TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER        DEPARTMENT: UTILITIES

DATE: DECEMBER 5, 2005     CMR:445:05

SUBJECT: APPOINTMENT OF A REPRESENTATIVE FOR COMMUNICATIONS ON THE NEGOTIATIONS OF A NEW WATER SERVICES CONTRACT WITH SAN FRANCISCO

This report is for the Council’s information only. No action is required.

DISCUSSION
In 1984, Palo Alto and the other agencies and water districts who purchase water from the City and County of San Francisco (San Francisco) entered into a Settlement Agreement and Master Water Sales Contract (Master Contract) with San Francisco. The agencies and water districts that purchase water from San Francisco and are signatory to this Master Contract are the same as the agencies represented on the board of directors of the Bay Area Water Supply and Conservation Agency (BAWSCA). The Master Contract expires on June 30, 2009.

BAWSCA’s predecessor organization, the Bay Area Water Users Association (BAWUA) coordinated and conducted the negotiations of the existing Master Contract. BAWSCA is preparing to take the lead in beginning the negotiations for a new water services contract with San Francisco. Over the last year, Art Jensen, BAWSCA’s General Manager has met with the BAWSCA director and managers of each of the twenty-eight BAWSCA agencies to discuss the proposed approach to negotiating a new contract. The proposed approach is for BAWSCA to conduct the negotiations with input from and on behalf of the BAWSCA agencies. Since the contract will be between San Francisco and each agency, the agencies’ governing boards retain the decision to execute the contract.

In order to efficiently and effectively conduct the negotiations, BAWSCA needs and desires to have effective communication with the management of each agency. To that end, BAWSCA requested that the City Manager’s office appoint a representative for ongoing communications on the contract negotiations (see Attachment 1). The City Manager’s office has appointed Jane Ratchye to perform that role (see Attachment 2). Ms. Ratchye, a Senior Resource Planner in the Utilities Department, has been the information conduit between BAWSCA and the City since the
BAWSCA’s formation in 2002 and, prior to that, as a director of BAWSCA’s predecessor agency, the BAWUA.

NEXT STEPS
As the City’s appointee, Jane Ratchye will communicate to City management on the conduct and progress of the negotiations on a new water contract. Periodic communications to Council will also be scheduled. In Spring 2006, staff expects to return to Council with a request to formally delegate authority to BAWSCA to conduct the negotiations on behalf of the City and establish the parameters within which that authority is granted. In addition, staff will brief new Council members.

POLICY IMPLICATIONS
This recommendation is consistent with existing City policies.

ENVIRONMENTAL REVIEW
This recommendation does not constitute a project under the California Environmental Quality Act, therefore, no environmental assessment is required.

ATTACHMENTS
A: Letter dated November 7, 2005 to Emily Harrison from Arthur R. Jensen, General Manager of BAWSCA re: Appointment of a representative for ongoing communications on the negotiations of a new Master Contract with San Francisco
B: Letter dated November 16, 2005 to Arthur R. Jensen, General Manager of BAWSCA from Emily Harrison

PREPARED BY: Jane Ratchye, Senior Resource Planner

DEPARTMENT HEAD: CARL YEATS
Interim Director of Utilities

CITY MANAGER APPROVAL: EMILY HARRISON
Assistant City Manager