CITY COUNCIL

AGENDA ITEM COVER SHEET

ITEM NO: A-6

DATE: January 11, 2007

SUBJECT: MWW Group Contract to Assist the City in securing State funding for WWTP Upgrade

CONTACT PERSON: Deborah Knight, City Administrator

SUMMARY:

The issue before the City Council is approval of a professional services contract, not to exceed \$9,000, with MWW Group. The purpose of the contract is to provide assistance representing the City's need for capital budget funding during the 2007 state legislative session for the Waste Water Treatment Plant (WWTP) upgrade. Funding for the contract is available from the Sewer System Improvement Fund.

MWW Group

Staff recommends contracting with MWW Group. MWW Group has extensive government relations and public affairs experience at the federal and state level. The Northwest Office is currently representing a number of local governments including the City of Snohomish in their effort to secure funding from the state legislature to upgrade the Snohomish Wasterwater Treatment Plant. Since Snohomish and Sultan needs are similar, contracting with MWW Group provides an opportunity to package the capital requests together and leverage the work for both cities. The City of Snohomish interviewed several lobbying firms and MWW best met the criteria for experience, knowledge of state government, and understanding the City's needs. Sultan staff did not conduct such an extensive interview process given the short time frame for taking action before the start of the legislative session on January 8, 2007.

Attachment A is a draft scope of work with MWW Group to provide assistance to the City of Sultan in working with the state legislature to build support for capital budget funding in the 2007 state legislative session. Ryan Pennington would be the City's representative from MWW Group. Prior to joining MWW Group, Mr. Pennington served as the Director of External Affairs for Governor-Elect Christine Gregoire's Transition Office. In 2004, he was the Washington State Director for the Democratic National Committee. Prior to that he served as the legislative aide to Congressman Rick Larsen (D-Everett). Mr. Pennington has worked closely with Hans Dunshee, Chair of

the House Capital Budget Committee, Representative Kirk Pearson and a number of other influential incumbents in the Washington State House of Representatives.

The proposal is a six-month contract beginning immediately (the legislative session opened on January 8) and continuing through June 2007. Mr. Pennington will work closely with the City to prepare a formal appropriations request and supporting materials and secure legislative sponsors and support for the City's request.

During the session, Mr. Pennington will work with the City to engage and leverage his network of contacts and the work of other stakeholders to support the City's request. Following the legislative session, Mr. Pennington will work with the City to ensure that the City's request is enacted as desired by helping to prevent a line item veto by Governor Gregoire. At the conclusion of the contract, he will submit a comprehensive summary report of his activities and work with the City to conduct a thorough assessment of the firm's performance.

The proposed budget includes three phases as outlined in Attachment A. A monthly retainer of \$1,500 would be in effect and prorated for the duration of any Special Legislative Session(s). The budget reflects reduced hourly and monthly rates for MWW Group to assist the City in achieving its objectives within the available budget.

ANALYSIS:

Funding for the WWTP

The Waste Water Treatment Plant is the limiting factor for the future economic growth of the City of Sultan. Flows and loads are approaching the capacity of the existing system. The General Sewer Plan (May 2006) estimates the treatment facility will reach the 85% capacity about 2009 and 100% capacity about 2012.

Design, permitting and construction will take at least three years to complete. The design phase is currently underway with a total cost of \$1.8 million. To date, the City has \$1 million in secured Public Works Trust Fund (PWTF) loan money and is anticipating an additional \$800,000 in connection fees to complete the design.

The construction phase of the WWTP upgrade is estimated to cost approximately \$15 million. In order to raise the necessary funds for the upgrade, the City will need to obtain a variety of funding sources including grants, state capital funding, and service fees. The proposed strategy is to seek state funding for up to 25% of the cost (approximately \$3.7 million), grant funding and low-interest PWTF loans would fund the remaining 75%. The loans would be repaid through service fees over the 20-year repayment of the loans.

State Budget Cycle and Priorities

The state legislature is on a two-year budget cycle. This year, the legislature will consider operating and capital funding appropriations for July 2007-July 2009. In order to have funding for the WWTP in place by 2009, the City must work to secure state funding in this legislative

session. The state legislature will only consider budget amendments in 2008 and the next funding cycle would not begin until July 2009.

In addition to coordinating the City's efforts to secure state funding during the regular budget cycle, it is beneficial to tie the City's capital request with the governor's funding priorities. This year Governor Gregoire's funding priorities for 2007-2009 include improving wastewater treatment to protect Puget Sound. The governor is proposing \$56.3 million in the biennial budget to clean up septic pollution (Attachment B).

FISCAL IMPACT:

The immediate fiscal impact is \$9,000 for a professional services contract with MWW Group. Several Council members may need to attend the Association of Washington Cities (AWC) Legislative Forum in Olympia on February 14 and February 15 to meet one-on-one with the City's legislative representatives. The Legislative Conference is \$100/per person for the conference, and hotel accommodations are \$100/night per person. There are funds available in the Council's travel and seminar budget. The benefit of expending these funds is well worth the anticipated outcome of receiving a state allocation of funding for the WWTP.

ALTERNATIVES:

1. Discuss the staff recommendation, determine the need to pursue state funding for the WWTP in 2007, and authorize the Mayor to sign a professional service contract with MWW Group not to exceed \$9,000.
2. Discuss the staff recommendation. Determine that there is no need to pursue state funding for the WWTP in 2007, and do not authorize the Mayor to sign a professional services agreement with MWW Group not to exceed \$9,000.
3. Discuss the staff recommendation and identify any areas of concern. Direct staff as necessary to meet the Council's desired outcome(s).

RECOMMENDED ACTION:

Authorize the Mayor to sign a professional service contract with MWW Group not to exceed \$9,000.00.

RECOMMENDED MOTION:

I MOVE TO AUTHORIZE THE MAYOR TO SIGN A PROFESSIONAL SERVICE CONTRACT WITH WMM GROUP NOT TO EXCEED \$9,000.00

ATTACHMENTS

Attachment A – MWW Group Scope of Work
Attachment B – Governor's 2007 Budget Priorities

COUNCIL ACTION:

DATE: